

**EDEN CITY COUNCIL
REGULAR MEETING AGENDA
Council Chambers
308 E. Stadium Drive
July 21, 2020
6:00 p.m.**

1. Meeting called to order by: Neville Hall, Mayor
2. Invocation: Pastor Cynthia Nanney, First United Methodist and Spray United Methodist Churches
3. Pledge of Allegiance: Led by Director of Planning & Inspections Kelly Stultz
4. Presentations & Recognitions:
 - a. Presentation of commendations. **Clint Simpson, Police Chief**
5. Roll Call
6. Set Meeting Agenda
7. Public Hearings
8. Requests and Petitions of Citizens
9. Unfinished Business:
 - a. Consideration of a one-year contract with Carolina Business & Tax Services for internal audit services. **Tammie McMichael, Director of Finance & Personnel**
10. New Business:
 - a. Request for the City Council to ask the City Clerk to investigate the sufficiency of an annexation petition for properties at 197 and 199 E. Aiken Road.
Kelly Stultz, Director of Planning & Inspections
 - b. Consideration of a budget amendment to increase the residential solid waste rate.
Terry Shelton, Interim City Manager
11. Reports from Staff:
 - a. City Manager's Report. **Terry Shelton, Interim City Manager**
12. Consent Agenda:
 - a. Approval and adoption of the June 16, 2020 Minutes. **Deanna Hunt, City Clerk**
 - b. Approval and adoption of an ordinance declaring a no parking zone on Fraker Place.
Clint Simpson, Police Chief
 - c. Approval and adoption of an ordinance creating four-way stops on South Byrd Street at its intersections with Maryland, Delaware and South Avenues.
Clint Simpson, Police Chief
 - d. Approval and adoption of ordinances to reduce the speed limit and to create a crosswalk on Thompson Street. **Clint Simpson, Police Chief**
 - e. Approval to amend the 2020-21 Grade and Positions to include a full-time Information Technician. **Tammie McMichael, Director of Finance and Personnel**

- f. Approval to award the annual wood grinding contract to Williams Logging & Chipping.
Dusty Curry, Solid Waste Superintendent
 - g. Approval of a position classification change in Planning & Inspections.
Kelly Stultz, Director of Planning & Inspections
 - h. Approval of a Storm Staging Area Agreement at Freedom Park with Duke Energy.
Johnny Farmer, Parks & Recreation
 - i. Approval of a proposed booster pump station replacement by Dan River Water, Inc., off Mt. Carmel Church Road. **Bev O'Dell, Director of Engineering**
 - j. Approval and adoption of a resolution in support of applying to the N.C. Department of Commerce Rural Division for approval of a Building Reuse Grant to benefit Hutchens Holdings. **Mike Dougherty, Director of Economic Development**
 - k. Approval and adoption of a resolution and agreement for NC 401(k) and NC 457 plans.
Tammie McMichael, Director of Finance & Personnel
13. Announcements
14. Closed Session:
- a. To discuss economic development pursuant to NCGS 143-318.11(a)(4).
15. Adjourn

Clinton M. Simpson
Chief of Police



John M. Edwards
Deputy Chief

Eden Police Department
"Putting Our Community First"

To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Chief Clint Simpson

Date: July 15, 2020

Subject: Recognition of Officer Brian Ferris, Officer Brian Roland,
Officer Josh Ferguson

On Monday July 6th 2020, at about 5:30pm, Officers from A shift responded to 518 Gresham St. in reference to a house fire. As Officers were in route, C-Com gave updates which included someone yelling from inside the burning house, which was a 13 year old male who was in a wheelchair, and could not get out. Officer Ferris arrived on scene went into the burning house from the backside and found the 13 year old in the kitchen who was not able to exit the burning house from the front due to the fire and smoke had his wheel chair ramp blocked. Officer Ferris picked up the child out of his wheelchair and carried him out the back door to safety. While Officer Ferris was helping the child, Officer Roland had pulled up on scene and started pulling the fire hose off the truck and spraying the front porch area with water to help contain and extinguish the fire. Officer Ferguson arrived on scene and assisted Officer Ferris with the child then assisted Officer Roland by pulling fire hose off the truck. Due to the quick response of Officer Ferris, Officer Roland, Officer Ferguson and the Eden Fire Department, all the residents of 518 Gresham St. were rescued from the fire unharmed.

The actions of these three officers exemplify their dedication to protect and serve the citizens in our community. I have written a commendation for each officer for their bravery and actions in the successful rescue from this fire. Mayor Hall expressed his interest in recognizing the officers at the next regularly scheduled council meeting.



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Terry Shelton, Interim City Manager, and Tammie B. McMichael, Director of Finance and

Date: July 21, 2020

Subject: Internal Auditor Proposal from Mr. Wayne Emerine, MBA BS Accounting/Tax owner of Carolina Tax & Business Services in Eden.

As a follow up to the June 16, 2020 Council Meeting, Mr. Wayne Emerine, MBA BS Accounting/Tax, owner of Carolina Tax & Business Services in Eden is still very interested in providing internal auditing services to the City of Eden. He has agreed to a one-year contract \$25,920.00 (a monthly cost of \$2,160.00). He is willing to work 24 hours per month. He feels this amount of time will allow him to be thorough and provide him time for adequate risk assessments. He will report his findings directly to the Mayor and the City Council. He will be prepared to listen and respond to any questions. I have included a copy of the most current correspondence from Mr. Emerine in regards to the Internal Auditing Services that he is willing to provide to the City of Eden.

Staff contacted the UNC School of Government Finance List Serve, the Local Government Commission, the North Carolina State Auditor's office, and the North Carolina State Board of Certified Public Accountants in efforts to find out if they were aware of particular local governments who contract out for Internal Auditing Services. We received no responses from other Local Governments on the UNC SOG Finance List Serve. We did receive some information from the other sources, it appears that small units of Government only contract out for their Annual Audit, and the larger units of Government actually have their own Audit Departments. Please find attached a list of Governments that were contacted by telephone or email, and other information regarding internal audits.

We also spoke with Mr. Bert Davis, Jr., CPA, CFF, CFE again to obtain more

guidance on what we should look for and expect of an Internal Auditor doing risk assessments due to the city never having done this before. He had previously told us that an Accountant did not have to be a Certified Public Accountant to be a good Internal Auditor. However, he confirmed that we need someone who has done a risk assessment. Someone who knows to audit areas where our Annual Auditors are not auditing. He recommended that we send out our Request for Proposal again to a broader range of Certified Public Accounting Firms. The North Carolina State Treasurer's website has an extensive list of CPA firms in North Carolina. If you choose to have Staff send out another RFP, we could ask for anyone submitting a bid to submit an example of a risk assessment and internal audit plan that they have done previously. This may help us develop a more complete understanding of the internal audit function.

Due to the Internal Auditor's services directly impacting the Finance Department, Staff does not feel comfortable making a recommendation. However, Staff is willing to proceed in whatever manner Council feels will be in the best interest of the City at this time.

George Wayne Emerine, MBA BS Accounting/Tax IRS Enrolled Agent 126859
181 Gutta Percha Lane
Summerfield, North Carolina 27358
Office 336-349-3684 Cell 336-552-5970 cell

July 7, 2020

Tammy McMichael
Finance Director
City of Eden
308 E. Stadium Drive
Eden, North Carolina 27288

Re: Proposal for Audit Services


Dear Ms. Mc Michael:

I have cancelled my vacation to allow me to be here for the 21st meeting and address any of the questions from leadership.

You made a real effort to recommend us, so I owe you that as a minimum.

Hope you had a great 4th.

Blessings,



George W. Emerine
CAF 03-0000091R
EA 126859
336-349-3684 office
336-552-5970 cell

**CAROLINA BOOKKEEPING TAX
AND BUSINESS SERVICES, LLC**

600 WASHINGTON STREET
EDEN, NC 27288

F A X T R A N S M I T T A L

DATE:	06/17/2020		
TO:	Tammie McMichael	FROM:	Gina Snyder
FAX:	(336)623-2598	FAX:	(336) 627-7972
TEL:		TEL:	(336) 627-8969
CC:		PAGES:	3 TOTAL including cover

COMMENTS:

**PRIVATE AND CONFIDENTIAL INFORMATION CONTAINED IN
THIS FILE. PLEASE NOTIFY THE SENDER IMMEDIATELY IF THIS
TRANSMISSION IS IN ERROR.**

Ms. McMichael,

Please find attached a letter in response to the City Councils questions last night at the meeting.

Mr. Emerine will be calling you shortly to discuss any further questions you may have.

I hope you have a great day!!!

Thank you,

Gina Snyder
Office Manager

George Wayne Emerine, MBA BS Accounting/Tax
IRS Enrolled Agent 126859
181 Gutta Percha Lane
Summerfield, North Carolina 27358
Office 336-349-3684 Cell 336-552-5970 cell

June 17, 2020

Tammy McMichael
Finance Director
City of Eden
308 E. Stadium Drive
Eden, North Carolina 27288

Re: Proposal for Audit Services

Good Morning Ms. McMichael.

We attended, virtually, the meeting last evening with the City Council and Mayor and observed every person in attendance express a desire to make the system better.

Questions were raised with respect to the content and structure of our submitted bid. In response, our intention was to structure a bid that we hoped would conform to the bid proposal sheet. As a result, we made the bid for a three-year period with pricing for the purpose of simply saying we would not expect an increase of compensation in years two and three.

We would be agreeable to a one-year contract at the rate we provided.

Questions were also raised with respect to the monthly hours of the contract which said up to 24 hours. Again, our intent of the response was to express our commitment to spend the 24 hours to perform our services.

We believe that the 24-hour commitment will allow us to be thorough and provide time for adequate risk assessments and to communicate with Eden Mayor and Council our findings and to listen and respond to leadership questions.

Finally, I heard elected officials express a desire to install a system of reporting that allows them to understand and evaluate the performance of staff individually and as a team in total.

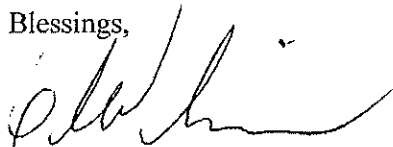
Our objective is not to simply assess strengths and weaknesses in processes but to establish a system that answers questions from leadership as to spending to budget performance and provide understandable coding and reporting of expenditures. We believe that every elected official deserves to fully understand the performance of those they have been elected to manage and to use that information to plan for the future. That is what we propose to do, and we believe it will take 24 hours per month.

Finally, we heard communications that express budgetary concerns as to when to fund our services.

I expressed, in my proposal response, our desire to contribute to the success of our community. Having said that, we are prepared to start the project as soon as approved by leadership and without payment for the first month.

It is our hope that this communication effectively addresses the questions and concerns of Eden leadership. If anything further is required, please do not hesitate to call.

Blessings,



George W. Emerine

CAF 03-000091R

EA 126859

336-349-3684 office

336-552-5970 cell

CAROLINA BOOKKEEPING TAX, & BUSINESS SERVICES LLC
600 WASHINGTON STREET
EDEN, NORTH CAROLINA 27288
PHONE: 336-627-8969 FAX: 336-627-7972
EMAIL: wemerine@carolinabts.com

June 23, 2020

City of Eden
308 East Stadium Drive
Eden, NC 27288

Re: Auditor's Responsibilities

Ms. Tammie McMichael,

The City leaders had questions as to what an auditor would do for the proposed fees we submitted responding to the RFQ. I am attaching fourteen pages of audit information provided as a checklist by the State of North Carolina with respect to "Financial Reporting Checklist", Independent Audit Reports.

