

**EDEN CITY COUNCIL
REGULAR MEETING AGENDA
(amended)
HELD ELECTRONICALLY
Tuesday, April 21, 2020
6:00 p.m.**

(View live at <https://www.youtube.com/user/EdenNCIT>
and also accessible live via Zoom online at
<https://zoom.us/j/98491349561?pwd=c280TjUzdURQWW5tRzU1cEhxN2NyZz09>, Password: coe-meet4
or by phone at 888-475-4499 (toll free), Webinar ID: 984 9134 9561, Password: 050900)

1. Meeting called to order by: Neville Hall, Mayor
2. Invocation: Pastor Luke Money, Pleasant View Baptist Church
3. Pledge of Allegiance: Led by Interim City Manager Terry Shelton
4. Proclamations & Recognitions:
 - a. Proclamation: Police Week
5. Roll Call
6. First Order of Business:
 - a. Consideration of a policy implementing procedures for remote, electronic public meetings during the COVID-19 pandemic. **Erin Gilley, City Attorney**
7. Set Meeting Agenda
8. Requests and Petitions of Citizens
9. Unfinished Business:
10. New Business:
 - a. Consideration of a presentation by Mary Nash Rusher, of McGuireWoods Law Firm, to discuss multi-family revenue bonds to support the Nantucket Mill project and consideration to adopt a resolution giving preliminary approval to issuance of such bonds. **Mike Dougherty, Director of Economic Development, and Kelly Stultz, Director of Planning and Inspections**
11. Public Hearings:
 - a. Consideration to approve an Emergency Services Fire Training Facility Project financing agreement with United Financial and consideration to adopt a findings resolution for the Local Government Commission.
Tammie McMichael, Director of Finance and Personnel
12. Reports from Staff:
 - a. City Manager's Report. **Terry Shelton, Interim City Manager**
13. Consent Agenda:
 - a. Approval and adoption of (1) February 22, 2020 and (2) March 17, 2020 Minutes.
Deanna Hunt, City Clerk

- b. Approval to award the 2020-21 Street Resurfacing Contract to Waugh Asphalt.
Tammy Amos, Director of Transportation Engineering
 - c. Approval of Budget Amendment #9. **Tammie McMichael, Director of Finance & Personnel**
 - d. Approval of Budget Amendment #10. **Tammie McMichael, Director of Finance & Personnel**
 - e. Approval of Budget Amendment #11. **Tammie McMichael, Director of Finance & Personnel**
 - f. Approval of financing for the purchase of a C&D service truck included in the FY 2019-20 Budget. **Tammie McMichael, Director of Finance & Personnel**
14. Announcements
15. Adjourn



PROCLAMATION: POLICE WEEK

WHEREAS, in 1962, President John F. Kennedy signed the first Proclamation recognizing May 15th as Peace Officers Memorial Day and the week in which it falls as National Police Week; and

WHEREAS, the City of Eden recognizes the incalculable value of our own Police Department; and

WHEREAS, members of the Eden Police Department work tirelessly to protect and serve citizens across our City, enforce our laws, and keep our neighborhoods, schools, and families safe; and

WHEREAS, our officers risk their lives each and every day in order to ensure our safety; and

WHEREAS, Eden citizens value the courage and devotion of the Eden Police Department, as our collective prosperity depends on the integrity with which our officers maintain peace and security; and

WHEREAS, Police Week is an opportunity to honor our officers and their families as they continue to protect and serve.

NOW, THEREFORE, I, Mayor Neville Hall, and the Eden City Council do formally recognize our Police Officers and Support Staff for their faithful and loyal devotion to their responsibilities and their dedication to our City, and do hereby proclaim May 10-16, 2020 as

Police Week

in the City of Eden and call these observances to the attention of all our citizens.

This the 21st day of April, 2020.

Neville Hall, Mayor

Attest:

Deanna Hunt, City Clerk



PROCEDURES FOR REMOTE, ELECTRONIC PUBLIC MEETINGS DURING COVID-19 PANDEMIC

- I. Purpose: The purpose of this document is to authorize a temporary policy change to the procedures for public meetings at Eden City Council meetings during the course of the COVID-19 pandemic. This policy will authorize the City Council to hold regular, special or emergency meetings as remote, electronic meetings provided that the meetings provide for public comment in a fair, consistent and informative manner in accordance with the requirements of North Carolina General Statute 160A-81.1 while protecting the health and safety of Eden citizens and public officials during the COVID-19 pandemic. Nothing herein shall limit the authority of the Eden City Council from modifying these procedures during this State of Emergency in order to adapt to evolving guidelines from state and federal agencies as well as to adapt to evolving needs of City citizens.

- II. Background: A State of Emergency has been declared that is applicable within the City limits. In compliance with Governor Cooper's Executive Order No. 121, which mandates social distancing measures to prevent the transmission of the COVID-19 virus, the Eden City Council recognizes the need to modify procedures for public meetings and public comment during open Council meetings. The modification of public meetings procedures including public comment procedures during this time will allow the Council to hear issues of public concern while protecting public health and safety.

- III. Procedures: The following procedures shall be followed for the electronic meetings platform as well as the public comment periods:
 - a. Electronic Meetings. The City Council may hold a regular, special or emergency meeting as a remote, electronic meeting using technology such as Zoom, WebEx, or another virtual or teleconferencing platform provided that one or both of the following conditions are met:
 1. Meeting in person would pose a threat to health and safety of the Council, City staff and the general public who might otherwise attend the meeting in person; or
 2. Restrictions or prohibitions implemented in conjunction with the declaration of the State of Emergency make it impractical or not feasible to hold an in-person meeting of the Board.

Any electronic meeting held under this rule must provide, at a minimum, "conditions of opportunity for simultaneous aural communication among all participating Board members equivalent to those of meetings held in one room or area. Under such conditions, an electronic meeting shall be treated as though it were a meeting at which

all the Board members who are participating are actually present.”^[1] Electronic participation by a member shall be deemed to be physical presence at the meeting for all purposes under these rules.

The City Clerk in conjunction with the Director of Information Technology shall act as the electronic hosts of the meeting, and shall be responsible for monitoring which members are connected (present) during the meeting. Provided that a quorum is participating and connected to the meeting when the meeting is called to order, if one or more participating members is unintentionally disconnected and reconnection cannot be established within a reasonable time, this shall not defeat the presence of a quorum. For so long as the member is disconnected, the member shall not be counted as “present” for the purposes of counting votes. Notwithstanding the foregoing, any member participating may make a motion to adjourn the electronic meeting if one or more members become unintentionally disconnected from the electronic meeting and reconnection cannot be re-established within a reasonable time.

When stating a motion or second, a Board member shall identify themselves for the record before stating such motion or second. Vote shall be by roll-call vote in alphabetical order by last names.

- b. Public Comment Periods. The following procedures shall be followed for all public comment periods including but not limited to public hearings and requests and petitions of citizens.
 1. Virtual Public Comment Periods that approximate traditional public comment periods will be offered via Zoom, WebEx, or another virtual or teleconferencing platform. An online platform as well as an audio teleconferencing option will be provided.
 2. In addition to these modifications, all rules and procedures directed in the City of Eden Administrative Policies and Procedures-36 (APP-36) Public Comments During Requests & Petitions of Citizens Period & Public Hearings adopted by the Eden City Council on June 19, 2018 shall remain in effect.

- c. Notice Provisions. In addition to complying with the normal meeting notice requirements of the North Carolina Open Meetings Law, the City shall give as much advanced notice to the Council members, the media and the public of the fact that a regular, special or emergency meeting will be an electronic meeting as is reasonable under the circumstances. Any electronic meeting must allow access to the meeting by all members of the Council, the media and the public, subject to reasonable limitations in the technology used to hold the electronic meeting as to the number of people that can access the electronic meeting. The notice stating the electronic aspect of a meeting shall include the means by which the public can access the electronic meeting, including instructions on how to participate in any public comment period, and shall state a location for the public to view or hear the meeting.

^[1] RONR (11th ed.), p. 97, ll. 24-30.

Any additional requirements imposed by laws adopted by the North Carolina General Assembly after April 21, 2020 regarding electronic meetings shall be deemed to be written herein.

Adopted this 21th day of April, 2020.

Neville Hall, Mayor

ATTEST:

Deanna Hunt, City Clerk



Economic Development Department Planning and Inspections Department

April 3, 2020

To: The Honorable Mayor and Eden City Council

Thru: Terry Shelton, Interim Eden City Manager

From: Mike Dougherty, Director of Economic Development
Kelly Stultz, Director of Planning and Inspections

Re: Nantucket Mill Project

1. Time is requested to allow Mary Nash Rusher, the managing partner of the McGuireWoods law firm to discuss multi-family revenue bonds to support the Nantucket Mill project. Ms. Rusher works closely with local governments, nonprofits and others to finance capital improvements using tax advantage financing, primarily tax exempt bonds. She will present the bond project to the City Council via a virtual meeting application since public meetings are not possible under the COVID-19 restrictions. This should be scheduled under New Business.
2. The attached resolution giving preliminary approval to issuance of multi-family housing revenue bonds is requested to be considered in conjunction with the presentation by Mary Nash Rusher on the Nantucket Mill Apartment project.

Please let me know if you have questions concerning this request. Thank you.



RESOLUTION GIVING PRELIMINARY APPROVAL TO
ISSUANCE OF MULTI-FAMILY HOUSING REVENUE BONDS

WHEREAS, the City Council (the “Council”) of the City of Eden (the “City”) met in the Council Chambers in Eden, North Carolina at 6:00 p.m. on the 21st day of April, 2020; and

WHEREAS, pursuant to N.C.G.S. § 160A-456, the City is granted the power to exercise directly the powers of a housing authority organized pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”); and

WHEREAS, the Act in N.C.G.S. §§ 157-9 and 157-37 gives the City acting as a housing authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, Nantucket Mill LLC or another entity affiliated with, or related to, Nantucket Mill LLC (the “Company”), intends to provide affordable housing in the City; and

WHEREAS, the Company has requested that the City assist it in financing the acquisition of the Nantucket Mill and the renovating and equipping therein of a multifamily residential rental development, consisting of 115 units to be known as Nantucket Mill Apartments located in Eden, North Carolina (the “Development”); and

WHEREAS, the Company has described to the City the benefits of the Development to the City and the State of North Carolina and has requested the City to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, renovating and equipping the Development; and

WHEREAS, the City is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDEN:

1. It is hereby found and determined that the Development will involve the acquisition, construction, renovation and equipping of multifamily housing facilities, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the City agrees to assist the Company in every reasonable way to issue bonds to finance the construction and equipping of the Development, and, in particular, to undertake the issuance of the City’s multifamily housing revenue bonds (the “Bonds”) in an amount now estimated not to

exceed Twenty Three Million Dollars (\$23,000,000.00) to provide all or part of the cost of the Development.

2. The City intends that the adoption of this resolution be considered as “official action” toward the issuance of the Bonds within the meaning of the regulations issued by the Internal Revenue Service pursuant to Section 1.150-2 of the Treasury Regulations issued under the Internal Revenue Code of 1986, as amended (the “Code”).

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon between the City and the Company. The City and the Company shall enter into a “financing agreement” pursuant to the Act for a term and upon payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the City in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the City and a trustee (the “Trustee”) or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the City’s rights to payments under the financing agreement, except the City’s right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

4. The City hereby authorizes the Company to proceed, upon the prior advice, consent and approval of bond counsel and the City’s counsel, to obtain approvals in connection with the issuance and sale of the Bonds and to obtain an allocation of a sufficient amount of the State of North Carolina’s “private activity bond limit”, as required by Section 146 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the City that it is desirable to proceed with the acquisition, renovation and equipping of the Development, the City agrees that the Company may proceed with plans for such acquisition, renovation and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the City without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the City’s adoption of this resolution. The City agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred as permitted by Treasury Regulations Section 1.150-2.

6. All obligations hereunder of the City are subject to the further agreement of the City and the Company to terms for the issuance, sale and delivery of the Bonds and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds, and the approval of the Bonds by the North Carolina Local Government Commission, if applicable. The City has not authorized and does not authorize the expenditure of any funds or monies of the City from any source other than the

proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, renovation and equipping of the Development, including the reasonable fees and expenses of the City's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the City shall have no responsibility therefor. It is understood and agreed by the City and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the City.

7. The officers of the City are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

8. The City hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

9. This resolution shall take effect immediately.

APPROVED, ADOPTED AND EFFECTIVE this ____ day of April, 2020.
CITY OF EDEN

By: _____
Neville Hall, Mayor

ATTEST:

Deanna Hunt, City Clerk



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Tammie B. McMichael, Director of Finance and Personnel

Date: April 21, 2020

Subject: General Fund Project: The Emergency Services Fire Training Facility Financing

The City needs to proceed with private placement financing for the Emergency Services Fire Training Facility Project.

On March 18, 2020, we sent out a Request for Proposals to several banks. We received proposals from United Financial a Division of Home Trust Bank, and BB&T Governmental Finance. United Financial offered the lowest rate.

The Municipal Lease and Option financing is preferable due to the reasonable upfront cost, and the shorter time frame to complete. United Financial has met all contract specifications. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 5 years at an interest rate not to exceed 1.69%, yielding annual payment of \$98,075.94. It is anticipated that the payments will be paid through general fund revenues.

The Local Government Commission requires the Governing Body to approve and adopt a Findings Resolution relating to the proposed contract. The resolution authorizes the Finance Officer to act on behalf of the City of Eden in filing an application with the North Carolina Local Government Commission for approval of the project and the proposed financing contract and other actions not inconsistent with this resolution.

Given all the different criteria, it is staff's recommendation that Council approve and adopt the United Financial Finance Agreement, and the Local Government Commission's Findings Resolution.

If you have any further questions, please do not hesitate to ask.

GF Capital Project Emergency Services Fire Training Facility									
Installment Purchasing Financing Proposals									
Bank	Rec'd	Term of Fin.	Interest Rate	Terms of Repayment Annual Payments	Total Principal & Interest	Terms Optional Prepayment	Escrow Account	Escrow Fees	Orig. Fees & Closing Fees
Loan Amount									
\$466,400.00									
United Financial (Home Trust)	3/27/2020	5	1.69%	\$98,075.94	\$490,379.70	2% of the Outstanding Balance	Yes	No	\$0.00
Branch Banking & Trust Company	3/27/2020	5	2.65%	\$105,745.33	\$503,584.53	No Prepayment Penalty	Yes	No	\$5,900.00
				\$103,167.68					
				\$100,695.76					
				\$98,223.84					
				\$95,751.92					
**Note: Proposals are available for review by request.									
We sent our Request for Proposal to eight banks, and only received 2 proposals.									

RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the City of Eden desires to enter into a five year Municipal Lease and Option financing agreement in the principal amount not to exceed \$466,400 for the purpose of financing the cost of the General Fund Emergency Services Training Facility (the "Project") to better serve the citizens of Eden; and

WHEREAS, The City of Eden desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council Members of Eden, North Carolina, meeting in regular session on the 21th day of April 2020, make the following findings of fact:

1. The proposed contract is necessary or expedient because it allows the City to complete the following General Fund Project (i) Emergency Services Fire Training Facility, and (ii) obtain reimbursement of General Fund expenditures related to general fund project. The improvement financed by the proposed contract serves a public purpose for the citizens of the City of Eden.
2. The proposed contract is preferable to a bond issue for the same purpose because (i) the up-front costs are lower than a bond issue, (ii) the time frame to complete the financing is shorter than a bond issue, and (iii) it allows for prepayment of the debt if future financing through revenue or general obligation bonds is needed. The \$466,400 exceeds the amount that can be prudently raised from current appropriations, unappropriated fund balance, and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation").
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 5 years at an interest rate not to exceed 1.69%, yielding annual payments of \$98,075.94. Additionally, prepayment premium shall be calculated as a percentage of the principal amount prepaid, as follows: prepayment of the principal balance in whole with a 2% prepayment premium. It is anticipated that the payments will be paid through general fund revenues.
4. The City of Eden's debt management procedures and policies are good because of good financial practices. The City of Eden's outstanding debt as of June 30, 2019 was \$18,033,750.14. The legal debt margin for the City of Eden as of June 30, 2019 was \$71,761,909. The City of Eden's debt management policies have been carried out in strict compliance with the law, and will henceforth be so carried out.

5. The proposed agreement should not create an increase in taxes to meet the sums to fall due.
6. The City of Eden is not in default in any of its debt service obligations.
7. The attorney for the City of Eden has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Officer is hereby authorized to act on behalf of the City of Eden in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 21 day of April 2020.

The motion to adopt this resolution was made by Council Member

_____, Seconded by Council Member

_____, and passed by a vote of _____ to _____.

Neville Hall, Mayor

ATTEST:

Deanna Hunt,
City Clerk

This is to certify that this is a true and accurate copy of the Resolution adopted by the City of Eden Council Members on the 21 day of April 2020.

Deanna Hunt
City Clerk

Date

INCUMBENCY CERTIFICATE/CORPORATE RESOLUTION

I, Deanna Hunt, City Clerk of City of Eden a North Carolina Corporation (herein the "Corporation"), do hereby certify:

- 1. That I am the duly elected, qualified and acting City Clerk of the Corporation and have the custody of the corporate records, minutes and corporate seal.
- 2. That the following named person(s) has/have been properly designated, elected and assigned to the office in the Corporation as indicated below; that such person(s) hold(s) such office at this time and that the specimen signature appearing beside the name of each officer is his or her true and correct signature.

NAME	TITLE	SIGNATURE
Terry A. Shelton	Interim City Manager	_____

- 3. That a meeting of the Board of Directors of the Corporation was duly called, convened and held on 04/21/2020, at which meeting a quorum was present and voted throughout and approved the following resolution:

WHEREAS, the Corporation wishes to enter into a Municipal Lease and Option Agreement ("Lease") dated 05/29/2020 by and between HomeTrust Bank as "Lessor" and City of Eden, NC as "Lessee";

WHEREAS, all lease payments due by the Corporation pursuant to the Lease for fiscal year ending June 30, 2021 are within an available, unexhausted and unencumbered appropriation;

NOW, THEREFORE, BE IT RESOLVED, that the Corporation be, and hereby is, authorized to enter into the Lease with HomeTrust Bank for a period of 5 years, and be it further;

RESOLVED, that the above named officer(s) of the Corporation be, and hereby is/are authorized, empowered and directed to sign on its behalf, the Lease and any addenda, schedules, notes, UCC Financing Statements or any other instruments issued under the provision of the Lease and any other instrument or document which may be necessary or expedient in connection with the fulfillment of the provisions of the Lease; also to include TITLES OF ESCROW ACCOUNT SIGNORS to be included in the signing of any disbursements, and be it further;

RESOLVED, that the Corporation has not and will not issue more than \$10 Million in debt during the fiscal year in which the Lease is written, in order that this transaction be in compliance with the "Small Issuer Exemption" as defined in Section 265(b) of the *Internal Revenue Code of 1986*, as currently amended.

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal hereto this May 29, 2020.

Seal of Corporation

City Clerk

Date: 05/29/2020

MUNICIPAL LEASE AND OPTION AGREEMENT

No.
Date: 05/29/2020

LESSOR:
Name: HomeTrust Bank
Address: P.O. Box 10
City: Asheville State: NC Zip: 28802-0010
Contact and Title: John M. Tench, Senior Vice President
Telephone: 828-684-5643

LESSEE:
Name: City of Eden, NC
Address: 308 East Stadium Drive - PO Box 70 - 27279
City: Eden State: NC Zip: 27288
Contact and Title: Tammie McMichael, Finance Director
Telephone: 336-612-3796

LOCATION OF EQUIPMENT IF OTHER THAN ABOVE ADDRESS OF LESSEE.

Address: City: County: State: Zip:

EQUIPMENT COST	LEASE TERM	COMMENCEMENT DATE	NO./AMOUNT OF RENTAL PAYMENTS
\$466,400.00	No. Payments 5 Monthly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Other _____	05/29/2020 First Payment Due 06/01/2021 Advance <input type="checkbox"/> Arrears <input checked="" type="checkbox"/>	See Schedule B-Payment Schedule attached hereto and made a part hereof ("Payment Schedule")

ARTICLE I: COVENANTS OF LESSEE.

Lessee represents, covenants and warrants, for the benefit of Lessor and its assigns, as follows:

Section 1.01: Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State in which it is domiciled ("State"), and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

Section 1.02: Lessee has been duly authorized to execute, deliver and perform this Municipal Lease and Option Agreement ("Agreement") under the Constitution and laws of the State and under the terms and provisions of the resolution of its governing body, or by other appropriate official approval. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder. Lessee shall cause an opinion of its counsel in form acceptable to Lessor to be executed and delivered to Lessor.

Section 1.03: During the Term, the Equipment will be used by Lessee only for lawful purposes of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority, and will not be used in a trade or business of any person or entity other than the Lessee.

Section 1.04: During the Term Lessee will annually provide Lessor or its assigns with current financial statements, budgets or proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested.

Section 1.05: The Equipment is, and shall remain during the Term, personal property and when subject to use by Lessee under this Agreement, will not be or become fixtures and will have a useful life in the hands of the Lessee that is substantially in excess of the Term.

ARTICLE II: DEFINITIONS.

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

Section 2.01 "Equipment": means the equipment selected for acquisition and use by the Lessee as more fully described in the attached Schedule A Equipment List and all replacement parts, substitutions, accessions, attachments and additions thereto.

Section 2.02 "Lease Payment": means the periodic payment described in the attached Schedule B Payment Schedule, required to be paid by Lessee to Lessor for the use of the Equipment during the Term.

Section 2.03 "Term": means the period of time this Agreement is in force as specified in the Schedule B Payment Schedule.

Section 2.04 "Lessor": means the entity designated on the face of this Agreement as Lessor hereunder.

Section 2.05 "Vendor": means the manufacturer, agent or dealer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III: COMMENCEMENT OF LEASE TERM.

Section 3.01: The Term shall commence on the date specified on the attached Schedule B Payment Schedule ("Commencement Date") and unless earlier terminated as expressly provided in Article V, Section 5.04, will continue for the period specified in Schedule B Payment Schedule.

Section 3.02: In the event of termination in accordance with Section 5.03 hereof, Lessee agrees at its expense, to peaceably surrender possession of the Equipment to Lessor, or its assigns, on the effective date of such termination, in good working condition, reasonable wear and tear excepted, assembled and packed for shipment in accordance with manufacturers specifications and shipped at Lessee's expense to any location in the continental United States so specified by Lessor or its assigns.

ARTICLE IV: INSPECTION AND IDENTIFICATION.

Section 4.01: Lessor and its assigns shall have the right at all reasonable times, during normal business hours, to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE V: LEASE PAYMENTS.

Section 5.01: In consideration of the mutual promises and the agreements on the part of Lessor hereinafter contained, and for Lessee's use of the Equipment during the Term, Lessee hereby agrees to pay Lease Payments in lawful money of the United States of America, without further notice or demand, to Lessor's office or such other address as may be designated by Lessor, or its assigns, in the amounts and on the dates set forth in Schedule B Payment Schedule attached to this Agreement. A portion of each Lease Payment is paid as, and represents payment of interest and principal, respectively as described in Schedule B Payment Schedule.

Section 5.02: Subject to Section 5.03, the obligation of Lessee to make payment of Lease Payments and other amounts payable by Lessee under this Agreement shall be absolute and unconditional in all events. Lessee shall make all such payments when due and shall not withhold any such payments as a result of any disputes arising among Lessee and any Vendor and any other person, other than Lessor, nor shall Lessee assert any right of set-off, defense or counter-claim against its obligation to make such payments or be entitled to any abatement of such payments. In the event any Lease Payment is not paid within fifteen (15) days of its due date, the Lessee shall be subject to a late charge of the lesser of (a) 10% of the past due Lease Payment or (b) such maximum late charge as may be permitted by applicable law.

Section 5.03: In the event insufficient funds are appropriated for the payment of the Lease Payments hereunder and Lessee has no funds legally available for Lease Payments from other sources the Lessee may terminate this agreement at the end of its current fiscal year, and after having returned the equipment to the Lessor, or its assigns, in accordance with Section 3.02, Lessee shall not be obligated to make payment of subsequent Lease Payments. Lessee agrees to give notice of such termination of at least thirty (30) days after such non-appropriation shall occur.

Section 5.04: No Deficiency Judgment. No provision of this agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Lessee within the meaning of any constitutional debt limitation. No provision of this agreement shall be construed or interpreted as creating a delegation of governmental powers nor as domination by or lending of the credit of the Lessee within the meaning of the constitution of the State. This Agreement shall not directly or indirectly or contingently obligate the Lessee to make any payments beyond those appropriated in the sole discretion of the Lessee for any fiscal year in which this Agreement is in effect; provided, however that any failure or refusal by the Lessee to appropriate funds, which results in the failure of the Lessee to make any payment coming due hereunder will in no way obviate the occurrence of the event of default resulting from such non-payment. No deficiency judgment may be rendered against the Lessee in any action for breach of a contractual obligation under this Agreement and the taxing power of the Lessee is not and may not be pledged directly or indirectly or contingently to secure any moneys due under this Agreement. No provision of this Agreement can be construed to create a lien on any class or source of the Lessee's moneys, nor shall any provision of this Agreement restrict the future issuance of any of the Lessee's bonds or moneys. To the extent of any conflict between this Section and any other provisions of this Agreement, this Section shall take priority.

ARTICLE VI: TITLE TO EQUIPMENT; SECURITY INTEREST.

Section 6.01: During the Term title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement. Upon the occurrence of an Event of Default as set forth in Section 12.01 or non-appropriation as set forth in Section 5.03 title to the Equipment shall immediately vest in Lessor, and Lessee will upon Lessor's request, reasonably surrender possession of the Equipment to Lessor until the occurrence of an Event of Default or non-appropriation Lessee shall be entitled to quiet enjoyment of use of the Equipment for the Term.

Section 6.02: To secure payment of all of Lessee's obligations under this Agreement, Lessee grants to Lessor a first Security Interest in the Equipment and all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom. Lessee agrees to execute such additional documents instruments, in form satisfactory to Lessor or its assigns, which Lessor, or its assigns, deem necessary or appropriate to establish and maintain its security interest.

(continued on back)

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED ABOVE AND ON REVERSE SIDE WHICH ARE MADE A PART HEREOF
ACKNOWLEDGED AND AGREED

Lessee acknowledges reading and receiving a copy of this Agreement and the Undersigned affirms that he has been duly authorized to execute this Agreement on behalf of the Lessee. Closing of the transactions described herein and implementation hereof is expressly conditioned upon review and acceptance hereof by Lessor's Senior Loan Committee, receipt of properly executed documentation acceptable to Lessor, and the absence of any material adverse change in Lessee's financial condition prior to delivery and acceptance of the Equipment.

LESSOR/PLEDGEE: HomeTrust Bank
NAME: John M. Tench
SIGNATURE: _____
TITLE: Senior Vice President
DATE: 05/29/2020

LESSEE/PLEDGOR: City of Eden, NC
NAME: Terry A. Shelton
SIGNATURE: _____
TITLE: Interim City Manager
DATE: 05/29/2020

ARTICLE VII: MAINTENANCE; MODIFICATION; LOCATION; TAXES; INSURANCE.

Section 7.01: At all times during the Term, Lessee will, at its own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, replacements and modifications, provided however, Lessee shall not materially modify or alter the Equipment without Lessor's prior written consent.

Section 7.02: The parties to this Agreement contemplate that the Equipment will be located (permanently garaged in the case of vehicles) at the place specified above, which location shall not be changed without Lessors prior written consent, and will be used for a governmental or proprietary purpose of Lessee and, therefore, the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor). Lessee will pay during that Term as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and, to the extent permitted by law, file all required tax forms, returns and reports relating thereto. In all events, Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment.

Section 7.03 Insurance: At its own expense Lessee shall cause casualty, public liability and property damage insurance in such amounts and with such insurers as are acceptable to Lessor to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequately funded self-insurance is provided with respect to the Equipment, sufficient to protect the Full Insurable Value (meaning the full replacement value (new) of the Equipment or the then applicable Concluding Payment, whichever is greater), and to protect Lessor from liability in all events. All insurance proceeds from casualty losses shall be payable as provided in Article VIII hereof. Lessee shall furnish to Lessor certificates and copies of policies in form acceptable to Lessor evidencing such coverage throughout the Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. If Lessee shall insure similar properties by self-insurance, Lessee will insure the Equipment by means of an adequate insurance fund. All insurance shall name Lessee and Lessor as assureds and loss payees as their respective interests may appear and shall provide for at least (10) days prior written notice by the underwriter or insurance company to the Lessor in the event of cancellation, expiration, or material alteration of the insurance coverage required herein.

ARTICLE VIII: DAMAGE, DESTRUCTION AND CONDEMNATION PROCEEDS.

Section 8.01: Lessee bears all risk of loss, destruction, confiscation or condemnation of, or damage to the Equipment. If prior to the termination of the Lease Term (a) the Equipment or any portion thereof is destroyed or damaged by fire or other casualty in whole or in part; or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee shall immediately notify Lessor in writing of such occurrence and Lessee and Lessor will cause the proceeds of any insurance claim or condemnation award, after deducting all expenses (including attorney's fees) incurred in the collection of such claim or award ("Net Proceeds"), to be applied to Lessee's obligations pursuant to Section 8.02 hereof.

Section 8.02: Insurance policies issued in accordance with the provisions of section 7.03 of this Agreement shall provide for insurance recoveries because of loss to be payable to Lessee and Lessors as their interests appear. All Net Insurance Proceeds paid because of loss of or damage to the Equipment shall be applied to the prompt repair or restoration of the Equipment, if (a) the Net Insurance Proceeds are sufficient to complete the needed work, and (b) in the Lessee's opinion such repair or restoration is feasible. Any part of the Net Insurance Proceeds not used for repair or restoration shall be Lessee's property free and clear of Lessor's security interest, unless (a) Lessee defaults with respect to its obligations under the Agreement, and (b) on default Lessor elects to exercise its remedy of repossession of the Equipment and Proceeds as specified in Section 12.02. If Net Insurance Proceeds are insufficient to complete the needed repairs or restoration, or if Lessee determines that such repair or restoration is not feasible, Lessee shall, at its option, (a) pay Lessor the Purchase Option Price as of the next scheduled Prepayment Date, together with any outstanding Rental Payments due before that Prepayment Date, and terminate this Agreement; or (b) if all Prepayment Dates have passed, pay Lessor the final Rental Payment together with any outstanding Rental Payments due before the date the final Rental payment is due, and terminate this agreement; or (c) complete the needed repairs, using its own funds to supplement the Net Insurance Proceeds, and continue to pay Lessor in accordance with this Agreement. There shall be no abatement of Rental Payments while repairs are being completed.

ARTICLE IX: LESSOR DISCLAIMERS, EQUIPMENT USE AND VENDOR WARRANTIES.

Section 9.01: LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER, INCLUDING THOSE AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT; OR WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE EQUIPMENT OR ANY ITEM THEREOF OR SERVICES PROVIDED FOR IN THIS AGREEMENT. LESSEE HEREWITH ACCEPTS THE EQUIPMENT ON AN "AS-IS", WHERE-IS" BASIS.

Section 9.02: Lessee acknowledges that Lessor is not the Vendor or its agent and that the selection of the Equipment has been made by Lessee at its sole risk. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such manufacturers or vendors warranty, indemnification or representation shall be against the Vendor of the Equipment. Lessee expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability or enforceability of such warranties of the Vendor.

Section 9.03: Lessee will not, nor permit any party to, install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. If the Equipment is a motor vehicle, it shall not be used for transportation of or storage of toxic, radioactive, hazardous or flammable materials. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations, involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment. Transportation of toxic, radioactive, flammable or hazardous materials incidental to the intended use of the vehicle is not a violation of 9.03.

ARTICLE X: OPTION TO PURCHASE.

Section 10.01: Provided Lessee is not in default hereunder, Lessee may, upon giving Lessor not less than thirty (30) days prior written notice, elect to purchase all, but not less than all, of the Equipment for the applicable Concluding Payment amount as set forth in the attached Schedule B Payment Schedule, which amount shall be due and payable on the next succeeding Lease Payment date together with the Lease Payment due on such date and all other amounts accruing hereunder to Lessor as of such date.

ARTICLE XI: ASSIGNMENT AND INDEMNIFICATION.

Section 11.01: This Agreement, and the obligations of Lessee to make payments hereunder, may be assigned by Lessor and reassigned in whole or in part to one or more assignees at any time subsequent to its execution, without the consent of Lessee. Lessor agrees to give notice of assignment to Lessee and upon receipt of such notice Lessee agrees to make all payments to the assignee designated in the assignment, and Lessee agrees that the Assignee shall have all of Lessor's rights without being responsible for Lessor's duties and obligations hereunder. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements which may be reasonably requested by Lessor or its assignee to protect their interests in the Equipment and in this Agreement. The Lessor's interest in this Agreement may not be assigned or reassigned in whole or in part unless (i) the document by which such assignment or reassignment is made discloses the name and address of the assignee; and (ii) the Lessee covenants and agrees with the Lessor and each subsequent assignee of Lessor to maintain for the term of this Agreement a complete and accurate written record of each such assignment and reassignment in form necessary to comply with Section 149(a) of the 1986 Tax Reform Act, as amended, and the regulations proposed or existing from time to time promulgated thereunder.

Section 11.02: THIS AGREEMENT, THE EQUIPMENT OR ANY INTEREST OF LESSEE IN THE EQUIPMENT MAY NOT BE SOLD, ASSIGNED, SUBLET, RENTED, LOANED OR ENCUMBERED BY LESSEE WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

Section 11.03: To the extent permitted by the laws and Constitution of the State, Lessee shall, at its expense, protect, defend, hold harmless and indemnify Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Agreement, the ownership of any item of the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to, or death to any person. Lessee shall immediately notify Lessor of the existence of any claim indemnified for herein.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES.

Section 12.01: The following shall constitute an "Event of Default" as defined hereunder:
A. Failure by Lessee to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein; or
B. Failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed by Lessee under this Agreement or any other agreement by and between Lessee and Lessor, after having received thirty (30) days prior written notice from Lessor; or
C. Breach of any material representation or warranty by Lessee under this Agreement; or
D. Commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or
E. A petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar law shall be filed and not withdrawn or dismissed within thirty (30) days thereafter.

Section 12.02: Upon the occurrence of an Event of Default, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies and hold Lessee liable for all costs and expenses thereof, including, but not limited to, court costs and attorney's fees:
A. Require Lessee at Lessee's risk and expense to promptly return the Equipment in the manner and in the condition set forth in Section 3.02 hereof;
B. Take whatever other action at law or in equity as may appear necessary or desirable to enforce its rights as the owner of the Equipment.

Section 12.03: No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereinafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power which may be exercised from time to time and as often as may be deemed expedient. No waiver by Lessor of any right or remedy it may have hereunder shall be deemed to constitute waiver of said right or remedy at any future date or of any other right or remedy which Lessor may have.

ARTICLE XV: MISCELLANEOUS.

Section 13.01 Notices: All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered personally or mailed by registered mail, postage prepaid to the parties at their respective places of business.

Section 13.02 Binding Effect: This Agreement shall insure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03 Severability: In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04 Survival of Lessee's Indemnifications: Any indemnification, warranty, or covenant made by Lessee, except for the payment of Lease Payments as specifically provided herein, but specifically including the indemnifications contained in Section 11.03, shall survive the expiration or termination of the Term.

Section 13.05 Discharge of Lessee's Obligations: If Lessee falls or refuses to discharge its obligations hereunder, Lessor may, at its sole discretion but without obligation, discharge any obligation of Lessee hereunder and Lessee shall, upon demand, reimburse Lessor for amounts paid on Lessee's behalf and said amounts shall be deemed payable hereunder.

Section 13.06 Applicable Law: This Agreement shall be governed by and construed accordance with the laws of the State.

Section 13.07 Captions: The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.08 Entire Agreement: This Agreement constitutes the entire agreement between Lessor and Lessee and may not be amended, altered or mortified except by written instrument signed by Lessor or its assigns and Lessee. There are no understandings, agreements, representations or warranties, expressed or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Lessee by the signature of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

SCHEDULE A -- EQUIPMENT LIST
MUNICIPAL LEASE AND OPTION AGREEMENT

No.
Date: 05/29/2020

LESSOR:
Name: HomeTrust Bank
Address: P.O. Box 10
City: Asheville State: NC Zip: 28802-0010
Contact and Title: John M. Tench, Senior Vice President
Telephone: 828-684-5643

LESSEE:
Name: City of Eden, NC
Address: 308 East Stadium Drive - PO Box 70 - 27279
City: Eden State: NC Zip: 27288
Contact and Title: Tammie McMichael, Finance Director
Telephone: 336-612-3796

LOCATION OF EQUIPMENT IF OTHER THAN ABOVE ADDRESS OF LESSEE.

Address: _____ City: _____ County: _____ State: _____ Zip: _____

EQUIPMENT COST	LEASE TERM	COMMENCEMENT DATE	NO./AMOUNT OF RENTAL PAYMENTS
\$466,400.00	No. Payments 5 Monthly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Other _____	05/29/2020 First Payment Due 06/01/2021 Advance <input type="checkbox"/> Arrears <input checked="" type="checkbox"/>	See Schedule B-Payment Schedule attached hereto and made a part hereof ("Payment Schedule")

This Schedule A - Equipment List dated as 05/29/2020 of is being executed by City of Eden, NC as Lessee and HomeTrust Bank as Lessor, as a supplement to, and is hereby attached to and made a part of that certain Municipal Lease and Option Agreement dated as of 05/29/2020 ("Lease"), between Lessor and Lessee. Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and Leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment:

ITEM	QUANTITY	EQUIPMENT DESCRIPTION (Include Make, Model, Serial No. and all Attachments)
	1	Emergency Services Fire Training Facility
	1	HomeTrust Bank Money Market Account # _____ in the name of City of Eden, NC

LESSOR ASSUMES NO RESPONSIBILITY FOR PERFORMANCE OR MAINTENANCE OF THE EQUIPMENT. EQUIPMENT TO BE INSURED BY LESSEE. VENDOR IS NOT AN AGENT OF LESSOR AND NO EMPLOYEE OF VENDOR IS AUTHORIZED TO WAIVE, SUPPLEMENT OR OTHERWISE ALTER ANY PROVISION HEREOF.

Lease Term: **SEE SCHEDULE "B"** Payment Frequency: **SEE SCHEDULE "B"**
Commencement Date: **SEE SCHEDULE "B"** Lease Payment Amount: **SEE SCHEDULE "B"**
Sales/Use Tax: **\$0.00** Total Payment Amount: **SEE SCHEDULE "B"**

Payable on Lease Payment Dates set forth in Schedule B.
EXECUTED as of the date first herein set forth.

LESSOR/PLEDGEE: HomeTrust Bank
NAME: John M. Tench
SIGNATURE: _____
TITLE: Senior Vice President
DATE: 05/29/2020

LESSEE/PLEDGOR: City of Eden, NC
NAME: Terry A. Shelton
SIGNATURE: _____
TITLE: Interim City Manager
DATE: 05/29/2020

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under the Municipal Lease and Option Agreement referred to above, acknowledges receipt in good condition of all of the Equipment above described as of the date set forth below (the "Commencement Date") and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee hereby certifies that the description of the personal property set forth above constitutes an accurate description of the "Equipment" and further certifies that the location of the Equipment is as stated above unless otherwise indicated below.

Lessor assumes no responsibility for performance or maintenance of the Equipment. Equipment is to be insured by Lessee. Vendor is not an agent of Lessor and no employee of Vendor is authorized to waive, supplement or otherwise alter any provision herein.

Lessee unconditionally accepts the Equipment for all purposes of the Agreement as of the Commencement Date and agrees that it will commence payments in accordance with Article V of the Agreement.

LESSEE/PLEDGOR: City of Eden, NC
NAME: Terry A. Shelton

SIGNATURE: _____
TITLE: Interim City Manager
DATE: 05/29/2020

MUNICIPAL LEASE AND OPTION AGREEMENT

No.
Date: 05/29/2020

LESSOR:
Name: HomeTrust Bank
Address: P.O. Box 10
City: Asheville State: NC Zip: 28802-0010
Contact and Title: John M. Tench, Senior Vice President
Telephone: 828-684-5643

LESSEE:
Name: City of Eden, NC
Address: 308 East Stadium Drive - PO Box 70 - 27279
City: Eden State: NC Zip: 27288
Contact and Title: Tammie McMichael, Finance Director
Telephone: 336-612-3796

LOCATION OF EQUIPMENT IF OTHER THAN ABOVE ADDRESS OF LESSEE.

Address: City: County: State: Zip:

EQUIPMENT COST	LEASE TERM	COMMENCMENT DATE	NO./AMOUNT OF RENTAL PAYMENTS
\$466,400.00	No. Payments 5 Monthly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Other _____	05/29/2020 First Payment Due 06/01/2021 Advance <input type="checkbox"/> Arrears <input checked="" type="checkbox"/>	See Schedule B-Payment Schedule attached hereto and made a part hereof ("Payment Schedule")

Lessor hereby leases to Lessee the Equipment for the purposes and upon the following terms and conditions:

INSURANCE COVERAGE REQUIREMENTS

(Check appropriate box)

- In accordance with Section 7.03 of the Municipal Lease and Option Agreement referred to above ("Agreement"), we have instructed the insurance agent named below to issue All Risk Physical Damage Insurance on the leased equipment evidenced by a Certification of Insurance and Long Form Loss Payable Clause naming Lessor designated above and/or its assignees as Loss Payee and Public Liability Insurance evidenced by a Certificate of Insurance naming Lessor and/or its assigns as an Additional Insured. (Please fill in name, address and telephone number)

NCLM Risk Management Services
308 West Jones Street
Raleigh, NC 27603
919-715-4000

- OR
- Pursuant to Section 7.03 of the Agreement, we are self-insured for all risk, physical damage and public liability and will provide proof of such self-insurance in letter form together with a copy of statute authorizing this form of insurance.
- OR
- Proof of insurance coverage will be provided to you prior to the time that the equipment is delivered to us.

LESSEE/PLEDGOR: City of Eden, NC
NAME: Terry A. Shelton

SIGNATURE: _____
TITLE: Interim City Manager
DATE: 05/29/2020

ESSENTIAL USE/SOURCE OF FUNDS LETTER

Gentlemen:

This confirms and affirms that the Equipment described in the Municipal Lease and Option Agreement referred to above (the "Agreement") is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: Service for the Community.

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is 20 Years.

Our source of funds for payments of the rent due under the Agreement for the current fiscal year is Tax Revenues.

We expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons: Continued community growth and expanding tax revenues.

LESSEE/PLEDGOR: City of Eden, NC
NAME: Terry A. Shelton

SIGNATURE: _____
TITLE: Interim City Manager
DATE: 05/29/2020

**MUNICIPAL LEASE AND OPTION AGREEMENT
SCHEDULE B: PAYMENT SCHEDULE**

LESSEE: City of Eden, NC
INVESTMENT: \$466,400.00
PAYMENT: \$98,075.94
TERM: 5 Annual Payments
COMMENCEMENT DATE: 05/29/2020
FIRST PAYMENT DATE: 06/01/2021

PMT NO.	PAYMENT	INTEREST	PRINCIPAL	CONCLUDING
1	\$98,075.94	\$7,948.95	\$90,126.99	\$383,798.47
2	\$98,075.94	\$6,359.01	\$91,716.93	\$290,247.21
3	\$98,075.94	\$4,809.00	\$93,266.94	\$195,114.92
4	\$98,075.94	\$3,232.79	\$94,843.15	\$98,374.91
5	\$98,075.94	\$1,629.94	\$96,445.99	\$0.00

THIS TRANSACTION WILL ACCRUE INTEREST DURING THE FUNDING PERIOD. THE ACCRUED INTEREST DURING THE FUNDING PERIOD IS DUE AND PAYABLE AT FINAL FUNDING. THE FUNDING PERIOD ENDS AT OR BEFORE ONE YEAR FROM THE DOCUMENTATION DATE. PRINCIPAL AND INTEREST REPAYMENT BEGINS ONE YEAR FROM THE DATE OF FINAL FUNDING.

LESSOR: HomeTrust Bank
NAME: John M. Tench

LESSEE: City of Eden, NC
NAME: Terry A. Shelton

SIGNATURE: _____

SIGNATURE: _____

TITLE: Senior Vice President

TITLE: Interim City Manager

DATE: 05/29/2020

DATE: 05/29/2020

SAMPLE

ADDENDUM

Addendum to Municipal Lease and Option Agreement dated 05/29/2020 between Lessor, HomeTrust Bank and LESSEE, the City of Eden, NC in the amount of \$466,400.00.

This Addendum is attached to and made part of the Municipal Lease and Option Agreement between Lessor and Lessee, (the "Agreement") referenced above. The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement the Agreement, and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Agreement and this Addendum, the covenants, terms and conditions of this Addendum shall control and prevail.

Advance. HomeTrust Bank advances \$466,400.00 (the "Amount Advanced") to the City of Eden, NC (the "City") on the Closing Date, and the City hereby accepts the Amount Advanced from HomeTrust Bank. HomeTrust Bank is advancing the Amount Advanced by making a deposit into a Project Fund (the "Project Fund") as provided in an Escrow Agreement of even date (the "Escrow Agreement") between the City and HomeTrust Bank. All amounts on deposit from to time in the Project Fund, including the Amount Advanced and all investment earnings, shall be used only for Project Costs until Project Fund is terminated as provided under the Escrow Agreement.

UCC Security Agreement.

(a) This Agreement is intended as and constitutes a security agreement pursuant to the UCC with respect to the following:

- (i) all moneys on deposit from time to time in the Project Fund; and
- (ii) All personal property acquired by the City with funds advanced by HomeTrust Bank pursuant to this Agreement and Addendum, all personal property obtained in substitution or replacement therefore, and all proceeds of the foregoing (collectively, the "Equipment").

The City hereby grants to HomeTrust Bank a security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund to secure the Required Payments.

(b) The City shall allow HomeTrust Bank to deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the UCC or determined by HomeTrust Bank) in such form as HomeTrust Bank may reasonably require to perfect and continue the security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund.

City's Limited Obligation. (a) THE PARTIES INTEND THAT THIS TRANSACTION COMPLY WITH SECTION 160A-20 OF THE NORTH CAROLINA GENERAL STATUTES. NO PROVISION OF THIS AGREEMENT OR ADDENDUM SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THIS CITY'S FAITH AND CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT OR ADDENDUM SHALL BE CONSTRUED OR INTERPRETED AS A DELEGATION OF GOVERNMENTAL POWERS OR AS AN IMPROPER DONATION OR A LENDING OF THE CITY'S CREDIT WITHIN THE MEANING OF THE STATE OF NORTH CAROLINA'S CONSTITUTION. NO DEFICIENCY JUDGEMENT MAY BE RENDERED AGAINST THE CITY IN VIOLATION OF 160A-20. No provision of this Agreement or Addendum shall be construed to pledge or to create lien on any class or source of the City's moneys (other than the funds held under the Escrow Agreement or this Agreement or Addendum), nor shall any provision of this Agreement or Addendum restrict the future issuance of any of the City's bonds or obligations payable from any class or source of the City's moneys. In the event of any conflict between this Section or Section 160A-20, and any other provision of this Agreement or Addendum, this Section and Section 160A-20 take precedence over any other provision of this Agreement or Addendum.

Indemnification. To the extent permitted by law, the City shall indemnify, protect and save HomeTrust Bank, and its officers and directors, and the North Carolina Local Government Commission's (the "LGC") members and employees, harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the transactions contemplated by this Agreement and Addendum, including without limitation the possession, condition, construction or use of the Equipment. The indemnification arising under this Section shall survive the Agreement's termination.

No Assignment by City. The City shall not sell or assign any interest in this Agreement or Addendum.

Assignment by HomeTrust Bank. Any assignment of this Agreement by HomeTrust Bank or subsequent assignee may be only to a bank, insurance company, or similar financial institution or any other entity approved by the LGC.

IN WITNESS WHEREOF, the City has caused this instrument to be executed as of the day and year first above written by duly authorized officers.

(SEAL)

ATTEST:

CITY OF EDEN,
NORTH CAROLINA

By: _____
Printed Name:
Title: City Clerk

By: _____
Printed Name:
Title: Interim City Manager

STATE OF NORTH CAROLINA;
ROCKINGHAM COUNTY

I, a Notary Public of such City and State, certify that Deanna Hunt and Terry A. Shelton personally came before me this day and acknowledged that they are the City Clerk and Interim City Manager of the City of Eden, North Carolina, and that by authority duly given and as the act of the City of Eden, North Carolina, the foregoing instrument was signed in the City's name by such Terry A. Shelton, sealed with its corporate seal and attested by such Deanna Hunt.

WITNESS my hand and official stamp or seal, this ___ day of _____, 2020.

(SEAL)

Notary Public
Notary's printed name: _____
My commission expires: _____

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act.

By: _____

Finance Director
City of Eden, North Carolina

HomeTrust Bank

By: _____
John M. Tench
Senior Vice President

This Contract has been approved under the provisions of Article 8, Chapter 159 of the General Statutes of North Carolina.

Greg C. Gaskins
Secretary, North Carolina
Local Government Commission

By: _____
[Greg C. Gaskins or
Designated Assistant]

SAMPLE

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate Instructions.

Caution: If the issue price is under \$100,000.00, use Form 8038-GC.

(Rev. September 2011)

Department of the Treasury
Internal Revenue Service

Part I Reporting Authority		If Amended Return, check here ► <input type="checkbox"/>	
1 Issuer's name City of Eden, NC		2 Issuer's employer identification number 56-0896097	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) PO Box 70		Room/suite	5 Report number (For IRS Only) 3
6 City, town, or post office, state, and ZIP code Eden, NC 27279		7 Date of issue	
8 Name of issue		9 CUSIP NUMBER	
10a Name and title of officer or legal representative whom the IRS may call for more information Terry A. Shelton, Interim City Manager		10 Telephone number of officer or other employee shown on 10a 336-612-3796	

Part II Type of Issue (check applicable box(es) and enter the issue price) see instructions and attach schedule	
11 Education	11
12 Health and Education	12
13 Transportation	13
14 Public safety	14 \$466,400.00
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ►	18
19 If obligations are TANs or RANs, check only box 19a. ► <input type="checkbox"/>	
If obligations are BANs, check only box 19b. ► <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box. ► <input checked="" type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$466,400.00	\$ n/a	5 years	1.69%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)		
22 Proceeds used for accrued interest	22	n/a
23 Issue price of entire issue (enter amount from line 21, column (b))	23	\$466,400.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	n/a
25 Proceeds used for credit enhancement	25	n/a
26 Proceeds allocated to reasonably required reserve or replacement fund	26	n/a
27 Proceeds used to currently refund prior issues	27	n/a
28 Proceeds used to advance refund prior issues	28	n/a
29 Total (add lines 24 through 28)	29	n/a
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	n/a

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	► n/a years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	► n/a years
33 Enter the last date on which the refunded bonds will be called (MMDD/YYYY)	►
34 Enter the date(s) the refunded bonds were issued ► (MMDD/YYYY)	►

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	n/a	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	n/a	
b	Enter the final maturity date of the GIC ▶ _____			
c	Enter the name of the GIC provider ▶ _____			
37	Pooled Financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other government units	37	n/a	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information			
b	Enter the date of the master pool obligation ▶ n/a			
c	Enter the EIN of the issuer of the master pool obligation ▶ n/a			
d	Enter the name of the issuer of the master pool obligation ▶ n/a			
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b	Name of hedge provider ▶ n/a			
c	Type of hedge ▶ n/a			
d	Term of hedge ▶ n/a			
42	If the issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box			<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement			<input type="checkbox"/>
b	Enter the date the official intent was adopted ▶ n/a			

Signature and Consent	<i>Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.</i>			
	▶ _____ Signature of issuer's authorized representative	_____ Date	▶ Terry A. Shelton, Interim City Manager Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

E.P.A. INDEMNIFICATION

This Rider is made this 05/29/2020 and is incorporated into and shall be deemed to amend and supplement the Municipal Lease and Option Agreement, Sublease and Ground Lease of the same date given by the undersigned (hereinafter the "City") to secure the City's obligation to Home Trust Bank (hereinafter the "Corporation") of even date and covering the property described in exhibit A of Ground Lease located at:

Property Address	City	State	Zip Code
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Additional Covenant. In addition to the other covenants and agreements made in this Municipal Lease and Option Agreement, the City further covenants to the Corporation and its successors and assigns and agrees as follows:

Environmental Conditions of Property; Indemnification.

The City warrants and represents to the Corporation after appropriate inquiry and investigation that: (a) while the Corporation has any interest in the Land and Improvements, the property described herein is and at all times hereafter, will continue to be in full compliance with all federal, state and local environmental laws and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Statute. 2767, 42 USC 9601 et seq, and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Statute. 1613, and (b) (i) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in or under the Land and Improvements or used in connection therewith, or (ii) the City has fully disclosed to the Corporation in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, which the City is legally authorized and empowered to maintain on, in or under the Land and Improvements or use in connection therewith, and the City has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. The City further warrants and represents that it will promptly notify the Corporation of any change in the nature or extent of any hazardous materials, substances, or waste maintained on, in or under the Land and Improvements or used in connection therewith, and will transmit to the Corporation copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Land and Improvements.

The City shall indemnify and hold the Corporation harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against the Corporation as a direct or indirect result of any warranty or representation made by the City in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances.

The City's obligations hereunder to the Corporation shall not be limited to any extent by the term of the Lease, and, as to any act or occurrence prior to payment in full and satisfaction of said Lease which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Lease or termination under this document.

By signing below, the City accepts and agrees to the terms and covenants contained in this Rider.

City of Eden, NC

By: _____

Title: Interim City Manager

Date: 05/29/2020

ATTEST:

By: _____
City Clerk

GROUND LEASE

THIS GROUND LEASE AGREEMENT, made and entered into as of 05/29/2020 (The Ground Lease), by and between the City of Eden, NC a municipal government and political subdivision of the state of North Carolina, as Lessor, (the City), and HomeTrust Bank, a North Carolina corporation, as Lessee (the Corporation).

WITNESSETH:

WHEREAS, the City is the owner of certain land located in Rockingham County, North Carolina described in Exhibit A attached hereto (the Land) on which the City has determined to construct a facility as described in Exhibit B attached hereto (the Improvements), to serve the governmental needs of the City and

WHEREAS, the Corporation proposes to lease from the City the Land and to finance the construction thereon of the Improvements, and has offered to lease back to the City the Land and the Improvements pursuant to a Sublease and Municipal Lease and Option Agreement dated as of the date hereof, by and between the Corporation and the City (the Lease);

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I DEMISE OF LAND AND WARRANTIES

Section 1.01 Demise. Subject to and upon the terms, conditions, covenants and undertakings hereinafter set forth, the City hereby demises and leases to the Corporation, and the Corporation hereby leases from the City, for the sum of one (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the real property legally described in Exhibit A attached hereto, located in Rockingham County, North Carolina, for a term commencing on the date on which this Ground Lease is executed, and ending on 09/01/2025 unless the term of this Ground Lease is terminated earlier in accordance with the provisions of Section 2.01 hereof.

Section 1.02 Warranties. The City covenants and warrants to the Corporation:

- (1) That the City has good and merchantable title to the Land, has authority to enter into, execute and deliver this Ground Lease, and has duly authorized the execution delivery of this Ground Lease;
- (2) That the Land is not subject to any dedication, easement right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction of the improvements on the Land, as contemplated by the Lease;
- (3) That all taxes, assessments or impositions of any kind with respect to the Land, except current taxes, have been paid in full;
- (4) That the Land is properly zoned for the purpose of the Improvements; and
- (5) That the City has authority to enter into, execute and deliver the Lease, and has duly authorized its execution and delivery.

Section 1.03 Corporation's Warranties. The Corporation covenants and warrants to the City that the Corporation has authority to enter into, execute and deliver this Ground Lease and the Lease, and has duly authorized the execution and delivery of this Ground Lease and the Lease.

ARTICLE II TERMINATION

Section 2.01 Termination. Subject to the other provisions of this Ground Lease, this Ground Lease shall terminate prior to 09/01/2025 upon the occurrence of any one of the following events:

- (a) the payment by the City of all Rental Payments (as that term is defined in the Lease) and other amounts owing to the Corporation under Lease;
- (b) the exercise by the City of its option to purchase the Project (as that term is defined in the Lease) in the event of damage or destruction thereof in accordance with the terms and conditions of the Lease, or exercise by the City of its option to purchase the Project on any Payment Date (as that term is defined in the Lease). In accordance with the terms and conditions of the Lease
- (c) termination of the Lease by the City for non-appropriation of funds necessary to pay Rental Payments in any fiscal year pursuant to the Lease and the receipt by the Corporation of amounts from a sublease of the Corporation's leasehold interest in the Improvements and the Land sufficient to:
 - (1) reimburse the Corporation for all administrative costs and expenses, including reasonable attorney's fees, incurred by the Corporation as a result of the terminations of the Lease and a sublease of the improvements and the Land; and
 - (2) reimburse the Corporation for all capital costs and expenses in any manner incurred by the Corporation with respect to the Improvements and the Land reasonably necessary in order to render the Improvements and the Land suitable for sublease for commercial or other lawful purposes; and

- (3) pay to the Corporation an amount which will equal the Purchase Option Price (as that term is defined in the Lease) of the Project under the Lease application on the next due date of the fiscal year of the City for which the lease last remains in effect; and
- (d) termination of the Lease by the Corporation upon the occurrence of an event of default by the City thereunder and the receipt by the Corporation of amounts from a sublease of the Corporation's leasehold interest in the Improvements and the Land sufficient to:
 - (1) reimburse the Corporation for all administrative costs and expenses, including reasonable attorney's fees, incurred by the Corporation as a result of the event of default and termination of the Lease and a sublease of the Improvements and the Land; and
 - (2) reimburse the Corporation for all capital costs and expenses in any manner incurred by the Corporation with respect to the improvements and the land reasonably necessary in order to render the Improvements and the Land suitable for the sublease for commercial or other lawful purposes; and
 - (3) pay to the Corporation an amount which will equal the Purchase Option Price of the Project under the lease applicable on the next due date of the fiscal year of the City in effect when the event of default occurs; and
 - (4) pay to the Corporation an amount which will equal all Rental Payments due under the Lease through the end of fiscal year of the City in effect when the event of default occurred which remain unpaid by the Department, as well as any other amounts owing under the Lease and unpaid by the City as of the end of such fiscal year.

Section 2.02. Use of Sublease Rentals. The amounts referred to in Section 2.01, paragraphs (c) and (d), respectively, shall be known as the "Reimbursement Amount". The Reimbursement Amount shall be recovered by allowing the Corporation first to retain from any sublease rentals an amount equal to 5% thereof, to allow for ongoing administrative costs. Thereafter the Corporation shall next be entitled to 10.0% per annum, or, in the event that the Corporation shall receive an opinion of an attorney or firm of attorneys nationally recognized as bond counsel to the effect that such interest is includable in gross income of the Corporation or its assignee for federal income tax purposes as a result of the default or non-appropriation and the sublease of the Project, at the rate of 14.0% per annum, during the period of time from the last Rental Payment Date in the fiscal year of the City for which the Lease was in effect until the time when the full Reimbursement Amount is received from sublease rentals. Any amounts of sublease rentals distributed to the Corporation after payment of administrative cost and interest shall be credited to the payment of the Reimbursement Amount. Use of the Improvements by the Corporation or any subsidiary or affiliate of the Corporation, other than for the purpose of assuming control, making necessary changes in the improvements and the Land, and the initial subleasing thereof, shall be treated as the sublease thereof on a monthly basis at the then prevailing fair market value.

Section 2.03 Return of Project Subject to Subleases. In the event that the Lease is terminated by the City for non-appropriation of funds necessary to pay Rental Payments in any fiscal year or terminated by the Corporation as a result of the occurrence of an event of default by the City thereunder, the City may subsequently pay the Reimbursement Amount. In such event, if the Reimbursement Amount is received by the Corporation in full, and the Corporation's interest in the Improvements and the Land has been subleased to any sub-lessee pursuant to any subleases that are still in effect, this Ground Lease shall not terminate but the Corporation shall assign and set over to the City all of the Corporation's interest in the Improvements and the Land granted under this Ground Lease, subject to all existing rights created in such Sub-lessees of the Improvements and the Land by any such subleases.

Section 2.04. Reports. In the event that the Lease is terminated by the City for the non-appropriation of funds result of the occurrence of an event of default by the City thereunder, the Corporation shall keep complete and accurate records regarding any sublease of the improvements and the Land and shall, within sixty (60) days of the end of the fiscal year of the Department, deliver a written report to the City showing:

- (a) all amounts received by the Corporation from any sublease of Improvements and the Land;
- (b) an analysis as to whether the Corporation has received the Reimbursement Amount, with all supporting calculations; and
- (c) the date, if any, in the next fiscal year of the City on which the Corporation expects to receive the Reimbursements Amount. Such written report shall be verified by a certified public accountant or firm of certified public accountants not within the regular employ of the Corporation. In the event that on the last day of any fiscal year of the City the Corporation has received the Reimbursement Amount, then all rentals with respect to any sublease of the Improvements and the Land payable after the close of the fiscal year, as well as any rentals payable during such fiscal year in excess of the amounts the Corporation is entitled to receive pursuant to Section 2.02, shall be the property of the City. The City shall have the right, at its own expense, to examine the Corporation's records insofar as they relate to the Improvements and the Land. Such examination shall be made at the Corporation's offices during normal business hours.

ARTICLE III USE OF PREMISES: ADDITIONAL COVENANTS

Section 3.01. Use. The Corporation shall not use or permit the use of the Land for any unlawful purpose. The Corporation agrees to use the Land solely for the purpose of the acquisition, construction, operation and leasing of the Project (as that term is defined in the lease), unless the Lease is terminated by the City for non-appropriation or terminated by the Corporation as a result of an event of default by the Department, in which event the Corporation may use and/or sublease the Improvements and the Land for any purpose authorized by applicable zoning laws.

Section 3.02. Quiet Enjoyment. Subject to the terms of the Lease, the City covenants to provide the Corporation with the quiet use and enjoyment of the Land for the term of this Ground Lease, and the Corporation shall during such term peaceably and quietly have and hold and enjoy the Land, without suit, trouble or hindrance from the Department.

Section 3.03. Granting Easements. The City shall promptly grant such permanent easements in such form and content as are determined by the Corporation to be reasonably necessary following the approval of final plans:

- (a) to construct and maintain the Improvements; and
- (b) to exercise the Corporation's rights and obligations under the Lease and this Ground Lease including, but not limited to, its rights to exercise its remedies under the lease and its rights in the event of the termination of the lease.

Section 3.04. Surrender of Project Site. The Corporation agrees that upon the termination of this Ground Lease it will surrender the Improvements and the Land to the City free and clear of all liens and encumbrances created by or arising under the Corporation or any assignee of the Corporation, except Permitted Encumbrances (as such term is defined in the Lease); provided that in the event that the Improvements and the Land are subject to the rights of any sub-lessee of the Corporation granted under any sublease entered into in accordance with the terms of this Ground Lease after the termination of the Lease for non-appropriation by the City or as a result of an event of default by the Department, the Corporation agrees to assign and set over to the City the Corporation's entire interest in the Improvements and the Land granted under this Ground Lease subject only to Permitted Encumbrances and the rights of such sub-lessees under any such subleases.

Section 3.05 Assignment. The Corporation will not assign or otherwise dispose of or encumber this Ground Lease without the written notice to the Department. Such notice shall be given within 72 hours of the assignment, unless the Lease is terminated by the City for non-appropriation or terminated by the Corporation as a result of an event of default by the Department, in which event the Corporation may assign its interest hereunder and may use and/or sublease the Improvements and the Land without consent of the Department. The City hereby consents to the transfer of interest in this Ground Lease accomplished by the Corporation, pursuant to funding arrangements it may now or in the future have in place with the Corporations investors.

Section 3.06 Additional Covenants. In the event that any person or entity, however organized (other than the Corporation or any assignee of the Corporation), shall be determined to hold any interest that in any manner affects the Department's good and merchantable title to the Land, the City shall use its best efforts to acquire the interest in the Land so held, such acquisition to be made at the Department's sole cost and expense. The City hereby agrees to save and keep harmless the Corporation, or any assignee of the Corporation, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatever kind and nature, imposed on, incurred by or asserted against the Corporation, or any assignee of the Corporation, that in any way relate to or arise out of the assertion of any interest affecting the Department's good and merchantable title to the Land by any person or entity however organized (other than the Corporation or any assignee of the Corporation).

**ARTICLE IV
CORPORATION'S DEFAULT: REMEDIES**

Section 4.01 Corporation's Default. The Following shall be an "event of default" hereunder: if the Corporation shall fail to (i) pay the consideration provided herein, (ii) observe or perform any of the obligations of the Corporation otherwise provided herein, (iii) observe or perform any of its obligations under the Lease in accordance with the terms thereof.

Section 4.02 Department's Remedies. Upon occurrence of an event of default by the Corporation hereunder, which shall remain uncured for (30) days after receipt by the Corporation of written notice of such event of default, the City may thereafter or any time subsequently during the existence of such breach of default, subject to its obligation to continue Rental Payments pursuant to the Lease and to the rights of existing sub-lessees, (i) enter into and upon the Land and repossess the same, expelling and removing therefrom all persons and property, and (ii) terminate this Ground Lease, holding the Corporation liable, for damages for its breach, including reasonable attorney's fees.

**ARTICLE V
MISCELLANEOUS**

Section 5.01. Severability. If any term or provision of this Ground Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Ground Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 5.02. Binding Effect. This Ground Lease shall be binding upon, and inure to the benefit of, the parties hereto, and their successors and assigns.

Section 5.03. Counterparts. This Ground Lease may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 5.04. Applicable Law. This Ground Lease shall be interpreted and enforced in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

HomeTrust Bank

City of Eden, NC

By: _____
Senior Vice President

By: _____
Interim City Manager

ATTEST:

By: _____
City Clerk

(Corporate Seal)

(Corporate Seal)

EXHIBIT A

DESCRIPTION OF LAND AND IMPROVEMENTS

The Legal description of Land is as follows:

BEGINNING at an iron set in the northern margin of Stadium Drive, said iron also marking the southwest corner of Lot #1, Section 22A of Irvin River Heights, and from said point of beginning running thence with the northern margin of Stadium Drive South 76° 17' West 358.98 feet to an iron which also marks the southeast corner of Lot E, Section 22 of Irvin River Heights; thence with the east line of said Lot E North 14° 22' West 252.20 feet to an iron; thence with the north line of said Lot E South 75° 38' West 82.25 feet to an iron; thence with the east line of Daljon, Inc. North 14° 22' West 150.30 feet to an iron; thence North 75° 38' East 441.21 feet to a point; thence South 14° 22' East 405.89 feet to an iron, THE POINT AND PLACE OF BEGINNING, and containing 3.057 acres, more or less, plus a 60 by 405.89 foot strip dedicated as Polk Street (not open) per a plat of survey for T. J. Walker and J. F. Moore Heirs dated January 9, 1974 and revised November 2, 1977 by C. E. Robertson R.L.S.

SAVE AND EXCEPT, HOWEVER, FROM THE ABOVE DESCRIBED PARCEL ALL THAT PROPERTY PREVIOUSLY CONVEYED TO THE CITY OF EDEN, N.C. BY A DEED RECORDED IN BOOK 782, PAGE 1428, ROCKINGHAM COUNTY REGISTRY.

THE ABOVE DESCRIBED PARCEL IS CONVEYED SUBJECT TO A RESERVED ACCESS EASEMENT 60.00 FEET IN WIDTH FOR GRANTOR AND ITS SUCCESSORS AND ASSIGNS FOR INGRESS, EGRESS AND REGRESS REGARDING ROCKINGHAM COUNTY TAX DEPARTMENT PARCEL NO. 109182, AS SHOWN ON THE ATTACHED TAX DEPARTMENT DRAWING SHEET.

SAMPLE

EXHIBIT B

The Improvements on the land in Exhibit A, above described generally as follows:

Emergency Services Fire Training Facility

SAMPLE

**STATE OF North Carolina
COUNTY OF Rockingham**

I, a Notary Public of the County and State aforesaid, certify that Deanna Hunt personally came before me this day and acknowledged that (s)he is City Clerk of City of Eden, NC, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Interim City Manager, sealed with its corporate seal, and attested by Deanna as its City Clerk.

Witness my hand and official stamp or seal, this _____ day of _____ 20____.

NOTARY PUBLIC

My commission expires: _____

SUBLEASE AGREEMENT

THIS AGREEMENT, made and entered into as of 05/29/2020 by and between HOMETRUST BANK, a North Carolina Corporation (hereinafter "Sub-lessor") and City of Eden, NC; a North Carolina Corporation (hereinafter "Sub-lessee").

WITNESSETH:

WHEREAS, Sub-lessor by Ground Lease dated 05/29/2020 (hereinafter the "Ground Lease"), Leased from City of Eden, NC; (hereinafter the "Over-landlord") certain property located at Eden, Rockingham County, North Carolina, as more particularly described in the Ground Lease (hereinafter the "Over-leased Premises"); and

WHEREAS, Sub-lessor has agreed to fund the construction of a facility on the Over-leased Premises, and

WHEREAS, Sub-lessee desires to sublease back the entire Over-leased Premises including the new facility from the Sub-lessor on the terms and conditions herein below set forth.

NOW, THEREFORE, Sub-lessor and Sub-lessee mutually agree as follows:

1. Sub-lessor hereby subleases to Sub-lessee, and Sub-lessee hereby hires from Sub-lessor the Over-leased Premises which, for purposes of this Sublease, are hereinafter referred to as the "Subleased Premises". for the term commencing on 05/29/2020 and expiring on 09/01/2025 (unless earlier terminated pursuant to any provision hereof) at the annual rental of Ninety Eight Thousand Seventy Five and 94/100 Dollars (\$98,075.94), payable in the amounts and on the dates set forth in Schedule B, of the Municipal Lease and Option Agreement an integral document related to this Agreement, without demand, deduction or set-off; such Municipal Lease and Option Agreement may be modified after the date of this lease resulting in a different Schedule B payment, in which case the rental set forth above shall be changed to such payment amount reflected in the Modification, said payments of rent to be made directly to Sub-lessor at the address set forth below or at such other address as Sub-lessor may hereafter designate by written notice to Sub-lessee.
2. As additional rent hereunder, Sub-lessee shall pay to Sub-lessor, each and every sum which Sub-lessor, in its capacity as Tenant under the Ground Lease, is obligated to pay Over-landlord or any third party, it being the intention of the parties that each and every obligation of Sub-lessor under the Ground Lease is to be assumed by Sub-lessee hereunder.
3. This Sublease is hereby expressly made subject and subordinate to the Ground Lease and shall be upon the same terms covenants and conditions as provided in the Ground Lease as applicable to the Subleased Premises (except such as by their nature or purport are inconsistent with the provisions set forth herein), the provisions of which Ground Lease are deemed included herein and made part hereof ("Sub-lessor" hereunder being substituted for "Corporation" and "Sub-lessee" hereunder for "Department"), except that nothing provided herein shall be deemed to confer any greater rights to Sub-lessee than are provided for in this Sublease and except that Sub-lessor shall have no obligation whatsoever to perform any of the duties, covenants, responsibilities or obligations of Over-landlord under the Ground Lease. Sub-lessor shall, upon written request of the Sub-lessee, use reasonable efforts to cause Over-landlord to perform its obligations under the Ground Lease for the benefit of both Sub-lessor and Sub-lessee, but Sub-lessor shall have no liability for the failure of Over-landlord to do so. Sub-lessee hereby acknowledges receipt of a copy of the Ground Lease and further acknowledges that it has read the Ground Lease and is fully familiar with its terms. In the event the Ground Lease is terminated pursuant to its terms, then and in such event, this Sublease shall automatically cease and terminate as of the date upon which the Ground Lease is so terminated. Upon any such termination of the Ground Lease, all rent and additional rent (if any) due hereunder, shall be prorated from the first day of the year of the termination to the date of termination, and shall be paid to the Sub-lessor; and thereafter neither party shall have any further obligations or liability to the other arising out of this Sublease.
4. Sub-lessee agrees to accept the Subleased Premises on an "as is" basis and further agrees to use the Subleased Premises for Lawful purposes. Any Alterations made to the Subleased Premises with Sub-lessors consent shall be at the sole cost and expense of the Sub-lessee. No Alterations shall be made to the Subleased Premises unless and until any and all necessary permits and other governmental approvals necessary therefore have been secured.
5. Upon any breach of any of the terms, covenants, or agreements to be performed or observed hereunder by Sub-lessee, Sub-lessor, at its option, may exercise any of the rights given to the Sub-lessor under the Ground Lease, and the exercise thereof shall not be in derogation of, but shall be in addition to any other remedies available to the Sub-lessor.
6. Sub-lessee shall, at all times, indemnify, defend and hold Sub-lessor harmless from and against (a) any and all actions, expenses (including reasonable attorney's fees) claims and demands on account of non-payment of rent or any other breach of Sub-lessee's obligations hereunder, and (b) any and all actions, expenses (including reasonable attorney's fees) claims and demands for personal injury or property damage occurring on or about the Subleased Premises or the Over-leased Premises, as the result of the use thereof by the Sub-lessee, its agents employees, visitors, invitees and licensees or as a result of the negligence, acts or omissions of the Sub-lessee, its agents, employees, visitors, invitees and licensees. Sub-lessee shall maintain in force throughout the term hereof a policy of comprehensive public liability insurance in an amount not less than \$300,000 in case of injury or death to any one person and not less than \$1,000,000 in case of injury or death to any number of persons in any one accident or occurrence, designating Sub-lessor and Over-landlord as parties insured covering the Subleased Premises. Such policy shall be with a company satisfactory to Sub-lessor and a certificate thereof shall be delivered to Sub-lessor.

Such policy shall not be cancelable without thirty (30) days prior written notice to Sub-lessor. If Sub-lessee shall fail to comply with its obligations to obtain such policy, Sub-lessor may obtain same for Sub-lessee's account and the cost of same shall be deemed additional rent hereunder.