Hopefully, leadership will understand the work to be done. In my opinion, if the State wants this information verified we should be looking at everything the State will be looking for.

The unknown in all of this is how much of this work does leadership expect the new City Manager to do?

The City was unprepared for the June meeting but certainly interested in knowing more about city functions and reporting.

You asked me if I would attend the 21st of July meeting to answer any questions and I of course agreed.

However, the mayor and leadership did demonstrate a desire to include the new City Manager in decision making and indicated the audit contract would not begin until August.

Having said that, I am considering cancelling a vacation already paid for from July 17 through July 23 to attend the 21st meeting.

My question is this, do the leadership individuals gather only once per month or is this important enough to them to meet before my departure on vacation?

Thank you Tammie for you support clearly demonstrated the last meeting.

Sincerely

G. Wayne Emerine
Enrolled Agent
Carolina Bookkeeping, Tax & Business Services LLC

Financial Reporting Checklist for North Carolina Municipalities

The checklist below is provided as a supplement to other audit programs and checklists that already address compliance with generally accepted accounting principles or federal programs. This checklist addresses issues within the context of the North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) that are *specific* to local government audits in North Carolina and the presentation of the audited financial statements. Also, many of the following items will be used in compiling comparative statistical data reports, which will be published statewide in the spring, following the receipt of the audits. Other audit procedures are included based upon prior years' audit reviews results. Many of the steps and procedures below are interrelated and may be done in conjunction with other audit procedures. Please refer to the Audit Manual web-site on the NC Department State Treasurer's web-site https://www.nctreasurer.com/slglfm/audit_acct/Pages/Audit-Manual.aspx for an audit program focusing on the auditee's compliance with the LGBFCA and internal control environment. *Please read the suggested procedures before beginning the audit work.* Note that the LGBFCA is applicable to all units of local government and public authorities in North Carolina. References to "the unit" or "the local government" are not meant to, and do not, exclude public authorities, or auditors of public authorities, from using the following suggested audit procedures, as appropriate. This checklist is not intended to be all-inclusive; professional judgment should be used in determining the extent of tests and the use of procedures not included herein. A full understanding of the LGBFCA is essential to a thorough audit of a local government or public authority in North Carolina. A copy of the LGBFCA may be ordered from the Institute of Government. The General Statutes of North Carolina are also available on the website of the North Carolina General Assembly, [NCGA General Statutes - Chapter 159](#). The auditor should use professional judgment if any results of these checklist items suggest that a statutory violation has occurred. The auditor should consult with the unit's legal representative to determine if a violation of North Carolina law has actually occurred.

Some terminology has been revised for current GASB Statements. Users should consider whether the suggested procedure is of benefit as they audit.

Municipal Checklist			
	Suggested Procedure / Checklist Item	Performed By or NA	Workpaper Reference
	Independent Auditor's Report		
	Does the report include Independent Auditors Report on the top of the first page? (AU-C 700, ¶.23). Is the report signed (stamped or manual signature), dated, and is the firm's city included? (AU-C 700, ¶.39, 41) It is preferred that the opinion is presented on the firm's letterhead.		
	If other auditor(s) audit a component and the group engagement partner does not want to assume responsibility for the work of the component auditor, is (are) other auditor(s) referenced in the auditor's responsibility paragraph and opinion paragraph? (AU-C 600, ¶.28)		
	If other auditor(s) is (are) referenced and the audit was performed using yellow book standards, is there a statement that the DCU(s), not audited by the group auditor and not subject to yellow book standards (ABC Boards and TDAs), was (were) not performed under yellow book standards? (AICPA GAS/UG ¶4.74, ¶4.75).		
	Opinion paragraph includes applicable references for the following: unmodified opinion, opinion units (as listed in the first paragraph and presented in the financial statements), budgetary comparison statements (General Fund and annually budgeted major Special Revenue funds presented in the basic financial statements), and cash flows (if cash flow statement is presented for enterprise fund(s)).		
	Is an Other Matters paragraph included for Required Supplementary Information presented for MD&A and any other statements that have RSI Law Enforcement Officers' Special Separation Allowance (LEOSSA) Other Post Employment Benefit (OPEB), or the Local Government Employee Retirement System (LERS)?		

	If an Other Matters paragraph for Supplementary Information is presented, does it properly reference the appropriate schedules? Most commonly referenced are combining and individual fund financial statements, budgetary schedules, other schedules (ad valorem tax schedules), and schedule of expenditures of federal and State awards.		
	If there has been a change in accounting principle that has a material effect on comparability of the financial statements, a paragraph headed "Change in Accounting Principle" should be added after the Opinion paragraph. (AU-C 708.08)		
	If the auditor's report is subject to other reporting responsibilities, such as Governmental Auditing Standards, a paragraph subtitled "Report on Other Legal and Regulatory Requirements" or otherwise as appropriate to the content of the section. For yellow book audits, an appropriate subtitle should be "Other Reporting Required by Governmental Auditing Standards." (AU-C ¶700.37)		
	Report date & date of compliance reports are the same. If not, is there dual dating of the reports?		
	Management Discussion and Analysis (MD&A)		
	Is MD&A presented preceding the basic financial statements and does it contain all the required contents? (GASB No. 34, ¶ 11)		
	Do all schedules presented and references tie to the financial statements and applicable notes?		
	If comparative financial statements (basic financial statements) and RSI are presented for both years, are two years presented in the MD&A along with the prior year (three years total) presented? (If comparative data is provided for non-comparative financial statements, the three year presentation is not required). (GASB No. 34, Implementation Guide Q8)		
	Exhibits		
	Statement of Net Position		
	Does the statement report all financial and capital resources?		
	Is the Statement of Net Position presented as assets, plus deferred outflows of resources, less liabilities, less deferred inflow of resources equals net position? (GASB No. 63 ¶ 8)		
	Are assets and liabilities are presented either in order of their relative liquidity or classified between current and long-term? Liabilities whose average maturities are greater than one year should be reported in two components, the amount due in one year and the amount due in more than one year. (GASB No. 34 ¶31, 97, 99 or GASB No. 62 ¶30-35),		
	Verify that unexpended bond proceeds or other cash not available for operations of the fund(s) are classified as restricted cash and investments in the financial statements and are clearly described in the notes.		
	Does the restricted component of net position include significant unspent related debt proceeds or deferred inflow of resources attributable to the unspent amount? (GASB No. 63 ¶9)		
	Verify that internal balances net to zero between Governmental Activities and Business-type Activities, and tie to the fund statements. (GASB No. 34 ¶ 58)		
	Have differences in amounts reported in the fund statements as interfund receivables and payables presented as internal balances? Are amounts reported as receivables from or payables to fiduciary funds included in the statement of net position as receivables or payables and not internal balances?		
	Capital assets are separated between non-depreciable & depreciable. (GASB No. 34 ¶ 20)		
	Restricted net position and restricted for stabilization by state statute (RSS) should tie to the appropriate fund statements.		
	Bond anticipation notes should be classified as current liabilities.		
	Are deferred outflows and inflows of resources itemized? Deferred outflows or inflows of resources should include a name and amount either in the notes OR on the face of the applicable statements. (GASB No. 63 ¶ 13)		
	Are prepaid cash receipts properly classified as liabilities or deferred inflows of resources?		
	Verify that all references to "deferred revenues" are replaced by "unavailable revenues", "deferred inflows of resources" or another appropriate term as an alternative. Bond Issuance costs, except for prepaid insurance, are no longer capitalized and should not be reported on the Statement of Net Position. Deferred gains and losses on refunding debt should be presented as Deferred Outflows (losses) or Deferred Inflow (gains). (GASB No. 65)		

	<p>Verify that Bond issuance costs, EXCEPT FOR PREPAID INSURANCE, do not appear on the Statement of Net Position. They should be expensed in the current year. (GASB No. 65 ¶15)</p>		
	<p>Verify that deferred gains and losses on refunding debt appear as a deferred inflow of resources if a loss and a deferred outflow of resources if a gain. (GASB No. 65 ¶16)</p>		
	<p>The equity section of the Statement of Net Position should reflect three components: Net investment in capital assets, Restricted (distinguishing between major categories of restrictions including Stabilization by State Statute), and Unrestricted.</p>		
	<p>Does the restricted component of net position include significant unspent related debt proceeds or deferred inflow of resources attributable to the unspent amount? (GASB No. 63 ¶19)</p>		
	<p>Restricted net position and restricted for stabilization by state statute (RSS) should tie to the appropriate fund statements.</p>		
	<p>Is the net investment in capital assets calculation reasonably correct? The calculation includes any capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributed to the capital assets. Any significant unspent debt proceeds at year end related to the capital assets should be backed out of the calculation of net investment in capital assets. (GASB No. 63 ¶ 9)</p>		
	<p>Verify no negative cash is shown in the statement. If a unit pools cash into one bank account and one fund is in a deficit cash position, a "due to" amount should be recorded in the appropriate fund and a "due from" should be recorded in the fund that is supporting the deficit fund. If a specific bank account is overdrawn, a bank overdraft liability should be shown in both the fund and government-wide financial statements rather than a negative cash balance. AICPA's Audit and Accounting Guide State and Local Governments 5.28 (March 2013)</p>		
	<p>For municipalities that participate in LGERS, Do the numbers appearing in the financial statements agree to the data tables provided by DST (make sure you have combined the data from multiple ORBIT accounts if applicable)? Net pension asset or liability? Deferred outflows and inflows of resources?</p>		
	<p>For municipalities that participate in LGERS, Have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?</p>		
	<p>For municipalities that participate in LGERS, Are pension deferrals properly itemized on the face of the financial statements or in the notes to the statements?</p>		
	<p>Are assets held to fund LEOSSA accounted for in a GASB defined trust? Has GASB Statement No. 68 been implemented?</p>		
	<p>If there is an internal service fund and governmental activities are the predominant or only participants in the internal service fund, are the internal service fund assets, deferred outflows of resources, liability, and deferred inflows of resources balance that are not eliminated in the Statement of Net Position reported in the governmental activities column? If the enterprise funds are predominant or the only participants in an internal service fund, the residual assets and liabilities should be reported in the business-type activities. (GASB No. 34 ¶62 and GASB No. 63 ¶7-8)</p>		
	<p>For those units that have implemented GASB Statement No. 73, do the exhibits, notes and RSI refer to Total Pension Liability (TPL) and not Net Pension Obligation or Net Pension Liability? Net pension liability is used if the unit is reporting under GASB Statement No. 68. "Net Pension Obligation" is now obsolete. (GASB No. 73 ¶25)</p>		
	<p>For those units that have implemented GASB Statement No. 74, do the exhibits, notes and RSI reference the plans' liability (assets) as Net OPEB Liability (asset)? "Net OPEB obligation" is now obsolete; any situation in which the total OPEB liability exceeds the OPEB plan's fiduciary net position should use the term "Net OPEB liability." If the plan's fiduciary net position exceeds the total OPEB liability, "net OPEB asset" should be used.</p>		