- 7. Sub-lessee shall carry at Sub-lessee's expense fire insurance with extended coverage insuring Sub-lessor against loss or damage to the buildings, improvements, furnishings, fixtures, equipment and other property situated or placed upon, in or about the premises. With respect to such insurance coverage, Sub-lessor shall be named as the insured in such policies. With respect to all insurance required under this Agreement, Memoranda of all policies shall be delivered to Sub-lessor upon Sub-lessor's request.
- 8. All notices or demands given, are required to be given hereunder, shall be in writing and shall be sent by certified mail, and postage prepaid, addressed to the intended recipient's address or addresses below set forth, or to such other address or addresses as the intended recipient may have theretofore specified in the written notice, given in accordance with the requirements of this paragraph. Any such notice so given shall be deemed given on the day of deposit in the United States Mail and if sent as aforesaid, shall be effective whether or not received by addressees:

**For Sub-lessor: Home Trust Bank
PO Box 10
Asheville, NC 28802**

**For Sub-lessee: City of Eden, NC
PO Box 70
Eden, NC 27279**

- 9. This Sublease shall not be assigned nor shall the Subleased Premises, or any portion thereof be subject to assignment without Sub-lessor's prior written consent.

IN WITNESS WHEREOF, the Parties hereto have caused this Sublease Agreement to be executed as of the date first above written.

HomeTrust Bank

City of Eden, NC

BY: _____
Senior Vice President

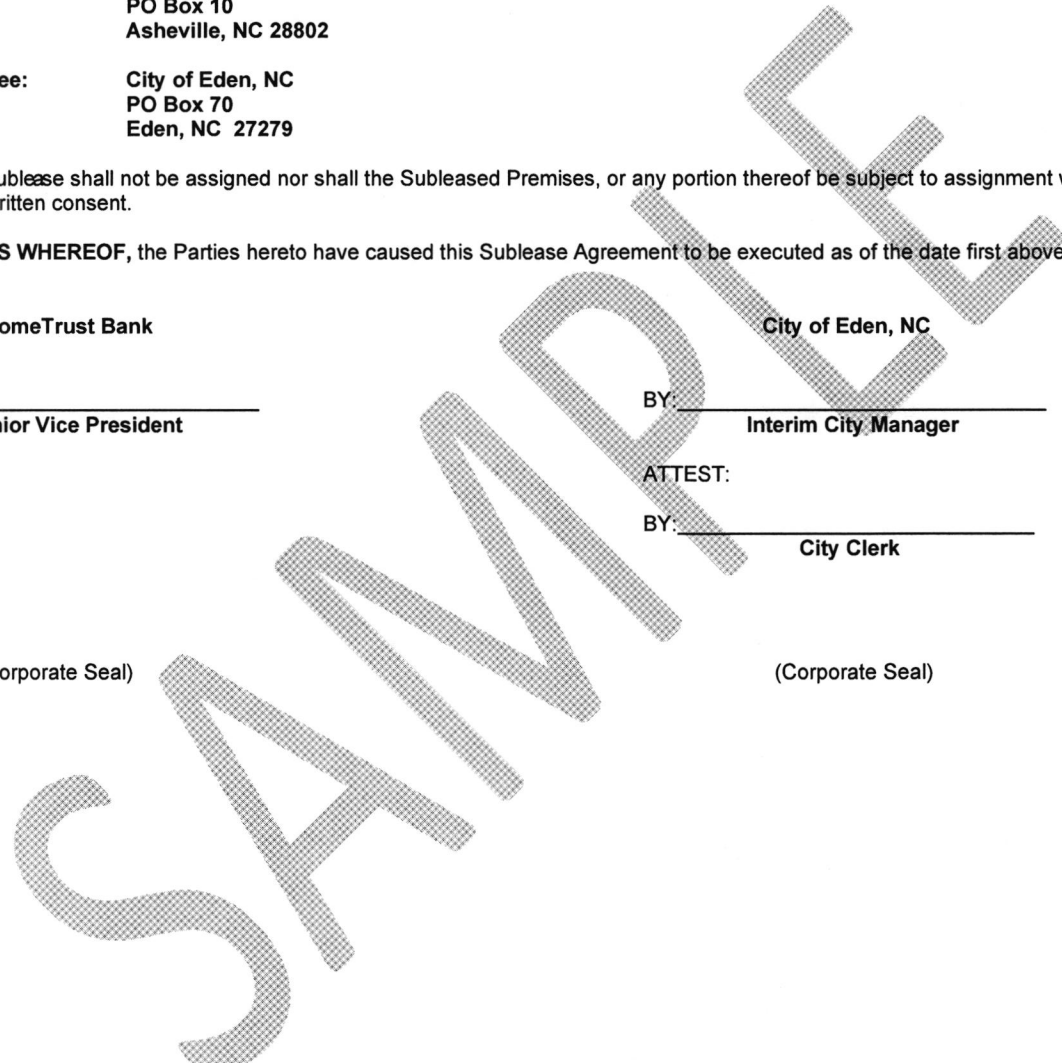
BY: _____
Interim City Manager

ATTEST:

BY: _____
City Clerk

(Corporate Seal)

(Corporate Seal)



**STATE OF North Carolina
COUNTY OF Rockingham**

I, a Notary Public of the County and State aforesaid, certify that Deanna Hunt personally came before me this day and acknowledged that (s)he is City Clerk of City of Eden, NC, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Interim City Manager, sealed with its corporate seal, and attested by Deanna as its City Clerk.

Witness my hand and official stamp or seal, this ____ day of _____ 20__.

NOTARY PUBLIC

My commission expires: _____

DRAW-DOWN LETTER

Re: Municipal Lease and option Agreement and related documents dated 05/29/2020 by and between City of Eden, NC as "Lessee" and HomeTrust Bank as "Lessor".

Gentlemen:

This letter shall serve as your authorization and instructions to disburse the sum of \$ _____ to the Payee indicated below.

The Undersigned Lessee acknowledges that the invoiced items subject to the above referenced Agreement for which this disbursement is being made (i) is the same Items as designated on Lease Schedule A to the above referenced Agreement, (ii) has been accepted according to the terms of the Acceptance Certificate attached hereto and (iii) is the same Invoiced Items as reflected on invoices issued by the seller of the Invoiced items in the amount of the subject disbursement.

The amount required to be disbursed hereunder does not exceed the aggregate amount of the above referenced invoices and said disbursement shall be made upon receipt of the invoices.

Payee:

Address:

\$ _____

Wire Transfer (Mail) Check to:

(Wiring instructions on file)

ABA # _____

Account # _____

LESSOR/PLEDGE:

HomeTrust Bank

NAME:

John M. Tench

SIGNATURE: _____

TITLE:

Senior Vice President

DATE: _____

LESSEE/PLEDGOR:

City of Eden, NC

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

ACCEPTANCE CERTIFICATE

MUNICIPAL LEASE AND OPTION AGREEMENT DATED: 05/29/2020

LESSOR: HomeTrust Bank
P.O. Box 10
Asheville, NC 28806

LESSEE: City of Eden, NC
P.O. Box 70
Eden, NC 27288

LOCATION OF INVOICED ITEMS IF OTHER THAN ABOVE ADDRESS OF LESSEE:

Lease Term	Total Issue Amount	Rent Due	Amortization
5 years	See Schedule A	ANNUAL	See Schedule B Invoice Description
Quantity	See Schedule A		

SEE ATTACHED INVOICE

Lessor assumes no responsibility for performance or maintenance of the item(s). Item(s) are to be insured by Lessee. Vendor is not an agent of Lessor and no employee of Vendor is authorized to waive, supplement or otherwise alter any provision herein.

The undersigned as lessee under the Municipal Lease and Option Agreement and related documents, referred to above, acknowledges receipt in good condition of all of the Invoiced Items above described as of the date set forth below (the "Acceptance Date") and certifies that Lessor has fully and satisfactorily performed all of its Covenants and obligations required under the Agreement.

Lessee hereby certifies that the description of the property set forth above constitutes an accurate description of the "Invoiced Items" and further certifies that the location is as stated above unless otherwise indicated below.

Lessee unconditionally accepts the invoiced items for all purpose of the Agreement as of the Acceptance Date and agrees that it will commence payments in accordance with the Equipment Lease and Option Agreement and related documents.

LESSEE: City of Eden, NC

By: _____

Title: _____

Acceptance Date: _____

ESCROW AGREEMENT

MUNICIPAL LEASE AND OPTION AGREEMENT (THE "LEASE")

BY AND BETWEEN City of Eden, NC as Lessee

AND HomeTrust Bank, as Lessor, dated as of 05/29/2020

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of 05/29/2020 ("Agreement Date"), by and among City of Eden, NC ("Lessor") and HomeTrust Bank ("Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee have entered into a certain Municipal Lease and Option Agreement (the "Lease"), dated as of 05/29/2020 pursuant to which the property more particularly described therein (the "Property") will be leased to the Lessee under the terms stated in the Lease;

WHEREAS, Lessor and Lessee desire to make funding arrangements for the acquisition of the Property, and Agent agrees to serve as escrow agent for such funding and acquisition;

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. HomeTrust Bank ("Agent") shall undertake the duties and obligations of escrow agent as set forth in this Agreement.
2. Lessor has delivered to Agent the sum of \$466,400.00 ("Escrow Amount") for deposit by Agent in the City of Eden, NC Escrow Account (the "Fund"). The Fund will be administered by Agent pursuant to the terms of this Agreement.
3. Deposits in the Fund shall be used to pay for the improvements to the Property. The Property may be improved as individual items or as groups of items. Agent shall make disbursements from the Fund in payment for the cost of each item or group of items of the Property promptly upon receipt of properly executed Escrow Disbursement Request Forms, in the form attached hereto as "Schedule 1" and "Schedule 2", for that portion of the improvement of the Property for which payment is requested.

Payment by Agent shall be to the payee shown on the Escrow Disbursement Request Form.

4. Agent will invest the Fund, as specified by Lessor into HomeTrust Bank Business Money Market Account Number _____ in the name of the Lessee. Agent will retain in the Fund all earnings from investment of the Fund until termination of the Fund pursuant to Section 5 hereof.
5. Upon execution of one or more Acceptance Certificates by Lessee and payment of costs by Agent for all proposed improvements of the Property, this Agreement and the Funds shall terminate, and Agent shall transfer to Lessor all remaining sums in the Fund. If not terminated earlier, this Agreement and the Fund shall terminate on 09/01/2021 ("Termination Date"). In this latter event, interest accrued pursuant to investment of the Fund under the terms of Section 4 hereof and all remaining principal in the Fund shall be transferred by Agent to Lessor; Exhibit "A" attached to the Lease shall thereupon be revised to delete any non-improved portions of the Property and to substitute an amended amortization payment schedule to reflect the reduced costs.
6. Lessor and Lessee may by written agreement between themselves remove the Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof if provided to Agent.
7. Agent may at any time and for any reason resign as escrow agent by giving written notice to Lessor and Lessee of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving Lessee and Lessor written notice of intent to resign, nor less than thirty (30) days after being appointed by Lessor and Lessee.
8. Agent shall have no obligation under the terms of this Agreement to make any disbursement except from the Fund. Agent makes no warranties or representations as to the Property or as to performance of the obligations of Lessor or Lessee under this Agreement or the Lease.

9. Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

10. To the limited extent required to perfect the security interest granted by Lessee to Lessor in the cash and negotiable instrument from time to time comprising the Fund, Lessor hereby appoints the Agent as its security agent, and the Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Lessor.

11. This Agreement may be amended by written agreement executed by all the parties.

12. This Agreement may be executed in several counterparts, each of which shall be an original.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LESSOR: HomeTrust Bank

BY: _____
Authorized Signer

LESSEE: City of Eden, NC

BY: _____

AGENT: HomeTrust Bank

BY: _____

SAMPLE



City Manager's Report April 2020

Interim City Manager Terry A. Shelton

Administration

Eden Youth Council

The City is accepting applications for the 2020-21 City of Eden Youth Council through April 30. Membership is open to individuals who live in the Morehead High School Attendance Zone (MHS, college, homeschool, or private school students) and are between the ages of 14 and 20.

This experience provides our youth with:

- Service opportunities
- Development of leadership and professional skills
- Networking amongst civic leaders
- Coordinating opportunities for Eden youth
- Great experience to list on resumes and college applications

Applications are available online on the City's website.

Economic Development

Industry

Eden Industry

Almost all Eden industry produces consumer products. Gildan produces clothing, Karastan makes carpeting and rugs, Weil-McLain produces heating systems, and Loparex makes release papers that are part of other products, to name a few. When the economy shuts down, as we have experienced with COVID-19, it has a dramatic effect on all industry, including those that operate here. Few products are being purchased because more than 17 million American jobs have been lost, shopping has been severely restricted, and entertainment venues and activities have either been shuttered or cancelled. With the exception of Gildan Yarns, which has temporarily closed along with all of Gildan's global manufacturing facilities, all other Eden industry remains open, although some layoffs have taken place.

Our hope is that the economy will reopen soon so both industry and small business can function again and Americans can return to work.

Commercial

Small Business Administration Disaster Loans

Significant time has been spent during the last few weeks in circulating information on Small Business Administration (SBA) Disaster loans to small businesses. These businesses can apply for approximately

\$15,000 in assistance to help them during this difficult time. (Initially, small businesses were able to apply for up to \$2 million, but the extreme demand has caused this amount to be drastically reduced.)

Gordman’s Department Store

In February of this year, a representative of Gordman’s Department Store joined the Eden Chamber of Commerce and revealed that the former Peeble’s Department Store would be converted to a Gordman’s on April 7. That changed in early March when the company announced that both the Madison and Eden Peeble’s stores would close in early July and not be converted to a Gordman’s. This is a significant disappointment, but the City is working with another retailer to occupy that space. A factor that could delay this process is the COVID-19 retail shutdown, which has adversely affected every U.S. retailer.

Reynolds Brewery

Owner Chip Reynolds is making extensive progress in completing his building renovations at the former Garden Central facility. He is framing the bathrooms and offices, preparing the space for the brick pizza oven, and installing flooring. The projected opening is June unless there continues to be restrictions on public gatherings and restaurants at that time.

Okoku Express: Now Open!

This newest Eden restaurant opened on April 3. It offers Japanese food, including sushi, with a drive-thru service. It is located in the former Kitty’s restaurant space on Meadow Road in front of the Eden Mall.

The Roasted Bean Coffee Shop: Now Open!

The Roasted Bean Coffee Shop is now open at 618 Washington Street. They serve coffee, lattes, hot chocolate and tea. They also offer pastries and muffins made by the Downtown Deli. They are open daily from 7 a.m. to 3 p.m. Many people have wanted a coffee shop in Eden for many years. Please support this newest Eden business.

House of Health

House of Health, located at 641 Washington Street, has local beef, chicken, pork, and eggs. They also sell tuna, other food items, and paper towels! This business also has supplements and other natural items, including CBD oil, to improve your life. They offer curbside service now, but you are also free to safely browse their store. Call 336-623-1002 for more information.

Restaurants

Please support local restaurants and specialty stores. The below restaurants and bakeries remain open for takeout during the COVID-19 crisis:

Arby’s,	838 S. Van Buren Rd.	336-627-0861
Biscuitville,	114 W. Kings Hwy.	336-627-0267
Bojangles,	631 S. Van Buren Rd.	336-623-6404
Burger King,	221 W. Kings Hwy.	336-627-5700
China Wok,	640 S. Van Buren Rd.	336-623-5697
Circle Drive-In,	111 Boone Rd.	336-623-8854
Cook Out,	659 S. Van Buren Rd.	866-547-0011
Dick’s Drive-In,	1004 Washington St.	336-627-7112
Di’lishi,	640-C S. Van Buren Road	336-623-2155
Domino’s Pizza,	640 S. Van Buren Rd.	336-623-4040
Downtown Deli,	637 Washington St.	336-612-2763
Elizabeth’s Pizza,	640 S. Van Buren Rd.	336-627-5291
El Parral,	734 S. Van Buren Rd.	336-623-4830
Elree’s Sweet Shop,	323 E. Meadow Rd.	336-627-9338
Hardee’s,	262 W. Kings Hwy.	336-627-1268
Kelly’s Carryout,	1314 E. Stadium Dr.	336-635-9590
KFC,	123 N. Van Buren Rd.	336-623-8414

King's Inn Pizza,	112 N. Van Buren Rd.	336-627-1706
Little Caesar's,	808 S. Van Buren Rd.	336-623-1323
McDonald's,	640 S. Van Buren Rd.	336-627-1045
Okoku Express,	201 E. Meadow Rd.	336-612-2681
Papa John's,	659 S. Van Buren Rd.	336-623-3737
Pizza Hut,	734 S. Linden Rd.	336-623-6333
Railroad Café,	239 Main St.	336-635-1709
Rio Grande,	122 E. Meadow Rd.	336-623-2680
The Roasted Bean,	618 Washington St.	336-508-2631
Ruby Tuesday,	706 S. Van Buren Rd.	336-623-7920
Sakura,	640 S. Van Buren Rd.	336-627-8889
Santana's,	436 E. stadium Dr.	336-623-1030
Speedy's,	955 Washington St.	336-623-9044
Stella's Pizza,	515 Morgan Road	336-623-5055
Subway,	302 N. Pierce St.	336-627-3573
Subway,	824 S. Van Buren Rd.	336-623-7827
Sweet Revenge,	705 Washington St.	336-627-3694 (By appointment only)
Taco Bell,	726 S. Van Buren Rd.	336-623-8226
Wendy's,	639 S. Van Buren Rd.	336-627-5085

Main Street

Eden Downtown Development Inc. (EDDI)

Members of the EDDI attended the 40th anniversary NC Main Street conference in New Bern March 10 - 12. David and Rhonda Price were honored as Eden's Main Street Champions.

Concerns of COVID-19 have caused many Eden businesses to close or restrict operations. Business support information is being shared throughout the City and through the three merchants' associations to share best practices, grant, and loan information.

Washington Street

Apartments are complete at 620 Washington Street and the Roasted Bean coffee shop opened March 23 with takeout orders only. The owners are moving forward with more apartments and a pizzeria restaurant at 624 Washington Street. The pedestrian walkway has been completed between the Bridge Street parking lot and Washington Street. Good progress is happening at the Hive Eden meadery, with plans to open in 6-8 weeks. A temporary mural was painted by members of Eden's Youth Council on the back of buildings along the Bridge Street Alley.

The Boulevard

241 Events has painted their façade and begun interior renovations.

Tourism and Special Events

Smith River Butterfly Trail

OH WHAT FUN! The Smith River Greenway has been occupied by beautiful butterflies! A huge thanks to Tripp Bennett, Amy Chan, and their crew for the creation of these beautiful pieces of art! Take a card out of the mailbox beside the Scavenger Hunt sign located on the shelter wall and see how many NC native butterflies you can find. Have your photo taken in front of the colorful, bigger than life butterflies along the trail. Search the trees for colorful butterflies. What a great way to enjoy the outdoors during this time we are experiencing. Another shout out to Ray Thomas and the Facilities and Grounds crew for all of the time they spent on installation. THANK YOU!

Boulder Entrance Signs

New boulder entrance signs have been installed at the three entrances to the Freedom Park Nature Trail. One is located on Country Club Drive across from Central Elementary School and the other two are located

on the interior of the park. Huge thanks to Chris of Joyce Monument for the beautiful sandblasting work on the wording. Native plants will be planted very soon to beautify these areas as well.

Matrimony Creek Nature Trail

Repair work will begin very soon on the Matrimony Creek Nature Trail! The first $\frac{3}{4}$ mile of the trail along with the shelter will open first. The upper end sustained more damage during the flood and is going to take more extensive work to repair.

Otter Sculpture

“The Visitor” – A new public art project is being installed at Island Ford Landing at the Smith River Greenway. Roger Martin created a bronze otter family named “The Visitor” for Eden. Martin is an award-winning bronze sculptor from Albermarle, N.C. The otter habitat will be installed upriver very soon in conjunction with the Dan River Basin Association. Both of these projects are funded by the Eden Strategic Plan. EDEN LOVES OTTERS!

Sunflower Field at Smith River Greenway

Our sunflower field will be planted very soon and we expect late summer blooms!

Event Cancellations

Due to COVID-19, we have had to cancel our May 21 Grown & Gathered and our June 6 Piedmont Pottery Festival. We will make these bigger and better next year! We will keep everyone updated on other upcoming events.

Engineering

2019-20 Street Resurfacing Contract

APAC Atlantic, Inc. resumed construction on the FY 2019-20 Street Resurfacing Contract earlier this month. The following street sections were resurfaced in conjunction with the project: Armfield Street (Morgan to Warehouse), Madison Street (Meadow to Moore), Grant Street (Pierce to Dogwood), Pervie Bolick Street (Meadow to Dead End), Roosevelt Street (Friendly to North), Haywood Street (Lenoir to Woodland), Front Street (Main to Hundley), Hale Street (Stadium to Fieldcrest) and Maryland Avenue (Hundley to Hairston). The cost to resurface these streets was just over \$246,000. The total cost of the 2019-20 Street Resurfacing Contract including the streets that were resurfaced in October 2019 was approximately \$422,000.

2020-21 Street Resurfacing Contract

The bid opening for the FY 2020-21 Street Resurfacing Contract was held on Feb. 20. Four bids were received for the project. Waugh Asphalt, Inc. was the low bidder with a submitted bid in the amount of \$486,376.61. A request to award the contract to Waugh Asphalt will go before Council on April 21. If approved, construction should get underway sometime in July or August.

NCDOT State Resurfacing Projects

Kings Highway from NC14/Van Buren Road to Washington Street is scheduled to be resurfaced by June 30. NCDOT has contracted APAC Atlantic, Inc. to do the work. Additional information on this project will be available next month.

Waterline Replacement Projects Update

A Sam W. Smith, Inc. crew began installing 2-inch diameter schedule 80 PVC water main along the east side of N. Primitive Street on March 30, connecting to the 2” valve installed last fall by a Collection & Distribution crew just north of the water tap for Church Street Station. Most of the new water main along N. Primitive and a section of Spring Street was placed in four days. Two additional days were needed for making the tap off the existing 8” water main in Dameron Street and getting across the pavement while maintaining one lane of travel. The hydrostatic pressure testing of the new water main was completed

without issues on April 8, along with the initial chlorination of the pipe that afternoon. Results received on April 13 indicated that samples picked up for bacteriological analysis were absent of bacteria, allowing the contractor to proceed with switching customers to the new water main. The crew began the asphalt patching of Dameron Street at the Spring Street intersection on April 14.

Information Technology

Surge in COVID-19 themed scams and attacks.

This information has been compiled by the North Carolina Department of Public Safety - Division of Emergency Management – NC ISAAC Cyber Unit from Partnering Agencies, Cyber Security Professionals, and Open Source.

Over the past few weeks, several states are seeing unprecedented amounts of cyber-attacks and cyber fraud related to COVID-19. As North Carolina continues to shift to an increased telework platform to help combat the spread of COVID-19, bad actors are leveraging this opportunity by targeting the remote workforce.

- Scammers are using the promise of phone COVID-19 test kits to get Tricare recipient personal private info. A recent scam is targeting Tricare beneficiaries with an offer to ship or sell COVID-19 test kits. The scam requests PII such as social security numbers and bank or credit card information. Recently, the FDA and FTC issued a joint statement warning companies against attempting to sell products that claim to prevent or treat COVID-19. Those who do feel they may have COVID-19 symptoms are encouraged to remain at home and contact a medical provider. From there they will be assessed and screened for exposure.
- Promise of COVID-19 testing kits, updates, vaccines, or cures. Cyber criminals are using COVID-19 themed email phishing attempts promising test kits, real-time virus updates, vaccines, and/or cures or treatments to gain PII, request money, or drop malware onto systems.
- COVID-19 themed domain names and fake smartphone applications. Over 100,000 new domains have been registered containing terms like “covid,” “virus,” and “corona.” While all these domains will not be malicious, any such domain should be treated as suspect. There have been multiple cases reporting malicious Android applications claiming to offer information or support for COVID-19 that if installed, allow the hacker to spy on the device user or encrypt the device and hold it for ransom.

Examples of Malicious File Attachment Names:

- AWARENESS NOTICE ON CORONAVIRUS COVID-19 DOCUMENT_pdf.exe
- Coronavirus COVID-19 upadte.xlsx
- CORONA VIRUS1.uue
- CORONA VIRUS AFFECTED CREW AND VESSEL.xlsm
- covid19.ZIP

Tips to Know if An Email Attachment is Malicious:

- 1.) **Unknown Sender:** As a rule, approach any email from an unknown sender with extreme caution. Even if the email is from a known sender, be wary of impersonated or spoofed emails, as a known contact of yours could have been hacked- verify emails that seem out of character or are unexpected with the sender prior to downloading or opening any attachments. Check for emails from persons or organizations with an incorrect ending (.com instead of .gov) or incorrect spelling (inserting an “n” in place of an “m” etc.)
- 2.) **Unexpected Request:** Be cautious of any unexpected requests for information, especially if the information requested is personal information, financial or donations requests.

- 3.) **File Names:** File names that appear “bizarre” or not within the norm of what is expected such as files with spelling errors or strange strings of characters should be approached with caution. Majority of shared information is not shared with random naming conventions or topics.
- 4.) **Be Cautious When Opening Files:** (a.) EXEs are executable files. These files are notorious for being able to install malicious code onto a device. There are some cases where EXE files are known to “hide” within an attached word document or PowerPoint file attachment. Hover over the attachment in the email (without downloading it) to see if the file extension is what it should be. For example, a PDF file attachment, when hovered over should display “name of file.pdf”. (b.) Disable Macros in Microsoft Office and Stay in Protected View until file is identified as legitimate.

Parks and Recreation

Facilities

All Parks and Recreation facilities, except for the Smith River Greenway, Grogan Park, Bridge Street walking track, Mill Avenue walking track, Peter Hill Park walking track and the City’s river access sites are closed due to COVID-19.

Planning & Inspections

Stadium Drive Sidewalk

The survey crew should be onsite the week of April 13.

CDBG

The grant agreement and other documents have been received for signatures. The consultant has been contacted regarding moving forward with the grant. There are some conditions that have to be released before we can expend any funds.

Urgent Repair Grant

We were not funded during this cycle, but were encouraged to apply for the next one.

Unified Development Ordinance

Module 1 is finished. We met with the Steering Committee via Zoom on April 14 to go over the first module with them. They received copies of the documents the week of April 6.

Boards and Commissions

Our Boards and Commissions are not meeting at this time. We will likely have a Planning Board meeting on April 28. We have a 10/70 Watershed request to consider and a rezoning.

Police

Operations & Procedures

When someone calls the Eden Police Department, we know the incident they are reporting is important to them and we will continue to provide our services. Due to COVID-19, officers are taking some reports by telephone when feasible. The reports taken by phone are incidents where the crime is a misdemeanor, no assault or threats have occurred, and/or the suspect is no longer on scene. Detectives in the investigative unit are also working the reported incidents and interviewing by phone when appropriate and practicable depending on the type and seriousness of the case. We ask for the public’s patience as this procedure is for their safety as well as ours. We will respond to all serious and ongoing calls as usual. This procedure is only utilized when it is appropriate. We are in this together and encourage all citizens to abide by Governor Cooper’s Executive Order by social distancing of six feet or more and ask that the public not participate in gatherings of more than 10 people.

New K-9 Officer

On April 10, Officer Gann and K-9 Saga graduated from the four-week handler course and are ready to serve the citizens of Eden.

Public Utilities**Wastewater Treatment**

We are preparing for startup of the small return pump station, the air for the sludge storage tank, and then possibly the CleanB once everything else is running. This should take place in the next couple of weeks. Once this part is complete, the contractor will begin working on the larger return vault.

CITY OF EDEN, N.C.

A special (budget retreat) meeting of the City Council, City of Eden, was held on Saturday, February 22, 2020 at 8:30 a.m. in the Eden Room, Eden City Hall, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Darryl Carter
	Gerald Ellis (joined the meeting at 10:49)
	Jerry Epps
	Angela Hampton
	Phillip Hunnicutt
	Bernie Moore
	Bruce Nooe
Interim City Manager:	Terry Shelton
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley

MEETING CONVENED:

Mayor Hall called the special meeting of the Eden City Council to order and welcomed those in attendance.

- a. Review of Agenda and City Council Priorities for FY 2020-21.

Mayor Hall called on Interim City Manager Terry Shelton.

Mr. Shelton said all the agenda items represented topics Council wanted to explore and discuss. Various department heads and Council would be presenting those topics during the meeting.

- b. Consideration to approve appointments of Boards and Commissions.

Mayor Hall called on Planning and Inspections Director Kelly Stultz.

Ms. Stultz stated the Strategic Planning Commission had several vacancies. The Commission recommended appointing Sandra Meadows of the American Cancer Society, Mitch Abernathy of Gildan, and Hope Bogaert, of Edward Jones. They had agreed to serve.

A motion was made by Council Member Epps to approve the appointments to the Strategic Planning Commission. Council Member Hampton seconded the motion. All members voted in favor of the motion. The motion carried.

- c. Updates on the Community Development Block Grant program, the Unified Development Ordinance progress and potential Strategic Planning Commission objectives for the Positively Eden Plan.

Mayor Hall called on Ms. Stultz.

Ms. Stultz stated the City received the Community Development Block Grant for the Draper Mill Village area. They also received proposals for prospective consultants to help them administer the grant and once that is approved, more documents will need to be sent in, which she suspects will take another two

months. A committee was set up last year to help them go through applications to choose properties based on the set of criteria the Community Development Block Grant sends out. She hopes this is something they can continue to do once the project is completed.

She said they received the first deliverable of the code assessment report. The Steering Committee, also known as the Planning Board, will meet to go through all of the report and discuss the next phase of the project to be done. The total budget was \$60,000 and they have spent \$5,000 thus far. The Strategic Planning Commission, under the guidance of Council Member Hunnicutt and the chair, made a decision to move toward promoting bigger things, such as 'rocket projects.' They are looking into a shadowing program that will allow high school students to engage in the type of work done in the City. The Positively Eden Plan was originally adopted in 2017 with a five-year duration; therefore, it will need to be updated soon.

Ms. Stultz also mentioned that Local Codes Administrator/GIS Analyst Debra Madison maintains the Geographic Information System that every department uses. The City is currently paying \$4,800 a year for the licenses. Ms. Madison met with ESRI in regards to a small government, cloud-based enterprise that will allow access to 100 people. The cost will be \$15,000 per year for a three-year contract.

Council Member Nooe questioned what kind of information the City currently has on the mapping system.

Ms. Madison replied it was information like water and sewer lines that included pipe size, material and dates of installation. The cloud-based program would allow 50 users and 50 creators to gather data when they are out in the field to be put into the system.

Ms. Stultz stated they also have fire hydrants listed in the mapping system.

Ms. Madison replied that they do not have pressure information on the fire hydrants. Currently, they have one login for Collections & Distribution which allows whoever is working at a particular time to have access to it while only one person is able to enter in the information. The current mapping system provides water, sewer and basic property information.

Council Member Hunnicutt referred to Ms. Stultz's shadowing initiative and requested to entertain a motion to approve the \$1,000 sponsorship.

Mayor Hall questioned if the \$1,000 sponsorship was to cover meals and additional expenses.

Mr. Shelton confirmed that it was.

Mayor Hall questioned if the sponsorship money comes out of Strategic Planning funds.

Ms. Stultz replied yes.

Mayor Hall questioned if a motion could be made if it was not on the agenda.

City Attorney Erin Gilley confirmed it was not on the agenda and questioned if it was to come out of this fiscal year's budget.

Mr. Shelton replied it would come out of this year's budget.

Council Member Nooe questioned if there was a line item set up for the sponsorship in Strategic Planning.

Ms. Gilley stated it should come out of what is already there; therefore, they do not need a budget for it. She also said that nothing could be added to the agenda because all members were not present at the time.

Mayor Hall said he was in favor of continuing the program and proceeding with the sponsorship since it was already in the budget.

Ms. Gilley said that was correct.

Council Member Hunnicutt questioned Mr. Shelton on the timing of the program.

Mr. Shelton said the latest schedule for the shadowing program to take place was one day during the last two weeks of March.

Ms. Gilley said she believes it is already in the budget.

Ms. Stultz said they had more than enough money in the Strategic Planning funds to cover it and she was able to sign off on that small of an amount herself.

Mayor Hall asked if anyone was opposed to continuing that program. Since no one was opposed, he asked Ms. Stultz to proceed with handling it.

d. Consideration and update of Parks & Recreation priorities for FY 2020-21.

Mayor Hall called on Parks & Recreation and Facilities & Grounds Director Johnny Farmer.

The following is the text of the PowerPoint presentation shown and discussed by Mr. Farmer:

CITY OF EDEN PARKS & RECREATION PRIORITIES 2020-2021

Cost to Light Walking Track at Freedom Park

- Walking track lighting at Freedom Park (\$40,000 for purchase or \$18,000 per year for yearly lease agreement)

Freedom Park Ball Weekend Rentals

- At the present time, the City charges \$100 per field per day for the rental of the Freedom Park ball fields. The City gets 100% of all concession sales. Recreation staff thinks this is reasonable due to so many other municipalities having the same type of facilities and everyone competing for organizations to use on the weekend. In 2020 staff has scheduled 40 weekend tournaments.

Freedom Park Splash Pad

- Admission fees will remain the same as last year
- We use a flow through system at the present time. This allows us not to have to add chemicals and keeps us from having to close due to chemicals not being in the proper range.
- Staff is looking into adding additional features to the splash pad in the future. We will evaluate how things go again this year and bring back a recommendation for additional features.

Draper & Spray Parks

- Staff can mark the field at the Draper Ball Park with a football field and we can call it Prowler Park. Please note that the City spent \$14,600 last year to install a room that is connected to Shelter 1 at Freedom Park to store the

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

Prowler football equipment. The Prowlers used Freedom Park for practice last year and this worked out great for them.

- Staff can do improvements to the Spray Ball Park and added amenities such as an outdoor pickle ball court and shuffle board court at this site to attract more seniors to this location.

Pickle Ball Courts at Bridge Street & Mill Avenue Gym

- Staff has already placed pickle ball courts at the Bridge Street recreation center and the Mill Avenue gym. When the floors are refinished, painted lines for pickle ball will be installed.
- Staff has already placed a shuffle board court at the Mill Avenue gym. There is not enough space in the gym at Bridge Street, but there is an outdoor shuffle board court being installed at Bridge Street.

Freedom Park Miniature Golf

- Staff has researched the cost of installing a portable miniature golf course at Freedom Park. The cost for a new one is approximately \$45,000. Darryl Tilley and J.R. Vernon allowed the City to use their used course last year to see what type of response it would get. They have offered to sell the course the City used last year for \$18,000. Staff would like to move forward with this purchase.
- Staff would also like to leave the course in the same location due to the concession stand being there. Staff will look into installing shade covers and picnic tables in this location.

Draper Park/Mill Avenue Gym Improvements

- Staff will look into installing additional playground equipment and adding picnic tables and umbrellas in the open space area between the Mill Avenue pool and the Mill Avenue gym.

Bridge Street Playground

- Staff is returning the baby swing to the Bridge Street playground.

Rivers & trails committee

- Staff will work with Cindy Adams and the Rivers & Trails Committee to offer some activities along the rivers and trails in the City. Staff will have the summer day camp participants do activities at the greenways and river access sites this summer.
- Staff will work with Mike Dougherty, Cindy Adams and Randy Hunt on setting dates for grand openings for the greenway to Leaksville Landing and the Klyce Street river access this spring since they oversaw these projects.

Matrimony Creek Flood Update

- Matrimony Creek greenway/nature trail took another major hit with the flooding that took place during the past two weeks. There is a lot of damage similar to what was experienced during the hurricane a few years ago. Staff has spoken to Darren Gatewood, Street Superintendent, and it looks like it will take approximately three weeks to get this facility back up. The area needs to dry out before staff can get any equipment on the areas that need repairing.

Mr. Farmer said they try to close the parks at dusk if it is not a supervised activity because that is when crime usually takes place. The City brings in revenue of \$300 per day if all three fields are used and \$600 if all three fields are booked on Saturday and Sunday; however, most of their revenue is made from concessions.

Council Member Nooe questioned how many tournaments actually go through without being cancelled.

Mr. Farmer replied the average was 20 to 25 a year.

Council Member Nooe stated that the people conducting the tournaments had an issue with the City receiving 100 percent of the concession sales instead of the profit being split between the two groups like it is in other places.

Mr. Farmer said one of the reasons not as many tournaments were being held in Eden is because the teams in Eden prefer to play somewhere else depending on the age group. There are four organizations that rent out Freedom Park, most of which are fast-pitch softball and adult softball. There were 20 tournaments held in 2019, which was considered a lower year since some years there are as many as 30 tournaments held at Freedom Park. Over the last five years, there have been 10 to 12 new softball and baseball complexes built in North Carolina attracting these tournaments to those facilities. Mr. Farmer stated that the \$100 rate per field might be low, but it is still attractive for tournament holders. Their goal is to bring people into town and spend their money here on lodging, gas and retail. Additionally, the City has hosted the Dixie Youth baseball tournaments over the last 15 years, which has an economic impact between \$300,000 and \$400,000. The last t-ball tournament consisted of 16 teams and had an economic impact of around \$1 million. There are 41 tournaments scheduled for 2020. The rental fee pays for part-time concession workers and one part-time park ranger.

Council Member Moore said he likes the rate but questioned if the City requires a deposit on the fields. He expressed concern that if the renter does not end up using the field, the City loses that money and nobody else is able to use the field.

Mr. Farmer said they do not collect deposits for the field rental. He explained that most teams know within a couple of weeks if they are going to have enough teams to make the tournament. Therefore, he asks them to let him know ahead of time if they will not be using the field so he can reach out to other organizations letting them know it is available in case they are interested in hosting their tournaments there. He said they could start requiring a deposit but did not feel that the City would get much money from doing so. Mr. Farmer further explained that the City put in netting seven years ago at an initial cost of \$45,000 and it will need replacing soon. The City is one of the few places in the State that has netting, which makes it more of an attraction.

Council Member Epps questioned if the City still makes a profit after staff is paid.

Mr. Farmer replied that the City is not losing any money. They hire two to three part-time employees who work concessions and one part-time park ranger who averages \$10 an hour.

He said the splash pad was open for three months last year with 16,000 visits. Anyone over the age of 55 or under the age of 4 did not have to pay. Admissions and concessions brought in revenue of \$25,000 during that time. There are about 25 rentals scheduled for 2020 thus far. The splash pad has a flow-through system because a recyclable system would have cost \$50,000 to \$75,000 more. With a recyclable system, the Health Department would be required to inspect to make sure the restrooms meet the capacity for the pool and the chemical levels are in the same level range as a municipal pool. With the flow-through system, the water is going straight to the sewer; therefore, you do not have any recyclable water that you would have to chlorinate if there were to be any bodily function accidents in the splash pad; therefore, saving money on chemical expenses. Mr. Farmer reminded everyone of the water pipe that burst on opening day of the splash pad that resulted in a quick shut down. Vortex, the company that installed the pipe, allowed the City to hire a local contractor to repair it and they paid for those expenses.

Mr. Farmer expressed his desire to evaluate what types of features to add to the splash pad after seeing what the participation will be this year. He said the splash pad bathhouse was built as there had been discussion about possibly installing a pool at Freedom Park in the future given the condition and age of Mill Avenue pool, which is almost 60 years old. Equipment is continually being replaced on the Mill Avenue pool, which causes strain on the older equipment as it tries to keep up with the efficiency of the new equipment. Based on an estimate obtained a few years ago, the cost of a 25-meter pool at Freedom Park would be between \$3 and \$4 million.

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

Council Member Epps questioned the payback from a \$3 million pool.

Mr. Farmer said it is between \$300,000 and \$400,000 a year. He asked Assistant Finance Director Amy Winn if loans on capital outlay items are termed over a 20-year period.

Ms. Winn replied it was between 10 and 15 years.

Mr. Farmer stated that when they previously looked at doing a payout on a \$7.7 million building at Freedom Park, the debt payment was roughly \$700,000 over the course of 15 years.

Council Member Epps referenced the amount of repair work done on Mill Avenue pool.

Mr. Farmer replied they are continuing to do work at Mill Avenue pool. The Virginia Baker Act that came out roughly eight years ago requires that every five years drains and equalizers be changed out and engineered to properly fit the pool. The pool drains will need to be changed out this year and it will cost around \$5,000. Over the course of the last five years, they have put in about \$50,000 to \$60,000 worth of work at Mill Avenue pool. The City spent around \$35,000 for new concrete and fencing four years ago only to have a sand filter explode after the pool was open for one week. Every five to seven years, the City has to replace the pump because the bronze impeller in the pump that circulates the water wears out due to the amount of chemicals that go through it to keep it chlorinated. It is a very expensive and timely replacement. An estimate from five years ago was \$1 million to completely renovate the pool and bathhouse at Mill Avenue.

Council Member Hunnicutt asked if there has been any consideration given to a mutual program with the YMCA where the City could fund some of the things taking place there. He gave the example of using part of the YMCA as a senior facility, which is what Senior Center/Programs Director Carla Huffman mentioned needing at the last Council meeting. He noted that the YMCA already has a pool and pickle ball courts that are underutilized at the present time. He feared that by investing in some of the capital outlay projects that Mr. Farmer presented, it would cause a competition with such facilities that already exist.

Mayor Hall responded that the City reached out to the YMCA in the past and they were not interested in a partnership or in the City purchasing the facility.

Mr. Farmer said that in the past, City officials and YMCA personnel met to discuss partnering, but it was apparent that people wanted to keep their turf and therefore, it never happened. However, he is not opposed to partnering with other organizations.

He stated the City and the Prowler Youth Football Program joined together last year and became the City of Eden Prowler Football Program. The City spent \$15,000 installing a room at Freedom Park that holds all of the football equipment. The program also holds their practices at Freedom Park. The program's supervisor, Ben Curtis, said that parents enjoyed practices at Freedom Park because they were able to walk on the track and take their younger children to the playground during practice. Some even took advantage of the splash pad before practice. Mr. Farmer would prefer not to move the football program to the Draper Park. He has no problem with marking the Draper Park as a football field and allowing people to practice there, but feels that Freedom Park would be the best location for the program. Mr. Farmer mentioned the interest in adding amenities, such as pickle ball and shuffle ball courts to Spray Ball Park and noted that it would be inexpensive to do so.

Mr. Farmer said the recreation centers at Mill Avenue and Bridge Street have pickle ball courts. The procedure for refinishing the floors versus painting the floors at these facilities. Refinishing the floors

costs around \$7,000 while repainting the floors can cost up to \$25,000. He agreed to put down lines for shuffleboard and pickle ball at both locations when the floors are refinished again. At the moment, lines are taped on the floors at both locations. Shuffleboard is not offered at the Bridge Street Recreation Center because the gym is simply not large enough.

He addressed the interest in moving the dog park to the site of the current miniature golf course. He would be opposed to that because it will take up half of the field where soccer and football are currently played. The dog park's location offers a lot of space and shade for dogs. Relocating the dog park would be expensive because it would involve moving the fence and installing water fountains for the dogs. He recommended leaving the miniature golf course where it is and buying canvas-covered sun shades to go around the course. He also recommended installing a 10x10 shelter as a picnic area. These two additions would cost between \$40,000 and \$50,000. In regards to the miniature golf course, Mr. Farmer indicated there have been discussions surrounding purchasing the miniature golf course from its owners, Darryl Tilley and J.R. Vernon. At \$2 per round, revenue from the miniature golf course last year was \$1,760. The owners have asked if the City would be interested in buying the golf course for \$18,000. An issue that was addressed was if the City could purchase equipment from City employees. Mr. Farmer had a difficult time finding comparable prices on used miniature golf course equipment, but did find where new portable miniature golf courses were sold for \$2,500 per hole, which would cost \$45,000 in order to purchase 18 holes. He felt it would be in the City's best interest to purchase the \$18,000 equipment that is currently there. He further noted the golf course is already set up and in great condition. He felt that if sunshades were installed, the golf course would attract an even larger crowd.

Council Member Hampton expressed concern that the dog park was located too close to the splash pad. She heard complaints of this nature as well as complaints about the parking last year. Because some children are afraid of dogs and the parking lot forced patrons to park next to the dog park, she would like to see the dog park relocated somewhere else. She pointed out that if the park was relocated, visitors could park directly next to the splash pad.

Mr. Farmer said the entrance to the splash pad is on the front side of the park because that location enables them to keep up with everyone coming into the splash pad and who has paid.

Council Member Hampton suggested putting in a sidewalk through the grass.

Mr. Farmer said they could look into doing that. The shelter is for the shelter only but they are aware that users of the splash pad and dog park use that parking area as well. Fortunately, he has not received too many complaints about it.

Director of Transportation Engineering Tammy Amos suggested installing a sign that specifies where the parking is for the splash pad.

Mr. Farmer agreed they could do that.

Council Member Hampton said she loves the miniature golf course but wishes there was something that could be done about the hot sun.

Mr. Farmer said they could purchase sunshades that would help with that if the Council allowed money in the budget to do so. The City would look into adding picnic tables and umbrellas between the Mill Avenue pool and gym. He was unsure about moving the playground equipment because it has been in the ground for more than 20 years. He was afraid that the concrete could become weak and crumble, causing an injury that the City could be held liable for. He suggested adding additional small equipment in another area. The baby swing at the Bridge Street playground will be put back up.

Council Member Hampton said she was concerned when the regular swing was taken down and replaced with a baby swing, leaving the space wide open. She wondered why it was not replaced with another regular swing in addition to the baby swing since there are so many kids that play on that playground.

Mr. Farmer said he is going to have Ms. Huffman work with the summer day camp program participants to get them to work on the trails. Matrimony Creek Nature Trail is still closed due to the last flooding event that washed away rock and granite dust. Once it becomes dry, the Street Department will be able to get equipment to the site to make the necessary repairs, which will take about three to four weeks. Smith River Greenway is also closed but Mr. Farmer plans to have staff grade out granite dust in order to get it open by next week.

Council Member Hunnicutt questioned if this was the second time there has been a major flood at Matrimony Creek in the last six months and what the cost of the first repair was.

Mr. Farmer said repairs from the first flood were between \$20,000 and \$30,000 for the materials, not including man hours. He estimates it will be close to that amount again for the recent flooding.

Council Member Hunnicutt acknowledged the trail is already there, but expressed concern over how many times the City is going to continue to have the same problem due to the size of the watershed. He does not feel that spending between \$50,000 and \$75,000 a year to maintain a trail is sustainable. He suggested considering paving the trail.

Mr. Farmer replied that paving the trail would not be an option due to sinkholes.

Council Member Hunnicutt suggested taking it as a learning lesson that as the City builds new trails, they do so as far away from the stream or flood plains as possible.

Mr. Farmer acknowledged that Matrimony Creek Nature Trail is having these flooding issues because it is located so close to the stream but stated the trail could not have gone any further out due to the bank and rock.

- e. Update on the progress of the sweepstakes business closings and review of the Police Department's Succession Plan

Mayor Hall called on Police Chief Greg Light.

Chief Light began by thanking City Attorney Erin Gilley and Ms. Stultz, along with her staff, on their assistance with the sweepstakes business closings. Discussion began 12 months ago in regards to shutting down sweepstakes throughout the City. They had multiple meetings with other municipalities throughout the County. After consultation with the District Attorney, a letter was hand delivered to all of the sweepstakes business on February 3 with the intent of charging anyone who remains open after March 4. The problem with sweepstakes is that they are non-regulated. In North Carolina, whenever money is put into a machine and comes back out, it is illegal. There have been a couple of robberies at the sweepstakes locations and the owners are unable or unwilling to disclose how much money was stolen; therefore, there is no tracking of the amount of money they are handling. In addition to robberies, the Police Department has dealt with narcotics and assaults at various sweepstakes locations. There were 15 sweepstakes businesses at the beginning of February and seven have closed thus far. The remaining businesses will likely stay open until March 3 in an effort to make as much money as possible. If the businesses remain open after March 4, the plan will be to issue search warrants, conduct seizure of property, and file criminal charges against the owners.

Chief Light said that succession planning is critical to any organization. Upon his retirement, Clint Simpson will become the Police Chief, John Edwards will become the Deputy Police Chief, and Paul Moore will become the Administrative Captain. Succession planning started several years ago as the Police Department starts training from the bottom level in an effort to move employees up in the organization. He feels confident that the Police Department will be strong for many years to come.

- f. Updates on the status of the EPA Administrative Order of Consent, schedules for compliance and funding.

Mayor Hall called on Mr. Shelton.

The following is the text of the PowerPoint presentation shown and discussed by Mr. Shelton:

CITY OF EDEN ANNUAL BUDGET RETREAT EPA AOC UPDATE

- By February 13, I still had not heard anything back from the EPA.
- I decided to send an email to check on the progress of their decision making and to ask if they needed further information.
- Laurie Jones of the EPA called 10 minutes after I sent the email.
- The EPA staff had developed “an action plan” the afternoon before I sent my email.
- Their plan is to wait and see if we get funding in our application for ASADRA program (resiliency funding) in April when we apply for funding for the Junction Pump Station rehab and other projects.
- If the ASADRA funding is received, they would extend our EPA administrative order to 2024 (2 years).
- This plan would still leave us with some of the less critical projects to be done, on a later schedule.
- When we apply for the ASADRA funding in April, we will not know if we will get an award until late June or July.
- At that time if we are not funded, the EPA would get with us to work out a plan to move forward, which I understood to mean that they would work with us on scheduling as funding could be acquired.
- At this point, the EPA wants to wait and see if we get the funding before anything in our current AOC is changed as we are not in noncompliance at this time.
- Ms. Jones said the EPA wants to work with us on our road to compliance.
- Although it is not in writing, I believe that Ms. Jones was implying that it is the EPA's goal to work with us on getting to compliance requirements without enforcing penalties for noncompliance.

Mr. Shelton stated that he began trying to set up a negotiation with the EPA about 45 days ago where he requested they transfer the oversight of the City’s remediation plans to the State. EPA staff prefers to wait and see if the City receives resiliency funding, which is set up according to priority facilities that are subject to flooding. One or two of the City’s projects will meet the requirements of the ASADRA program because of the flooding that occurs in and around them on a regular basis. Mr. Shelton believes this puts the City on a path to help achieve its goals as funding can be obtained.

Council Member Hunnicutt asked if there is an end date for it to be completed.

Mr. Shelton replied that the Administration Order specifies February of 2022 as an end date. The EPA order is scheduled to expire on April 22, 2022. However, as he learned with the first EPA order, the expiration date is not concrete until the EPA says they are complete with it. The City had to be under an order when the award was made for the Collect NC Bond Referendum money. The order’s expiration date was January 3, 2017, but the awards were not going to be made until March. Mr. Shelton made contact to see if the order could be extended and he was told that the expiration date is not definite until the EPA says they are finished. Therefore, he feels there is flexibility with the date but would prefer to be ahead as

best as possible unless the City can obtain in writing from the EPA that the City has more time and will not be charged penalties.

Council Member Hunnicutt expressed concern over having two years to complete everything and not knowing how it is going to be funded at this point. He questioned if there is enough time to line up funding and get it all done.

Mr. Shelton replied that the engineering work is basically complete on the projects that the City will receive funding for in April through the ASADRA grant funding. If it is awarded in July, he believes it could be bid within six months as long as the Division of Water Infrastructure gives consent that it can be put out for bid to fund the project. Afterwards, any further approvals or instruction will come from the Division of Water Infrastructure.

Council Member Hunnicutt asked how far into the future the City could delay not doing anything.

Mayor Hall replied the City originally had about five years and \$40 million to spend. After the past two to three years, the City has spent roughly \$25 million. Therefore, the City is at the end of the process because the funding, engineering, and easement that take years to do has already been done. The funding came from the NC Connect Grant and by raising the water and sewer rates. They want to do things in a certain order that makes sense so they do not have to go back and redo anything. That is why the City was given five years; however, the City would prefer to have seven years.

Council Member Nooe said even though the EPA is not giving anything in writing, they are implying certain things. He believes that as the departments make good faith efforts and do not drag their feet, the EPA will not apply the penalties because efforts will show that the City is responding to their requests.

Council Member Hunnicutt questioned if the City is \$10 million underfunded.

Mr. Shelton answered that he did not think it was quite that much. However, if the time is expanded, the price will go up so therefore, that figure will likely end up being appropriate. In regards to what Council Member Nooe said, Mr. Shelton believes that as long as the City is putting forth effort, the EPA will stall the enforcement of penalties. He also mentioned that Eden is the only municipality in the entire State that is under an EPA order at the present time. Eden is very small in terms of the types of things the Federal government normally goes after. He recalled at the end of the first order, the EPA was ready to wash their hands of the City and turn it over to the State. At that point, the City had a remediation plan that was to be extended over a 20-year period while the City completed things as it received financing to do so. Then, the NC Connect Grant became available. The referendum passed and the City was able to get funding that granted the potential to do everything within a five-year period.

Council Member Hunnicutt questioned how much time between now and the timeline, including construction, would the City have to come up with the funding if the City does not receive the funds hoped for. He asked if the City had to get the funding by August or September.

Mr. Shelton replied that was his purpose for asking the EPA if they would transfer the City to the State. The State is willing to work with the City on a schedule of up to 10 years to extend some of the less critical projects out but it will depend on the EPA. So far, the EPA is reluctant to give the City anything in writing regarding a forecasted schedule of compliance.

Ms. Gilley said she was concerned the City would be in noncompliance in February of 2022 if it does not secure the funding under the EPA's action plan. Not receiving anything in writing from the EPA concerned her; however, knowing how the EPA works with people if they are trying to comply makes her

feel that a good way to handle the situation would be to send the EPA something in writing stating what the City is going to do based on their previous conversation. That would show that the City is relying on something they have said. It will also show that the City is actively doing something if ever found to be in a place of noncompliance.

Council Member Hunnicutt asked how far into the future the City had to establish a funding commitment or plan and also how much time the City had to do so.

Council Member Moore stated that if the City has to wait until July and then another six months, that would be 2021 and the City would only have one year left to get something done.

Council Member Hunnicutt questioned when the City would get to the point where it realized it would not meet the deadline.

Council Member Moore said the City does not have any guarantees until they get something in writing.

Mr. Shelton stated that the City could follow up as Ms. Gilley suggested by sending the EPA a summation of the previous conversation held and what the City is expecting.

Ms. Gilley stated that she did not want to upset the EPA but also did not know if they intended for there to be nothing in writing.

Mr. Shelton replied that the EPA intended for there to be nothing in writing from them.

Council Member Hunnicutt questioned what the deadline is for getting something in the budget.

Mr. Shelton replied that the City is not going to be able to complete some of its projects until a later date. He also expressed the same to the EPA because some of the timeline and money available is going to have to be pushed back if the City does not receive the funding in April. Laurie Jones conveyed that the EPA would work with the City on scheduling ahead if that were to happen.

Council Member Epps questioned if there was any overflow during the recent storms.

Mr. Shelton replied yes, but it was almost a Biblical proportion storm. The City keeps track of flood events at the Raw Water Pump Station. There is a mark on the wall that represents the highest the water has ever been and the recent flood event is the only other time in Mr. Shelton's 41 years with the City that the water has reached that mark. The only mark higher than that was from the 1972 flood that was three feet above the mentioned mark. The last 14 days were a record setter.

BREAK

MEETING RECONVENED

g. Consideration of a need to replace financial software.

Mayor Hall called on Information Technology Director Kevin Taylor.

The following is the text of the PowerPoint presentation shown and discussed by Mr. Taylor:

The Problem With Logics: It's Illogical

- Ancient Technology

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

- Server 2003
- Virtually unchanged in the past 15 years
- Kludged mix of technologies
- Dumb Terminal Emulator (ICOBOL)
- Web based Cash Collections and Utility Billing

The Upgrade Scam

- Forced Upgrades
- Upgrades break previously functional processes
- Cash Collections stopped automatically importing into financials (Tedious Workaround)
- ICOBOL stopped working for 2 days (Payroll, Privilege License, misc. account receivables)
- Can now only have 3 people in ICOBOL at a time
- Never deliver promised functionality
- \$13,000 for reports that never worked
- Often result in weeks of back and forth with Logics support wasting staff time.
- Zip Codes were dropped off from a large number of printed bills
- Water and Sewer rates didn't roll forward

Tammie's Tome of Terror – Chapter 1

- Cash Collections stopped working for 3 days with no explanation from Logics.
- Reports sometimes fail to print.
- Positive pay file has to be created manually by Logics support.
- Year End close out wouldn't roll balances forward. Logics had to key them in manually.
- Support is rude and condescending to users.
- Gave us budgetary quote for creating AMR interface then refused to honor the quote unless we went through the upgrades.

Tammie's Tome of Terror – Chapter 2

- The previous reading and location do not print on work orders. The meter readers need this information in order to determine how much usage has gone through a meter since the last billing and also to determine where the meter is located on the customer's property.
- There are several more steps that have been added to the billing process. For example, when processing re-reads, you have to over-ride all exceptions on the re-read sheet before it will allow for any readings to be uploaded to customers' accounts. Also, if a meter has been changed out on an account since the last billing was processed, you have to go into the customer's account and change the previous read to reflect any usage on the old meter. Furthermore, on the exception report forth billing, you have to over-ride any accounts cutoff for non-payment by verifying if the reading is compatible with the cut-off or pull meter lists. In addition, you cannot re-calculate your bills once you have voided any customers from a billing batch (usually due to the customer having service for less than 10 days) or it will "un-do" your voids and you will have to re-void them.
- Updating work orders conflicts with reading batches. We were told that Eagle revolves around the meter number on each account whereas ICOBOL did not. For example, if you have a reading batch open for Route 1 and you try to update a work order that is in Route 1, you must go into the reading batch, delete the account from the reading batch, go into the Service Order application and update the service order, then go back into the reading batch and re-enter the account so that it is in the reading batch and no longer voided. If for some reason the customer is not re-entered into the reading batch by mistake, this can cause an exception when you reach the billing point for that particular account.
- Comments that we type on service applications for the meter readers to read do not actually print on the system generated work orders. In addition to typing the comments on the service application in the computer so that anyone who pulls up the customer's account on the computer will know what comments were written to the meter readers, we have to hand-write any comments we want the meter readers to see.

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

- The previous read does not print on a “Check for Leak” work order. This is an inconvenience to the meter readers because they have no way of knowing if they miss-read a meter and how much water has been used since the last reading.
- When a customer transfers water from Point A to Point B, Eagle does not replace the mailing address on Point A’s account to the mailing address from Point B’s account. Therefore, the final bill for Point A does not get mailed to the correct address.
- Voided adjustment batches are not processing correctly. When an adjustment batch is voided, it leaves any transactions that were in that voided adjustment batch on the customer’s account as “UNPOSTED ADJUSTMENTS”, which shows an incorrect balance when applying payments to the customer’s account under Cash Collections. Logics must be contacted in order to run a script to delete the “unposted adjustments” from the customer’s account.
- When you void any applied deposits on final billed accounts, it doesn’t change the status to “FB-Debit Balance” or “FB-Credit Balance” or “FB-Zero Balance”...depending on the accurate situation. It keeps it in an “Active” status and Logics has to run a script to correct.
- Work orders do not automatically print to the work order printer on the meter readers’ station where the meter readers can gather and sort/divide them. After entering in a work order, you have to go into the Service Order program and search for the work order you just created and print from there to the main printer and then file in the appropriate meter reader’s box.
- Throughout the day, we are constantly logged out of the system and are required to log back in to access Eagle. This also happens when you are in the middle of tasks such as entering service applications, service orders, and billing. If this occurs, you have to void what you were working on when you got logged off and start over.
- We periodically have to have Logics clear out unposted payments.

Tammie’s Tome of Terror – Chapter 3

- The location does not print on work orders. The meter readers need this information in order to determine where the meter is located on the customer’s property.
- There are several more steps that have been added to the billing process. For example, when processing re-reads, you have to over-ride all exceptions on the re-read sheet before it will allow for any readings to be uploaded to customers’ accounts. In addition, you cannot re-calculate your bills once you have voided any customers from a billing batch (usually due to the customer having service for less than 10 days) or it will “un-do” your voids and you will have to re-void them.
- Updating work orders conflicts with reading batches. We were told that Eagle revolves around the meter number on each account whereas ICOBOL did not. For example, if you have a reading batch open for Route 1 and you try to update a work order that is in Route 1, you must go into the reading batch, delete the account from the reading batch, go into the Service Order application and update the service order, then go back into the reading batch and re-enter the account so that it is in the reading batch and no longer voided. If for some reason the customer is not re-entered into the reading batch by mistake, this can cause an exception when you reach the billing point for that particular account.
- The previous read does not print on a “Check for Leak” work order. This is an inconvenience to the meter readers because they have no way of knowing if they miss-read a meter and how much water has been used since the last reading.
- When a customer transfers water from Point A to Point B, Eagle does not replace the mailing address on Point A’s account to the mailing address from Point B’s account. Therefore, the final bill for Point A does not get mailed to the correct address.
- Voided adjustment batches are not processing correctly. When an adjustment batch is voided, it leaves any transactions that were in that voided adjustment batch on the customer’s account as “UNPOSTED ADJUSTMENTS”, which shows an incorrect balance when applying payments to the customer’s account under Cash Collections. Logics must be contacted in order to run a script to delete the “unposted adjustments” from the customer’s account.
- Work orders do not automatically print to the work order printer on the meter readers’ station where the meter readers can gather and sort/divide them. After entering in a work order, you have to go into the

Service Order program and search for the work order you just created and print from there to the main printer and then file in the appropriate meter reader's box.

- We periodically have to have Logics clear out unposted payments.
- We sometimes have trouble getting a report to generate as a PDF file.
- We cannot run a report of inactive or vacant accounts.
- When choosing a date, the calendar icon doesn't work on reports. We have to actually type in the date.
- We have to do additional steps to close out a cash collection batch in order for it to import into the financial software.
- We currently can't create a positive pay file for our accounts payable check run. We have to get Logics to run the report. This problem just happened after the most recent update.
- System can't be set to not bill customers with less than 10 days of service.
- In March of 2019, our cash collections software disappeared off of our server. We were down about 3 days, and was actually closed to the public one of the days.
- In June 2019, our yearend balances did not roll forward. Logics had to spend 9 hours manually keying in the balances, so that we could work in the new year July 2019. This impacted the first few days in July...and we could not work in the financial system.
- We can no longer print the exception report in Eagle like we have in the past to review for re-reads for billing. Logics is currently having to generate this report until they teach us the extra steps to do this "behind the scenes".

The Knife Gets Twisted

- \$30,000

The Cost of Inaction

- Lost productivity
- Exorbitant maintenance costs
- Frustrated Staff
- Cybersecurity vulnerabilities

Change is Needed

- Southern Software (ROI in 8-9 years)
- Muni-Link (Billing Only)
- Tyler Technologies (Reidsville)
- New World Systems
- Munis
- Survey of like sized communities

Mr. Taylor stated that Logics is the City's financial package that covers Payroll, General Ledger, and Utility Billing. The server reached the end of its life in 2015. Security updates are no longer being made for Server 2003. According to Logics' support, the City must remain on that server platform in order to continue using the software. When Director of Finance and Personnel Tammie McMichael joined the City, Logics gave the City an ultimatum that if we did not pay for the upgrades to the system, it would lose support from Logics altogether. Therefore, if anything happened to the system, Logics would not even talk to the City about it.

He said five years ago, the City did a \$13,000 upgrade with Logics that was supposed to give access to reports that Mr. Shelton needed for an annual water system report, but they never worked and Logics could not provide the reports that the upgrade promised. Currently, there is a problem caused by the last upgrade with generating a positive pay file. Logics is unwilling to assist the City with the problem. Additionally, zip codes were randomly dropped off from a large number of printed utility bills. Luckily, the post office caught them and delivered them anyway. This required Finance staff to manually enter the zip codes back into the system. Additionally, water and sewer rates did not roll forward at year-end, which resulted in billing that was calculated at an incorrect rate. Year-end balances did not roll forward,

which took Logics four days to resolve. The maintenance cost for Logics is \$34,000 a year. Staff is dealing with tedious steps to make the system work the way they need it to on a daily basis.

Mr. Taylor said several companies specialize in the type of software that the City is using. IT staff worked with Southern Software on their police reporting system before the City consolidated with the county. They never had complaints about the software and their support was top-notch. Based on their quote and the amount of their support going forward, which is roughly \$16,000 a year, if the City were to go with Southern Software, the City could pay for the system in nine years just off of the savings in maintenance costs. IT staff did a demo with Muni-Link, but they are cloud-based. The downside is they only provide Billing software and would not be able to provide General Ledger or Payroll software. They hope to set up a demo with Tyler Technologies, which is who the City of Reidsville uses. The City of Reidsville used to be a Logics customer but they recently switched to Tyler Technologies. New World Systems and Munis also provide this type of software. He is reaching out on the IT list serve and Ms. McMichael is reaching out on the Finance list serve to see what vendor other like-size communities are using. It will not be an easy change as it touches almost everything the City does. Business processes are going to change because not all software companies operate the same. The change will likely be between \$120,000 and \$130,000, which will include data conversion, onsite training, and assistance with going live.

Council Member Epps stated at his workplace, they had the same problem and had to change software, so he is in favor of doing whatever is needed to make the change. He asked what vendor gave the quote of \$120,000.

Mr. Taylor replied that it was Southern Software.

Council Member Epps asked if they were going to request additional quotes.

Mr. Taylor replied that they will due to the amount of money involved in the change.

Council Member Epps said he thinks the City needs to obtain those bids and switch as soon as possible.

Council Member Moore asked how long it takes to transfer everything over from an old system to a new system.

Mr. Taylor answered that it takes about three weeks.

Council Member Moore asked if the City will have to give Logics a notice before switching companies.

Mr. Taylor said no, because the maintenance contract is year-to-year.

Council Member Moore questioned when the year would be up.

Mr. Taylor replied June 30.

Council Member Hunnicutt questioned if the City would own the software or if it will be considered a service that is provided to the City.

Mr. Taylor said it depends on the company the City chooses. For example, with Southern Software and Tyler Technologies, the City will own the software because it will be server-client based. Muni-Link is cloud-based, meaning that it provides Utility Billing as a service, and therefore, the City would not own the software since it is hosted on their system. The City would have to pay an annual fee to access it.

Council Member Hunnicutt said that the City needs to make sure it will own the data in order to avoid paying retrieval fees to have its own data transferred over to a different system upon possible termination with a company in the future.

Mr. Taylor stated that those types of fees are common practice with cloud-based solutions because the client's data resides on the vendor's equipment, allowing the vendor to hold the client's data hostage.

Council Member Hunnicutt asked if the new software program that IT envisions will be a module-based program.

Mr. Taylor replied yes.

Council Member Hunnicutt questioned if the transition will be all at once or if the transition will be done in phases.

Mr. Taylor answered that it can be done in phases. After talking with Ms. McMichael, their wishes are to transition Financials first, followed by Utility Billing and Payroll.

Council Member Hunnicutt stated transitioning in phases would eliminate a potential mass collapse of everything.

Council Member Epps asked if the license would be the same for each department.

Mr. Taylor said yes.

Ms. Gilley asked Mr. Taylor to consult with her on the bidding process because if it is considered a service, the City would not necessarily have to choose the lowest bidder.

Mr. Taylor confirmed that because it is an IT project, the City can select the best solution as the vendor even if the vendor is not the lowest bidder. He stated that IT purchasing rules are different than purchasing rules for the rest of municipalities.

Council Member Hunnicutt asked if the particular software that IT is considering is deemed a mature program, meaning how new the program is and if there would be several upgrades needed to work out bugs that could end up being costly to the City.

Mr. Taylor replied that Southern Software is considered mature. Their particular product has been around for close to 20 years and they do not charge for upgrades. Tyler Technologies has been around for a long time and they offer several programs, including Munis. The vast majority of large cities and counties in North Carolina are Munis customers. The City of Burlington uses a product called Eden under Tyler Technologies. When Mr. Taylor last talked to their IT director, they were very pleased with the product and support. New World Systems has been providing government software for a long time. The only company that was unfamiliar in terms of maturity of products was Muni-Link. Since they only offer a Billing program, they are not going to be considered.

Ms. McMichael expressed that her concern used to be what if Logics software breaks. Now her fear is when Logics software will break. Whenever the Finance staff reaches out to Logics support staff, they are told that the issues are occurring because the City is on the old system. However, when they have attempted to switch to Logics' newest software or version, they become less efficient due to the changes of procedures. What was simple before with the old software is replaced with a web-based software system that is difficult to manage, creating obstacles to maneuver around in an effort to obtain the needed information. Last year, the software disappeared for three days forcing the office to shut down for one of those days. While trying to close out the fiscal year and roll the balances forward into the new fiscal year, the figures disappeared. Logics said it took them nine hours to fix and they did not have the staff available to continue to provide that type of service going forward since the City was on the old system. Ms. McMichael did not feel the City had enough reasons to justify the expense of switching software companies in the past. However, recent events with the software programs have led her to reach a point

where even though she is aware that it is going to be difficult with new employees learning new jobs, there needs to be a software change made soon.

Mr. Shelton stated that he approached Ms. McMichael several years ago in reference to the cost of an upcoming upgrade with Logics. While he wished they could have switched software companies then, it was a question of the amount of money it would take to make the change. Due to the recent events, Mr. Shelton feels that the City is at a place where there is no other choice but to upgrade to a newer platform that works better for the City. Logics has always been marketed as a customer software that could be molded to the customer's needs. However, he was disappointed with that concept after the City paid \$13,000 for an upgrade that was supposed to be able to provide a one-button push to all of the answers needed for an annual Water Supply Report that the Water Plant must complete. After completing the upgrade, it was discovered that the reports promised did not work and Logics stated that there would be an additional cost required in order to make them work. In order to complete this annual report, Water Plant Superintendent Dena Reid must transfer all 6,600 customers into an Excel spreadsheet at which point she must go through them individually, sorting them in a way that provides the information needed to meet the report's guidelines.

He said if Council chose to pursue this, the financing could come out of contingency money since this both affects the General Fund and Water/Sewer Fund. The City's contingency fund begins with a balance of \$500,000 each year, which would allow enough money to cover the expense of a new software system by taking 50 percent out of General Fund (\$65,000 to \$70,000) and 50 percent out of Water/Sewer Fund (\$65,000 to \$70,000). However, the City does not have a subtotal of insurance costs at this time. The other alternative would be to finance the software change. There is one local source that has agreed to finance software. For example, if the City spends \$130,000, the principal and interest payment would be \$30,000 per year for five years. Furthermore, if the City chose to go with Southern Software, the maintenance agreement would be \$16,000, which is half of what the maintenance fees are with Logics. Therefore, a \$30,000 annual payment for five years plus an annual maintenance fee of \$16,000 would total \$46,000 a year. Currently, the City is paying Logics \$34,000 for a software program that is inadequate.

Mr. Taylor added that at least half of the City's debt service would come from savings on the maintenance fees.

Mr. Shelton feels it makes financial sense to switch software providers sooner rather than later. If the current Logics software program were to collapse all at once, the City would struggle with moving revenues and monitoring the expenditures.

Mr. Taylor stated that IT is backing up the financial server twice a day over fear that something might happen to the system. All other servers are backed up nightly.

Council Member Epps asked if the software system could be replaced by the end of the fiscal year.

Mr. Taylor replied that the timeline is going to be driven by the vendor's availability to do the install and what the schedule is in the Finance Department at that time.

Ms. McMichael stated that she would prefer to do the transition in modules. She suggested doing the preliminary work of paying for the software and having it installed on the server before June 30 so that cost could be an expenditure in this fiscal year's budget. Any services provided beyond July 1 would be in the next fiscal year's budget. The Finance staff has participated in one webinar but would like to participate in a formal webinar to see what the processes will be and the order of the transition. Assistant City Manager of Administration Chris Phillips, from the City of Reidsville, suggested starting with Financials followed by Utility Billing. Ms. McMichael believes it would be best to begin with Financials,

then proceed with Payroll, and end with Utility Billing and Cash Collections. She would like to develop a plan with the software provider in an effort to split up the \$100,000 cost between both fiscal years, leaving less to be budgeted in the upcoming fiscal year's budget. Further discussion with software providers will give a better idea of exact costs.

Council Member Carter questioned if the City has done a forced software update.

Mr. Taylor said Logics recently forced the City into a software update.

Ms. McMichael stated the update performed two weeks ago was for Cash Collections and Utility Billing. Logics said an upgrade was required in order to coincide with the automated meter reading software that needed to be updated as well. After giving the City a quote to perform the interface in January, Logics informed the City that the interface could not be completed because the City was operating on the old system. In order to work around that, Logics would have to perform updates to Cash Collections and Utility Billing. Because the update did not go as planned, Logics did not charge the City and hence, reverted the City back to the old system. Logics is now ready to complete the other phase but has informed them that they will not be able to support the financial system because it is on Server 2003; therefore, they will charge the City \$5,000 to perform current updates to that server. Mr. Taylor feels that the City will be forced to perform this update in order to get to a better place to make a transition to another software vendor. Because there is money in this year's budget, this is something they are looking at proceeding with. She further explained they are unable to export anything into an Excel file or anything that might would interface with another software program.

Mr. Taylor stated that Financials is running on a database system called Delphi that has been around for several years. The preferred database system for the past 10 years is Microsoft Sequel (SQL) Server. The update with Logics will move the City's data out of Delphi and into Microsoft Sequel for \$5,000 based on their quote. That will put the City in a better position to switch to a new vendor. The potential vendors that have been researched thus far have their databases on Microsoft Sequel; therefore, it would make moving the City's data to a new software system much simpler versus trying to move the City's data from the old system to the Microsoft Sequel database during a software system transition.

Mayor Hall stated that it is obvious that Council will support the upgrade.

Mr. Shelton said that he intended on requesting a software system change in the upcoming budgets, but due to the events over the past two weeks, he believed it was critical enough to be brought forth at the present time.

- h. Discussion and Consideration of Economic Development Issues and industrial recruitment, and updates from Tourism and Main Street.

Mayor Hall called on Council Member Hunnicutt.