	<p>If the Municipality has an internal service fund and governmental activities are the predominate or only participates in the internal service fund, are the internal service fund assets, deferred outflows of resources, liability, and deferred inflows of resources balance that are not eliminated in the statement of net position reported in the governmental activities column? If the enterprise funds are predominate or the only participants in an internal service fund, the residual assets and liabilities should be reported in the business-type activities. (GASB No. 34 ¶62 and GASB No. 63 ¶7-8)</p>		
	<p>Statement of Activities</p>		
	<p>Does the statement present activities accounted for in governmental funds by function and are those activities accounted for in the enterprise funds by different identifiable activities? (GASB No. 37 ¶ 10)</p>		
	<p>Are all expenses reported by function (governmental) or activities (business-type) except those that are reported as special or extraordinary? Are all expenses reported by function and consistent with those functions reported in the fund level statements, as applicable?</p>		
	<p>For municipalities that participate in LGERS, have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?</p>		
	<p>Are program revenues separately reported in three categories – charges for services, program- specific capital grants, and contributions?</p>		
	<p>Is interest on general long term liabilities that are not considered direct expense, reported on a separate line? (GASB No. 34, ¶ 46)</p>		
	<p>Ensure transfers are shown separately & net to zero, except when transfers to/from blended component unit with different fiscal year end.</p>		
	<p>Area all general tax revenues reported separately by the type of tax?</p>		
	<p>Special and/or extraordinary items are properly disclosed and agree to the notes following the financial statements.</p>		
	<p>Do the amounts reported as ending balances for net position tie to the amounts reported on the Statement of Net Position? Do beginning balances reported tie to the amounts reported on the prior year financial statements?</p>		
	<p>If there is a prior period adjustment, is the prior period adjustment described in the notes to the financial statements?</p>		
	<p>Fund Financial Statements</p>		
	<p>Governmental Fund – Balance Sheet</p>		
	<p>Major funds should be presented individually and consistently on the Balance Sheet (displaying assets plus deferred outflows of resources equals' liabilities plus deferred inflows of resources, plus fund balances) and the Statement of Revenues, Expenditures, and Changes in Fund Balance. (GASB No. 34 ¶ 78, 83)</p>		
	<p>The non-major funds should be labeled as such and presented in the aggregate on the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance.</p>		
	<p>All General and annually budgeted major Special Revenue Funds must have budget to actual statements presented in the Basic Financial Statements.</p>		
	<p>If the unit has Powell Bill cash, the amount should be presented as Restricted Cash both under current assets and in the Fund Balance section.</p>		
	<p>Verify that units with 911 funds have a separate Emergency Telephone System Fund budget to actual presented.</p>		
	<p>Verify that units with a Community Development Block Grant passed through from NC Department of Commerce, Division of Community Assistance, are reported in a separate Special Revenue or Capital Projects Fund.</p>		
	<p>Verify that unearned revenues (prepaid cash receipts) from exchange transactions are classified as liabilities and that unearned revenues from non-exchange transactions are shown as deferred inflows of resources. Ex: uncollected tax revenue (property taxes receivable) is reported as deferred inflows of resources on the governmental fund balance sheet. Prepaid taxes are deferred inflows of resources on both the Government-wide Statement of Net Position and the Governmental Fund balance sheet. (GASB No. 65 ¶53, 67)</p>		
	<p>Verify that all references to “deferred revenues” are replaced by “unavailable revenues”, “deferred inflows of resources” or another appropriate term as an alternative. Deferred gains and losses on refunding debt should be presented as deferred outflows (losses) or deferred inflow (gains). (GASB No. 65)</p>		

	Are Prepaid cash receipts properly classified as liabilities or deferred inflows of resources?		
	Verify that the amount restricted for stabilization by state statute (RSS) is calculated correctly and is shown on both the Statement of Net Position and the Governmental Fund Balance Sheet (GASB No. 54). Calculation = total fund balance less the fund balance available for appropriation equals the total amount that must be restricted. The total amount to be restricted less encumbrances, the nonspendable for prepaid amounts, the nonspendable for inventories, and any other nonspendable that are not available to support expenditures in the coming fiscal year (e.g. assets held for resale) equals the amount to be Restricted by state statute (Calculation for RSS is included in the Fund balance for Appropriation template). (G.S. 159-8(a))		
	Verify that the total fund balance designated for subsequent year's expenditures and other governing board designations do not exceed the fund balance legally available for appropriation in any fund. (G.S. 159-8(a))		
	Verify that only the General Fund has a positive unassigned fund balance. It may be necessary to report a negative fund balance for other governmental funds. (GASB No. 54 ¶17)		
	Verify that appropriate fund balance classifications are used: non-spendable, restricted, committed, assigned, and unassigned. (GASB No. 54 ¶6-19)		
	Verify that governmental fund inventories, prepaid assets and long term balances of loans receivables are shown as a non-spendable component of fund balance on the balance sheet (GASB No. 54 ¶ 6)		
	Are there assets that have been set aside (but not held in a trust) to pay future obligations presented as committed fund balance? (SLGFD GASB Statement No. 73 FAQs, question 4)		
	Is the reconciliation of total fund balance of governmental funds to the net position of governmental activities presented on the face of the financial statements or in a separate schedule? (GASB No. 34 ¶ 77, 85) Does the reconciliation appear reasonable?		
	Does the reconciliation of the total fund balance of governmental funds to the statement of net position of governmental activities appear reasonable?		
	Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance		
	Verify funds reported as major and non-major on the Balance Sheet are also reported accordingly in the statement of revenues, expenditures, and changes in fund balance.		
	Are revenues reported by major source and expenditures by function?		
	Verify that non-departmental or miscellaneous expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance do not exceed 5% of total expenditures.		
	If there is an appropriation for "contingencies," verify that the amount does not exceed 5% of all other appropriations in the same fund. G.S. 159-13(b)(3)		
	Verify that the transfers between the statement of revenues, expenditures, and changes in fund balances – Governmental funds, and the statement of revenues, expenses, and changes in fund net position – proprietary funds are equal.		
	Verify that transfers in and out are shown as separate line items on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, and the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds. * If the unit is making contributions to a Pension Trust Fund for the Law Enforcement Officers' Special Separation Allowance, the contribution should be an expenditure of the General Fund, not a transfer.		
	Do the amounts reported as ending balances on the fund Balance Sheet tie to the amounts reported on Statement of Revenues, Expenditures, and Changes in Fund Balance? Do beginning balances reported tie to the amounts reported on the prior year financial statements?		
	Activities of a Special Revenue Fund that does not meet the definition of a Special Revenue Fund for GASB No. 54 purposes should be consolidated into the General Fund. (GASB No. 54 ¶ 30-31)		
	Is the reconciliation of changes in fund balance of governmental funds to the changes in net position of governmental activities presented on the face of the financial statements or in a separate schedule? (GASB No. 34 ¶ 77, 90) Does the reconciliation appear reasonable?		

	Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
	Budget to Actual Statements are presented in the basic financial statements for the General Fund and all annually budgeted special revenue funds (except Trust and Agency). The statement should present both the original and final appropriated budgets. <i>(GASB No. 34 ¶ 130, footnote 53)</i>		
	Annually budgeted funds reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual are referenced in the auditor’s opinion in the opinion paragraph as budgetary comparison statements, only include the General Fund and any major annually budgeted special revenue fund(s).		
	If debt service expenditures are reclassified from other functional areas, verify that the budgeted amounts have been reclassified also.		
	Verify that all budgets presented are balanced in accordance with the LGBFCA. If the municipality has adopted an unbalanced budget, verify that a statutory violation is disclosed in the Stewardship notes. <i>(G.S. 159-8(a))</i>		
	Verify that any fund balance appropriated is included in the budget presentation as an “other” financing source.		
	Verify that fund balance appropriated does not exceed the statutory limit. <i>(G.S. 159-8(a))</i>		
	If a Special Revenue Fund has been consolidated into the General Fund for GASB 54 purposes, there should be reconciliation at the bottom of the General Fund Budget-to-Actual that reconciles the amount for ending fund balance to the amount presented on the Statement of Revenue, Expenditures and Changes in Fund Balance.		
	Proprietary Funds – Statement of Fund Net Position/Statement of Revenues, Expenditures, and Net Position		
	Do the funds report activities that provide goods and services for which a fee is charged to external users? Are the funds for activities that are financed with debt that is secured by a pledge of net revenues from fees and charges to external users for the activities? Do the laws or regulations or price policies require that the cost of providing services be recovered by fees and charges to external users?		
	Is the statement of net position in the format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflow of resources, equals net position?		
	Major funds should be presented individually and consistently on the statement of net position, the statement of revenues, expenditures, and statement of net position, and statement of cash flows. Each major fund should be presented in a separate column.		
	The non-major funds should be labeled as such and presented in the aggregate, in a single column, on the Statement of Fund Net Position, the Statement of Revenues, Expenditures, and Statement of Net Position, and Statement of Cash Flows. <i>(GASB No. 34 ¶ 75, 96)</i>		
	Restricted cash is separately reported from unrestricted cash and is clearly described in the notes.		
	For municipalities that participate in LGRS, Do the numbers appearing in the financial statements agree to the data tables provided by DST (make sure you have combined the data from multiple ORBIT accounts if applicable)? Net pension asset or liability? Deferred outflows and inflows of resources?		
	For municipalities that participate in LGRS, Have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?		
	<i>GASB No. 65</i> replaces the term Deferred Revenues. All references to “deferred revenues” should be replaced by “unavailable revenues”, “deferred inflows of resources” or another appropriate term as an alternative. Deferred gains and losses on refunding debt should be presented as Deferred Outflows (losses) or Deferred Inflow (gains).		
	Bond Issuance costs, except for prepaid insurance, are no longer capitalized and should not be reported on Statement of Fund Net Position, but reported as an expense in the period incurred. <i>(GASB No. 65 ¶ 15)</i>		
	Are Prepaid cash receipts properly classified as liabilities or deferred inflows of resources?		
	Do the amounts reported as ending total net position on the Statement of Fund Net Position tie to the amounts reported on Statement of Net Position? Do beginning balances reported tie to the amounts reported on the prior year financial statements?		