Council Member Hunnicutt stated that economic development was the reason he ran for Council. He began by giving an overview of the City's financial situation. The general fund has a healthy surplus and the long-term debt is less than half of the allowable limit, which proves that the City has done a good job over the last 20 years of managing spending. He pointed out there is a difference in spending and investing. Spending is reacting to what is put in front of you in terms of funding different projects and needs, which is what happens at budget retreats. Investing is having the foresight to see an opportunity worth pursuing. For example, previous Council Members saw an opportunity with the Berry Hill Mega Park and invested in that. He also pointed out that some of the issues with the City's wastewater system were obvious years ago, but some Council Members did not feel that it needed to be addressed at the time. As a result, the EPA decided they were going to force the City to make the necessary changes. He

felt like it should have been a red flag many years ago and is questioning if there are any red flags today that need to be addressed by the present City Council.

He feels that an issue the City is dealing with today is a lack of revenue growth and they need to figure out how to increase revenue. Over the last 50 years, the population has decreased; therefore, net population growth is suffering. The City has the capacity for 20 million gallons per day of water and sewer revenue but is only utilizing 4.5 million gallons, which leaves a large surplus of capacity. There has not been any new industrial or residential development in years. The last new industrial building was built 20 years ago for Gildan. The last residential subdivision built was The Oaks in the 1990s. There have not been any major highway improvements. The quality workforce has been impacted with a struggling hospital, challenges with the school system, loss of professionals who have historically been a source of leadership, and loss of non-profits which has been a source of revenue. The City is running less than half of what is needed to keep current on street maintenance. Therefore, the question is what can the City do to increase revenue without raising taxes and water rates since neither of those are popular options.

Council Member Hunnicutt said making more investments could generate income for the City. Attention to growth strategy has a return of investment on it like what is being done with the Berry Hill Mega Park. The City is investing money to run water to the Mega Park in the hopes that an industry will come in and buy water from the City, generating revenue. Expanding the City's industrial base will bring in more and better paying jobs, while real estate and equipment investments will increase tax revenue. The hindrance to expanding our industry is the City does not have any buildings or land to offer. Therefore, the City needs to look at acreage. Martinsville, Va., has a mega park, Commonwealth Crossing, that is 720 acres, in which they invested around \$30 million. Prior to this, the land consisted of hills and hollows with a tremendous amount of money spent on the grading. The park has two sites that are ready to go. They also built a 20,000-square-foot training facility as inducement to potential industry. Berry Hill has a mega park that is 3,500 acres. Local economic development leaders pushed for a park due to the lack of available sites in the Reidsville area. As a result, Reidsville invested \$9 million into a 400-acre industrial park, of which 270 acres is developable. The City of Eden is in the same situation today with a lack of available sites in the Eden area. There is one 12.72-acre site available that is part of an industrial park developed by Fieldcrest. The industrial park is a 90-acre development that houses 536 jobs. Fieldcrest spent well under \$1 million on the park and the assessed value is now over \$20 million of investment. The businesses in the industrial park include KDH Defense, Loparex, Innofa, and American Cultivation and Extraction. There are two sites in the park that have not been developed. Fleetmaster bought six acres that is still vacant and the City jointly owns a parcel with the County. Other possible locations include a surplus of 1,000 acres of land that Miller owns in North Carolina and 400 acres in Virginia. However, that acreage does not have water or sewer access and consists of very high bedrock. Another candidate is the French Farm, which consists of 260 acres that lays well and has a railroad across the street. It is now for sale again, but Mr. Hunnicutt is unsure of an asking price. The last candidate is the 205 acres of land the City purchased from Duke Energy on New Street, of which 85 acres is in the floodplains and 120 acres is upland. Due to some topography areas, it leaves roughly 100 acres that is usable. Therefore, the City may need to look at purchasing some additional land. There are 214 acres of land on a Fieldcrest farm property. It has a similar challenge because it has 78 acres in the floodplains and 136 acres of upland. If all of the floodplain acreage from these properties were removed, that would leave 250 acres of gross acreage. The concern with the New Street acreage is it is located off of a narrow, residential street. Truck and employee traffic could be problematic as they come off of Stadium Drive at the stoplight. Police officers would periodically set up speed traps when Fieldcrest was there due to employees speeding down side streets when leaving work. Duke Energy's economic development group conducted an estimate of New Street Park, in which they had a concept of five buildings with 205 gross acres, of which 100 acres was buildable land. The estimate showed the entire project costing \$16 million with \$9 million dedicated to paving 27 acres.

Council Member Nooe stated that the \$9 million paving figure could possibly be coming from paving parking lots.

Council Member Hunnicutt replied that the footnotes stated the paving was for site-only, which does not include parking lots. Even then, he is unsure as to how you would estimate how much parking would be needed. Eliminating the \$9 million cost of paving would bring the cost down to \$6 million plus the cost of streets. Another estimate was conducted in 2004 of the French Farm with a total estimated cost of \$9 million. The estimate shows a total of 237 acres of which 218 acres is buildable with multiple sites that are subdivided. Half of the cost estimation is dedicated to rock removal. A concern with rock removal is the seismic effect it could have on established buildings. He recalled the incident involving the construction of Gildan and the disrupted foundations that occurred on adjoining buildings as a result of the rock blasting, which led to lawsuits. The City of Reidsville spent nearly \$12 million on their 400-acre park. Of that \$12 million, 25 percent of the funding came from grants. They had a 50/50 agreement with the County that left the City of Reidsville paying less than \$5 million for the industrial park. There are currently four different companies housed in Reidsville's industrial park. Mr. Hunnicutt's estimation of how much money it would cost the City of Eden to do a similar park is around \$5 million. He questioned if the City could afford not to proceed with Project Worx and if a finance committee should be formed to see how much debt the City should be carrying and possibly compose a budget for such a project. He also suggested having a land planner look at the sites mentioned to see how much it would cost to pursue those locations. He suggested meeting with the County about a potential partnership agreement similar to what was done for the City of Reidsville and also grants that might be available.

He said if the City proceeds with the New Street property, there would need to be discussion with NCDOT about their support of the park. With the New Street property, there is no interior access. Therefore, if an industry wanted to look at buying it, they would not be able to get into the property as it stands now. However, there are some logging roads that could be opened up that would create some access at no cost. It is currently not being mowed and there is some tree trimming that needs to be done in order to create curb appeal. There are 45 acres of planted pine that once thinned out, could be sold for a profit between \$20,000 and \$30,000. If the City does not do anything else, it needs to thin out the pine as a source of revenue.

Council Member Epps questioned if the City looked at the French Farm 15 years ago. He recalled there being an abundance of rock and a gas line running through the property. He suggested an entrance could be made off of Meadow Road to the property owned by Miller.

Council Member Hunnicutt stated that it all depends on cost. Both the County and the City had the option to purchase the Harrington Highway property years ago, but it was going to cost too much to run water and sewer to it; therefore, it is now owned by the State. His concern with the French Farm property is the amount of topographic issues it has.

Ms. Gilley suggested consulting with the County to see if they would be willing to partner with the City before moving forward. She was told that when the County partnered with Reidsville, it was said that they would partner with the City as well. However, when the Harrington Highway property became available, the City did not receive such partnership from the County.

Council Member Hunnicutt stated that he has been in contact with the County regarding this and reminded them the City is still owed a partnership.

Council Member Ellis said that even though New Street is a residential street, there are only 10 houses on the street and suggested an incentive to those families to relocate.

Council Member Hunnicutt said the residents living on New Street are accustomed to truck traffic considering the first Fieldcrest plant was built in the mid-60s. Economic Development Director Mike Dougherty spoke with people from Gildan and Weil-McLain and was told there are around 50 trucks associated with those businesses. The problem would be if that number quadrupled and would those residents be open to an increase in truck traffic. For inbound industry, they are going to be concerned about New Street being residential and not being able to get out of Stadium Drive without stopping at a stop sign. When discussed with NCDOT, they suggested that the City start looking at buying some properties along that area.

Council Member Ellis believes only five homes on New Street are occupied and the rest are vacant.

Council Member Hunnicutt feels the City needs to be proactive. He asked Mr. Dougherty if he knew how much a site engineer would cost.

Mr. Dougherty replied that it might be around \$100,000 considering it was several hundred thousand when they were looking into the Harrington Highway property.

Council Member Hunnicutt is unsure if the City has all of the information needed to vet it out.

Council Member Epps said a warehouse would eliminate trucks.

Council Member Hunnicutt replied that warehouses would not generate jobs.

Council Member Nooe suggested meeting with the Planning and Inspections Department to see if there is a land-use plan. The side streets are set up for handling heavy industrial traffic. A new access point, such as an industrial street that would be wide enough for getting in and out, may need to be built to reroute traffic. He also stated his uncertainty about the amount of money the City would receive from it. He gave the example that a \$1 million tax value will only bring back \$6,000 a year.

Council Member Hunnicutt agreed there is no guarantee that the City will ever get any money back. However, if the City does not have some type of building or land form, it will not attract an industry.

Council Member Nooe pointed out that Reidsville has Highway 29 and Martinsville has Highway 220, but Eden does not have any major highways. The City needs to pick an area that makes sense for industrial traffic, not necessarily residential areas where it might worsen the quality of life for its residents. He is unsure that Eden has the ability to handle the traffic caused by large industries.

Council Member Hunnicutt replied that consideration of new roads was discussed with NCDOT. From a planning standpoint, he is unsure if the City is ready for the development that would occur if a big project took place at Berry Hill Mega Park. The road leading from Berry Hill to Eden was recently flooded, which would pose a problem for people trying to commute to work. He believes there needs to be a Strategic Planning Summit where discussion can take place in terms of what the City thinks might happen and what needs to be done to start planning for it. A road will not be on the NCDOT's priority list until the City asks for it.

Council Member Nooe voiced not being in favor of an industrial park near Stadium Drive because of the schools that are close by that location.

Council Member Hunnicutt stated that the idea would be to get road improvements all the way up to Meadow Road. However, you would still have the same problem on Meadow Road up to the mall. He feels French Farm remains a viable option for the City because the location of access for industrial traffic is better than it would be at the New Street location.

Council Member Moore voiced concern over the New Street location. He questioned the possibility of building a bridge to come across the river and out on Highway 14 at the Loop Road instead of coming up New Street.

Council Member Hunnicutt agreed that was something to be considered. He also questioned the possibility of converting the railroad that runs from the entrance of Summit Road down to Highway 14 into a highway.

Ms. Stultz said there is a northern loop for Harrington Highway that should tie back into Highway 14; however, it would have to be moved from its current location because it travels across wetland. She feels that a southern connector is one of the most important things the City could do. She also expressed concern over the expense of building a bridge and NCDOT's willingness to assist with that.

Council Member Moore expressed dismay that the City's location is a hindrance for such improvements.

Ms. Stultz agreed and stated that was one of the reasons they created a Rural Planning Organization. She said the City needs to do more self-promoting.

Council Member Hunnicutt acknowledged that Reidsville is ahead of Eden in terms of things they are doing and interstate access. Unfortunately, Eden does not have any type of interstate access that is easily available. Attempts to connect Highway 14 to Ridgeway, Va., did not go through either.

Council Member Carter stated the corridor that has now been approved to go all the way to the Virginia line is going to be the connection.

Ms. Stultz said that Guilford County had to fight to get the highway within 10 miles of Rockingham County.

Council Member Hampton questioned if it was said that there could not be a bridge.

Ms. Stultz replied that there could be a bridge built but it would be very expensive and suggested Council adopt a plan in which they could then proceed with recommendations to NCDOT.

Council Member Hampton questioned if the City could connect in some way to Highway 29 from Ruffin.

Ms. Stultz replied the easiest way to do that would be to expand the highway and bring it back out to Highway 14. If the City built that southern connector, there would have to be a bridge built as well.

Council Member Hunnicutt stated that NCDOT has a scoring process and unfortunately, Eden does not score high enough to qualify for those types of road. However, he said they do seem willing to help.

Council Member Carter questioned if the City was going to submit any new requests before the end of the month deadline.

Ms. Stultz answered yes. She said the Council needs to develop a plan for what the City wants to ask for. She has requested Gant Road and Meadow Road be widened but in order to do so, there are houses that need to be taken down. There had been some indication that turn lanes were going to be put in on these roads, which will help, but it will not solve the problem.

Council Member Carter said NCDOT has talked about alternate routes through French Farm, but if the City wants to submit that request, it needs to be done by the end of the month.

Council Member Epps stated that it took Reidsville 20 years to get to where they are today. He feels that even though Eden has done some smaller work, it was done in a quicker timeframe. He suggested widening New Street and installing a red light instead of the stop sign that is currently there.

Council Member Moore stated the City needs to be proactive.

Council Member Hunnicutt agreed. He stated that if the hospital were to close, a portion of responsibility would fall on the City because it is the City's obligation to establish growth. Since there is not a definitive plan in place, he suggested holding a summit to further discuss matters. Included in that, there needs to be some assistance for Economic Development so there is more than one parcel of land to be shown to potential industries.

Council Member Epps said they need to have someone on the board that will work for Eden like they are working for the other cities.

LUNCH BREAK

MEETING RECONVENED

Mayor Hall called on Mr. Dougherty.

The following is the text of the PowerPoint presentation shown and discussed by Mr. Dougherty:

Industrial Recruitment

- Water Users
 - MillerCoors site is the best location in Eden to attract a large water user
 - 770 Ventures is clearing the packaging area that has been the greatest obstacle to a new owner
 - Two significant inquiries are in the process of being considered
 - Berry Hill Mega Site is also being considered by at least one very large water user
 - March 25-27th SEDC "Meet the Consultants" meeting in Atlanta, GA
- Web site
 - GIS WebTech is being proposed for City web site to be consistent with Rockingham County and to provide extensive data

NCEDA 2019 Annual Conference-Panel Discussion among Site Consultants

- Data—details wins deals...precision is the key
- Web site and data provided are keys to success
- Local data is crucial—your opportunity to shine
- Trucking times need to be established not just regular car commuting times
- Average drive times are not sufficient.
 - Companies want to know the inbound commuting times for 8:00am on Monday morning.

Industrial Recruitment

- Existing Industry

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

- Expansions are always supported
- KDH added 60 employees and Weil-McLain added 18 in 2019
- At least one expansion is being considered as of February 2020
- New Industry
 - Two new industry announcements coming in March in Eden
- Site Development
 - This depends on available funding—New Street
 - Master plan for French Farm site has been assigned to an engineering firm

Single building	
Mobilization/Survey	\$130,000
Clearing/Excavation	\$4,390,000
Erosion Control	\$412,000
Stormwater Control	\$300,000
Site Utilities	\$500,000
Site Development	\$8,247,083
Total	\$15.3 million

Multiple Buildings	
Mobilization/Survey	\$130,000
Clearing/Excavation	\$3,062,000
Erosion Control	\$462,000
Stormwater Control	\$350,000
Site Utilities	\$500,000
Site Development	\$9,240,708
Total	\$15.1 million

French Farm	
Temporary Entrance	\$4,000
Clearing and Grubbing	\$160,500
Erosion Control	\$321,000
Earthwork Cut/Fill	\$800,000
Topsoil Cut/Fill	\$466,500
Fine Grading	\$28,700
MSE Retaining Wall	\$36,000
Light Duty Paving	\$76,200
60 inch Con. Culvert Pipe	\$47,600
Stormwater Basin	\$84,000
Seeding/Grassing	\$150,000
Demolition of Existing	\$63,000
Structures Other Dev. Costs	\$528,000
Total	\$2.7 million

Potential Plans of Action

- New Street
 - Timber property for initial site development revenue
 - Clearing/Grubbing
 - Entrance roadway-makes property visible for prospects
- French Farm
 - Option to purchase property
 - Determine how attractive site is now that it is back on the market
 - Consider purchase and development

Both these properties become much more important as a result Berry Hill Mega Site activity

The Boulevard Merchants

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

- Building Rehabilitation Grant is available to these merchants
- EDDI will consider including The Boulevard in the façade grant program
 - 50/50% match is required for both grants with limited funds (\$2,000 annually)
- Randy attends monthly merchant meetings and supports merchant events
- RCC Small Business Center has worked with one property owner to obtain an SBA loan

Additional Issues

- Event Center
 - Nantucket Mill developers plan to offer an event area
 - Downtown development will also include small event centers in historic downtown Eden and The Boulevard
- Skat Bus
 - Bus stops between apartment complexes behind Wal-Mart, then circles back to the store for shopper convenience
 - If additional stops are added; others would have to be eliminated as the current ones are all used ◦ An additional bus for Eden would cost \$100,000 annually. ADTS is open to adding a bus, but the funding to operate it has to be provided.
 - Seeking funding or partners to add bus shelters—Potentially an Eagle Scout project

Goodwill Industries of Central NC

- Goodwill
 - The company decided to end this partnership because their model is to do this counseling in their retail stores. They could not justify investing in a space with chronic sewer issues and decided not to pursue a new building.
 - Goodwill Industries of Central NC continues to work with those seeking help via the Eden Goodwill store and at the Eden Public Library. Basically, they are helping the same number of people without a dedicated center. 98 people were reached during the last 6 months of 2019 with 40% of those placed in jobs.
 - Hiring events are held once per month at the library which promotes the Goodwill services
 - City promotes these events via newspaper columns and social media
 - Digital labs will be established to help people learn how to operate I-phones, I-pads, etc.
 - Agencies, such as Help, Inc. and Nurse-Family Partnership refer to Goodwill
 - Some Eden residents go to the Mayodan and Reidsville Centers

Farmer's Market

- Eden had a farmer's market in 2011, but it was held at the Henry Street parking lot
 - Very hot in summer, on asphalt, with no shelter available
- Farmer's Market is needed
 - Provides fresh fruits and vegetables for citizens
 - Helps both lower income and downtown residents
 - Facility can have other uses
 - Gathering space
 - Small events
 - Centerpiece of Historic Downtown Eden
 - City pursued the former White Rental space for farmer's market in 2018-19
 - \$130,000 appraised value

Potential space

- 1.6 acre rectangular space next to Scotty's
- Property is for sale: \$120,000* (negotiable)
 - Prominent location in Historic Eden
 - Nearby municipal parking lot
- *City can only pay appraised value

Structure

Traveler's Rest Greenville, SC

Lexington, NC Farmer's Market

Funding Possibilities

- Property
 - Strategic Planning Commission or General Fund
- Structure: Possible grant resources
 - Reidsville Area Foundation Grant (\$30,000-\$50,000)
 - Leaksville Municipal Service District (\$5,000)
 - Z Smith Reynolds Community Progress Fund (October of 2020)
 - Kate B. Reynolds Foundation
- Motel Occupancy Tax surpassed \$87,000 in 2019 +9.8%
- Smaller events are planned for downtown areas—tied into holidays
- Seeking new revenue sources to fund special events since MillerCoors funding ends in 2020.
- Heritage and Heroes—New Freedom Park Event (Cindy and local veterans)
- Rivers and Trails are a major priority Trails is #1 amenity for new home buyers

Corey Oakley: NC Wildlife

- Trout stockings in the Smith River would not be viable. Trout are a cold water species and the Smith River gets too warm during the summer months for long term survival.
- Smallmouth bass are already in the Dan River from the mouth of the Smith River upstream. Stocking smallmouth would likely be ineffective because the species already exists in the river system.
- There are definitely great species to fish for in the Smith River already. Largemouth and Roanoke Bass are already the dominant predators in the system. They are both native to the Smith and are well established. If I were highlighting the fisheries of the Smith River I would focus on these species along with native sunfishes that typically are great fisheries in Piedmont streams.

Klyce Street Landing

- Great River Race will be resumed in August of 2020

Main Street Update: New Housing

Apartments and Pizzeria

Apartments, Coffee Shop and walkway

Building Renovations

Meadery & Tapis Bar: Open in 8 weeks

Dancewear Boutique

Restaurant

Event Centers

4 Retail Spaces

Eden Entrepreneurship Program

- An economic development strategy to fill empty downtown buildings with new vibrant businesses is an entrepreneurial mindset initiative.
- The Eden Downtown Development Corporation, Rockingham Community College, and Rockingham County Economic Development Department have partnered with NC IDEA, one of the largest private economic development foundations in the state, to bring cutting edge instruction to Eden.
- Similar initiatives have created millions of dollars of new investment to North Carolina downtowns

Mr. Dougherty stated that 380,000 square feet of the 770 Ventures facility is now cleaned up and clear. The packaging area previously did not look appealing and they realized they needed to change that. Even with that, the estimate to level out the floors will cost \$4 million. There are two people that have recently looked at the facility.

Because of confidentiality agreements, Mr. Dougherty was not allowed to say what is going on at Berry Hill Mega Park, but did say that over the last year, it has been considered by some significant original equipment manufacturers that would have a definite impact on Eden. People that would locate their large

manufacturers are going to be looking for land and location in Eden. There was also a prospective business that looked at Miller Coors property, but it would not have been the best property for that type of business; therefore, they hoped the property owners would not sell prematurely because the property would be much more valuable otherwise.

Mr. Dougherty stated the County implemented GIS WebTech into their website and would like to see the City do the same thing for consistency. Downtown regulations and average drive times would be information available within that system. There is one prospect in operation of the 60,000 square foot building across from Loparex that will be formally announced at the end of March. Mr. Dougherty has not been able to announce it thus far because of the Building Reuse Policy with the Department of Commerce. That was the only available space beyond Miller Coors that the City had to offer to the company. A second company is coming into the old Kmart building, which has been vacant for almost 30 years. Nantucket Mill developers plan to have a 3,000-square-foot space available for events. Goodwill Industries has not shown much interest in putting money into a building, but employee Laurie Suthard has been able to help several people looking for jobs.

Coordinator of Tourism & Special Events Cindy Adams said that Heritage and Heroes is set for October 17 and they will need all of Freedom Park to host the event. They have partnered with American Legion Post 254 to bring this tribute to veterans, military and emergency services personnel. She is currently working on several things for the event, such as a flyover, choir and reenactments. The traveling Vietnam Wall will be brought back as the centerpiece for the event.

Mr. Dougherty said the Dan River Nature Trail is complete and signs were recently installed.

Mayor Hall asked Ms. Adams if it was possible to have a rain date for Heritage and Heroes.

Ms. Adams said it would be difficult to do and would result in a very condensed event.

Mr. Dougherty stated the City has more people wanting to open businesses than there are available buildings. One problem is the reluctance of owners to do anything to their buildings. Main Street Manager Randy Hunt has been involved in the entrepreneurship program. He has worked with Adam Mark from the County Economic Group and Susan Reagan from the Small Business Center at Rockingham Community College to put together a special program that will be held at the top of Pace Stone in a few weeks. They really want to help local entrepreneurs and business owners get some assistance.

Mr. Dougherty spoke of the need for a shell building in Eden. The majority of prospects prefer an existing building. Except for Miller Coors, there are no other buildings available in Eden. The County typically partners 50/50 on these types of projects but they have chosen not to partner with the City on this. When constructing a shell building, the developer will hold the building and attempt to sell it for the first 24 months. At that point, if it has not sold, it reverts back to the City. If the City were able to split the cost with the County, it would cost approximately \$112,000 to \$150,000. The average shell building takes four years to sell; however, in some counties they sell before the construction is complete. Mr. Dougherty believes a shell building would be a possibility on the 12-acre site within the Eden Industrial Center, which is what attracted and brought Loparex and Innofa to Eden.

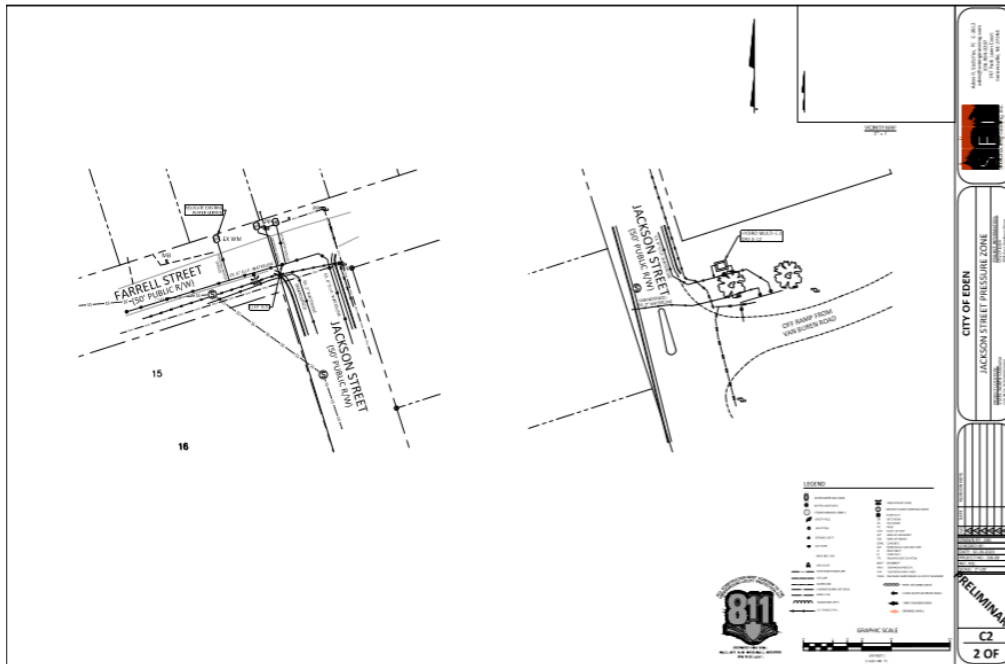
Council Member Hunnicutt stated that he communicated with Kerry Taylor from the County in regards to their hesitation on a partnership with a shell building. Ms. Taylor said the last shell building constructed in Eden was the building that currently houses Innofa. The building was on the market for three years and sold for a loss of \$650,000, of which the County absorbed. Therefore, they do not have the desire to risk another potential loss. While he expressed that he was not against a shell building, Mr. Hunnicutt stated

that a shell building can just as easily cost the City a prospect as it can attract one. If the ceiling heights or column spacing do not meet the requirements of a potential customer, the building is useless to them. Without knowing who your prospect is, it is difficult to know what type of shell building needs to be built.

- i. Update on the status of residential water pressure improvement.

Mayor Hall called on Water and Sewer Construction Projects Manager Mark Bullins.

The following is a picture shown and discussed by Mr. Bullins:



Mr. Bullins stated that the water pressure improvements for Farrell Street and Jackson Street were still in the design phase. The proposed pump station is a small pump station with two pumps and a bladder tank for pressure stabilization. There is currently a valve to shut off the section and move one water service. Mr. Bullins also obtained drawings for electrical work. The last estimated cost he was given was less than \$100,000.

Mayor Hall questioned the timing of the project.

Mr. Bullins replied he is waiting to get everything together so he can get the permit application. He anticipates installation going quickly.

Council Member Nooe said the permit should take one month. They are currently waiting on the pump supplier to send additional information on the pumps.

Mr. Bullins stated the system is similar to what is used in tall buildings where the pressure loss goes towards the top and is used to maintain pressure at higher levels. Grundfos is the pump manufacturer and they have a very good reputation.

Mr. Shelton said the City is trying to expedite the project to have it completed by summertime.

Council Member Moore questioned if there was any chance that something could blow back into a house.

Mr. Bullins answered no. Because the pumps are low flow, they will not blow anything up to build the pressure. The bladder tank will also be in place to help even out the pressure.

Council Member Nooe stated the pumps are two horsepower motor pumps and only have 20 gallon per minute flows. They shut down once the pressure builds up.

Council Member Moore recalled it being a problem in certain areas of town several years ago.

Mr. Bullins stated that it is not high pressure that blows out water lines, but it is sudden pressure fluctuations that cause water main breaks and water leaks, also known as water hammer. The pumps are variable speed, meaning they come up softly as opposed to starting at one speed all of a sudden. One pump will build up and if the second pump is needed, it will come on and then they both will go back down.

j. Update on the feasibility of resuming single stream curbside recycling.

Mayor Hall called on Municipal Services Director Paul Dishmon.

The following is the text of the PowerPoint presentation shown and discussed by Mr. Dishmon:

City of Eden's Recycle Facility Stats

- There are currently 987 households in the City of Eden that have voluntarily signed up to take part in the current recycle program we have in place at our location on Mebane Bridge Road. The facility also takes in recyclables from City facilities, 4 schools, and the post office.
- Separate bins are provided for recyclables at our facility.
- Plastic bottles and jugs generate about 3-4 tons per month.
- Mixed paper generates about 4-5 tons per month.
- Cardboard generates about 6-7 tons per month.
- Glass bottles, jars, etc. generates about 1ton per month.
- The total amount generated from the above recyclables is approximately 15.5 tons per month.
- Recyclable motor oil did generate \$1.00 per gallon at the recycling center. Later it was costing \$1.00 per gallon for disposal. Currently Noble Oil Company is picking up the recyclable motor oil at no cost as long as they are given the oil. Approximately 935 gallons of recyclable motor oil was generated last year.
- 220 gallons of antifreeze was generated last year for a total cost of \$577.00. Noble Oil Company now picks up our antifreeze at no cost due to the city giving them the recyclable oil.
- All recyclable oil generated at Municipal Services is used to heat the garage area for Fleet Maintenance and the Sewer Vac and Sweeper buildings.
- 2,135 gallons of oil base paint was accepted at the recycle center last year. ECO-FLO picked up all paint last year for a cost of \$1,281.77.

Current Value and Options for Recyclables

- There are multiple MRFs across the triad and out of those only 2 will accept recyclables from the City of Eden.
- Plastics, mixed paper, and cardboard can be hauled to North Davidson Garbage and Recycling, Inc. as a commingled material at a cost to the City of Eden of \$90.00 per ton for clean recyclables. If recyclables are contaminated there is an additional cost of \$55.00 per ton for a total cost of \$145.00 per ton.
- All contaminated recyclables are disposed of at a MSW (Municipal Solid Waste) landfill.

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- Clean separated recyclables can be hauled to Sonoco Recycling of Winston Salem at a cost of \$10-\$15.00 per ton to the City.
- The City of Eden's only option for our facility is to haul contaminated recyclables to Rockingham County landfill for a cost of \$36.00 per ton to the City.
- The City Generated an estimated 39 tons of recyclables last year.

City of Eden's Recycling Revenue

- Aluminum cans generate about 1 ton per year for a revenue of approximately \$600.00 per year. Revenue depends on current market price which is \$0.30 per pound at this time.
- Tin cans and metal generate about 1 ton per year for a revenue of approximately \$60.00 per year. Revenue depends on current market price which is \$0.03 per pound at this time.

Recycling Notes

- Nation wide more than 3000 municipalities have suspended their curbside recycling.
- 60 plus municipalities in NC have cancelled their curbside recycling programs.
- Greensboro cut glass, bulky plastic, and shredded paper from their upcoming recycling contract. They also closed 20 drop off sights due to illegal dumping.

Curbside Recycling

- Eden Residents were given 60 days prior to October 31, 2019 to sign up for curbside recycling with Foothills Waste Solutions. Foothills wanted a minimum of 400 residents. The service would be a contract between the residents and Foothills Waste Solutions at the cost of \$9.50 per month but billed quarterly. The City of Eden will not receive any payments from Foothills Waste Solutions. As of Feb. 12th, 2020 only 125 residents have signed up for the curbside recycling. This program has been advertised by:
 - Handing out flyers at the recycle center
 - Running an ad in the Eden's Own Journal
 - Posted on Facebook

NC DEQ Recycling Grant

- Solid Waste has applied for a grant through NC Department of Environmental Services to purchase the carts for curbside recycling.
- 400-96 gallon carts = \$23,300 equals \$58.25 each
- Education material = \$1,500
- Total = \$24,800
 - Grant Award Being Sought = \$19,840
 - City of Eden Cash Match = \$4,960

NC DEQ will be taking care of the educational and promotional material design at no charge to the city.

The Future of Recycling

- Recycling's future is very uncertain. The cost to recycle is on the rise due to improper recycling techniques. Facilities that handle recycling is having to drive the cost up to be able to handle the added cost that comes with improper recycling techniques such as contaminated and mixed recyclables. Recycling is not just a local problem it is a world wide issue.

Mr. Dishmon stated that most of the 15.5 tons of recyclables collected each month go to the landfill. Noble Oil has agreed to take all of the City's antifreeze at no charge if they are given the City's motor oil in exchange. There are two oil burning heaters at Fleet Maintenance that are used to keep the water hoses on the trucks from freezing. Water-based paint can be mixed with sand, dirt, or cat litter to form a solid and then taken to the landfill. The City does not have a way to handle all plastics, paper or cardboard without a pusher-trailer. The cost of a new pusher-trailer is \$69,000. The downfall is that only one recyclable material can be collected in a pusher-trailer at a time. To work efficiently, the City would need

a pusher-trailer for each recyclable item. If the City chooses not to haul recyclables to the landfill, the other option would be to send the recyclables to Waste Management in Kernersville at \$160 per ton.

He explained that recyclables must be 100 percent clean before they can be recycled. These stringent procedures are causing the price per ton to consistently increase. Recycling plants must pay to clean any item brought in that is not 100 percent uncontaminated. In recent years, there was a company that would dispose of the City's glass bottles for free, but the company is no longer in business. Now, the City's glass is going directly to the landfill where its life expectancy is 4,000 years. There are some products that have a recyclable symbol on them but cannot actually be recycled. Aluminum is the most profitable recyclable. The City sorts the aluminum recyclables out and takes them to A&Y Salvage in Madison. The City has roughly 100,000 pounds of Grade A metal from manhole rings, valve boxes, and risers that Mr. Dishmon hopes to sell once the market is right. Recycle companies do not want shredded paper; therefore, it is taken to the landfill as well. Mr. Dishmon stated that the City began advertising for curbside recycling at the end of September 2019 but have only had 125 residents sign up.

Mayor Hall questioned if the 400 containers that would be purchased with the NC DEQ Recycling Grant would be the same containers that Foothills would be picking up.

Mr. Dishmon replied yes.

Mayor Hall questioned where Mr. Dishmon received the 400 number from.

Mr. Dishmon answered that it was based off of the number of customers that Foothills requires in order to provide the service to the City's residents. He explained that China Grove had an increase from \$24,000 to \$106,000 to pick up their recycling yearly. Pennsylvania is burning their garbage at 1.5 million tons a year and generating energy out of it. Based off what people are putting into the recycling bins, Mr. Dishmon is not surprised at the small number of people willing to pay to participate in curbside recycling. The dedicated recyclers need to take their recycling to places such as Waste Management or to the County. What is left at the end of the day is going to have to either be taken to the landfill or the City will have to pay \$160 per ton to haul it to a MRF (Municipal Recycling Facility) to be sorted. The cost difference in paying \$36 per ton versus \$160 per ton would be the cost of buying a new truck.

Mayor Hall questioned if the City handles 17 tons of recycling per year.

Mr. Dishmon replied that it was 17.5 tons.

Mayor Hall stated that 17.5 tons at \$160 per ton is \$2,800, which was not a lot of money per year.

Solid Waste Superintendent Dusty Curry stated it was \$2,800 per month.

Mayor Hall replied that it would calculate to be \$33,600 per year to have recycling and questioned why it would cost \$9.50 a person.

Mr. Dishmon said the \$9.50 charge per residence was the price Foothills quoted on the cost of the containers.

Mayor Hall asked how many households the City of Eden has.

Mr. Shelton answered it is 6,600 residences.

Mayor Hall said if curbside recycling were mandatory, it would compute to \$5.60 per year per household.

Mr. Dishmon stated if the City made curbside recycling mandatory, Foothills would go down to \$4.50 to \$5 per household.

Mayor Hall questioned what the City needed to look for if it were going to pay \$33,000 to the company it is taking it to.

Mr. Dishmon replied that the City does not have trucks to handle it. The City would have to expense a truck and a driver. He stated they are currently waiting on a truck to be delivered that cost \$275,000. They do not have an operator for it yet. The truck would also have to haul the load to Winston-Salem.

Mayor Hall questioned how long it would take to get it all done.

Mr. Dishmon said if it were mandatory in the City, they would have four routes, which would take four days a week.

Council Member Carter questioned why it could not be a mixed load.

Mr. Dishmon answered that you can put mixed things together, but you cannot take contaminated loads, such as wood and steel pipe that are not supposed to be recycled. However, it can be taken mixed to a MRF. Waste Management paid \$8 million for a machine that has electronic eyes that separates things without human hands. Waste Management quit taking glass because it was tearing up the bearings at the MRF.

Council Member Hunnicutt asked if Mr. Dishmon had looked at how much it would save in tipping fees by sending less volume to the landfill. He explained that in the long term, the landfill itself would have longer life because not as much would be put into it.

Mr. Shelton said that the landfill needs a certain amount of revenue to operate and if the amount of intake reduces, the cost of fees will likely increase in order to still generate the same amount of revenue. It is a matter of looking at the economics of this while also trying to be environmentally friendly.

Mr. Dishmon said the County has looked at raising tipping fees.

Council Member Ellis asked what JCR says about the situation.