	Liabilities payable from restricted assets should be properly identified on the Statement of Net Position and the Statement of Fund Net Position.		
	Does the Statement of Revenues, Expenses, and Change in Fund Net Position present the following information, in detail, when applicable?: Operating revenues, total operating revenues, operating expenses, total operating expenses, operating income/loss, nonoperating revenues/expenses, income before other revenue, expenses, and transfers, capital contributions, increase/decrease in net position, net position beginning of period, net position end of period. (GASB No. 34 ¶100)		
	Are revenues presented by major source and discounts and allowances disclosed either on the face of the statement or in the notes? (GASB No. 34, footnote 41)		
	Verify Internal Service Funds are only used to report activities that provide goods or services to other funds, departments or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis and for which the reporting government is the predominant participant in the activity. (GASB No. 34 ¶68)		
	Verify the aggregate internal service funds are presented in a single column to the right of the total enterprise funds column. (GASB No. 34 ¶96)		
	Proprietary Funds – Statement of Cash Flows		
	Is the direct method used to present cash flows from operating activities, which reports major classes of gross cash receipts and gross cash payments and their combined sum? If applicable, the Statement of Cash Flows should report net cash provided (used) by operating, noncapital financing, capital and related financing, and investing activities and the effect on these inflows. (GASB No. 9 ¶ 7)		
	Verify on the Statement of Cash Flows that changes in due to / due from are presented as non-capital financing and not as part of the reconciliation to “cash flows from operations”. (GASB No. 9 ¶ 21)		
	Do ending cash and cash equivalents tie to the related fund statements? Does beginning cash tie to prior year statements? (GASB No. 9 ¶ 8) Do transfers tie to related fund statements?		
	Cash flows should be classified into four categories: Cash flows from operating activities, Cash flows from noncapital financing activities, Cash flows from capital and related financing activities, and Cash flows from investing activities..		
	Operating Activities Cash receipts and payments from the following activities as cash flows from operating activities: a) Cash inflow from customers for sales of goods and services, including receipts from collection of accounts receivables and both short- and long- term notes receivable from customers arising from those sales. b) Cash payments to suppliers for goods and services. c) Cash payments for taxes, duties, fines, and other fees or penalties. d) Cash collected for deposits and returned of deposits. e) Cash receipts and payments for interfund provided and services used, including receipts and payments in lieu of taxes that are payments for, and reasonable equivalent in value to, services provided. f) Payment to employees. g) Cash payments on program loans. h) Cash receipts and payments for grants from or to other governments or organizations for specific activities that are considered operating activities of the grantor government or organization. i) All other cash receipts and payments that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.		
	Noncapital financing activities Cash receipts and payments from the following activities as cash flows from noncapital activities: a) Proceeds from issuing bonds, notes, and other short- or long- term borrowings not attributed to acquisition, construction, or improvement of capital assets, or program loans. b) Cash receipts from grants or subsidies except those for specific activities that are considered to be operating activities of the grantor government. c) Cash received from other funds except for those amounts that are clearly attributed to acquisition, construction, or improvement of capital assets, interfund services provided; and interfund reimbursements. d) Cash receive from property and other taxes collected for the governmental enterprise and not specifically restricted for capital purposes. e) Repayments of amount borrowed for purposes other than acquisition, construction, or improvement of capital assets, or program loans. f) Cash paid as grants or other subsidies to other governments or organizations, except those for specific activities that are considered to be operating activities of the grantor government. g) Cash paid to other funds, except for interfund services used.		

<p>Capital and related financing activities Cash receipts and payments from the following activities as cash flows from capital and related financing activities: a) proceeds from issuing or refunding bonds, mortgages, notes, and other short- or long- term borrowings clearly attributed to acquisition, construction, or improvement of capital assets. b) Receipts from capital grants awarded to the governmental enterprise. c) Receipts from contributions made by other funds, other governments, and other organizations or individuals for the specific purpose of defraying the cost of acquiring, constructing, or improving capital assets. d) Receipts from sales of capital assets as well as proceeds from insurance on capital assets that were stolen or destroyed. e) Receipts from special assessments or property and other taxes levied specifically to finance the construction, acquisition, or the improvement of capital assets. f) Payment to acquire, construct, or improve capital assets. g) Repayments or refunding of amounts borrowed specifically to acquire, construct, or improve capital assets. h) Other principle payments to vendors who have extended credit to the governmental enterprise directly for the purpose of acquiring, constructing, or improving capital assets. i) Cash payments to lenders and other creditors for interest directly related to acquiring, constructing, or improving capital assets.</p>		
<p>Investing activities Cash receipts and payments from the following activities as cash flows from investing activities: a) Receipts from collections of loans (except program loans) made by the governmental enterprise and sales of other entities debt instruments (other than cash equivalents) that were purchased by the governmental enterprise. b). Receipts from sales of equity instruments and from returns of investment in those instruments. c) Interest and dividends received as returns on loans (except program loans), debt instruments of other entities, equity securities, and cash management or investment pools. d) Withdrawals from investment pools that the governmental enterprise is not using as demand accounts. e) Disbursements for loans (except program loans) made by the governmental enterprise and payments to acquire debt instruments of other entities (other than cash equivalents). f) Payments to acquire equity instruments. g) Deposits into investment pools that the governmental enterprise is not using as demand accounts.</p>		
<p>Does the Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations appear reasonable? Does the net cash provided (used) by operations in the reconciliation section tie to the net cash provided (used) by operations in the operating activities section?</p>		
<p>Does operating income on the Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities tie to operating income on the Statement of Revenues, Expenses and Changes in Fund Net Position? (GASB No. 9 ¶ 34)</p>		
<p>Statement of Fiduciary – Net Position and Changes in Net Position</p>		
<p>Verify a separate column is presented for each fiduciary type. (GASB No. 34 ¶ 106)</p>		
<p>Same fund type is presented among both fiduciary statements. Agency Funds should not be reported in the Statement of Changes in Fiduciary Net Position. (GASB No. 34 ¶ 110).</p>		
<p>Both Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are included in the financial statements and ending net position between both statements agree.</p>		
<p>Verify that pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans, other postemployment benefit plans, and other employee benefit plans. (GASB No. 34 ¶70)</p>		
<p>Verify that private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. (GASB No. 34 ¶72)</p>		
<p>Verify if agency funds are used to report resources held by the municipality in a purely custodial capacity. Examples include pass-through grants. These are infrequent cases in which the recipient government serves only as a cash conduit. (GASB No. 34 ¶5)</p>		
<p>Trusts have contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable, pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms, and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. (GASB No. 68 ¶ 4 (a-c))</p>		

	<p>For units subject to GASB Statement No. 74, Statements of Fiduciary Net Position and Changes in Fiduciary Net Position should be included in the Basic Financial Statements. In addition, the fiduciary net position of the plan should be referred to as "net position restricted for OPEB." (GASB No. 74 ¶ 27)</p>		
Notes to the Financial Statements			
Note Disclosures:			
Summary of Significant Accounting Policies			
	<p>Verify that the reporting entity note properly describes the relationship between the primary government and the component unit (CU). (GASB No. 61 ¶11)</p>		
	<p>Confirm CU's nature (discrete/blended) is appropriately disclosed.</p>		
	<p>If the discretely presented component units (DPCU(s)) does not issue separate financial statements, verify that the DPCU(s) is (are) clearly described in the notes of the primary government's financial statements and notes on material items including cash, investments, inventory, capital assets, long term debt, and compliance with bonding requirements are included.</p>		
	<p>If DPCUs does not issue separate financial statements, verify that the audit report includes the DPCU's budget to actual statements as supplementary information.</p>		
	<p>A description of the government-wide financial statements, noting that neither fiduciary funds nor component units that are financial in nature are included.</p>		
	<p>The measurement focus and basis of accounting used in the government-wide and fund financial statements.</p>		
	<p>The policy for: (i) allocating indirect expenses to functions in the statement of activities., (ii) for eliminating internal activity in the governmental-wide statement of activities, including, if applicable, that an administrative overhead component is included in direct expenses, (iii) the policy for interfund eliminations in the fund financial statements, (iv) types of transactions included in program revenues in the statement of activities, that an ad fund financial statements, (v) revenue recognition policies used in fund financial statements, including the length of time used to defined available for purpose of revenue recognition in the governmental fund financial statements.</p>		
	<p>The policy for: (i) capitalizing assets and for estimating the useful lives of those assets (used to calculate depreciation expense), (ii) a description of the modified approach for reporting eligibility infrastructure assets, if used.</p>		
	<p>The policy for (i) defining operating and nonoperating revenues of proprietary funds, (ii) policy for applying FASB pronouncements issued after November 30, 1989 to business-type activities and to enterprise funds of the primary government, (iii) the definition of cash and cash equivalents used in the statement of cash flows for proprietary funds, (iv) the government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.</p>		
	<p>Significant or unusual accounting treatment for other materials account balances or activities, the method and period of amortization for intangible assets, and basis for stating inventories, including the method of determining costs.</p>		
	<p>Basis of Presentation, Basis of Accounting: Verify that descriptions of the major funds, internal service funds, and the fiduciary funds are part of the notes and agree with the fund statements. (GASB No. 38 ¶6)</p>		
	<p>Is there a budgetary note explaining the budgetary responsibility, the basis of accounting used in budgetary reporting, legal level of control, and other budgetary policies or legal requirements?</p>		
	<p>If DPCU collects Occupancy Tax, verify the Session Law authorizing collections by the General Assembly and that the primary government's Board adopted a resolution to levy the tax. Review Memo 2014-08 "Operation and Accounting for DPCU's including TDAs on our website for details on Tourism Development Authorities in NC, their legal and audit requirements including presentation in the primary government's financial statements.</p>		

	Note Disclosures: Statutory and Compliance with Laws, Rules, and Regulations		
	Verify that material violations with legal and contractual provisions or deficit fund balance/net position in individual funds that are not visible on the face of the statement of financial position are disclosed in the stewardship note. <i>Note that the LGC illustrative statements disclose budget violations separately from other violations. Because GAAP requires disclosures of any spending violations of the legally adopted budget, materiality should not be consideration for this disclosure.</i>		
	Verify that if the unit has appropriated a contingency greater than 5% of the total of all other appropriations for that fund, a statutory violation has been disclosed. <i>(G.S. 159-13(b)(3))</i>		
	If fund balance appropriated exceeds the statutory limit, this includes enterprise funds, verify that this is reported as a statutory violation. <i>(G.S. 159-8(a))</i>		
	If debt proceeds for a capital project are not in a separate capital project fund (or separately accounted for in an established capital project fund), verify that a statutory violation is disclosed. <i>(G.S. 159-26(b)(6))</i>		
	Note Disclosures: Detailed notes on all activities and funds		
	Verify that government-wide cash and investments plus any cash and investments carried in fiduciary funds materially equal the cash and investments disclosed in the Deposits and Investments notes. Deposit and investment disclosures should comply with GASB No. 40.		
	Verify that the investment note discloses interest rate risk, credit risk, custodial credit risk, and concentration of credit risk. If the unit's only investment is with the North Carolina Capital Management Trust Cash Portfolio, look for a statement that states "The unit has no policy regarding credit risk". <i>(GASB No. 40)</i>		
	Are material receivables described in the notes or on the face of the statements? Do they tie to the Statement of Net Position and Balance Sheet? If receivables are presented in aggregate in the financial statements, there must be detailed presentation in the note disclosures.		
	Summary of changes in capital assets including intangible assets for both governmental activities and business-type activities are disclosed. Capital Assets for business-type activities should be separately shown for electric and water and sewer funds.		
	Does the schedule of capital assets show the beginning and end of year balances, with accumulated depreciation presented separately from historical costs? The capital acquisitions, sales and other dispositions, and current period depreciation expense, with the amounts charged to each of the functions in the statement of activities?		
	Do the notes disclose the method or methods used to compute depreciation for each major class?		
	Are material payables described in the notes or on the face of the statements? Do they tie to the Statement of Net Position and Balance Sheet?		
	Verify that the municipality has an appropriate pension footnote for the Local Government Employees' Retirement System or any other pension notes applicable to the municipality for non-law enforcement employees.		
	For municipalities that participate in LGERS, Is the note disclosure for each pension plan complete? Includes all relevant note disclosures for each plan outlined in GASB Statement 68, paragraphs 74-80.		
	Have units with separately financed liabilities that have resulted from the purchase of past service included the liability in the long-term liability totals and note disclosure?		
	For participants in the Firefighters' and Rescue Squad Workers' Plan- If the liability or pension expense is material to the unit, do the notes include the necessary disclosures, including plan description, on-behalf payment amount, and proportionate share of the liability?		
	For municipalities that participate in LGERS: Are pension deferrals properly itemized on the face of the financial statements or in the notes to the statements? If itemized in the notes, are the amounts easily traceable to the financial statements?		
	If there is no reference to an actuarial study for the LEO Separation Allowance, has documented prior approval been given for an exemption from that requirement? Units that have deemed the pension liability immaterial to their financial statements and have not had an actuarial study performed should have received a written exemption from the requirement that an actuarial study be performed. Written exemptions will be issued by the SLGFD. If		

	such approval has been granted, there should be no mention of the pension benefit in the financial statements, the notes to the financial statements, or the RSI.		
	If the required contributions to the Supplemental Retirement Income Plan for LEOs (401K program) have not been made, verify that a statutory violation has been disclosed. <i>Based on individual situations, materiality, and the level of audit done, it is possible that a corrective action plan may be required to be included with the compliance reports.</i>		
	If the LEOs participate in the Local Government Employees' Retirement System, verify that the appropriate note disclosure for the Death Benefit Plan is included.		
	In reference to GASB Statement No. 73, verify that amounts in the notes, exhibits and RSI are consistent with each other. There should be consistency among amounts in each element of the audit report.		
	There should be no mention of a trust fund for units subject to GASB Statement No. 73 reporting requirements. If assets have been set aside in a trust to pay future pension obligations, the unit should be reporting under GASB Statement No. 68. The notes to the financial statements and RSI should refer to total pension liability. No fiduciary statements should be included.		
	Verify OPEB note disclosure complies with GASB 74 and 45, including calculation chart, funding status, actuarial methods and assumptions disclosures. If OPEB is funded, verify that amounts are included in the fiduciary statements		
	Confirm OPEB calculation chart is included and includes an amount for interest if there was a prior year balance.		
	Funding Status & Progress are included for OPEB and Actuarial Methods and Assumptions disclosed.		
	If OPEB is funded, verify that applicable note disclosures required by GASB Statement No. 74 are included. (GASB No. 74 ¶ 34,35)		
	If the unit has GASB Statement No. 74 disclosures, are there appropriate references to a trust fund? Units are required to report in compliance with GASB Statement No. 74 if the unit has assets set aside to pay future OPEB obligations in a trust fund. If disclosures for GASB Statement No. 74 have been included in the audit report, there should be a fiduciary trust fund presented as well.		
	Long Term Obligation Activity Note: Are liabilities divided between governmental activities and business-type activities and then separated between types of debt (bonds, notes, installment purchases, leases payables, compensated absences, claims and judgments, OPEB, etc.), presentation of beginning and end of year balances (regardless of whether prior-year data are presented on the face of the government-wide financial statements), increases and decreases (separately presented), and current portion of each item (due in one year)? (GASB No. 34 ¶119)		
	Does the entity disclose the following details of debt service requirements to maturity: Principal and interest requirements to maturity presented separately, for each of the five subsequent years, and in five year increments thereafter? (GASB No. 38 ¶10)		
	Verify that unavailable revenues, deferred inflows of resources and deferred outflows of resources are itemized in the financial statements and clearly disclosed in the notes to the financial statements. (GASB No. 63 ¶13)		
	Verify the municipality has legally required bonding on the municipality's finance officer and a separate bond on the finance officer for the discretely presented component unit if applicable (ex: Tourism Development Authority) in addition to bonding on other appropriate employees in compliance with "§ 159-29. Fidelity bonds". Verify this is disclosed in the risk management note.		
	Review Bond covenants for units with outstanding revenue bonds. <u>Note that revenue bond covenants are not standardized and can vary from bond issue to bond issue.</u> Verify that any material failures of the unit to comply with reserve levels, coverage ratio requirements or other terms, as specified in the bond documents, are disclosed in the notes to the financial statements as contractual violations. The audit must also include, either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the governmental unit's audited financial statements unless otherwise specified in the bond documents. GASBS 48 ¶21, Memo #1105 and LGC-205Audit contract. Specific note		

	<i>disclosures are not required for legally separate entities that report as stand-alone business-type activities whose operations are financed primarily by a single major revenue source.</i>		
	For municipalities with Industrial Revenue Bonds (IRB), verify there is a note disclosure indicating the nature of the debt issued by the unit of local government. Note disclosures should include the number of all IRB's outstanding and the amount of debt outstanding. If the amount of debt outstanding is not disclosed, the original debt issue amount should be disclosed. <i>(GASB Interpretation No. 2 ¶3)</i>		
	If the municipality has incurred losses in excess of insurance coverage, verify that this is also disclosed in the risk management note.		
	Interfund balances/payables (due to) and receivables (due from) should be disclosed in the notes, including the purpose of the interfund balance and the interfund balances that are not expected to be repaid within one year of the financial statement date. <i>(GASB No. 38 ¶14 and Memo #981)</i>		
	Verify that a schedule of interfund transfers is presented as part of the notes, including the amounts transferred between funds and a general description of the principal purpose of each transfer. <i>(GASB No. 38 ¶ 15 and Memo #981)</i>		
	Verify transfers are properly classified and are not actually cost allocations. Interfund services provided and used must be reported as revenues or expenditures in the proper funds with unpaid amounts reported as interfund receivables (due from) or interfund payables (due to). Ex: administrative costs from one fund to another. <i>Memo 2014-07 Proper accounting and treatment for Cost Allocations</i> discusses detail on this. https://www.nctreasurer.com/slg/Memos/2014-07.pdf <i>(GASB No. 34 ¶112a(2))</i>		
	Transfers from the Electric Fund should be itemized into each separate component: PILOT, "operating", rate stabilization fund. Violations of the unit's transfer policy will be subject to statutory violations. (LGC requirement) Note that units that are a member of the North Carolina Eastern Municipal Power Agency must comply with G.S. 159B-39 with regards to transfers to other funds.		
	For governments that use encumbrance accounting and have significant encumbrances at year end, verify this is disclosed in the notes to the financial statements by major fund and non-major funds in the aggregate. <i>(GASB No. 54 ¶24)</i>		
	Confirm on-behalf payments such as Firefighter & Rescue Squad Workers Pension Fund and Firefighter Relief Pension Fund are clearly described, if the unit has Fire or Rescue Department. <i>(GASB No. 24)</i>		
	Does the entity make segment disclosures for each identifiable activity reported as or within an enterprise fund accounting and reporting standards; and that has one or more bonds or other debt instruments outstanding; with revenue stream pledged in support of that debt and externally imposed requirements to account for the activity's revenues, expenses, gains and losses, assets, and liabilities separately? Major enterprise funds that meet all the criteria do not qualify as a segment because its data are already presented separately (Water Fund). <i>(GASB No. 34)</i>		
	Are construction or other significant commitments, claims and judgments, and contingencies disclosed? Debt that a unit is secondarily liable for should be disclosed.		
	Are non-recognizable, subsequent events that occurred after the year end of the reporting period, but prior to the issuance of the financial statement disclosed in order for user understanding the financial statements? Examples of non-recognizable events are major uninsured loss, issuance of debt, creation of a new component unit, or major casualty loss due to a natural disaster. <i>(GASB No. 56)</i>		
	Are related party transactions disclosed and include the nature of the relationship, the description of the transaction, the dollar amount of the transaction, and any receivable/payable. <i>(GASB No. 56)</i>		
	If applicable, verify that jointly governed organizations, joint ventures, and related organizations are properly described.		
	Verify that material prior period adjustments (PPA) or restatements of fund balance or net position are presented in the statements and the notes when applicable and are included as a finding in the compliance reports if appropriate. <i>(AU-C 265)</i>		

Required Supplementary Information and Schedules		
Local Law Enforcement Officers' Special Separation Allowance (LEOSSA): Are all disclosures required by GASB Statement No. 73 present? This includes applicable note disclosures as well as RSI. RSI should include Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll. All years for which information is available should be presented. (GASB No. 73 ¶ 41-46)		
LEOSSA: Do the amounts reported as Annual Required Contribution in the notes tie to the amount reported in Schedule of Employer Contributions?		
Other Post Employment Benefit (OPEB): Is there a Schedule of Funding Progress that shows all the required information (actuarial valuation date, value of assets, accrued liability (AAL)-projected unit credit, unfunded AAL (UAAL), funded ratio, covered payroll, and UAAL %) of covered payroll? Is information presented for the recent valuation plus two preceding valuations (unless the aggregate actuarial method was used)? Is a Schedule of Employer Contributions presented if required? Note: This is only required if the unit had an actuarial valuation or the alternative method worksheet was used for OPEB.		
OPEB: Do the amounts reported as Annual Required Contributions in the notes tie to the amounts reported in Schedule of Employer Contributions?		
If the unit is subject to GASB Statement No. 74 requirements, a Schedule of Changes in the Net OPEB Liability and Related Ratios, a Schedule of Unit Contributions (which should present ten years' worth of information), and a Schedule of Investment Returns should be presented. All years for which information is available should be presented.		
Have ten years of information been presented in the Schedule of Contributions in RSI for each OPEB plan? RSI information should be presented for all years for which information is available. Units should present amounts contributed to their plan for each of the past 10 years, assuming the plan has been in existence for 10 years. If retroactive information is not presented for the full 10 years, RSI should be presented for as many years for which information is available. (GASB No. 74 ¶ 62)		
Is RSI included for LGERS, Schedule of Proportionate Share of Net Pension Liability (Asset), Schedule of Employer Contributions		
For participants in the Firefighters' and Rescue Squad Workers' Pension Plan-Have on-behalf payments paid by the State been included in the supplemental schedules?		
Supplementary Information and Schedules		
Combining statements are presented for all non-major funds and amounts tie to the basic financial statements.		
Check amounts and funds presented as individual nonmajor budget to actuals and compare to the combining statements and see if total amounts agree.		
Budgetary comparison statements are presented for each fund presented and ties to operating statement. Budgetary statements could be in the form of project ordinances or annually budgeted.		
Verify that the financial plan for an internal service fund is presented as if it were a budget. (G.S. 159-13.1)		
Verify that expenditures were not appropriated in the Capital Reserve Fund. North Carolina law specifies a capital reserve fund may only be used to accumulate financial resources for ongoing or future capital projects. Transfers to other funds are the only types of appropriation that may be made in a Capital Reserve Fund. (G.S. 159-22)		
For units that receive Community Development Block Grant proceeds passed through the NC Dept. of Commerce, verify that the grant project is accounted for on a multi-year basis.		
Verify that enterprise funds show budgets on a modified accrual basis and that a reconciliation of the revenues over/under expenditures to the full accrual net income/loss amount is included. Verify also that the enterprise fund capital projects funds are reconciled/consolidated correctly. (Check sales tax, grant/interest income, and the elimination of transfers between operating and capital project funds).		
Verify that a statement/schedule is included for enterprise funds and multi-year special revenue capital project funds, showing budget to actual performance at the level the budget was adopted (function, department, or project).		
If an enterprise fund capital project shows unspent debt proceeds, verify that the unspent proceeds appear as Restricted Assets on the Statement of Fund Net Position – Proprietary Funds.		