Mr. Curry said they have reached out to JCR to see about getting set back up for them to handle some of the City's recycling. JCR takes Loparex's trash, shreds the material onsite, and then ships it in shredded bales. However, they run a lot of the products together. The City has dealt with JCR in the past by carrying recyclables, such as plastics, paper, and cardboard, to them. JCR is one of three companies across the United States. The recyclable material that is being processed at JCR is going to Reidsville where it is sitting in bulk warehouses. The prices began to increase when they started taking comingled recyclables to the MRFs. It costs \$90 per ton to get into a MRF, which pays the fees for that company to run that particular MRF. There is no recycle being sold to merchants. Cities and states are sitting on bulks of recycle until it becomes a fire hazard and at that point, it is being sent to the landfill. If a single material is brought to them, they will take it for \$10 to \$15 per ton, but if you take a comingled material to them where they must run it through the \$9 million assembly, it costs \$90 per ton, which is usually what happens when mixed recyclables are put into the can at the curb. It used to be that you could bring everything to the recycle center and separate all of your recyclables and they would take it one item at a time. They want to make it convenient for everybody by putting it in a container at your house, but if the can has anything in it that is not supposed to be in there, the driver will set it back down and flag it for the garbage truck driver to pick up when he comes by to empty the garbage container. That is how they are trying to keep the contamination out of the single stream. If one glass jar breaks in a truck and glass pieces get stuck in a piece of cardboard, it becomes contaminated. At the end of the day, you are paying someone three times the amount to dispose of your trash. Statistics show all these companies are employing these people to separate and bale the recyclables for it to end up sitting in a warehouse. Once the warehouses become full, they take it to a landfill to make room for more.

Mr. Curry said it is like that across the United States, not just in Eden.

Council Member Hunnicutt asked why the County is recycling.

Mr. Curry replied that the State mandates the County to recycle. The County turned it over to Waste Management in order to cut their ties with it. When the County initiated the curbside recycling program, it was a three-year contract. Their residents had the same opportunity of voluntarily signing up as our residents have had. When the three years ended, the County turned it over to Waste Management and let them offer the curbside recycling to its residents. The last figures received from Waste Management were \$10.86 per resident. Waste Management wanted the Council to make it mandatory to the City of Eden residents. By turning the recycling program over to Waste Management, it took the County off of the hook. They are offering a recycling program to their residents, which is what the State requires them to do, but they are not responsible for anything. They received the grant and bought the original containers for the residents. The landfill still has a site where County residents can take their recycling if they choose not to participate in the curbside program.

Mr. Dishmon said if the City chose to begin hauling recyclables to someone for \$10 to \$15 per ton, the City is going to have to buy more pusher trailers.

Council Member Hunnicutt said he has been asked by some of the downtown merchants and small businesses why they cannot use the City's recycling center.

Mr. Dishmon replied that the recycling center is not open for commercial businesses because the State does not allow it.

Mr. Curry explained there is a different set of rules for commercial accounts than it is for residential accounts. The City's HHW (household hazardous waste) permit that is through DEQ only allows household waste within the city limits to be collected. Throughout the previous years, the City was not in compliance with the permit because people and businesses inside and outside the City limits were using the recycling center. At any given time, there would be 4,000 to 5,000 gallons of paint down at the recycling center. Since procedures were changed in June of 2019, there has been a significant change in the amount being taken to the landfill. If you are a paint contractor who lives inside the city limits, you are not allowed to dispose of your paint at the City's recycling center. While Mr. Curry understands that small businesses are not going to generate the amount of recyclable material that larger retailers such as Walmart will, he does not see a way to enforce what businesses can and cannot use it.

Mr. Dishmon stated the City is not set up to handle the volume of recyclables that a large retailer would bring in.

Mr. Curry explained there would be more expenses associated with handling the waste of bigger companies.

Ms. Gilley said the City would be in violation of its permit if they allowed anything but household waste into the recycling center.

Mr. Dishmon said the City could change the permit but would also have to purchase more equipment and hire additional employees.

Ms. Gilley stated there would be more restrictions because it would involve commercial waste.

Council Member Hunnicutt explained there is a difference between Barry Carter's gun shop and Walmart in that Mr. Carter has the same trash service as a residential household while Walmart has multiple

dumpsters. He felt there should be a way of separating the two types of businesses, if the City's permit allowed. He questioned if there was a way to help the small businesses who wish to recycle.

Mr. Curry replied that they could look into it. He suggested the businesses that wish to recycle sign up for the curbside recycle program. Inspections from DEQ prohibit the City from taking anything in the garbage rollout container or the transfer station other than household waste. If the City opened up disposal for businesses, it would involve more paperwork as every item taken to the transfer station would have to be documented.

Mayor Hall speculated if the City could apply for a commercial permit and then as a municipality, limit who could use the transfer station. For instance, if the business has a dumpster on site, then they are too big for the transfer station.

Ms. Gilley stated that a commercial permit comes with more restrictions and guidelines.

Mayor Hall suggested the City could determine what businesses can bring their recycling to the recycling center based on who has a green rollout container, considering their trash is disposed of along with all household residences.

Ms. Madison said that she lives in a condominium complex that has a dumpster. The complex would not allow its residents to have recycle containers for the individual units since there was a dumpster on site.

Mayor Hall reiterated that the City could pursue a commercial permit, but only allow people with green rollout containers to participate.

Ms. Gilley asked how much a commercial permit would cost.

Mr. Curry replied that he did not think DEQ would approve of a commercial permit for the City's transfer station mainly because they are only set up for residential disposal.

Ms. Gilley questioned if the City would still be subject to commercial guidelines if they were to limit who could use the center internally.

Mr. Curry said that he would check with the permitting engineer and site inspector but advised that it would likely come down to if the cost of a commercial permit to accommodate a few businesses is worth it.

Ms. Gilley advised obtaining the amount of the permit and how many businesses would benefit from it.

Mayor Hall suggested finding a way to get back to residential curbside recycling. Since the City does not have the required voluntary votes from its residents, it needs to consider the possibility of making it mandatory for a suggested cost of \$3 a month per household, a figure not likely to receive much backlash.

Mr. Curry advised that he had discussed the price that Foothills would charge the City's residents and feels that it is reasonable. The educational part of the grant they applied for will help to promote the program. DEQ is also helping get the program in place by assisting with advertisements and promotions.

Mayor Hall questioned if the recycling center could be closed if the City went to mandatory curbside recycling.

Mr. Dishmon stated the recycling part of the center could probably be closed, but the transfer station itself could not.

Mayor Hall said there would not be a need for two employees at the recycling center.

Mr. Curry replied that they would still need someone to take used oil, paint, and other materials not allowed at the curb.

Mr. Dishmon stated the City does not reuse the oil brought to the center because it is unknown what someone might have mixed in with it. For instance, if they put the oil in their machines and it happens to have gasoline in it, then it would create a problem.

Mayor Hall asked if the City has to take those types of items.

Mr. Dishmon responded that they are taking what the City policy states that they have to. It would be a matter of removing it from the list like what was done with tires and pallets.

Mayor Hall questioned if the City could eliminate the recycling center if they were able to get down to just household recycle.

Mr. Dishmon said the City of Greensboro eliminated bulky plastics, bags and shredded paper. While attending a class in Asheboro, the State Inspector advised Mr. Dishmon and Mr. Curry that it was well known that the City of Eden would pick up anything put on the side of the road. Therefore, they realize the City is doing more than it should and feels that the City should be looking at other areas of service, such as leaves. The City picks up leaves year-round, but some cities only pick up leaves 10 times per year. He advised possibly stopping that service considering the City has one automated leaf machine that is going to auction and another leaf machine that is currently down. They are going to be asking for another automated leaf machine in the upcoming budget, but at the present they have two drivers tagging along during the week picking up leaves until the leaf machine is repaired.

Mr. Curry said the City of Greensboro picks up leaves once a year.

Mr. Dishmon also added that if a brush pile is less than 50 pounds, it must be bundled.

Mr. Curry stated that the City's residents are receiving services not found anywhere else in the United States.

Mr. Dishmon pointed out that the cameras on the City trucks are very helpful in that they show their drivers are doing what they are supposed to be doing. He gave a recent example of a wreck that occurred with one of the City garbage trucks and a citizen. Each party was blaming the other. The Police Department was able to view the wreck from the garbage truck's camera, which proved it was the citizen's fault.

Ms. Amos asked what was being done with the televisions that are on the side of the roads around town because citizens are ignoring the tags that the City is putting on them.

Mr. Curry replied that since the City voted and approved not to pick up or accept those items any longer, the City is not collecting them. The resident can take them to the landfill and recycle them free of charge.

Mr. Dishmon stated the resident could bust up the television and put it in the rollout container as long as it does not look like a television.

Ms. Amos pointed out that some residents are taking the televisions and placing them in front of vacant houses.

Mr. Curry responded that the City has to pick them up when they are on the side of the road near vacant property. They have made contact with some residents in regards to the televisions being placed at the curb, but the majority of them put it on the side of the road because they assume the City will pick it up.

They are currently working on something in regards to that and are considering conducting another clean sweep.

- k. Update on the Emergency Services Fire Training Facility and Fire Department priorities for FY 2020-21.

Mayor Hall called on Fire Chief Tommy Underwood.

Chief Underwood said the City acquired the land for the training facility from the school system by trading a truck for it. Norman Nance cleared the trees from the land and made a sizeable donation towards the facility. To begin with, they had the soil tested to make sure it could withstand the size building they planned to construct. Sam Smith installed an erosion control plan and also donated his services of stumping two acres. Once the project is completed, the settlement basin will be covered back up. The facility is a two-and-a-half story building with a roof-prop that allows trainees to practice going into structures by way of cutting into roofs. There is also a burn room in the attic. It is well built and will fulfill their needs as far as training goes.

Council Member Ellis asked if it was vinyl on the outside of the facility.

Chief Underwood answered no. He said the outside of the facility is metal and the inside is all steel, metal and concrete. The building itself is complete, but once the weather begins to cooperate, they can start completion on the remainder of the project. A driveway needs to be poured and power needs to be connected to the building. Water Resources employees Jerry Prillman and Carl Booth have agreed to wire the building. There also needs to be a water line installed to the building.

Council Member Carter questioned if the hand rails have been put up inside the building,

Chief Underwood answered yes. He said that he would like to have a grand opening ceremony once the project is completed.

Council Member Moore asked if it would be pallets and straw or gas used on the burns.

Chief Underwood said it is class A and the only maintenance on it will be the temperature conductors. While they do not want it too hot, they do want it to simulate a real-life experience.

Chief Underwood called on Deputy Fire Chief Todd Harden to give the presentation on the Fire Department priorities for FY 2020-21.

The following is the text of the PowerPoint presentation shown and discussed by Deputy Chief Harden:

EDEN FIRE DEPARTMENT CURRENT STAFFING

- 12 Fulltime assigned to three 24 hour shifts at four stations
- (1 person at each station for 24 hours)
- 2 Relief personnel that are not assigned to a shift or station
- 2 Administrative – Monday through Friday 8am to 5pm
- 3 Daytime personnel that are staffed at Station 4 Monday through Friday 8am to 4pm
- 14 Part time paid per call/ Volunteers

COMPARISON TO OTHER CITIES

- Albermarle
 - Population 16,121
 - 42 career firefighters (no volunteers/ part time)

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- 3 Stations
- Annual Budget 3.6 million
- Services given Fire/ EMS
- Lexington
 - Population 18,532
 - 48 career firefighters (no volunteers/ part time)- 16 assigned to each shift 24/48 schedule
 - 3 Stations
 - Annual Budget 4.5 million
 - Services given Fire, Initial CPR and other EMS by request
- Pinehurst
 - Population 16,452
 - 27 career firefighter (8 part time staff) -9 assigned to each shift 24/48 schedule
 - 2 Stations
 - Annual Budget 3.6 million
 - Services given Fire/ EMS
- Lenior
 - Population 17,875
 - 58 career firefighter (4 part time)- 18 per shift 24/48 schedule
 - 3 Stations
 - Annual Budget 4 million • Service given Fire/Rescue/ EMS/ HAZ-MAT
- Reidsville
 - Population 14,152
 - 28 career firefighter (10 on call firefighters) 7 per shift 24/48 schedule
 - 3 Stations
 - Annual Budget 2.1 million
 - Services given Fire/ EMS

REASONING FOR STAFFING

- Tremendous decline in pay per call/ volunteer membership
- 14 pay per call on roster
- Only guaranteed personnel to any given emergency is 4 trucks with one driver if there is no other call at that time
- With changing lifestyles and work schedules this is a tremendous impact on pay per call/ volunteers response
- Lack of personnel on emergency scenes has become a very serious concern
- Decreased personnel on emergency scenes has a great effect on the operation and tactics used
- In 2019 Eden Fire Department was toned out for 505 calls
- 26.5% of the 505 calls with no response from the pay per call staff
- 68.5% of the 505 calls only 1 to 5 pay per call staff responded
- Total of 21 structure fires for year with an average of 5 pay per call response to each
- For this year 3 structure fires with average of 3 pay per call response to each

BENEFITS OF ADDITIONAL PERSONNEL

- Faster response time on the emergency scene for operational set up and tactics
- Pay per call firefighters can supplement the fulltime on emergency scenes
- Additional credit for ISO maybe achieved during inspection
- With additional personnel this will put the department in a great position to provide emergency medical care to the citizens

Deputy Chief Harden said the relief personnel floats between three shifts and fills in when regularly staffed employees take time off. The administrative staff consists of Chief Underwood and Deputy Harden. Station 4 has three daytime personnel because several of their volunteers do not work in town; therefore, the daytime personnel are there to supplement until they get additional help.

Council Member Ellis questioned if they have three people on shift and four truck drivers.

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Deputy Chief Harden replied that there are four stations and four people, one at each station. However, there are three daytime personnel at Station 4, in addition to the administrative staff, Monday through Friday.

Council Member Ellis asked if the part-time personnel are the firemen who work the fires.

Deputy Chief Harden answered yes.

Council Member Ellis asked how many of the pay-per-call personnel work out of town.

Deputy Chief Harden answered two.

Council Member Ellis questioned that if his house were to burn, would he receive three fire trucks.

Deputy Chief Harden replied that he could guarantee four people would respond if it was after 4 p.m. Monday through Friday.

Council Member Moore asked if those people would be driving a truck.

Chief Underwood replied yes unless they happened to be on another call.

Council Member Ellis asked how many pay-per-call personnel they have hired in the past six years.

Deputy Chief Harden said they have lost pay-per-call personnel.

Chief Underwood stated the Fire Department has been on a steady decline in personnel over the past 36 years.

Council Member Ellis asked if the rural fire departments' personnel increased or decreased.

Chief Underwood said the rural fire departments have been struggling too.

Deputy Chief Harden said that Station 210 had to schedule part-time daytime personnel to work during the day just like the City had to.

Council Member Ellis asked about the Draper Fire Department's personnel numbers considering they have a newly remodeled station. He asked Mr. Dishmon how many calls Station 220 (Draper Fire Department) has.

Mr. Dishmon answered 80 a year.

Council Member Ellis questioned how many of those were daytime calls.

Mr. Dishmon said he did not have a way to separate the calls per year, but he believes they receive a low number of fire calls in total.

Deputy Chief Harden discussed the comparison of staff in similar sized cities.

Council Member Hunnicutt asked what the total budgets were for the cities used in the comparison as he was interested in knowing what percentage of their total budgets were allotted to their fire departments.

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Deputy Chief Harden replied that he did not know their total budget amounts.

Council Member Ellis asked what the budget was for the City's Fire Department.

Chief Underwood said \$1.6 million.

Council Member Epps questioned if there are four trucks and four drivers and there happens to be two fires at the same time, why would there not be two trucks at each fire.

Deputy Chief Harden replied that he could guarantee that response after 4 p.m.

Council Member Ellis referenced the City of Lenoir and questioned what the 18 personnel per shift were doing there.

Deputy Chief Harden answered that the City of Lenoir operates on suppression out of their trucks through three stations with 18 people on duty at one time. He said the City of Eden has 14 pay-per-call personnel on the current roster with two eligible for retirement.

Council Member Ellis asked how many pay-per-call personnel were trained for the Eden Fire Department in 2019.

Chief Underwood said they have had zero new members, but currently have four applications in Human Resources.

Deputy Chief Harden explained they received two applications in 2019, but never heard back from the individuals when they called to set up interviews.

Council Member Ellis asked if they were in the process of checking for clean driving records and processing background checks and drug tests on those four applicants.

Deputy Chief Harden replied yes.

Council Member Ellis asked when the last time an agility test was performed.

Chief Underwood replied in 2018.

Council Member Ellis asked Mr. Dishmon when the last time was the Draper Fire Department performed an agility test on someone.

Mr. Dishmon said agility tests are not required.

Council Member Ellis questioned if it is the same training for rural fire departments as it is for the City's department.

Council Member Carter answered yes.

Deputy Chief Harden said the County performed recruiting efforts in 2019 because all of the fire departments in the County are suffering. It has gone from a three-station response in the County to a four-station response in order to get the help needed throughout the County.

Council Member Epps questioned if they doubled the training.

Chief Underwood said the training has increased from 100 hours to 458 hours in order to obtain certification. That has become a deterrent to some who want to become a firefighter but are struggling with devoting that much time away from their family.

Deputy Chief Harden clarified that one can be trained under the old standards until July 1, 2021. OSHA regulation 1910.134, which is Respiratory Protection, requires that if you do any type of interior firefighting, there is a 2-in/2-out rule. This rule states that the two people inside must be in visual or radio contact with one another and there must be two people outside to provide a rescue if one of the interior persons encounters a problem. The 2-in/2-out rule does not keep you from performing a rescue as long as you know there is a life in danger. However, to perform simple extinguishment, you must abide by the 2-in/2-out rule. There was concern expressed from a member of a station outside of the City limits, whose budget is small, that a bulk of their structure fire-fighting gear is being used inside the City limits to fight the City's fires. The City's current procedures when responding to a call is the driver leaves his home, drives to the scene, dresses in the protective gear, and then begins work on the fire. Deputy Chief Harden believes if they already had personnel on the fire trucks when responding to a call, they would already be dressed when arriving on the scene. They still need the pay-per-call personnel because they provide supplementation for the full-time personnel. At the present, staff is attempting to do too much while on the scene due to a lack of responders and the fear is that someone is going to seriously get hurt.

Council Member Epps asked if the City has had any fatalities or serious burns.

Deputy Chief Harden replied no.

Chief Underwood said he ran over 600 calls but 100 were toned out, which resulted in 500 calls.

Mayor Hall questioned if of the 500 calls that were not toned out, 21 of them fire.

Deputy Chief Harden answered yes.

Mayor Hall questioned if they would need extra men for the other 480 calls.

Deputy Chief Harden said he views it as insurance.

Chief Underwood said he cannot predict how many fires they will have in a year's time. He also stated that Eden Rescue Squad is struggling for volunteers. He feels that if the department had additional staff, they could begin assisting with first responder calls, which averages over 3,000 calls per year.

Council Member Carter asked if the City still gives money to the Eden Rescue Squad.

Chief Underwood said they have one person who works from 9-6 Monday through Friday. They recently added a convalescent program but that is different because none of the money that the City pays to them for that one person is going into the convalescent program. He feels the City department needs to be self-sufficient.

Council Member Epps asked how much the salary was for a firefighter.

Chief Underwood said it was \$54,912.92, including benefits.

Council Member Ellis asked how much a police officer's salary was.

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Ms. Winn replied that they are both pretty close to the same amount for entry-level positions.

Mayor Hall asked if they have ever seen two structure fires at the same time.

Deputy Chief Harden answered no, but stated he has seen two calls going on at the same time.

Chief Underwood answered yes.

Council Member Moore recalled when there were two large structure fires, one on Dameron Street and another at El Parral. He said there could not have been enough responders that night.

Chief Underwood stated that response back then was better than it is today.

Council Member Moore said that if it had not been for mutual aid, they would have been hurting.

Council Member Hunnicutt questioned if the five pay-per-call personnel that responded on average in 2019 were responders from the City's personnel only or did that include backup dispatched from Station 210 as well.

Deputy Chief Harden replied those five were the City's responders.

Council Member Hunnicutt asked what kind of support they were receiving from Station 210 and would they have enough people on site at a structure fire, including that help, to be sufficiently covered.

Deputy Chief Harden said Station 210 provides one truck and one man. If they were to get to a scene and realize they do not have enough manpower, they can call and request additional help, but it will depend on how much personnel they have at that time.

Chief Underwood said on average, it is between five and eight additional people.

Council Member Hunnicutt questioned if they would have enough people, regardless of where they come from, on a scene to be able to put out a fire.

Council Member Ellis answered no. He said it was no different than what is being considered on New Street. It is not like it was 10 or 15 years ago and he feels the City needs to step up and provide for its citizens because they are in need of protection. He said there might be grants available for the department.

Chief Underwood agreed that there are grants available, but there is no guarantee that they will receive them. With a safety grant, the issuer will pay a certain amount each year and the City will take it over at the end of either three or four years.

Council Member Ellis said there are older people in town that do not fight fires like a 35 year old person can.

Chief Underwood stated it is a very physical and demanding operation that is designed more for the younger person in terms of suiting up and fighting a fire.

Mayor Hall asked what the average age of a full-time firefighter is.

Chief Underwood answered over 50 years of age.

Council Member Ellis said a lot of firefighters do not want to play the game anymore and the younger firefighters do not want to pursue it as a career.

Council Member Epps asked how many firefighters they needed.

Chief Underwood answered 11 at a minimum. He said he would like to start with seven people, two per shift and one relief person. He said they have 12 people now and two relief personnel. The firefighters receive an incredible amount of time off counting holidays, vacations, and comp time accrued. Each person receives 168 hours of holiday pay during the course of one year, which leaves 24-hour shifts to be covered. They also have Kelly Days that need to be covered. A Kelly Day is when someone works nine days out of 28. One of the shifts of four people will have to work the 10th day. If that person has to work on the 10th day, they would have to be paid at time-and-a-half. Relief people are brought in to prevent people from having to work on that 10th day. One shift gets four Kelly Days and another shift gets five Kelly Days. That equates to 11 shifts per person that has to be covered. They only work 110 days per year.

Council Member Hunnicutt asked if the City has received any notice from an insurance authority or governing authority that oversees firefighting in regards to the City being at risk for losing their rating. He questioned if this was an internal request or was this request due to an authority requiring the City to hire additional staff.

Deputy Chief Harden answered no. He explained that the Department of Insurance does come in and issue a rating to the fire department. He said the City is on a five-year rotation schedule and had their rating issued three years ago. The rating is based 50 percent on the fire station itself, 40 percent on water, and 10 percent on communication. Since communication is now handled out of Wentworth, the City does not have much influence on that area.

Council Member Moore added that the Department of Insurance also evaluates the City's records and therefore, everything must be documented. If there is a fire at 5:01 and Deputy Chief Harden is present on the scene, he is not included in the number of responders present on the scene because his hours are from 8 to 5. Chief Underwood is never included in the number of responders present on the scene of a fire. The Department of Insurance will look at the records to see if you have the right number of responders at the scene of a structure fire, chimney fire or fire alarm call. If you do not, they will deduct points from the score, which will affect the rating.

Mayor Hall said that considering the City bought a fire truck and built a fire training facility since the last rating was issued, the City's rating should be better.

Chief Underwood said the City missed a rating of 3 by two points and his goal is to get to a rating of 1. Going to a rating of 3 would be appealing to industries because it guarantees a lower insurance premium as opposed to ratings of 4 and up.

Mayor Hall said that since the fire training facility was designed for recruiting, hopefully it will attract more firefighters.

Chief Underwood said that Schools Superintendent Dr. Rodney Shotwell agreed to hire a fire instructor for Morehead High School once the facility is complete in efforts to help expand the program.

Mayor Hall suggested waiting to see what the program through the school would do for the pay-per-call personnel numbers.

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Chief Underwood replied that the department is in a critical situation now.

Mayor Hall suggested increasing the amount paid to the pay-per-call personnel as an incentive to attract more people.

Chief Underwood said they currently pay \$11.50 an hour if they are certified.

Mayor Hall said it would be much cheaper than hiring 11 new people. Out of the comparable cities, Mayor Hall asked if any of them reported less full-time workers than the City.

Deputy Chief Harden said he sent out 10 requests and received five replies.

Mayor Hall stated the City has more stations than any other cities. Reidsville has 28 paid full-time personnel with a \$2.1 million budget. The City of Eden has 12 paid full-time personnel with a \$1.6 million budget. Reidsville is averaging \$75,000 per employee and Eden is averaging \$133,000 per employee. He is questioning why the City's budget is \$500,000 below Reidsville's, yet they have more than twice as many personnel.

Deputy Chief Harden said Eden has four on duty per day and Reidsville has seven on duty per day out of three stations.

Mayor Hall questioned if Reidsville has EMS.

Deputy Chief Harden replied yes.

Mayor Hall suggested modeling the City's department after Reidsville.

Chief Underwood said the City would have to add two personnel per shift with one relief personnel.

Mayor Hall said the request equates to spending \$600,000 to hire seven employees.

Chief Underwood replied that it would probably cost around \$330,000.

Deputy Chief Harden replied that if the City hired 11 new firefighters, it would cost \$600,000.

Mayor Hall replied that if they received 11 more firefighters, it would cost \$600,000, which would put their department's budget at \$2.2 million. Reidsville would still have 28 full-time firefighters doing EMS and Eden would now 23 personnel not doing EMS, but it would cost \$100,000 more.

Council Member Carter questioned how three more firefighters could be utilized.

Chief Underwood replied that he would put one on each shift.

Council Member Carter asked if that would be the best perspective for the department.

Chief Underwood answered no. He felt like the minimum the fire department needs is seven people. He would add two firefighters to each shift with one relief firefighter.

Mayor Hall questioned how many pay-per-call firefighters the City lost this year.

Deputy Chief Harden replied one.

Mayor Hall stated that if the department received four new firefighters, they would still be staffed close to the same as they were last year.

Deputy Chief Harden agreed assuming they do not lose anymore personnel.

Mayor Hall questioned why it was so important to hire more people when nothing has changed in personnel over the last year.

Deputy Chief Harden replied that it is the same people on the roster, but that is not the people responding to calls.

Council Member Ellis recommended trying to hire additional personnel and see what response they receive. He asked Mr. Dishmon how much they are paid per call at the Draper Fire Station.

Mr. Dishmon replied \$5.

Council Member Carter asked what it would cost if they expanded their daytime program to 24 hours and if paying the firefighters \$15 or \$16 an hour be reasonable.

Deputy Chief Harden replied that it is difficult to schedule firefighters as is and expressed concern over how challenging it would be to schedule firefighters at night. He also questioned if the firefighters would be paid to sleep or would they be expected to stay up for 24 hours at a time.

Council Member Carter replied that if they are full time, they could sleep. Paying them to do so would be cheaper than hiring additional firefighters.

Chief Underwood felt that it would be impossible to operate in that manner based on the fact that out of the last four days, he had one part-time firefighter to call in sick every day.

Council Member Moore recommended working with the new city manager, once hired, to see how he/she feels about the situation.

1. Succession planning within the City.

Mayor Hall called on Mr. Shelton.

The following is the text of the PowerPoint presentation on the succession planning shown and discussed by Mr. Shelton:

BACKGROUND INFORMATION

- Succession planning first became a hot topic around 2005 as Baby Boomers started retiring as they reached age 60 plus.
- For businesses and industries, a huge number of experienced leaders, managers, and employees were leaving the workforce in a mass exodus.
- People have always tried to prepare new people for the jobs coming open due to death, retirement, long-term illness, or promotions. This need has been formalized into the terminology “succession planning.”
- Our City first became involved in the formal succession preparation process between 2005 and 2010. Our Police and Fire departments have been at least informally involved in succession planning for many decades because of the command structure of their management organizations.

A PERFECT SUCCESSION PLAN

- In April, Chief Greg Light will retire and you will witness an absolute picture-perfect succession plan unfold.
- Deputy Chief Clint Simpson will become Chief, Captain John Edwards will become Deputy Chief, and so forth down the line as officers move up into the open positions.
- This will appear to be seamless to most everyone outside the Police Department.

POLICE DEPARTMENT PLAN

- What you may not know is that the ones who are promoted into their jobs have already been trained and know that job they will enter.
- Each police officer knows their job and they train to know the next job up so when someone leaves a position, someone is ready to step into that job.
- Command structure of the PD facilitates succession.
- Succession perfection!

OUR PROBLEM IN OTHER DEPARTMENTS

- Between 2005 and 2010, other departments began working toward having a succession plan.
- Most of our departments have understood succession planning and continually work toward having a working plan in place.
- The problem we have tends to be the small size of some departments that limits what department heads can do. Departments with 3 to 8 employees obviously have limited options especially when the employees are of relatively the same age range and would retire in the same timeframe.
- Engineering, Finance & HR, Administration, Economic Development, Parks & Recreation, and Planning & Code Enforcement all face these issues due to small staff sizes.
- Therefore, we have to approach succession planning with more detailed and specialized plans to be successful.
- When retirements are anticipated in the coming years, it may be necessary to hire new employees many months or up to a year before that date in order to adequately train new people to be ready to receive the baton when experienced employees leave.
- Planning & Code Enforcement and Finance have potential retirements of critical experienced staff within the next 2 to 3 years.
- Our small staffed departments may need to hire replacement employees sooner in order to train and transfer knowledge of their unique specialized staff positions before retirement or promotions take place.

SOLUTIONS

- Chief positions in Planning & Code Enforcement, Municipal Services, Public Utilities, Parks & Recreation, and Fire could potentially be filled by new leaders in the next 1 to 5 years.
- If we continue to promote from within, we need to continue to train our existing people to be ready for these jobs when the openings occur.

OUR WORKABLE SOLUTIONS

- Staff will work to continue to train employees to advance to fill open positions to the extent our available resources allow going forward.
- I believe promotion from within allows our existing staff to have growth and achieve their dreams and goals and reach those goals in Eden.
- We do ask for Council to continue to support us in trying to promote and grow our own experienced leaders from within our own staff.
- I represent the perfect example of an employee being promoted from bottom to top within our organization.
- I have been part of a succession plan numerous times during my career.

FINAL RESULT

- Good succession planning is having employees advancing to higher levels of experience, training, and leadership.

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- When an employee jumps out of the organization due to career moves, retirement, or death, we must have someone who is ready to step into that open position.

Mr. Shelton discussed the presentation and called on Ms. Stultz.

The following is the text of the presentation on the succession planning shown and discussed by Ms. Stultz:

Planning and Inspections Department Personnel/Succession Plan

Introduction

There are 10,000 baby boomers turning 65 each day in the US. According to an article by Patrick Ibarra in Governing, “local governments small and large, rural and urban are experiencing a brain drain that is placing their organizations at a critical juncture: the need for experienced and seasoned employees has never been greater, yet those are the very workers that are most likely to be departing in the near future. It’s clear that governments need to get serious about succession planning”.

Three members of my five-member department, including me, are nearing retirement. I have 34.5 years in the retirement system without my vacation and sick time and will be 61 in August, Debra Madison has 14 years in the system and turned 64 in January 2020 and Debbie Galloway has 18 years in the system and will be 63 in April.

Background

Currently, we have 5 full time employees in our department. Until early January of 2014, the Planning and Inspections Department consisted of 6.5 employees. There was one full time and one part time person that worked the front desk, two inspectors, one planner, one planning coordinator and the director. The full time person was moved to the Recreation Department and we were not allowed to fill the vacant position. In October of 2016, the part time person retired. Again, that position was not allowed to be filled.

Other departments within the city have had staff reductions in recent years. However, for our small department the loss of 1.5 employees was a staff reduction of 23%.

The impact of these losses has been in productivity. The remaining 5 of us share the phone answering, permit issuing, typing minutes, putting out agendas, and other general office duties. Time taken up by these activities has taken away from other professional responsibilities.

Department Duties:

The following is a general, but not all inclusive, accounting of the duties for which our department is responsible:

- N.C. State Building Code (building, plumbing, mechanical, electrical)
- Issue building code related permits and land use permits
- Defective and unsafe building abatement code
- Human habitation standards
- Non Residential Maintenance Code
- Land use and development code (zoning, subdivision, watershed & flood damage prevention regulations)
- Public nuisance abatement code
- Junk vehicle code
- Non-Residential Maintenance Code
- Street Closing Program Provides public information and assistance
- The department plans, studies and identifies and develops programs that promote the physical, economic, and social development of the community.
- We staff 6 Boards and Commissions plus the City Council, they are the Planning Board, Board of

Adjustment, Historic Preservation Commission, Community Appearance Commission, Tree Board and the Strategic Planning Commission. With that comes the preparation of agendas and minutes and other duties related to the work of the various groups.

- Transportation Planning – Rural Planning Organization, Pedestrian/Bike Planning

Duties Added/Outside Common Planning and Inspections Department Duties

1. GIS - The GIS duties that are performed include maintaining some of the information for water, sewer, solid waste routes, water meter locations, ward boundaries, fire hydrants, and zoning. We provide map books to the C&D crews to help them locate the gravity main lines and manholes so that they don't have to go back to the office when they are out in the field making repairs. As staff runs the camera in the gravity main lines, the reports are given to us and we add the location of the sewer taps and sewer tap lines to the map data. Now that the Finance Department is using automated water meters, their staff does not have to physically open the meter box and they are getting covered by grass, dirt and gravel. We provide locations of the meters to the Finance staff when they are unable to find the meters easily.

We routinely assist the Economic Development Director and his department with data needs.

A percentage of Ms. Madison's salary is paid from the Water and Sewer fund due to the amount of time spent serving those functions. These duties have been added to the current position and serve all departments

2. Code Enforcement Collections In 2004, the City Council was expressing concern about our code enforcement collections. Historically, this had been a function of the Finance Department and the City of Eden. Due to prior experience in other jurisdictions, Kelly Stultz, was asked by the City Manager to study our process and make recommendations. After careful consideration, I offered to take over these duties and to work with the City Attorney to set up improvements for one year. That was 16 years ago.

Code enforcement requires knowledge of the various codes and the legal requirements involved.

Requests/Recommendations

1. It is most likely that our Local Codes Manager/Legal Assistant will be the first of our staff to retire. We need to hire a full time employee in a Planning Coordinator position that can assume the duties at the desk and other clerical and support duties, while being trained by Ms. Madison to be promoted into her position at retirement. After the promotion, then that person can train the next Planning Coordinator. Since time is pressing, I would ask that you approve the creation of this Planning Coordinator position as soon as is reasonably possible but definitely so that someone can be hired by July 1, 2020. It is unlikely that we are going to be able to hire someone to handle GIS upon Ms. Madison's retirement that can fulfill all of the other duties. GIS is a specialized position and the entire City is becoming more dependent on this data with each passing day. When Ms. Madison retires someone will have to take over her GIS duties.
2. The next position needed, will be to hire a planner that I can train to assume my duties when I retire. Ideally, we would hire a planner with planning experience and GIS experience before either Ms. Madison or Ms. Galloway retires. Ms. Galloway has indicated that she will likely retire in July of 2022.

Conclusion

I have not yet made a decision about a retirement date but I have been eligible for 5 years already. With of all the duties and responsibilities that are expected of the Planning and Inspections Department, we were understaffed before the staff reductions. Combined with imminent retirements this creates a situation that is not in the best interest of the citizens of Eden and our organization.

I am asking to hire one additional employee at the present time in the Planning Coordinator position at least by the beginning of fiscal year 2020-2021. I plan to re-evaluate our situation by January of 2021.

Ms. Stultz mentioned that her department is also affiliated with community development, grants and activities through CDBG and the State. At the present, they have another application out for an Urgent Repair Program and even though consultants are hired for that program, members of her staff are intimately involved with it. They currently have a consultant helping with the UDO, but her staff is actively included in the plans associated with that. Ms. Stultz also referenced that the GIS program has grown tremendously with every department in the City utilizing it. In most jurisdictions, the GIS position

is a full-time job, but Ms. Madison has taken on that position in addition to her other job duties. Ms. Madison has taught herself how to navigate the program with the limited amount of training the City has been able to give her. As the program has grown throughout the City, it has consumed 40 percent of Ms. Madison's job, while code enforcement collections expend another majority of her responsibilities.

Council Member Hunnicutt said that if the City is going to pursue succession planning, they need to know how far in advance to hire the retiree's replacement. There needs to be a plan in place that is adhered to in order to prevent double-staffing.

Ms. Stultz added there are some jurisdictions across the State that offer incentives for some employees to retire. She also expressed uncertainty at the ability of the City to force an employee to pick a retirement date and stick to it regardless of circumstances that may change.

Council Member Hunnicutt stated that he previously worked in a corporate environment and their succession planning was for seven years.

Ms. Stultz replied that she had an employee who was being trained to fill Ms. Madison's position upon her retirement, but management had a different plan for that individual. Therefore, they are left with remaining personnel doing things out of position.

Council Member Epps asked if the City Manager could proceed with making a decision to hire the requested additional staff member.

Mayor Hall replied that it could be put in the upcoming budget.

Mr. Shelton called on Ms. McMichael regarding Succession Planning of the Finance and Billing & Collections Department.

The following is the text of the presentation on the succession planning shown and discussed by Ms. McMichael:

Finance and Billing & Collections Department Personnel/Succession Plan

Currently, there are three full-time employees working in the Finance, and two full-time employees working in the Billing & Collections Department. In 2004, when I started with the city we had four full-time employees working in the Finance Department, and four full-time employees working in the Billing & Collections Department. (I have not included these employees: Deanna Hunt, City Clerk, Teri Sentiff, Assistant HR Director, Jessica Joyce, Warehouse Dispatcher, and Jason Terry, Meter Maintenance Technician. These positions are included in my Finance & B&C Annual Budget; however, these employees do not work directly in the Finance Department.)