	If Grant Income appears in an enterprise fund capital project, verify that the amount is correctly recognized as revenue.		
	Grant revenue intended to finance improvements which <u>primarily</u> result in new assets for an enterprise fund (e.g., new water and sewer lines for a water and sewer fund) should be reported in an enterprise fund capital project. The revenue should not be presented in a governmental special revenue fund or governmental capital project fund.		
	Verify that the Analysis of Current Tax Levy schedule is included. Once a majority of audits are received, the LGC will issue information including statewide tax collection rates calculated to two decimal places. For consistency with LGC reports, the overall tax collection rate, the collection rate on motor vehicles only and the collection rate for all other property should be shown to <u>two decimal places</u> . (LGC Requirement)		
	Verify that the Analysis of Current Tax Levy <u>does not include special districts</u> that are not unit wide, or items that are actually fees (e.g., animal taxes which are actually flat fees). (LGC Requirement)		
	The current levy collection percentage for registered motor vehicles should be very close to 100.00%. The only unpaid registered motor vehicle tax at June 30 will be amounts owed for <u>limited registration plates</u> .		
	Verify that the disclosures of the legal debt margin; the tax base broken down by real property, personal property and public service companies; and the ten largest taxpayers are included for units subject to <u>secondary market disclosure requirements</u> .		

Do other Local Governments Contract Out for Internal Auditing Services?			
Local Government	Contracts Out for Internal Auditing Services	Internal Audit Department	Notes
City of Reidsville	No		
Town of Stoneville	No		
Town of Mayodan	No		
Rockingham County	No		
City of High Point	No		
Town of Madison			Called and left a message-no response.
City of Greensboro			Emailed-no response.
City of Graham			Emailed-no response.
Winston Salem		Yes	
Guilford County		Yes	
Wake County		Yes	

Tammie McMichael

From: John Stephenson <John.Stephenson@wakegov.com>
Sent: Tuesday, June 23, 2020 10:03 AM
To: Tammie McMichael
Subject: RE: City of Eden
Attachments: Risk Assessment Categories and Definitions.docx; Kickoff.docx

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Tammie,

Please see attached some basic information. We can discuss further and I have some other information I can share with you at a latter time.

Have a good week,

John

John T. Stephenson
Internal Audit Director
Wake County Government
John.Stephenson@wakegov.com
919 856-6154 office 919 856-6880 fax
Post Office Box 550
Raleigh, NC 27602-0550
wakegov.com

From: Tammie McMichael <TMcMichael@edennc.us>
Sent: Tuesday, June 23, 2020 8:45 AM
To: John Stephenson <John.Stephenson@wakegov.com>
Subject: RE: City of Eden

CAUTION: This email originated from outside of the Wake County network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi,

Here is my direct telephone number 336-612-8033. Thanks, Tammie

From: John Stephenson <John.Stephenson@wakegov.com>
Sent: Monday, June 22, 2020 11:24 AM
To: Tammie McMichael <TMcMichael@edennc.us>
Subject: RE: City of Eden

Risk Assessment Categories and Definitions

1. **Financial Risk**-The risk that financial reporting is inaccurate, incomplete, or untimely due to a variety of factors, including errors, changes in accounting standards, or the pressure on management to meet financial expectations.
2. **Operational**-The risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. This risk addresses barriers to the timeliness, accuracy, authorization, and completeness of these processing activities. Failures related to operational risks could result in the auditable unit failing to deliver required services and to carry out its primary mission and objectives.
3. **Criticality of the Unit**-The importance of the unit to the agency's ability to continue to function and carry out its primary mission.
4. **Legal or Compliance**-The risk of direct or indirect loss resulting from failure to follow regulations and directives. This includes loss due to loss of funding or increased expenditures from fines and/or penalties by external oversight agencies.
5. **Probability of Fraud**-The risk of loss due to intentional misappropriation of assets or intentional misstatement of financial reporting.
6. **Public or Political Sensitivity**-The sensitivity of the unit to public exposure of any internal issues and the level of public embarrassment that could be caused to the agency as a whole.
7. **Strategic Activities**-The risk that work performed is no longer justified. Or, if justified, the risk that business objectives will not be achieved because business strategies are poorly defined and communicated, or the organization is unable to execute these strategies due to inadequate organizational structure, infrastructure, or alignment. Strategic risk is managed by appropriate organizational governance. Failure to adequately plan and execute against organizational goals may result in significant damage to the organization's reputation.
8. **Technology**-This risk considers the level of use, sophistication, complexity, robustness, ease of use and speed and accuracy of recovery/replacement of systems. Addresses the overall importance of technology within the organization and the availability and quality of information the organization can access to support decision making, and the security around key information.

Risk Management Project Kick Off Meeting Notes

Proposal

We're suggesting that the County start using a systematic process for assessing and managing risks.

We thought we would introduce the idea by watching a short video discussing the essence of risk management and provides examples of real outcomes of good and bad risk management efforts:

<https://www.youtube.com/watch?v=voGyHN-tWMg>

Some of the points in the video that we felt were important:

1. Risk management successes and failures can happen anywhere. Which means It can happen here. We are not so different from the VA. We owe our citizens better service than that, and we do not want to have a service failure like the VA has had.
2. To properly assess risks, you have to think about the department and the County's mission and objectives. Focus on the big risks.
3. Risk management is an ongoing process. It's not something you do once a year. The key to success is information flow. A phrase that has been used related to school shooting tragedies is "if you see something, say something." Once the risk is identified, it can be assessed and managed. This has to be built into our culture.
4. In assessing risk, be open minded. Fight the tendency to "explain it away." The people at BP Oil probably thought there was no way they could have a spill of that magnitude. And their objectivity was probably challenged by the pressure to deliver on time and make profits. Don't ignore the warning signs. Don't be scared to communicate bad news.
5. Don't view controls and risk mitigation practices negatively. The question posed in the video was "why does a car have brakes"? And the answer is so it can go fast. Think about safeguards, e.g. policies and procedures, that way. They aren't there to slow you down, they are there to allow you to go fast.

Risk Assessment and Management Process

The basic risk assessment and management process is as follows:

- Identifying risks (what could go wrong)
- Evaluating the impact on the organization should the problem occur and the likelihood of the problem occurring given the current facts and circumstances.
- Implementing measures needed to mitigate or eliminate the risk, choosing to accept the risk, or deciding to transfer the risk to another party through insurance or other means (MEAT).

Risk management is widely accepted as necessary to protect organizations against factors that threaten achievement of its goals. These goals may relate to strategy, operations, reporting, or compliance. The basic risk management approach we just discussed also widely accepted; however, there is a lot of variety in how the basic system gets implemented.

Risk Management Project Kick Off Meeting Notes

We need stakeholder ideas and involvement to design and implement a risk management system. Toward that end, we have assembled this group of representatives. However, we believe this group should reach out to others throughout the County for input as we decide whether to pursue this initiative, and if we do, the specifics of how it will be implemented.

Risk management is not an internal audit function, but rather a management function. Nobody knows the business better than those who do the work daily. Ideally, internal audit would monitor departmental risk management efforts and provide feedback to help ensure the process is effective.

Risk Assessment Tool

We've put together a simple spreadsheet that we would like to walk through with you to demonstrate how the risk assessment process works and how it could be documented. If we decide to pursue this, we can consider how we want to document the risk assessment, whether all departments need to document it exactly the same way, etc. There are endless options for how to do it.

Show and discuss "Mgmt Risk Assessment Tool" spreadsheet, how it is to be completed, factors to consider, scoring, etc.

Many would say that the same documentation should be used throughout the County, and we would tend to support that.

Many would also say that the departmental assessments should be accumulated into one County-wide risk assessment. Our thoughts are that the risk assessment and management plans should form the basis for the departmental business plans and budget requests. Through submission and evaluation of those items, risks would be considered on a County-wide basis. What is more critical is that once a risk presents itself, we must raise our hand and communicate it so it can be dealt with appropriately.

Of course, all of this is subject to debate and input.

Summary and Conclusion

At this point we just want you to think about this, do some of your own research if you want, talk to colleagues inside and outside the County, etc.

We then want to reassemble and discuss the concept, starting with the Go or No-Go decision. If we decide to pursue this, we can discuss how we want to proceed to develop, test, and implement.

Before we adjourn, we would like to show one more video. It isn't about managing business risks, but the concepts are exactly the same.

<https://www.youtube.com/watch?v=MTdFkPTTnsA>

**Risk Management Project
Kick Off Meeting Notes**

Hopefully you saw that even though this was about outdoor adventure rather than business, the risk management process is the same.

1. Hazard recognition = risk identification. What can go wrong?
2. Consequences if it does go wrong – bumps and bruises, hospital, death.
3. Likelihood – what are my limitations, my competence level, are there bushes in place to catch my fall?
4. Risk response – Have a plan to mitigate the risk. Swim toward the light. Are we willing to depend on getting air from tiny water bubbles? Eliminate the risk, choose not to climb the ice berg. Live to fight another day. Accept the risk. Yes the slope is steep but the bushes will catch my fall, I'm willing to take the chance. Transfer the risk. Let someone else do it, or in a business case, pay for insurance.

Questions?

Internal Audit

Introduction

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to the operations of Guilford County. Internal Audit assists the County in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, internal control.

Mission Statement

The mission of the Internal Audit Department is to provide independent and objective reviews and assessments of the business activities, operations, financial systems and internal controls of Guilford County. The Internal Audit Department accomplishes its mission through the conduct of audits and reviews, selected as the result of a risk identification / risk assessment process and other inputs. The resulting schedule of audits is reviewed and approved by senior County Management and the Audit Committee of the Board of Commissioners.

Objective

The Internal Audit Department conducts independent reviews and appraisals of the County's procedures and operations. These reviews provide management with an independent appraisal of the various operations and systems of control. The reviews also help to ensure that County resources are used efficiently and effectively while helping the County achieve its mission, as directed by the County Commissioners. It is the intention of the Internal Audit Department to perform this service with professional care and with minimal disruption to County operations.

Reporting Status

The Internal Audit Department reports to the County Manager and the Audit Committee of the Board of Commissioners. This enhances the department's ability to operate independently and without bias in regard to County activities. The department seeks to conduct its work in accordance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

Staff

The Internal Audit Department consists of one director and full-time auditors. Staff members have experience in auditing and accounting in the public and private sectors. Experience includes banking, information services, healthcare, finance and local government auditing and accounting. Staff members have Bachelor's Degrees in Accounting, Business, and Master's Degrees in Accounting. Professional certifications of staff members include Certified Public Accountant (CPA), Certified Internal Auditor (CIA) and Certified Risk Management Assurance (CRMA).

The experience of the staff enables the accomplishment of a wide variety of tasks. Services offered include operational/performance audits, administrative reviews, fraud investigations, compliance audits and consultative services.

Mission Statement

The mission of the Internal Audit Department is to provide independent and objective assurance and consulting services to the County's leadership to enhance the effectiveness of internal controls and risk management. The Internal Audit Department accomplishes its mission through the conduct of audits and advisory services that add value to the County's operations. The department reports to the Board of Commissioners and the County Manager.

Objective

The Internal Audit Department is an independent and objective assurance and consulting organization that provides assurance and consulting services to the County's leadership to enhance the effectiveness of internal controls and risk management. The department reports to the Board of Commissioners and the County Manager. The department's primary objective is to provide independent and objective assurance and consulting services to the County's leadership to enhance the effectiveness of internal controls and risk management.

Reporting Status

The Internal Audit Department reports to the County Manager and the Board of Commissioners. The department's primary objective is to provide independent and objective assurance and consulting services to the County's leadership to enhance the effectiveness of internal controls and risk management. The department reports to the Board of Commissioners and the County Manager.

Staff

Tammie McMichael




From: David Nance <DavidNance@nccpaboard.gov>
Sent: Tuesday, July 7, 2020 10:16 AM
To: Tammie McMichael
Subject: RE: Internal Auditing Services

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You don't find many local governments that even have an internal auditor and firms that are in the auditing business can't do the internal audit services due to independence issues. I am aware that Greg Isley, a CPA here in Raleigh, has provided some consulting services to various local governments to help them in the area of financial statement preparation. Since the Board is involved with all CPAs, we don't get into the referral business. But you would need someone with governmental experience. Another individual that I am aware of is Michael Jordan from Carr, Riggs & Ingram out of Goldsboro NC. You might want to reach out to one or both of them to discuss your potential needs and see if they can provide the services. Hope this gets you started.

David R. Nance, CPA

Deputy Director
NC State Board of CPA.Examiners
Post Office Box 12827
Raleigh, North Carolina 27605
Voice: (919) 733-4215
Fax: (919) 733-4209
E-mail: dnance@nccpaboard.gov
Web: www.nccpaboard.gov

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From: Tammie McMichael <TMcMichael@edenncc.us>
Sent: Tuesday, July 7, 2020 10:04 AM
To: David Nance <DavidNance@nccpaboard.gov>
Subject: Internal Auditing Services

Hi,



Planning and Inspections Department

P. O. Box 70, 308 E Stadium Drive, Eden NC 27289-0070/Telephone 336-623-2110/Fax 336-623-4057

MEMO

TO: Honorable Mayor and City Council
THRU: Terry Shelton, Interim City Manager
FROM: Kelly K. Stultz, AICP, Director
SUBJECT: **Annexation Request – Portion of 197 and 199 E. Aiken Road**
DATE: July 8, 2020

The City has received a voluntary annexation request for properties located at 197 and 199 E. Aiken Road. Both of these properties are owned by Millard and Dorothy Bryant.

A motion to adopt a “Resolution Directing the Clerk to Investigate a Petition Received under G.S. 160A-58.1” is in order.

PETITION REQUESTING A CONTIGUOUS ANNEXATION

Date: 6-26-2020

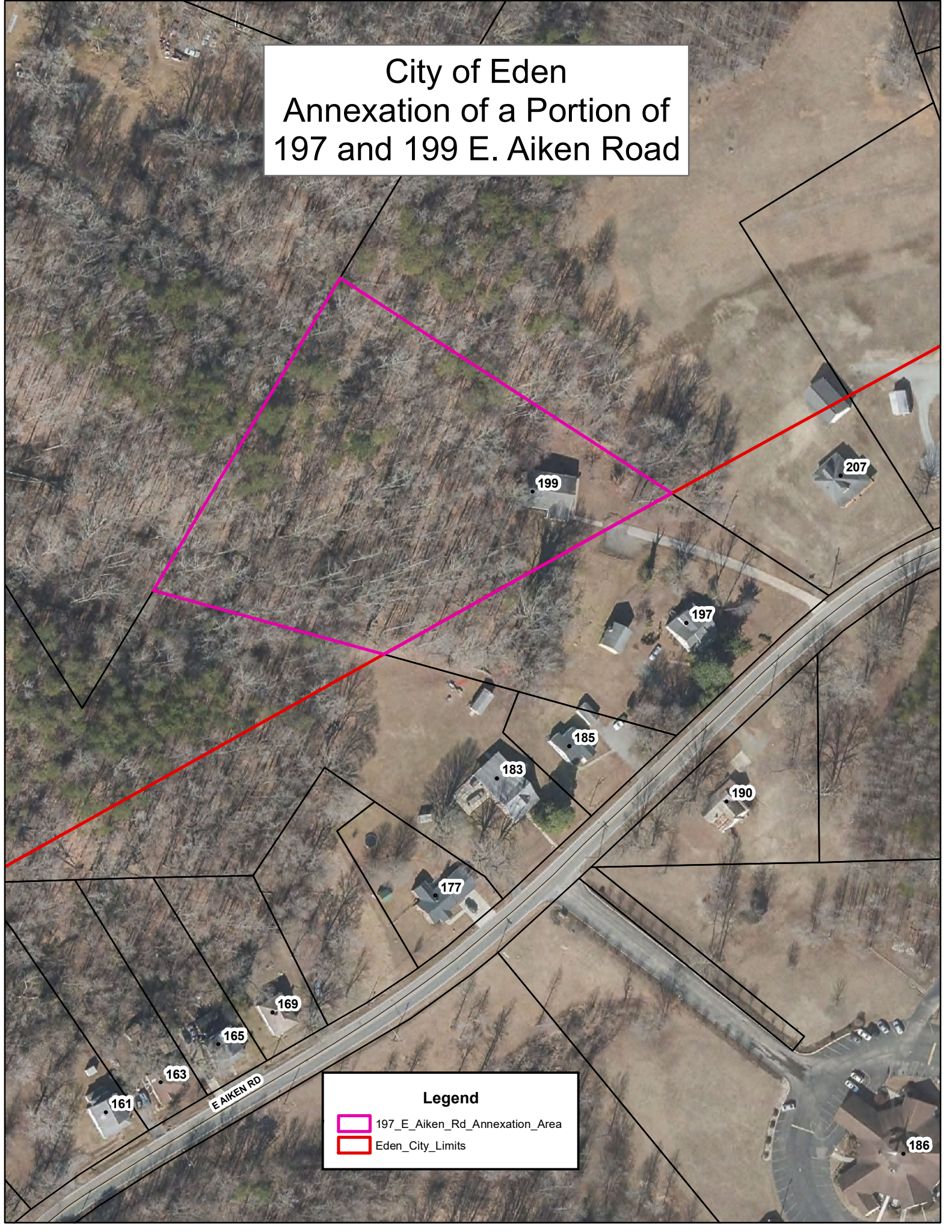
To the City Council of the City of Eden, North Carolina:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Eden.
2. The area to be annexed is contiguous to the City of Eden and the boundaries of such territory are as described in the attached Deed.
3. A map is attached showing the area proposed for annexation in relation to the primary corporate limits of the City of Eden.



<u>Name</u>	<u>Address</u>	<u>Signature</u>
MILLARD BRYANT	199 E. AIKEN RD.	Millard Bryant
Dorothy Bryant	199 E. Aiken Rd.	Dorothy Bryant
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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BK 65 PG 49

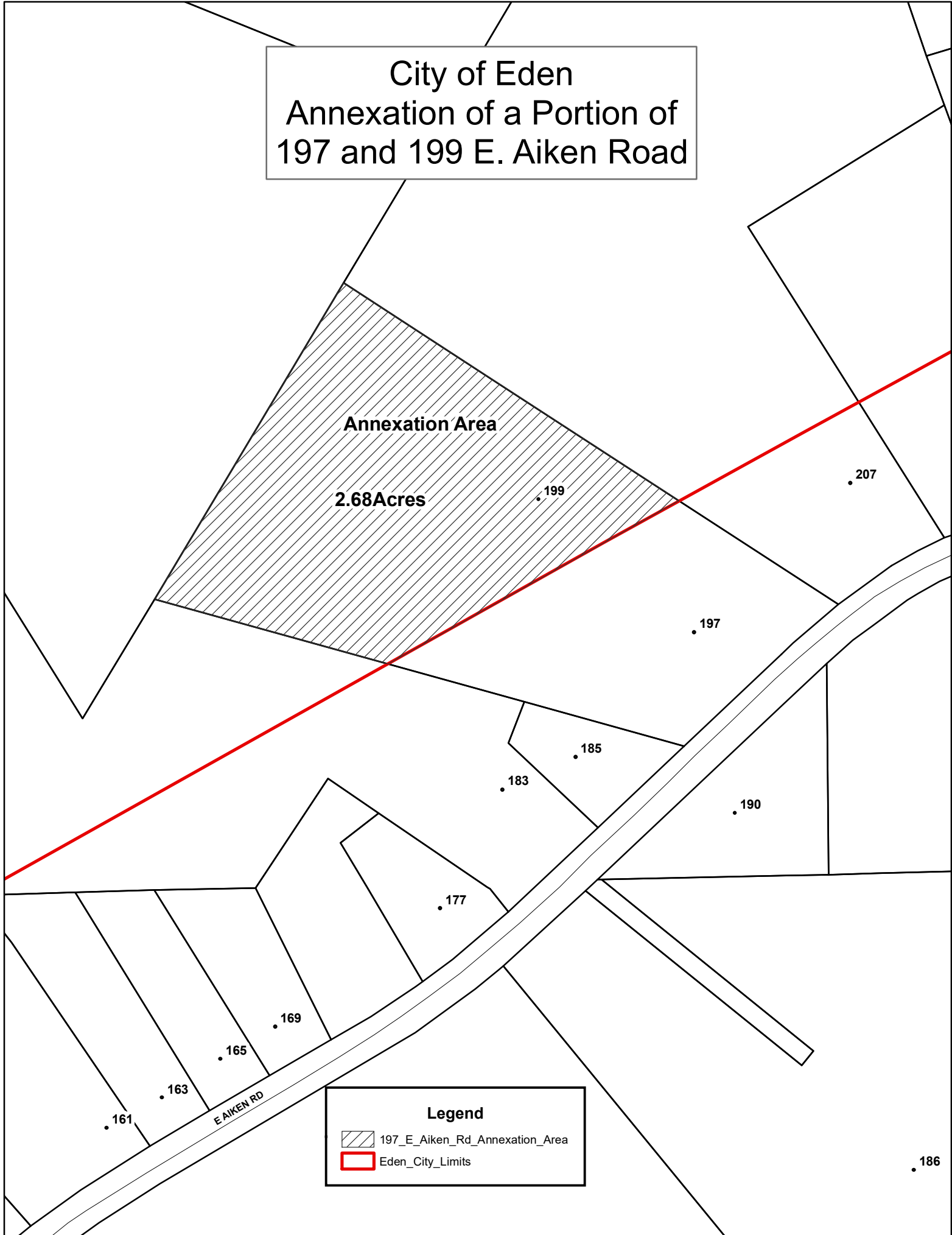
City of Eden
Annexation of a Portion of
197 and 199 E. Aiken Road



Legend

-  197_E_Aiken_Rd_Annexation_Area
-  Eden_City_Limits

City of Eden
Annexation of a Portion of
197 and 199 E. Aiken Road



Annexation Area

2.68Acres

.199

.207

.197

.185

.183

.190

.177

.169


.165


.163

.161

E AIKEN RD

Legend

 197_E_Aiken_Rd_Annexation_Area

 Eden_City_Limits

.186

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER N.C.G.S. 160A-58.1

WHEREAS, a Petition requesting annexation of an area described in said Petition was received on June 26, 2020, by the City Council of the City of Eden; and

WHEREAS, N.C.G.S. 160A-58.2 provides that the sufficiency of the Petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Eden deems it advisable to proceed in response to these requests for annexation:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Eden that:

The City Clerk is hereby directed to investigate the sufficiency of the above described Petition and to certify as soon as possible to the City Council the result of her investigation.

This the 21st day of July, 2020.