Since 2008, when Ms. Becky Shelton retired after 30 years of service, we have lost two full-time positions due to budget cuts: A Finance Accounting Technician Position and a Billing & Collections Clerk Position. In 2009, the city moved from bi-monthly water billing to monthly water billing which doubled the responsibilities in Billing & Collections. In addition to all the many responsibilities that are required of the Finance & Billing & Collections Department, we are also required to provide customer service to all of our water and sewer and dumpster customers. We have approximately 6,900 customers, and we see and talk to approximately 90% or more of them on a monthly basis. We lost two long-term Billing & Collections Clerks—one in 2008 and the other in 2010 due to the overwhelming work environment. We lost another long-term employee in 2012 for the same reason. Due to the loss of these positions, as Finance Director I found my time increasingly being spent 90% or more assisting Billing & Collections compared to about 50% prior to the change in billing and the loss of two positions.

In 2012, the Department was fortunate to be able to budget for a part-time Billing & Collections position, allowing us to hire Becky Shelton. She is a tremendous asset to our office; however, the fact she is limited on how many

hours that she can work due to the NC Retirement regulations, and as any part time employee would be due to the NC Retirement 1,000 hour rule does not provide sufficient assistance in the department. We have been struggling for years. However, we have continued to try to cross train in the department to prepare for emergency situations, and we have tried to obtain continuing education as our Auditors have recommended each year in our Management Letter. We were working towards a succession plan when Ms. Blair Barker was in Finance processing our Accounts Payable. She had taken some Governmental Accounting Classes, and she is working towards her Municipal Administration Degree. We had planned for her to be the next Accounting Coordinator/Assistant Finance Director/and then eventually Finance Director. Her priorities and plans changed, and she has now decided to take a new position in the city's Administration Department. Therefore, we are at crossroads again in the Department.

In order for our Department to be able to function efficiently and effectively on a daily basis, we need additional help. It is very difficult for us right now to prepare for succession planning with the current staff working in the department. My staff is very dedicated to their jobs, but they feel so stressed about taking vacation, not to even mention the need for them to find time for continuing education that would help prepare them for future promotions within the department. For example, former Billing & Collections Clerk II Jennifer Woods would have to work the Saturday before taking a weeks' vacation and return the Sunday afterward just to keep abreast of the workload. Cycle 1 is not yet complete when work has to begin on Cycle 2. It is not a very efficient way to run a department.

I am right now fighting the battle of when will the next Administrative type position open up within the city, and who am I going to lose next. We have tried our best to survive for the last twelve years, and now is the time that we need extra help so that we too can plan for the future Finance Director. I do know that Amy Winn, CPA, our currently Assistant Finance Director has 5 years left before she will meet her 30 years with Local Government. I need to be able to send current staff for continuing education training, so they will be ready for the next promotion.

It is a good thing to remember that the Finance Department is charged with collecting much of the water and sewer revenue in the City, and not an insignificant amount. We should take great care to be sure this department is operating at the highest level of efficiency.

Ms. McMichael stated she has also had a succession plan in place, but is currently at a crossroads with starting the process over due to personnel changes not caused by retirement. The amount of responsibilities expected of any one employee can impact the quality of work you are receiving from that employee when they are forced to wear many hats. If your employees are given more work than what has been expected of them in the past, it creates an issue within the department. While Ms. McMichael stated that her department does provide entry level positions that qualify for promotion without a college degree, there are some positions that require more. She feels it makes better sense to prepare the staff from within so they can take advantage of promotions. She also believes that if given the additional requested position, not only would it help in the department's current situation, but it would also help better prepare for future succession. Based on her research, in January of 2020, the two full-time Billing & Collections Clerks processed 2,040 payments. They deal with a lot of unhappy people due to the water and sewer rates being higher today than they have ever been. The stress of the job plus the hostility from customers is overwhelming to her staff. She conducted a survey with other municipalities with a population of 20,000 or less to see how many staff members they employ. She found that Oak Island has three Customer Service Representatives and three in Finance; the City of King has three in Billing & Collections and three in Finance; Carolina Beach has three in Billing & Collections and three in Finance; Clinton has three-and-a-half in Finance and three in Billing & Collections; and the City of Reidsville has four in Finance and four in Billing & Collections. A new full-time Billing & Collections Clerk position is \$51,000. She hopes to find someone looking for a career with good benefits who can be promoted within the organization.

Council Member Epps stated there are five months before the budget comes out and there are some departments in dire need of help. He questioned if they were going to have to ask these departments to wait until July before they could hire additional staff. He suggested letting the City Manager fulfill those staff requests now.

Mayor Hall replied that the City Manager already has the authority to do so, but stated these departments are requesting additional staff for the upcoming fiscal year. If the departments were requesting additional staff for the present time, the City Manager would not have to seek the City Council’s approval to do so.

Mr. Shelton added the City was at full staff for positions already approved by Council, but these requested positions for the upcoming budget are new positions.

Council Member Epps stated there are several people wearing multiple hats and suggests setting this in place so the next City Manager will be able to put it into action.

Mayor Hall reiterated that it is difficult to replace someone when you do not know their anticipated retirement date. He also stated that the City cannot hire replacement personnel and then end up double-staffed when the retiree decides to continue working.

Council Member Hunnicutt said he is willing to replace personnel and be double-staffed for a certain period of time, but it cannot be indefinite. He stated they will need participation from the departments.

m. Review of the budget process and new city manager search.

The following is the text of the presentation on the budget process shown and discussed by Mr. Shelton:

City of Eden Fiscal Year 2020-2021 Budget Calendar

Event	Date	Topics
Detailed Budget/CIP Process Begins	Wednesday, January 8, 2020	Budget/CIP Process, Request Forms, & Priority Setting
City Council Budget Retreat	Saturday, February 22, 2020	Establish Work Priorities
Departmental Budgets Completed	Monday, March 9, 2020	Departmental Submissions To City Manager
Revenue Estimates Completed	Monday, March 16, 2020	Revenue Estimates to City Manager from Finance Director
City Manager’s Review With Departments	March 16 – March 26, 2020	Department Heads Review Budget with City Manager
Budget Finalization	March 27 – April 9, 2020	Final Adjustments to Budget
Budget Submission	Tuesday, April 14, 2020	Budget Submitted to Council
Set Public Hearing	Tuesday, April 21, 2020	Set Public Hearing Date
Budget Worksession City Manager Presents Budget/Budget Message	Tuesday, April 21, 2020 (File Budget with City Clerk & Publish Statement of Submittal) <i>THIS DATE IS TENTATIVE*</i>	Summary of Overall Budget & Key Organizational Issues
Public Hearing & Final Adoption	Tuesday, May 19, 2020**	Citizen Review of the Proposed Budget & Final Adoption

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

*If the Budget is not ready to be given to Council for review, the Manager may wait until April 23 to submit to with work sessions scheduled for May 14 and May 19 if needed. May 19 set Public Hearing for June 16.

**Alternate date of June 16, if budget preparation is delayed.

Mr. Shelton stated that one item was added to the budget calendar in the event that the budget is not ready to be approved in May. He stated that while he is aware there has not been a June budget approval in several years, he will do his best to make sure it stays on the May calendar.

Ms. Gilley replied that several municipalities adopt their budget in June.

Mr. Shelton had checked with Developmental Associates and was informed that the city manager job advertisement received 689 views. They have received 21 applications to date with nine more days left before the job posting would close.

n. Free time to discuss additional topics.

The following is the text of a letter sent by the Eden Chamber of Commerce shown and discussed by Mr. Shelton:

Mr. Terry Shelton
City Manager
City of Eden
308 E. Stadium Drive
Eden, NC 27288

Dear Terry,

On behalf of the Eden Chamber of Commerce Board of Directors and membership, I thank you and the Eden City Council for once again supporting your chamber. With those contributions we can continue to fund important community initiatives and lead the way for business. As the year progresses, we hope to continue earning your trust and your loyalty.

The City of Eden continues its legacy as our largest “Community Sponsor”; this fact speaks volumes about the level of commitment you shown towards our Chamber and our community of businesses. For the past two years, the City has graciously contributed \$15,000.00 to the Chamber. Your donation assists us in promoting Eden to thousands of potential newcomers and visitors every year. We also conduct several events such as Temptations in the Garden, Get Fit Eden and our Annual Awards Dinner, now in its 64th year. We can also add our new Reverse Raffle fundraiser which made its debut last June to a roaring success, and the resurrection of the family friendly, “Rubber Duck Regatta! Both events will return this year due to a positive and popular response from our local and bordering community residents. Our events bring people into the community which in turn means a boost to our local economy.

We serve as a Visitor Center for the City of Eden and as a strong partner with our small business community by conducting numerous Opening Celebrations (aka Ribbon Cutting Ceremonies), Informative Lunch & Learn sessions which enlighten the local community, Business Networking events such as Off the Clock, a business after hours event held in the warmer months, and of course our highly attended monthly coffees. Local business owners see the value of such gatherings. On occasion, due to their popularity, our business owners will need to sign up a year in advance.

We are invested in our community as we live, work and shop here. We continue to promote and cultivate a shop local environment. For many years we have partnered with American Express to bring the “Shop Local Saturday” initiative to Eden. It’s been discovered that for every dollar spent at a small business in the U.S., approximately 67 cents stay in the local community. This event occurs the Saturday following Thanksgiving and is a nationwide

movement that encourages people to shop at their local , Mom & Pop shops, diners, boutiques, restaurants, pet stores, etc.

Your investment with the Eden Chamber is extremely appreciated and distributed back into the community. One such instance occurred last summer. Our Chamber building needed an expensive 3 ½ ton heating and air conditioning unit. We received three quotes and went with one of our local chamber members, of course. This expense cut deeply into our savings budget. When this occurs, we find ourselves coming up short on operating fund. That is one major reason we would like to request additional funding from the City of Eden.

Last year I attended school at the Chamber Institute in Athens GA. The instructors and classes were extremely beneficial to my current position. I was also made aware from other Chamber Presidents how they were funded. I was astounded by some of the totals. One chamber had 200 members and received \$100,000 a year from their city, and there were other similar totals in areas that were not as large as ours. Eden is the largest city in Rockingham County; we have 319 members and are constantly growing. I share these statistics with you because our chamber neighbor in Reidsville has around 400 members and they receive \$40,000 annually from their city funding.

Gentleman & Ladies, I'm not asking for an extensive increase, just an additional \$10,000 in funding which would take us to \$25,000, that's if the city budget can withstand it. One of our Board of Directors (Tom Barbour) recently commented during our board retreat that "The Eden Chamber is different now and getting more things done than just coffees".

We are very proud of the work that goes into our highly sought-after Business Directory/Newcomers Guide, which we produce annually and distribute throughout Rockingham County, Southside VA and beyond. It's a labor of love. We are constantly seeking inventive ways to engage our members and are grateful for an involved and active Board of Directors who brainstorm new ideas that we in turn implement. We are visible in the community and we love where we work and work where we live.

We continue our commitment to promote Eden by partnering with the City's Department of Economic & Tourism Development, both bring new industry and visitors to our fair city. We are fortunate to have Mike and Cindy in their roles; both have the best interests of the Chamber in their view. We consistently reach out to them not only for their wealth of information but also, their clear vision of an emerging Eden and we too want to be a part of the revitalization efforts that will promote our city and allow its businesses to flourish.

Thank you in advance for your consideration of our request and we look forward to partnering each year with great leaders such as yourselves.

Respectfully submitted,
Angela Fowler
President

Mr. Shelton stated that he received a letter from the Eden Chamber of Commerce listing numerous events that they are currently sponsoring. The previous Councils have approved for \$15,000 to be given yearly to the Chamber. Ms. Fowler is requesting the Council to consider increasing that contribution to \$25,000 yearly.

Mayor Hall stated that the City's contribution to the Chamber was \$5,000 for a long time. Years ago, they were approached by the Chamber in regards to an increase. At that time, they checked to see what other cities were contributing and found that the City of Reidsville was paying their Chamber \$50,000 yearly. He stated they would have to look at the budget to see how much of an increase they might could contribute considering how much the Chamber does for the City.

The following is the text of a letter sent by the Strategic Planning Commission:

Re: 2019-2020 Annual Report, Budget Request, Receipt and Expenditure of Funds Date: February 18, 2020

Minutes of the February 22, 2020 meeting of the Eden City Council, Continued:

According to the City Code of Ordinances, Chapter 2 Administration, Article 3 Planning Organization, and Division 9 Strategic Planning Commission this report is required in February of each year.

I have attached a spreadsheet that shows the projects that were presented to the City Council and were approved for funding. In the “Cost” column you will note that some of these are in an orange background. This is to let you know that this is the amount that was estimated and funded but the actual cost has not been received to date (as of February 18, 2020)

There is a cost total from each meeting that was approved by the City Council. Please understand that at the February 7, 2020 meeting of the Strategic Planning Commission (SPC), the project for Morehead High School students to shadow City of Eden employees for one day was approved by the Commission. This is being done in an effort to help our students know the jobs that exist in Eden and improve our Workforce and retention of some of our students. This was also done in the Spring of 2018 and deemed very successful by the MHS staff. We believe this program can be expanded and improved.

Again, this project was approved by the SPC but has not yet been presented to and funded by the City Council. Therefore, my first request is that the City Council approve this project and the amount of \$1000 to be funded from the 2019-2020 budget of the SPC.

Also if the \$1000 is approved, you will see that \$190,016 of the 2019-2020 budgeted \$300,000 for the SPC will have been approved to be expended. Normally there are four quarterly scheduled meetings of the SPC in the year. In the scheduled February meeting, the major portion of the time was allotted to project up date and discussion of membership. Councilman Hunnicutt urged the SPC when recommending new members to examine the needs of the areas of expertise that would further the mission of the Strategic Plan. Therefore, there is a special called meeting March 6, 2020 and the regular scheduled meeting May 1, 2020 to consider any remaining projects for this year and make recommendations to the City Council. In the next two meetings we do expect to present and discuss projects that meet the goals of the Positively Eden Strategic Plan that will most likely request the use of another \$100,000 of the allotted SPC budget. As you can see from the projects list, we have put forth projects that improve the appearance of Eden, improve the health and safety of Eden residents, promote Eden, impact downtown Eden development and improve the communication to Eden residents and visitors along with promoting economic development and workforce development.

All past years’ projects were developed in accordance with the strategies and goals of the Positively Eden Strategic Plan which was developed with the input of the residents of Eden. I will be asking our Commission members to analyze our Plan to determine which strategy areas and goals have not been fully addressed. This is the fourth year of a five year plan but I believe there is still much in this plan that should be addressed. Accordingly, I am requesting that the City Council approve \$300,000 to be in the 2020-2021 City of Eden Budget allocated for the SPC. This is a reminder that even with those dollars approved for the SPC budget, each project still has to be presented and approved by the City Council before any action or expenditures can occur.

STRATEGIC PLANNING COMMISSION
2019-2020 APPROVED PROJECTS
August 9 2019

Sponsor	Competition Date	Project	Cost	Status
Kelly S /Josh W	Aug-Oct	Meadow Road/Stadium Drive Island	\$6,500.00	Not started
Mike Dougherty	Aug-Oct	Dan River Nature Trail	\$27,000.00	Trail yes; Sidewalk no
Randy Hunt	Sept-June	Entrepreneurship Program	\$20,000.00	On track for end year
Cindy Adams	ASAP	Upgrade Tourism Website	\$15,000.00	Complete
Cindy Adams	ASAP	Story Boards for City Hall	\$1,860.00	Complete
Cindy Adams	Spring 20	Spring Grown and Gathered	\$5,000.00	Scheduled 5/21/20
Cindy Adams	rescheduled	Bronze Otter Sculpture	\$12,500.00	Unveil with Otter Habitat
Cindy Adams	Fall 19	Butterfly Art Along Smith River Greenway	\$9,000.00	Install Mar-Apr
		Total	\$96,860.00	
		November 8 2019		
Christy Hensley	Dec-Feb	MHS Water Fountains	\$4,800.00	On site not installed
Kelly Stultz	12 Mos	Unified Development Ordinance	\$60,000.00	Consultant hired Jan 20
Mike Dougherty	Dec-Mar	Otter Habitat	\$7,356.00	On track
Mike Dougherty	Nov-Mar	Reynolds Brewery Façade Grant	\$20,000.00	On track by year end
		Total	\$92,156.00	
		February 7 2020		
Jim Burnette	TBD	MHS Shadowing (Not yet approved by CC)	\$1,000.00	before end school year
		Total YTD	\$190,016.00	
		May 3 2019		
		Carried over from 2018-2019		
Mike D/Randy H		618-620 Washington St Access Wash. St	\$20,000.00	On track by year end
Mike D/Randy H		618-620 Washington Steet	\$7,000.00	On track by year end
Mike D/Randy H		624 Washington Street Façade	\$20,000.00	On track by year end

Ms. Gilley said after reading over the Strategic Planning Commission's letter, she believes a motion is needed for the \$1,000 shadowing program because she did not realize that the project itself had not been approved by Council.

Council Member Epps made a motion to approve the Shadowing Program with funding under the Strategic Planning Commission. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

Mr. Shelton stated that in that same letter from the Strategic Planning Commission, they asked for \$300,000 to be allotted in the next budget. He questioned if that was something that needed to be voted on as well.

Mayor Hall answered no. He said it would need to put into the budget to see if the money is there to support it.

o. Adjourn

As there was no further discussion, a motion was made by Council Member Ellis to adjourn. Council Member Hampton seconded the motion. All Council Members present voted in favor of this motion. This motion carried.

Respectfully submitted,

Deanna Hunt, City Clerk

ATTEST:

Neville Hall, Mayor

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, March 17, 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, noting that audience members were restricted in the Chamber because of the COVID-19 crisis (audience members were seated in the partitioned area of the Chambers viewing a livestream feed from Rockingham Update on a monitor). He provided his email address if anyone watching via livestream wanted to contact him regarding anything discussed at the meeting.

Pastor Craig Bowman of First Baptist Church gave an invocation followed by the Pledge of Allegiance led by Interim City Manager Terry Shelton.

PROCLAMATIONS AND PRESENTATIONS:

- a. Recognition of Family Dental Associate's anniversary.

Mayor Hall said because of audience restrictions, the item was pulled from the agenda and would be presented at the next regular meeting.

SET MEETING AGENDA:

Mayor Hall noted the addition of two items: 10d - consideration of a resolution authorizing temporary suspension of water and wastewater disconnections and 10e - consideration of a COVID-19 policy. A motion was made by Council Member Epps to approve the agenda as amended. Council Member Moore seconded the motion. All members voted in favor of the motion. The motion carried.

PUBLIC HEARINGS:

- a. (1) Consideration of a zoning text amendment to Section 11.24(k)(1) to allow Electronic Gaming Operations as a special use in the BH-1 and BH-2 districts; to amend Section 11.26(c)(3)(c) to allow Electronic Gaming Operations as a special use in the BH-1 and BH-2 districts; and to

amend Section 11.29(a) to add a definition for Electronic Gaming Operations. Request submitted by the City Council. ZONING CASE Z-20-01.

(2) Consideration of a resolution adopting a statement of consistency regarding the proposed text amendments with respect to Electronic Gaming Operations in Business-Highway 1 and Business-Highway 2 districts.

Mayor Hall declared the public hearing open and called on Planning and Inspections Director Kelly Stultz.

Ms. Stultz said everyone was aware of the recent work conducted regarding sweepstakes, or electronic gaming operations, within the County. Prior to the moratorium, the City's ordinance did not address the issue, so it was difficult to differentiate between the businesses and something like a computer center. As the district attorney and law enforcement got involved, it was time to recommend an amendment to the ordinance. As a result, a special use process with stringent guidelines was created. If in the future such an operation were going to open, it would detail how it would function. The Planning Board unanimously recommended in favor of the request.

Council Member Nooe said it made mention of a lighting section and questioned if it covered lighting encroachment on some of the adjoining properties.

Ms. Stultz replied it did.

As there was no further discussion, Mayor Hall declared the public hearing closed.

A motion was made by Council Member Moore to approve and adopt a zoning text amendment to Section 11.24(k)(1) to allow Electronic Gaming Operations as a special use in the BH-1 and BH-2 districts; to amend Section 11.26(c)(3)(c) to allow Electronic Gaming Operations as a special use in the BH-1 and BH-2 districts; and to amend Section 11.29(a) to add a definition for Electronic Gaming Operations; and to adopt a resolution of a statement of consistency regarding the proposed text amendments with respect to Electronic Gaming Operations in Business-Highway 1 and Business-Highway 2 districts. Council Member Nooe seconded the motion. All members voted in favor of the motion. The motion carried.

AN ORDINANCE AMENDING THE ZONING 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, Section 11.29(a) Definitions of the Zoning Ordinance of the City of Eden is hereby amended by adding the following Definition:

(a) DEFINITIONS:

Electronic Gaming Operation: Any business activity, whether as a principal use or an accessory use, in which patrons use electronic or mechanical machines, including, but not limited to, computers and gaming terminals to conduct or simulate games of chance, including the use of the machines to reveal the pre-determined value of an entry, and where cash, merchandise or other items of value are redeemed or otherwise distributed, whether the value is determined by the machines or by pre-determined odds. Electronic Gaming Operations do not include any Lottery approved by the State of North Carolina or any non-profit activity otherwise lawful under North Carolina State Law.

APPROVED, ADOPTED AND EFFECTIVE, this 17th day of March, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

AN ORDINANCE AMENDING THE ZONING 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, Section 11.24(k) Business-Highway #1 District of the Zoning Ordinance of the City of Eden is hereby amended by adding the following as a Permitted Use:

(1) Permitted Uses

Electronic Gaming Operations as a special use upon approval of a Special Use Permit from the Board of Adjustment. (See Section 11.26(c)(3)(c)(18))

APPROVED, ADOPTED AND EFFECTIVE, this 17th day of March, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

AN ORDINANCE AMENDING THE ZONING 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, Section 11.26(c)(3)(c) Board of Adjustment of the Zoning Ordinance of the City of Eden is hereby amended by adding the following:

- (18) ELECTRONIC GAMING OPERATIONS may be permitted as a special use in the Business Highway 1 and Business Highway 2 districts provided all the following requirements of this section are met:
- (a) An Electronic Gaming Operation shall not be permitted if located within one half-mile of an existing Electronic Gaming Operation.
 - (b) An Electronic Gaming Operation shall not be permitted if located within 2,500 feet of an educational facility to include their outdoor play yards, a licensed child care facility, an assisted living facility, a nursing home, a public park or playground, a hospital, a medical center, an adult establishment or a church or place of worship.
 - (c) The hours of operation of an Electronic Gaming Operation shall be limited to 8 a.m. to 10 p.m.
 - (d) Forty percent (40%) of the front of the building or any side visible from a street or right of way shall be glass so that clear unobstructed view of the interior can occur from the street.
 - (e) No curtains, screens, blinds, partitions, signs or other obstructions shall be placed between the entrance to the room where gaming machines or computer terminals are stationed and the rear walls of the room so that a clear and unobstructed view of the interior can occur from the street.
 - (f) Electronic Gaming Operations shall be limited to no more than fifteen (15) computers and/or gaming terminals.
 - (g) Any Electronic Gaming Operation shall be conducted completely within an enclosed structure.
 - (h) No alcoholic beverages shall be served on the premises of any Electronic Gaming Operation.
 - (i) No flashing signs or lighting shall be allowed on the premises of any Electronic Gaming Operation. All other signage shall meet the requirements as set forth in Section 11.31 of this ordinance.
 - (j) A site plan drawn to scale shall be submitted at the time of application for a special use permit.
 - (k) A floor plan shall also be submitted at the time of application showing the use of all floor space, detailing the number of machines and their location in the facility.
 - (l) Any changes or additions to the site or floor plan must be submitted for approval by the Board of Adjustment and shall be considered an amendment to the special use permit.
 - (m) No machines or devices that have been deemed to be unlawful by the State of North Carolina shall be a part of any Electronic Gaming Operation.

- (n) All Electronic Gaming Operations shall be subject to an annual review and inspection to ensure compliance with these regulations.

The Board of Adjustment shall, prior to the issuance of a Special Use Permit for an Electronic Gaming use in the Business Highway 1 and Business Highway 2 district, find that the use meets the following standards:

In addition to any other requirements with respect to the Petition authorized by this section, the Petition shall set forth the following:

- (a) The Electronic Gaming Operation is not located within one half-mile of an existing Electronic Gaming Operation.
- (b) The Electronic Gaming Operation is not located within 2,500 feet of an educational facility to include their outdoor play yards, a licensed child care facility, an assisted living facility, a nursing home, a public park or playground, a hospital, a medical center, an adult establishment or a church or place of worship.
- (c) The hours of operation of an Electronic Gaming Operation will be limited to 8 a.m. to 10 p.m.
- (d) Forty (40%) percent of the front of the building or any side visible from a street or right of way is glass so that a clear unobstructed view of the interior can occur from the street.
- (e) No curtains, screens, blinds, partitions, signs or other obstructions will be placed between the entrance to the room where gaming machines or computer terminals are stationed and the rear walls of the room so that a clear and unobstructed view of the interior can occur from the street.
- (f) Electronic Gaming Operations will be limited to no more than fifteen (15) computers and/or gaming terminals.
- (g) Any Electronic Gaming Operation will be conducted completely within an enclosed structure.
- (h) No alcoholic beverages will be served on the premises of any Electronic Gaming Operation.
- (i) No flashing signs or lighting will be allowed on the premises of any Electronic Gaming Operation. All other signage will meet the requirements as set forth in Section 11.31 of this ordinance.
- (j) A site plan drawn to scale has been submitted at the time of application for a special use permit.
- (k) A floor plan has been submitted at the time of application showing the use of all floor space, detailing the number of machines and their location in the facility.
- (l) Any changes or additions to the site or floor plan must be submitted for approval by the Board of Adjustment and shall be considered an amendment to the special use permit.
- (m) No machines or devices that have been deemed to be unlawful by the State of North Carolina shall be a part of any Electronic Gaming Operation.
- (n) All Electronic Gaming Operations shall be subject to an annual review and inspection to ensure compliance with these regulations.

APPROVED, ADOPTED AND EFFECTIVE, this 17th day of March, 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-20-01
TEXT 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 Council of the City of Eden initiated a case to provide regulations for Electronic Gaming Operations in the City of Eden;

WHEREAS, On February 25, 2020, the City of Eden Planning Board voted to recommend to the City Council that the text amendment be approved.

STATEMENT OF NEED:

Electronic Gaming Operations (also called “skill games”, “sweepstakes”, “game rooms” and other names) have become a hot topic in the State of North Carolina in recent years. The State has outlawed these establishments several times, only for a “loophole” to be found which allows the businesses to continue with slight modifications. If left unregulated, these uses can create certain nuisances to the general public and potential injury to adjoining and nearby businesses and residences, which can impact the quality of life and safety of citizens and property owners. Currently our Zoning Ordinance does not adequately address these uses.

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, 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 17th day of March, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- b. Consideration of an incentive package for American Cultivation and Extraction Services, LLC, from the General Fund in an amount not to exceed \$119,851 which will be distributed to the company in three annual installments following the project parameters.

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

Mr. Dougherty stated that American Cultivation and Extraction Services, LLC, was a company that had been in operation for a few months but had not yet made their formal announcement as they were awaiting approval from the FDA. The agreement was for \$119,000 over three years. The company had 62 employees with an average salary of \$57,000. It would be a \$10 million investment.

Mayor Hall asked Mr. Dougherty to talk about the job creation that was associated with the company.

Mr. Dougherty said there would be 62 jobs but he expected more to be added with increased productivity.

Council Member Moore stated he had seen activity at the company's location and assumed the company was getting things ready.

Mr. Dougherty replied they were and that the company applied for a Building Reuse Grant, but stipulations restricted them from doing any work on that part of the plant until after someone from Commerce was able to look at the building. Unfortunately, Commerce was not able to travel at the present time due to COVID-19 restrictions. In April, Commerce would vote and the company would find out if they were awarded the \$250,000 grant in addition to local incentives.

City Attorney Erin Gilley questioned if the incentive payment from the City would be used as a local match to the Building Reuse Grant, assuming the company was awarded the grant.

Mr. Dougherty answered yes.

As there was no further discussion, Mayor Hall declared the public hearing closed.

A motion was made by Council Member Carter to approve an incentive package for American Cultivation and Extraction Services, LLC, from the General Fund in an amount not to exceed \$119,851 which will be distributed to the company in three annual installments following the project parameters. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

A copy of the agreement is on file in the Clerk's Office.

REQUESTS AND PETITIONS OF CITIZENS:

There were no requests and petitions of citizens at this time.

UNFINISHED BUSINESS:

- a. Consideration of Boards and Commissions appointments.

Mayor Hall called on Ms. Stultz.

Ms. Stultz stated Marianne Aiken resigned from the Historical Preservation Commission, leaving the position vacant.

Mayor Hall asked Council Member Carter if he had any recommendations.

Council Member Carter replied that he did not at the present time.

Mayor Hall said they would table it until the next month.

NEW BUSINESS:

- a. Consideration of a resolution for ASADRA funding for the flood prone EPA Remediation Project.

Mayor Hall called on Mr. Shelton.

Mr. Shelton reminded Council that the issue was discussed at the budget retreat. ASADRA funding was considered resiliency funding and was only allotted for places that were considered flood prone. The City had at least two projects that fit into the category. Mr. Shelton's last response from the EPA was that they wanted to see the City apply for the ASADRA funding. They were also withholding any decisions about the future of the City's Administrative Order to see if the City received any ASADRA funding. The resolution would authorize Mr. Shelton to submit the application. The amount of the funding continued to increase, so the longer the process took, the more beneficial it could be to the City. Mr. Shelton was unable to say exactly how much ASADRA funding might be offered to the City.

Council Member Hunnicutt asked how much was needed to fund the project.

Mr. Shelton replied the City was seeking about \$4.5 million to address the two projects that would fit into the category. He did not know if they would fund one or both of the projects, it depended on how the projects scored and how many other applications were received from across the state.

A motion was made by Council Member Hampton to adopt a resolution for ASADRA funding for the flood prone EPA Remediation Project. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF EDEN

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and planning of improvements of wastewater and drinking water systems, and

WHEREAS, The City of Eden has need for and intends to complete various wastewater system improvement projects in order to comply with US EPA Administrative Order CWA-04- 2012-4578 and provide wastewater system resiliency/asset hardening, and

WHEREAS, The City of Eden intends to request state grant/loan assistance for the projects,

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

That City of Eden, the Applicant, will arrange financing for all remaining costs of the projects including required matching funds, if approved for a State grant award.

That the Applicant will adopt and place into effect on or before completion of the projects a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the Applicant will provide for efficient operation and maintenance of the projects on completion of construction thereof.

That Terry A. Shelton, Interim City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant/loan to aid in the completion of the construction projects described above.

That the Neville Hall, Mayor, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the projects; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 17 day of March, 2020 at Eden, North Carolina.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of March, 2020.

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- b. Consideration to commit Strategic Planning Commission funds for a façade grant for Nantucket Mill.

Mayor Hall called on Mr. Dougherty.

Mr. Dougherty stated that the Nantucket Mill was located in the Spray Historic District and was one of two iconic mills in that area. He pointed out that the exterior of the building had taken a beating over the years. There were two developers, Tonya Haddock with Cadence Development, LLC who had developed over 1,000 units in four states, and James Maynard from Red Clay, PLLC, who was the architect and owner of the mill. The plan was a 50/50 market rate and affordable, with 107 total apartment units. There were between 3,000 and 4,000 square feet of community space that could be used for events, which would be a huge benefit to the Spray area. The owner of Spray Cotton Mills was currently conducting a market study on housing as he was moving forward with his project. He cited several other cities who had similar successful projects.

He said the project was \$23 million and historic tax credits did not apply to site work; however, the projects were what brought credits for rehabilitation. There was a \$750,000 gap in project feasibility and contact had been made with Senator Berger, Governor Cooper's Home Town Strong Committee, the Department of Cultural and Natural Resources, WithersRavenel, the Piedmont Regional Council, the Golden Leaf Foundation, and he had upcoming meetings with Representative Jerry Carter and some of the County Commissioners on a search far and wide to assist closing the funding gap. He gave an example of a mill in Mayodan that never got renovated. That Town was now facing a cost of \$250,000 to remove one pile of debris from the mill site. They already had \$152,000 in it. If the Nantucket were left as is and continued to deteriorate and collapse, it could end up costing the City between \$500,000 to \$1 million to clear.

Mr. Dougherty said the City could waive permit fees for the project, which was estimated to be between \$50,000 and \$80,000. Mr. Dougherty stated there could also be in-kind services such as sidewalks or other site work conducted by the City. In November 2019, a \$2,500 to \$20,000 Historic and At-Risk Structure Grant was approved. This project was of a much larger scale than something of a typical downtown building; therefore, Mr. Dougherty presented to the Strategic Planning Commission at their March meeting support for a \$100,000 grant, which would give the City a property easement and some control over façade development and maintenance. The grant would not have to be issued immediately, but could be held towards midway or the end of completion. Taxes paid by the mill last year were \$717.76. After talking to the Rockingham County Tax Department, Mr. Dougherty learned that the mill was not valued like other properties because it had low and moderate income and tax credits. Once completed, the mill would be considered a historic landmark and the annual property taxes would be around \$24,000. The payback from occupancy for the expense would take roughly five years. The

General Fund had a balance of \$10,100,000. The City was mandated to have \$7.5 million through the three-month expenditure and the LGC recommendations, which left \$2.6 million in available funds. The developers planned to apply for housing money and permission to proceed with the project in May and could possibly start construction in September. The developers would also have to comply with the Secretary of Interior's standards in order to receive historic tax credits in addition to the stringent procedures they would be following in an effort to earn federal and state tax credits. The developers were only requesting a commitment from the City at this time that in the next three to four years, Council would fund a \$100,000 grant to help support the project with the City getting an easement.

Ms. Stultz added that because the mill was a local landmark, any changes the developers wanted to make to the exterior of the building would have to go through the Historic Preservation Commission, which could then be appealed to the Council. Therefore, there were several measures in place to make sure the developers maintained the historic character of the exterior of the building.

Council Member Hunnicutt questioned the \$4 million assessment on the \$23 million project.

Mayor Hall replied that the assessment was after the tax credits.

Mr. Dougherty said the assessment was based on the County giving the developers the pro forma. The tax credits reduced the value and because it was a historic landmark, it went down. Without having more information, that was as accurate as the County could be.

Council Member Hunnicutt explained that he was expecting a 50 percent discount, but not quite that much.

Mr. Dougherty said it must be viewed as what the City was getting now and what the City would get afterwards in addition to saving the structure from demolition.

Ms. Gilley questioned if the Strategic Planning Commission recommended issuing half of the grant in one year.

Mr. Dougherty confirmed that it could be split up over two fiscal years.

Mayor Hall stated that the City did not want to have to go in the direction of tearing down the mill at the taxpayer's expense and it was probably the City's last opportunity at having someone who was willing to take a chance on that large of a piece of property. However, if the Strategic Planning funding of the grant were to be approved, Mayor Hall recommended that Mr. Dougherty and Ms. Stultz come back to the Council prior to issuing the grant so they can make the determination of whether enough work had been completed to warrant receiving the grant. While Mayor Hall acknowledged the City would not issue the grant for the project up front, he expressed concern of not knowing if 50 percent completion of the project would be justified either or if the City should wait until the \$1 million had been spent.

Council Member Nooe said a new roof needed to be put on, the exterior needed to be stabilized, and the mill needed to be structurally sound before the City obligated itself to issue funding.

Mayor Hall reiterated letting the Council decide when the grant should be issued. He asked the Council if they would be willing to commit to the grant if the developers follow through with what they proposed.

Mr. Dougherty said that just like all North Carolina incentives, the grant would be post-performance, so the Council should see improvements at the mill at the time a grant would be issued.

Ms. Stultz added that any funds the Strategic Planning Commission obligated or spent must come back to Council before they are actually expended.

Council Member Nooe stated that if the developers needed the City's obligation to proceed, then Council was obligating the City to issue the grant at some time.

Council Member Hunnicutt agreed and added that the Strategic Planning Commission was funded on an annual basis. Therefore, the obligation would be stating that the City was willing to set aside future budget funds for the grant - \$50,000 in 2021 and \$50,000 in 2022. The Strategic Planning Commission's budget would be reduced for those given years.

Ms. Gilley added that it was legally difficult for one Council to bind another Council to anything. The issue at hand was that the developer needed a good faith commitment in the minutes from Council that the City was willing to approve a grant at the present time.

Council Member Hunnicutt said at the Strategic Planning Commission meeting, he thought Ms. Gilley recommended the façade policy be amended to include façade easements.

Ms. Gilley replied that the façade policy's At-Risk and Historic Structure Grant was \$2,500 to \$20,000 and she was not comfortable with anything over \$20,000 without a façade easement attached to it. The proposed grant said \$200,000 must be spent on the façade with a reimbursement of \$100,000. She offered to redo the policy if Council wanted to make it any lower.

Council Member Hunnicutt stated the policy could be reviewed later, but added that the grant could be subject to a façade easement for Nantucket Mill.

Council Member Nooe asked what a façade easement was.

Ms. Gilley replied that a façade easement was what the City was going to be purchasing. The purchase was the money the City was giving, so it was not actually a grant; it was a consideration for an easement in the façade. It would give the City the ability to go in and inspect the work being done to the façade and after construction was complete, the City would have the right to inspect the condition of the façade to make sure it was maintained. There could be restrictions put in the document that stated what the City's requirements were of work to be done on the façade.

Council Member Nooe asked if the façade easement gave the City the ability to require the developers to make improvements and maintain the façade.

Ms. Gilley replied yes.

A motion was made by Council Member Epps to commit Strategic Planning Commission funds for a façade grant for Nantucket Mill in the amount of \$100,000 subject to a façade easement. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

- c. Consideration to approve Strategic Planning Commission funds for the GIS Web Tech program.

Mayor Hall called on Mr. Dougherty.

Mr. Dougherty said he had presented information about GIS Web Tech at the budget retreat. At a conference the previous year, there had been discussion about the need for good data on websites so that people could visit remotely. Planning and Inspections was in the midst of updating the Unified Development Ordinance and that information could be implemented, as well as things like identifying properties in a Federal Opportunity Zone. The City would be able to add information about sites and buildings as needed. It would make the City consistent with the County and would put the City in a more advantageous position. There was a \$1,500 initial cost and \$5,000 annual cost, so the request was to approve \$6,500. The City would begin working with GIS Web Tech on April 1, and the contract would go from April to April with \$5,000 budgeted annually. He had included prorated funding in his budget to finish the second quarter.

Mayor Hall noted this would put the City in line somewhat with what neighboring communities and the rest of the country had technology-wise.

A motion was made by Council Member Moore to approve Strategic Planning Commission funds for the GIS Web Tech program. Council Member Hampton seconded the motion. All members voted in favor of the motion. The motion carried.

- d. Consideration of a resolution authorizing temporary suspension of water and wastewater disconnections.

Mayor Hall called on Mr. Shelton.

Mr. Shelton stated the policy kept changing every 48 hours with a new set of commitments from the Federal or State leadership, leaving it difficult to keep up. Most recently, the State Treasurer's Office asked municipalities and counties with water delivery systems to suspend processing cutoffs during the peak of the COVID-19 crisis. Cutoffs would be disastrous for people who were shut-in and quarantined at home due to the virus. The resolution was asking to suspend cutoffs for 36 days, which would be one day past the next regular meeting. At that point, Mr. Shelton would evaluate the status of COVID-19 and determine if the request needed to be extended for another month or if it could be suspended at that point. Mr. Shelton also asked if Council would waive the cutoff and late payment fees during this time for the same reasons as a benefit to the citizens.

Council Member Epps asked if the suspension of disconnections would apply to garbage services too.

Mr. Shelton answered it would be included in the request as well.

Council Member Hunnicutt asked how much revenue was generated from late fees per month.

Mr. Shelton replied there were typically around 300 customers charged a \$40 late fee each month.

Council Member Epps asked if the fees would be added back to the customers' accounts once the City resumed charging fees.

Mr. Shelton said the temporary suspension would not forgive paying the bill, but would only forgive the late fees and penalties.

Council Member Hampton stated the citizens would still be responsible for paying the bill but would not be cut off.

Mr. Shelton added that the City would encourage the citizens to still pay their bills during this time to avoid a massive bill once the crisis passed. Many other cities were doing the same thing to provide service to their citizens. Duke Energy had also suspended cutoffs until the COVID-19 crisis passed.

Mayor Hall stated that many municipalities adopted the same type of temporary suspension immediately after the COVID-19 outbreak. The City's was not a policy, but an ordinance, which required the Council to have a meeting to vote whether or not to allow the temporary suspension.

Mr. Shelton advised that the next scheduled cutoff was on March 18.

A motion was made by Council Member Epps to approve a resolution to temporarily suspend water and wastewater service disconnections. Council Member Moore seconded the motion. All members voted in favor of the motion. The motion carried.

RESOLUTION AUTHORIZING TEMPORARY SUSPENSION OF WATER AND
WASTEWATER DISCONNECTIONS

WHEREAS, the City of Eden has declared a local State of Emergency on March 16, 2020 in response to the COVID-19 public health emergency; and

WHEREAS, access to clean drinking water and wastewater services is integral to practicing good hygiene and handwashing which is an important step to preventing the spread of COVID-19 according to the Center for Disease Control and Prevention; and

WHEREAS City of Eden facilities, utilities and functions are staffed, ensuring dependable service to customers; and

WHEREAS, the City of Eden desires to follow and support the recommendations of the CDC and to protect customers and employees in our operations and services during COVID-19 pandemic; and

WHEREAS, the City of Eden believes that suspension of water and sewer disconnections for nonpayment will assist in the prevention of the spread of COVID-19;

THEREFORE, THE CITY COUNCIL OF THE CITY OF EDEN RESOLVES THAT:

1. The City of Eden will temporarily suspend water and wastewater disconnections and enforcement of Eden City Code § 16-237 for non-payment during the next 36 days, or until further action of City Council whichever shall occur first, in order to give customers experiencing financial hardship extra time to make payments.
2. The City of Eden will continue to read meters and send bills to customers and the bill balances will continue to accumulate despite the suspension in disconnections. The City encourages payment of the current balances to avoid high bills later.
3. The City of Eden shall not remit or forgive any bill or balance during this time.

APPROVED, ADOPTED AND EFFECTIVE this 17th day of March, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

e. Consideration of a COVID-19 policy.

Mayor Hall called on Mr. Shelton.

Mr. Shelton said the municipalities in the County were working closely together throughout the COVID-19 crisis. The County distributed a policy that morning and sent it to all of the municipalities. Mr. Shelton revised it to meet the City's operational standards. The policy change deals with mandatory leaves, what to do when employees looked sick, and how they would use their sick leave. One particular item addressed in the policy was advancing sick leave, which allowed the City to advance to anyone who was under the home shut-in for monitoring of the coronavirus 10 days of sick leave if they should run out of sick leave and other leave. Once the employee returned to work and began accumulating time, that would be used to repay what was advanced to them until it was paid in full. If the employee left the City's place of employment, any remaining balance from the 10 days sick leave advanced to them would be taken out of their last paycheck. Based on the documentation and recommendations Mr. Shelton received from various authorities, the City needed to have a policy in place for dealing with this type of pandemic.

Mayor Hall stated these policies were being adopted in companies across America as he recently witnessed something very similar at his place of employment. They needed to be prepared because no one knew what was going to happen.

Council Member Hampton expressed appreciation for having the policy put together on such a short notice, especially considering the current pandemic was not something anyone expected.

Mr. Shelton stated the staff had been very supportive in getting such things done. Because the policies were changing almost daily, Mr. Shelton stated there might be a different set of policies brought forth the next month depending on how COVID-19 continued to evolve.

Council Member Nooe asked if there was a different way for employees to pay back their advanced sick leave, such as comp time. He questioned if an employee took the advanced 10 days of sick leave and then worked 45 hours in one week upon returning to work, if the five hours could be put towards paying back the advanced leave.

Ms. Gilley stated that the policy read "will have future earned sick time deducted to pay this advance." Since it only said sick time, it could be amended to read sick or comp or vacation time.

Council Member Nooe added that he wanted to give the employees as many options as possible.

Mr. Shelton agreed that the policy could be amended to reflect those changes.

Ms. Gilley stated the City also had a policy for donation of time from other employees.

Mayor Hall asked Ms. Gilley if the proposal to allow advanced leave to be repaid with future earned sick time, comp time, or vacation time was legal.

Ms. Gilley replied yes.

A motion was made by Council Member Nooe to approve the COVID-19 Policy as amended. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

City of Eden COVID-19 Policy

**This policy represents the best information the City has as of the time of its publishing. Due to the fast-moving nature of this pandemic, this policy may be updated quickly once new information becomes available.

City of Eden's top priority is the health and safety of its employees and the public we serve. Therefore, the following policy will govern City personnel during the current coronavirus (COVID-19) pandemic. The goal of this policy is to limit the spread of the virus to other employees and the public, while also maintaining critical services.

Nothing in this policy is intended to, nor will it have the effect, of putting City Government out of compliance with all governing personnel related laws, regulations, and policies.

Mandatory Leave

Employees who exhibit the symptoms of the COVID-19 (as established by the Centers for Disease Control – see www.cdc.gov/coronavirus) and/or any other criteria established by local public health officials will be prohibited from reporting to work in accordance with local health department guidelines. In addition to those who decide to stay home, department heads may also send employees with these symptoms home until cleared according to procedures established by the local health department. During this time, employees have several options:

- Utilize Leave – Employees may utilize leave in the following order: Compensatory Time, Sick Time, Vacation Time, Unpaid Leave. At the request of the employee, vacation or unpaid leave may be used before sick time - however compensatory time will be taken before any other method.
- Teleworking – Employees who can effectively perform their duties from home may request to telework. Every effort will be made to accommodate these requests; however, several factors will be considered such as the nature of the job and availability of IT resources (including both hardware/software and infrastructure capacity). Each of these requests will be decided on a case by case basis by the Interim City Manager, and any employees in this arrangement must keep detailed time sheets for time spent working. As a note, these arrangements are temporary, and can be changed at any point based on the needs of the organization.

Leave for Family Necessity

Employees who must be out of work due to COVID-19 related impacts on children or family (including the closure of schools, daycares, related facilities, or the illness itself) may be allowed to use leave in the same order and manner as described above under Mandatory Leave. These requests should be directed to the employee's supervisor, and will be granted on a case by case basis after considering the nature of the job, ability to telework, and minimum staffing necessary to provide critical functions.

Advancing Sick Leave

The City of Eden recognizes that all employees may not have adequate leave balances to cover the time they may be required to be away from work due to the coronavirus. The City will therefore up-front employees up to 10 business days of sick leave if needed once all other leave balances are exhausted. Any employees who utilize this option will have future earned sick time, vacation leave and comp time deducted to repay this advance. Any employees who leave service prior to repaying any advance will have to repay the value of this time and/or have it deducted from their final paycheck

Privacy Requirements

As with any other illness, all healthcare related employee information is strictly confidential. Employees who feel they may have been exposed to, or have contracted, COVID-19 should discuss this with either their supervisor or Human Resources as they feel comfortable.

Supervisors who learn that one of their employees has been confirmed to have COVID-19 should inform other applicable employees of their possible exposure. They may not, however, identify the person with the virus to anyone. While you may not be able to stop employees from speculating on who may have been infected, no manager, department head, human resources employee, or anyone else in any supervisory capacity should confirm or deny who has become ill and with what infection or disease.

Temporary Authority for Manager to Alter Personnel Policy

Due to the rapidly changing nature of this pandemic, the City Council grants the Interim City Manager the ability to temporarily amend the Personnel Policy as needed. Any changes will be reported to the Mayor, and the length of this authority is subject to City Council's approval.

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
March 2020

ADMINISTRATION

Eden Youth Council

The City is currently accepting applications for the 2020-21 City of Eden Youth Council. Membership is open to individuals who live in the Morehead High School Attendance Zone (MHS, college, homeschool, or private school students) and are between the ages of 14 and 20.

This experience provides our youth with:

- Service opportunities
- Development of leadership and professional skills
- Networking amongst civic leaders
- Coordinating opportunities for Eden youth
- Great experience to list on resumes and college applications

Applications are available at Eden City Hall - Administration, Morehead High School Student Affairs Office, and online on the City's website.

ECONOMIC DEVELOPMENT

Industry

Southern Virginia Mega Site at Berry Hill

The water line project is moving very quickly and will be completed much earlier than the August 2020 initial completion date projection. It could be completed as early as April of this year. There has been significant activity by parties interested in locating at the park.

Envision Career Expo

This event will take place on Thursday, April 2 at Rockingham Community College. Seventh-graders from across the county will see area companies exhibit what they do in their individual businesses. The goal of this event is to show students the careers they can seek at Rockingham County industries and small businesses. This will be an annual event facilitated by the Rockingham County Economic Development Department and its partners, including the City of Eden Economic Development Department.

RCC Enrollment

At a February 17 meeting, RCC President Mark Kinlaw gave a presentation on the current state of the college and the workforce development center. Enrollment is up considerably as seen in the following:

- Fall enrollment has increased 7.68% since 2015
- Spring enrollment has increased 16.5% in 2020 vs. 2019
- 35.4% of Rockingham County School students attend RCC (21.6% in 2015)
- Distance education has grown from 9.8% in 2013 to 31.05% in 2019
- GED students have grown from 72 in 2013 to 101 in 2019
- Continuing education is up 18.2% (246 in 2015 and 291 in 2019)

The new workforce building is in the process of being designed. It is not scheduled to open until March 2023. Because of the NC Connect Bond funding, almost all of the community colleges obtained funding for capital

improvements. These projects have to go through the state construction office, which has delayed plan approval significantly.

Morehead High School

Eden officials participated in a mock interview session at the high school on March 3. In one area, students seeking scholarship funding were asked to make the case why they were deserving of this funding. Facilitators saw very focused, dedicated, and admirable students during the 2.5 hours spent interviewing them. Some examples:

- One student acts as a mentor to his peers by tutoring them during his lunch period. He often “counsels” those having problems as well.
- A Rock-A-Top Apprenticeship student is currently working half days while completing his high school degree. He offered to speak on behalf of the Rock-A-Top apprenticeship program to help other students who may have an interest in participating because of the great experience he has had with the program.
- One young man won the MHS and Rockingham County science fair award and went on to compete at the state level.
- Several National Honor Society students, who are also leaders on the Student Council, participated. One student also partakes in Meals on Wheels. Many are concerned with our environment and want to work toward improving their community.

There are many good things taking place at MHS, thanks to Principal Ryan Moody and the dedicated staff that work diligently for their students to succeed.

Commercial

Lidl Building

The building is now on Atlantic Retail’s website with demographic and spec information. A “For Sale” sign is up on the site, but no price. The company is leaving the price open to negotiation. The new broker has had several inquiries about the site.

KFC

This restaurant reopened the second week in March. There was much excitement concerning this reopening after the store was demolished in the summer of 2019 as a result of a gas explosion. Everyone wishes them the very best as they continue serving the Eden community.

Ample Storage/Zip’s Car Wash

Considerable work is being done in the former Walmart building to accommodate this new business. The car wash is being plagued by the wet weather, but continues to progress.

Gordman’s Department Store-Grand Opening next month!

All 45 new Gordman’s stores will open concurrently at 9 a.m. on Tuesday, April 7. The new Eden Gordman’s store will be located in the former Peeble’s location in Kingsway Plaza next to Dollar Tree.

Main Street

Eden Downtown Development Inc.

The inaugural date for the Entrepreneurship Eden program is April 30 in Pace-Stone’s upstairs gallery. The program is a joint effort of the Eden Downtown Development Corporation, Rockingham Community College Small Business Center, Rockingham County Economic Development Department, and the Eden Chamber of Commerce. Representatives from NC Idea and the NC Rural Center will assist as the ‘Who Owns the Ice House’ curriculum is explored. The event will showcase Eden’s entrepreneur support network and introduce new and exciting mindset techniques for entrepreneurs to recognize opportunity. Seating is limited and registration will be coordinated through RCC’s Small Business Center. A citywide yard sale is planned for May 2 in conjunction with the Eden Boys and Girls Club. The event will kick off with a scavenger hunt at the club. We hope that Eden residents will coordinate their own yard sale that day. If you would like to rent a space at the Boys and Girls Club at 1026 Harris Street, call them at 336-627-7960.

Leaksville Commercial District

Upper floor apartments are now available downtown at 620 Washington Street. The building will also house a coffee shop and has a pedestrian alley to connect with the Bridge Street parking lot. Coming soon to 624 Washington Street is more upper floor residential living space above an Italian restaurant. With the addition of Dollar General moving into the former Family Video store, Eden will have a more vibrant walkable downtown.

Boulevard Merchants Association

The merchants have begun using a logo from the Positively Eden branding study on the street's planters as they prepare for upcoming events. An Adult Easter Egg Hunt will be held April 11 and a Food Truck Rodeo on April 18. The Three Rivers chapter of the AACA will host a car show at Tractor Supply featuring the Boulevard Merchant's signature Low Country Crab Boil.

Tourism and Special Events

Pottery Festival

Calling all potters! Our 17th Annual Piedmont Pottery Festival is set for Saturday, June 6 at First Presbyterian Church. Potter applications are ready and can be obtained by calling 336-612-8049 or email cadams@edennc.us. See you there!

Grown & Gathered

Our Spring Grown & Gathered event will be held along the Canal at the Spray Mercantile on Thursday, May 21. Please mark your calendars. We will begin taking reservations very soon. Seating is limited to 100!

Butterfly Trail Unveiling

We are so excited to announce the unveiling of the Smith River Butterfly Trail! It will be at 2 p.m. on Wednesday, April 8. We will gather at the shelter at the Meadow Road entrance of the Smith River Greenway. Join us and please bring the kids!

Canadian Golfers

Over 40 of our Canadian golfer friends will arrive in Eden on April 11 for a week long of golf and fellowship. If you meet any of them during their stay, give them a big Eden welcome! They have been choosing Eden as a destination for nearly 20 years!

Showcase Magazine

Eden is the featured city in the March issue of Showcase Magazine out of Danville, Va. It is a beautiful issue highlighting some of the great things about our city! Pick up a copy and see for yourself!

Fine Arts Festival

The Fine Arts Festival will once again be held in Eden here at City Hall this year! Music and Literature entries will be taken March 31 from 2 to 6 p.m., all other 2D and 3D entries will be taken on April 14 from 11 a.m. to 6:30 p.m.. The opening of the show and awards ceremony will be held in Council Chambers on Sunday, April 26 at 3 p.m.. Make sure you visit the exhibit and see all the great talent we have in Rockingham County!

ExploreEdenNC.com Website

Our new and exciting tourism website will launch the first week of April! It is full of beautiful photos, videos and information! We can't wait to share it with you.

ENGINEERING

Waterline Replacement Projects Update

A bid opening was held March 11 for the Primitive, Spring and George Streets 2" WL Replacement projects. Sam W. Smith, Inc., is the apparent low bidder for the Primitive and Spring Street section of proposed 2" PVC water main installation at a base bid of \$64,300. Sam W. Smith, Inc., is also the apparent low bidder for the proposed installation of about 560 LF of 2" PVC water main along George Street, at a base bid of \$57,644. Construction should start in the near future after the bids are verified, bonds obtained, and agreements executed by all parties.

Pressure Boosting System

Revised plans prepared by Stoltzfus Engineering, Inc., for a proposed pressure boosting system to serve a portion of Jackson Street are being reviewed, and information needed for a report required by the Public Water Supply Section of NC DEQ is being obtained. An application for electrical service needed by the small packaged pump station will be made in the near future.

MUNICIPAL SERVICES

Free Mulch and Compost Sale

Starting the first Saturday in April and continuing each Saturday while supplies last (weather permitting). 7 a.m. - 2:30 p.m. at the end of West Avenue (off Washington Street) at the City's fenced lot. Compost is: pick-up truck load - \$5; tandem axle trailer - \$15; large dump truck - \$25. For more information, call 336- 627-7783, ext. 106.

Free Cleanup Week: March 30 – April 3

Household residents only, no contractors or commercial waste. All items must be at the curb by 7 a.m. on your scheduled collection day and not obstructed in any way. We will be picking up bulk waste items, demolition debris, brush and yard waste (leaves, grass clippings, twigs smaller than 6 inches), which should be separated by type (brush, yard waste, leaves and grass clippings, bulk waste, white goods/scrap metal). No household garbage should be at the curb – it needs to be bagged and in your city trash container. No tires, wood pallets, TVs or computer equipment will be picked up; however, all city residents can take 5 tires per household, TVs and computer equipment to the county landfill at no charge. No toxic or liquid hazardous waste such as containers of oil, paint, gasoline, batteries or pesticides will be picked up. For more information, please call 336-627-7783, ext. 106.

PARKS AND RECREATION

Freedom Park Events

Freedom Park will be very busy again in 2020 with local leagues playing weekdays as well as weekend tournaments scheduled until the middle of December. Concerts in the Park/Cruise-Ins are scheduled the last Saturday of each month at 5 p.m. beginning in April and going through October. There are also special events scheduled on a regular basis, such as the Citywide Easter Egg Hunt, Funfest and the Fall Festival. There are already 50 events scheduled for 2020, not including the reservations for use of the two shelters at the park, which are rented out almost every Saturday and Sunday through November.

Sports Programs

Registration for the Youth Baseball and Youth Softball programs is now available at either the Bridge Street or Mill Avenue recreation centers or Parks & Recreation at City Hall.

Senior Games

Registration for the Rockingham County Senior Games is taking place now and you can register at the Garden of Eden Senior Center to participate. The Senior Games will begin on April 14 and run through May 16. Local winners will advance to the N.C. Senior Games later this summer.

Matrimony Creek Nature Trail

The Matrimony Creek Nature Trail is still being repaired due to the flooding that occurred in February. Staff hopes to have the repairs completed and this site available to the public in the next few weeks.

POLICE

Sweepstakes Update

On Feb. 3, the Department delivered letters to each sweepstakes establishment in the City advising the establishment owners that on and after March 4, we would begin to enforce statutes related to sweepstakes/casinos. As of March 6, all sweepstakes establishments inside the city limits have closed.

New K-9 Officer

As a result of K-9 Sadie retiring after nine years of service, we selected K-9 Saga, from Highland K-9. Officer Eric Gann has been selected to be the next K-9 handler. The four-week handler school begins March 16.

CONSENT AGENDA:

- a. Approval and adoption of (1) February 18, 2020 and (2) March 5, 2020 Minutes.
- b. Approval to call a public hearing at the April 21, 2020 meeting for project financing for the fire training facility.
- c. Approval and adoption of a resolution to declare surplus equipment.

RESOLUTION AUTHORIZING THE DISPOSAL OF PERSONAL PROPERTY
BY PUBLIC AUCTION

WHEREAS, the City of Eden owns certain surplus equipment and property listed below in Exhibit A and hereinafter referred to as “the property”; and

WHEREAS, the City of Eden desires to dispose of the property by public auction as authorized by North Carolina General Statute §160A-270; and

WHEREAS, pursuant to North Carolina General Statute §160A-270 (c), the City Council must authorize the use of the public electronic auction service and the means of publication; and

WHEREAS, the property will be sold at a public electronic auction to the highest bidder excepting any reserve placed on the property. The property will be listed at www.govdeals.com starting on March 30, 2020 at 8:00 a.m. and will be posted continuously until it is sold; and

WHEREAS, The City desires to publish this notice solely by electronic means via the City of Eden website; and

WHEREAS, Paul Dishmon, Public Works Directors, is an appropriate city official to dispose of the property by public auction.

NOW, THEREFORE, BE IT RESOLVED, by the City Council for the City of Eden that the property listed above be disposed of by public auction, that the publication of this sale be solely by electronic means, and that Paul Dishmon be authorized to dispose of the property by public auction.

APPROVED, ADOPTED AND EFFECTIVE this 17th day of March, 2020.

CITY OF EDEN

By: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

Exhibit A

20S- Sign Trailer (NO TAG)

25S-Protect-O-Flash Trailer ID# 089274W (NO-TAG) 26S- Muller Concrete Mixer ID# 81226 (NO-TAG)

35FM- 1991 Chevy pick-up VIN# 1GCEC14H4ME153962 (Tag# 69072)

53G- 2008 International 4400 VIN# 1HTMKAAR68H646285 (Tag# 95649T)

A motion was made by Council Member Ellis to approve the consent agenda. Council Member Epps seconded the motion. All members voted in favor of the motion. The motion carried.

ANNOUNCEMENTS:

Mayor Hall stated Council would be going into closed session in the front conference room following the open session. Afterwards, Council would adjourn from that room, so anyone wanting to wait could do so in the lobby. He added that while the City was in unchartered waters and unsure what to expect, they were doing everything they could to keep citizens safe while still providing the much-needed services citizens need and expect. Various departments must continue to work regardless of how bad the pandemic became. He asked citizens to keep that in mind and be patient with the staff. Meeting conditions were changed as well to comply with regulations regarding COVID-19, but they were still able to provide live streaming. Anyone with questions or concerns could email him or call City Hall.

Council Member Carter thanked Deputy Police Chief Clint Simpson for attending a meeting earlier in reference to the coronavirus and what the County's first responders needed to do. He also announced the birth of his grandson, Carter Tate Underwood, weighing 7 pounds and 4 ounces.

CLOSED SESSION:

- a. To discuss personnel pursuant to NCGS 143-318.11(a)(6).

A motion was made by Council Member Hampton to go into closed session. Council Member Moore seconded the motion. All members voted in favor of the motion. The motion carried.

A motion was made by Council Member Hampton to return to open session. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

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



Engineering Department

308 E. Stadium Drive, Eden, North Carolina 27288

Phone (336) 623-2110 Fax (336) 623-4041

Memorandum

To: Honorable Mayor and City Council

Through: Terry Shelton, Interim City Manager

From: Tammy Amos, Director of Transportation Engineering

Date: April 21, 2020

**Re: FY 2020-21 Street Resurfacing Contract
Request to Award the Contract**

Please find attached a copy of the Street List and Bid Tabulation for the FY 2020-21 Street Resurfacing Contract. Bids were received on February 20, 2020 at 11:00 a.m. A total of 4 responsive bids were received for the project. The successful low bidder was Waugh Asphalt, Inc. in the amount of \$486,376.61. The date of availability for the contract is July 13, 2020. The substantial completion date is September 25, 2020.

The Engineering Department is requesting Council's approval to award the contract to Waugh Asphalt, Inc. based on their bid amount shown above. If you have any questions or need any additional information prior to the Council meeting on this matter, please feel free to call me.

Thank You



FY 2020-21 STREET RESURFACING CONTRACT (SRC 2020-21-01)
CITY OF EDEN, NORTH CAROLINA
BID TABULATION SCHEDULE
FEBRUARY 20, 2020 11:00 A.M.

Bid Item No.	Description	Unit	Est. Qty.	Waugh Asphalt, Inc. NC License # 59882		APAC-Atlantic NC License # 12459		Adams Construction NC License # 20677		Triangle Grading & Paving NC License # 17456	
				Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total
1	Adjustment of Manholes	EA	57	\$ 375.00	\$ 21,375.00	\$ 400.00	\$ 22,800.00	\$ 400.00	\$ 22,800.00	\$ 420.00	\$ 23,940.00
2	Adjustment of Valve Boxes	EA	21	\$ 375.00	\$ 7,875.00	\$ 400.00	\$ 8,400.00	\$ 400.00	\$ 8,400.00	\$ 420.00	\$ 8,820.00
3	Edge Milling Asphalt Pavement, 0 to 1/4" depth	SY	1,081	\$ 6.10	\$ 6,594.10	\$ 7.30	\$ 7,891.30	\$ 7.75	\$ 8,377.75	\$ 8.40	\$ 9,080.40
4	Edge Milling Asphalt Pavement, 0 to 2 1/2" depth	SY	3,269	\$ 4.98	\$ 16,279.62	\$ 3.75	\$ 12,258.75	\$ 5.30	\$ 17,325.70	\$ 7.50	\$ 24,517.50
5	Milling Asphalt Pavement, 2 1/2" depth	SY	5,953	\$ 4.64	\$ 27,621.92	\$ 3.80	\$ 22,621.40	\$ 3.30	\$ 19,644.90	\$ 5.90	\$ 35,122.70
6	Asphalt Concrete Leveling Course, Type S9.5B Virgin Mix, 1/4" depth	TON	362	\$ -129.50	\$ 46,879.00	\$ 121.00	\$ 43,802.00	\$ 113.00	\$ 40,906.00	\$ 172.00	\$ 62,264.00
7	Asphalt Concrete Surface Course, Type S9.5B Virgin Mix, 1 1/2" depth	TON	3,356	\$ 101.52	\$ 340,701.12	\$ 111.00	\$ 372,516.00	\$ 113.00	\$ 379,228.00	\$ 134.00	\$ 449,704.00
8	Shoulder Reconstruction - Incidental Stone (ASB)	TON	265	\$ 71.89	\$ 19,050.85	\$ 51.00	\$ 13,515.00	\$ 58.50	\$ 15,502.50	\$ 60.00	\$ 15,900.00
Total Bid Price (Items 1-8)					\$ 486,376.61		\$ 503,804.45		\$ 512,184.85		\$ 629,348.60
Alternate Bid Items											
A1	Asphalt Concrete Leveling Course, Type RS9.5B, 1/4" depth	TON	362	\$ 126.50	\$ 45,793.00	\$ 110.00	\$ 39,820.00	\$ 107.00	\$ 38,734.00	\$ 168.00	\$ 60,816.00
A2	Asphalt Concrete Surface Course, Type RS9.5B, 1 1/4" depth	TON	3,356	\$ 98.52	\$ 330,633.12	\$ 98.65	\$ 331,069.40	\$ 107.00	\$ 359,092.00	\$ 130.00	\$ 436,280.00

The Lump Sum and Unit Prices in This Tabulation received on February 20, 2020
 Are As Given in The Bidder's Respective Bid Proposals
 And The Totals Are Arithmetically Correct


 Tammy Amos
 Director of Transportation Engineering, City of Eden



To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn, CPA
Assistant Director of Finance
Date: April 21, 2020
Re: Budget Amendment # 9

The attached budget amendment transfers money from the drug forfeiture account to the General Fund to cover expenditures in the drug forfeiture line items. Below is a breakdown of each line item and the specific expenditures.

Holsters	\$ 8,200
Undercover Video/Audio Recording Contract	<u>\$ 1,100</u>
Total	<u>\$ 9,300</u>



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: April 21, 2020
Subject: Budget Amendment # 9

	Account #	From	To	Amount
General Fund Revenues				
PD Fed/State Drug Forfeiture Proceeds	10-3431-41900	\$ -	\$ 9,300.00	<u>\$ 9,300.00</u>
General Fund Expenditures				
Police C/O Equip - Non Depr/Drug Forf	10-4310-57201	\$ -	\$ 9,300.00	<u>\$ 9,300.00</u>

Appropriates from Drug Forfeiture proceeds for the purchase of holsters and undercover video/audio recording contract.

Adopted and effective this 21st day of April, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Amy P. Winn, CPA
Assistant Director of Finance

Date: April 21, 2020

Re: Budget Amendment # 10

In FY 18-19, the City received loan proceeds for the Stadium Drive Sidewalk project and the Klyce Street and Draper river access landings. These projects were not completed until FY 19-20. The loan proceeds that were not used in FY 18-19 went into the fund balance at June 30, 2019. The attached budget amendment transfers the loan proceeds from the General Fund fund balance to the appropriate line items for these projects.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: April 21, 2020
Subject: Budget Amendment # 10

	Account #	From	To	Amount
General Fund Revenues				
Fund Balance Approp - Loan Proceeds	10-3991-99100	\$ 500,000.00	\$ 640,900.00	<u>\$ 140,900.00</u>
General Fund Expenditures				
Streets C/O Improvement	10-4510-54000	\$ -	\$ 98,800.00	\$ 98,800.00
Matrimony Creek Natural Trail	10-9920-69871	\$ -	\$ 26,100.00	\$ 26,100.00
Klyce St/Draper River Access	10-9920-69872	\$ -	\$ 16,000.00	\$ 16,000.00
				<u>\$ 140,900.00</u>

Appropriates FY 18-19 loan proceeds for the Stadium Drive sidewalk and the Klyce Str. and Draper River Access Points.

Adopted and effective this 21st day of April, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Amy P. Winn, CPA
Assistant Director of Finance

Date: April 21, 2020

Re: Budget Amendment # 11

The attached budget amendment allocates proceeds from a Governor's Crime Commission grant. The grant is for the purchase of crisis negotiation equipment for the Police Department. This amendment increases the Police Grant and Police C/O Equipment line items.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: April 21, 2020
Subject: Budget Amendment # 11

	Account #	From	To	Amount
General Fund Revenues				
Police Grant - Governor's Crime Comm	10-3431-72000	\$ 24,200.00	\$ 48,200.00	<u>\$ 24,000.00</u>
General Fund Expenditures				
Police C/O Equipment - Depreciable	10-4310-57000	\$ 21,000.00	\$ 45,000.00	<u>\$ 24,000.00</u>

Appropriates NC Governor's Crime Commission grant funds for the purchase crisis negotiation equipment.

Adopted and effective this 21st day of April, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn, Assistant Director of Finance
Date: April 21, 2020
Subject: 2020 Ford F550 Service Truck - Financing for 5 years

In the 2019-2020 Budget, City Council approved the purchase of a service truck for the Collections & Distribution department and it has been set up in the budget to be financed. On March 31, 2020 I requested bids from our local banks for the financing and received the following quote:

BB&T	3.08%
First National Bank	3.07%
United Financial (Home Trust)	1.74%

The total cost of the equipment is \$85,265 with annual payments of approximately \$18,374. I respectfully ask that Council approve United Financial (Home Trust) as the successful bid for financing.

If you have any additional questions, please do not hesitate to ask.



United Financial

A Division of HomeTrust Bank

876 Brevard Rd
Asheville, NC. 28806

4/8/20

City of Eden, NC
308 East Stadium Drive
PO Box 70 - 27279
Eden, NC 27288
ATT: Amy Winn

Re: Finance proposal for: *The acquisition of a 2020 Ford F550 Service Truck and Related Equipment.*

Dear Amy,

As per your request, we are enclosing under same cover our proposal for the above captioned transaction. This transaction is calculated at an annual percentage rate of 1.74% (APR). United Financial will take a security interest only in the vehicles and equipment we are financing. There are no closing costs or origination fees related to the transaction and the rate is fixed for the duration of the financial commitment. The concluding payment is calculated as 102% of the outstanding principal balance.

If you have any questions or need additional information, please contact me at your convenience at 828 452 6162. Thank you for the opportunity to provide this proposal to you.

Very truly yours,

John M. Tench
Senior Vice President
Director of Municipal Finance

Ph. #/828-684-5643
Fax #/828-684-5616

April 8, 2020

City of Eden, NC
308 East Stadium Drive
PO Box 70 - 27279
Eden, NC 27288
ATT: Amy Winn

Proposal for Acquisition & Finance of: (1) 2020 Ford F550 Service Truck

Dear Amy,

As a follow-up to your recent request for a proposal regarding the above referenced transaction, United Financial is pleased to offer a finance proposal as follows:

LESSOR: United Financial, *A Division of HomeTrust Bank*

LESSEE: City of Eden, NC

COLLATERAL: Facilities or Equipment as referenced above

AMOUNT: \$87,265.99

START DATE: Immediately upon funding

TERM: Five (5) Years

PAYMENTS: Lease payments will consist of Five (5) annual payments of \$18,374.73 comprised of principal and interest.

EXPIRATION: Lease payment terms quoted herein shall be fixed and held for Lessee through June 30, 2020.

LEGAL TITLE: Legal Title to the Equipment during the Lease Term shall vest in the Lessee with Lessor perfecting a first security interest through Equipment Title, UCC, or other filing instruments as may be required by law.

NET LEASE: The Lease will be a net lease, under which all cost and responsibility of maintenance, insurance, taxes and other items of a similar nature shall be for the account of Lessee.

INSURANCE: Lessee shall provide evidence of insurance coverage at the time of delivery of the Equipment, in accordance with the provisions of the Lease.

FINANCIALS: Lessee shall furnish Lessor with its last three, (3) fiscal years financial statements and its latest interim financial statements, plus such other pertinent information as Lessor may reasonably request.

APPROVAL:

Closing of the transactions described herein and implementation hereof is expressly conditioned upon review and acceptance hereof by Lessor's Senior Loan Committee, receipt of properly executed documentation acceptable to Lessor, and the absence of any material adverse change in Lessee's financial condition prior to delivery and acceptance of the Equipment.

ACCEPTANCE:

Lessee acknowledges that the terms and conditions of this proposal are satisfactory and that upon execution hereof by Lessee this proposal shall constitute a valid and binding obligation of Lessee. As further condition to Lessor's approval hereof, Lessee must acknowledge its acceptance of this proposal by signing below in the space provided and returning it to the Lessor by May 30, 2020.

If you determine that any of these finance structures meet the needs of your organization, please have the appropriate officer indicate the chosen option, place their signature at the bottom of this page, and return it to us via fax, email or US Postal Service. Upon receipt of the signed proposal, we will be in touch with you to make provision for documenting the finance. Thank you for the opportunity to submit this proposal letter for your review and approval. Should you have any question or comments regarding the terms and conditions, or if we can be of any further assistance to you, please do not hesitate to call.

Sincerely,

John M. Tench
Senior Vice President

ACCEPTED BY: City of Eden, NC

SIGNATURE: _____

NAME: _____ **TITLE:** _____ **DATE:** _____

City of Eden
2020 F550 Service Truck
\$87,265.99

5 Year Annual Repayment Schedule

<u>Payment #</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
1	18,374.73	1,518.43	16,856.30
2	18,374.73	1,225.13	17,149.60
3	18,374.73	926.73	17,448.00
4	18,374.73	623.13	17,751.60
5	18,374.73	314.24	18,060.49