CITY OF EDEN

BY: _____
Neville A. Hall, Mayor

ATTEST:

Deanna Hunt, CMC
City Clerk

CITY OF EDEN – MEMORANDUM

To: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: TERRY SHELTON, INTERIM CITY MANAGER

DATE: JULY 14, 2020

SUBJECT: RECOMMENDATION FOR CONSIDERATION OF AN INCREASE IN THE SOLID WASTE FEE

During the presentation of the budget at last month's Council meeting, I showed a PowerPoint presentation of the 20-21 Budget, which included a slide showing the fact that our solid waste fees are not adequate to support our solid waste operation. Solid waste is designed to be an enterprise fund, which means that the fees collected should support the cost of the operation.

Currently, the City is having to support the cost of the solid waste operation by subsidizing it with tax revenue. As shown in the presentation last month, the solid waste fees are falling short by \$316,550. This becomes significant when we consider solid waste is accounted for in our general fund. During the discussion of the budget last month, Council expressed interest in incorporating a fee increase into the 20-21 budget to make the solid waste operation costs be offset by the fees collected.

A fee increase of \$4.35 per month collected on the water bill will generate revenue greater than the \$316,550 deficit we currently have and would cause solid waste to be self-supporting. This increase will actually generate \$513 more than the current deficit if it were to be approved.

Our general fund this year was short of revenue \$1,106,700 that had to be taken from fund balance to balance our budget. With an additional \$316,550 generated with a solid waste fee increase, the \$1,106,700 taken from fund balance to balance the general fund side of the budget would be reduced to \$790,150.

It is my recommendation that the City Council consider approving this \$4.35 increase in the solid waste fee to make the solid waste operation self-supporting through fees collected.

FY 2020-21 Budget

The budget as submitted does contain a \$316,550 shortfall in revenue. Solid Waste is an Enterprise Fund and should be self sustaining on it fees. This table shows where the fees should be.

Solid Waste budget is					\$2,170,800	\$2,170,800
\$18.75 Solid Waste Fee	6074 accounts	per month	12		\$1,366,650	
All Other Solid Waste Fees revenue including Commerical					\$487,600	--- <u>\$1,854,250</u>
				Solid Waste Fee Shortfall	\$316,550	\$316,550

Current Solid Waste Fee \$18.75

Increase \$	Monthly fee	Residential Accounts		Months	Increase Generated	Budget not paid by Fee
1	\$19.75	6074 accounts	per month	12	\$72,888	\$243,662
2	\$20.75	6074 accounts	per month	12	\$145,776	\$170,774
3	\$21.75	6074 accounts	per month	12	\$218,664	\$97,886
4	\$22.75	6074 accounts	per month	12	\$291,552	\$24,998
4.25	\$23.00	6074 accounts	per month	12	\$309,774	\$6,776
4.31	\$23.06	6074 accounts	per month	12	\$314,147	\$2,403
4.33	\$23.08	6074 accounts	per month	12	\$315,605	\$945
4.34	\$23.09	6074 accounts	per month	12	\$316,334	\$216
4.35	\$23.10	6074 accounts	per month	12	\$317,063	-\$513

A \$4.35 Fee increase will provide a nominal surplus of \$513 making the Enterprise self supporting at this time.

This will add \$52.20 to the annual bill of our customers over 12 months.



To: Honorable Mayor and City Council

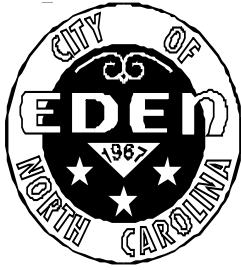
Thru: Terry Shelton, Interim City Manager

From: Amy P. Winn, CPA
Assistant Director of Finance

Date: July 21, 2020

Re: Budget Amendment # 1

The attached budget amendment allocates the additional revenue for the Solid Waste Residential fee increase. The fund balance appropriated in the FY 2020-2021 budget will be reduced by the same amount.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: July 21, 2020
Subject: Budget Amendment # 1

	Account #	From	To	Amount
General Fund				
Revenues				
Solid Waste Fees	10-3471-41100	\$ 1,366,500.00	\$ 1,683,500.00	\$ 317,000.00
Fund Balance Appropriated	10-3991-99100	\$ 1,098,700.00	\$ 781,700.00	\$ (317,000.00)
				<u>\$ -</u>

Appropriate solid waste residential fee increase.

Adopted and effective this 21st day of July, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



City Manager's Report July 2020

Interim City Manager Terry A. Shelton

Administration

Citizens Academy

The City of Eden's annual Citizens Academy will not be held this fall. The unpredictability of social distancing and capacity restrictions for the rest of the year have affected scheduling for the City along with the rest of the country.

Interim City Manager Terry Shelton said it was a difficult decision to make. "The Citizens Academy is one of the most effective tools we have to help increase citizen knowledge about the workings of local government," he said. "Graduates of the academy have become members of City Council, as well as other boards and commissions. It has been a tremendously effective educational and outreach resource for employees and citizens and we regret having to pause it, even temporarily."

The City encourages anyone interested to stay tuned. Plans to restart the academy will be in place as soon as it is safe to do so.

City Manager

The City of Eden has hired Jon Mendenhall, most recently Town Administrator of Carolina Shores, N.C., as its new City Manager effective August 17. The City Council had conducted an exhaustive nationwide search since December of 2019 to find the right individual to lead the City. "We are very pleased to have Mr. Mendenhall as our new City Manager," stated Eden Mayor Neville Hall. "He brings a wealth of experience in planning, engineering, finance and economic development that will serve Eden residents well."

"I am truly honored to be selected as the next City Manager for Eden," said Mendenhall. "I look forward to serving the residents, supporting the staff, and working to achieve the vision of the Mayor and Council. I have told many that Eden has a hometown feel and everyone is gracious and friendly. I look forward to working with the strong team of residents, elected officials, and a solid group of employees." A High Point native, Mendenhall has served as Town Administrator of Carolina Shores, N.C. since 2014 and previously served as County Manager of Gates County, N.C. He has 16 years of local government experience, having started his career in Stanly County, N.C. as a Planner. Mendenhall earned his Masters of Science degree in Technology Systems with a concentration in quality control from East Carolina University, a certificate in Project Management from N.C. State University, and a Bachelor's Degree in History from UNC Chapel Hill. He is a current board member of the North Carolina Resource Conservation and Development Association and Cape Fear Resource Conservation and Development, non-profits engaged in economic development and resource conservation in predominantly rural North Carolina. As an

ICMA Credentialed Manager, Mendenhall is committed to professional and quality principles in local government.

Mendenhall will succeed Interim City Manager Terry Shelton. “Both the City Council and I wish to extend a great deal of thanks to Mr. Shelton who guided the City through the transition period to a new City Manager,” stated Hall.

“At the end of the day, each resident, employee, and economic development prospect are all customers and we must emphasize an approach to customer service that adds value to our relationship with that customer,” Mendenhall remarked. “We must consistently communicate that value in order to be the very best version of ourselves.”

Mendenhall will reside in Eden. His starting salary is \$130,000 plus benefits.

Matrimony Creek Nature Trail

The Matrimony Creek Nature Trail will remain closed at least another month. Currently, staff is working on a repair plan for the flood-damaged areas to address exposure of sewer lines that have been uncovered, as well as wash out of some of the trail surfaces. We have been in contact with inspectors from DENR & Land Quality Management and DEQ to find out exactly what the City can do to reinforce protecting the sewer lines on the upper end of the trail. We hope to have answers and a plan to bring before Council at the August 18 City Council meeting.

Economic Development

Industry

Weil-McLain

This Eden company is hiring 10-15 full-time employees including machine operators, assemblers, material handlers, and paint operators. Visit www.weil-mclain.com/careers to apply and learn more information about these jobs.

Night Owl National Contractors

This company is a granite and quartz fabrication center located in the former K-Mart building on Meadow Road. They are hiring electricians, electricians’ helpers, granite polishers, CNC machine operators, forklift operators, finish carpenters, sheetrock workers, and framers.

Visit www.noncstoneworks.com/careers or call 888-283-6303 for more information.

Gildan Yarns

Gildan is seeking machine electricians, spinning and carding technicians, spinning and carding operators, and can haulers. There are some day shift positions, but the majority of these openings are on the night shift. Most positions are for 12-hour shifts on a 2-2-3 schedule. For more information, visit their 335 Summit Road facility

Mountain Valley Pipeline (MVP)

The MVP project remains on go and is not to be confused with the Atlantic Coast Pipeline (ACP) that Duke Energy cancelled this week because of lawsuits from environmental groups and escalating costs it incurred with the project. MVP will hire a significant number of construction workers who will bolster the local economy while they are completing the Eden and Rockingham County portion of the project.

Business NC reported that the ACP was a major economic blow for eastern NC. The 600- mile pipeline was to generate about \$680 million in revenue during the 18-24 months construction phase, creating 4,000 construction jobs.

Commercial

Former Eden Mall

In the near future, you will see improvements to this former mall facility. The new owner will repaint the exterior, improve the parking lot, and clean up the shrubbery. Look for new signage on leasing opportunities in the near future. The goal is to lease to professional businesses, not retail.

Builders Mart-New Ownership

This business is now under new ownership with plans to expand product offerings.

Eden is Budget Friendly for Renters

Eden has been nationally recognized by LendEDU as one of the most budget-friendly cities in the country for renters. The company licensed real estate data deriving from the U.S. Census Bureau on over 25,000 American cities. Each city was ranked according to its rent-to-income ratio, or the proportion of a city's median household income that goes to annual rent costs (including utilities). A lower percentage was more favorable.

Specifically, Eden had an average annual rent cost of \$8,004 and a median household income of \$37,384 for a rent-to-income ratio of 21.41%. It is generally recommended that a renter's rent should cost no more than 30% of their annual income, so these numbers speak to Eden's proximity to high-paying jobs relative to the affordable housing in the area. Eden's low rent-to-income ratio ranked #1,146 in the country and #42 in the state of North Carolina.

Rockingham County Sales Tax

Rockingham County reported that April 2020 sales were 4.5% below sales of April 2019.

The state had predicted sales tax losses of up to 20% for the fourth quarter of the fiscal year. Thus, sales tax revenue, while below last year, was not as bad as initially expected.

Tourism and Special Events

Gordon Allen Photos

Gordon Allen took a series of gorgeous photos of the Smith River Greenway Butterfly Trail. Check them out on our Explore Eden Facebook page! Thanks Gordon!

Make sure you visit the trail and see the beautiful butterfly art for yourself! While you're there make sure you see the Otter Sculpture located down the steps and to the left near the Island Ford river access. Enjoy!

Traveling Vietnam Wall

We will not be bringing in the Traveling Vietnam Wall to Freedom Park in October. Because of COVID-19 and wanting to keep everyone safe, we have rescheduled for 2021.

Klyce Street Landing

You might notice a new directional sign located on Washington Street directing you to the Klyce Street Landing. In the next couple of weeks you will also see a new entrance sign at the end of Klyce Street, along with picnic tables and a directional kiosk at the landing.



Otter Holt

A huge thanks to the Street Department for the installation of the Otter Holt along the Smith River. This has been an exciting joint project between the City of Eden and the Dan River Basin Association. We will be installing a camera that we will call the “Otter Cam.” You will be able to see the activity on our website: ExploreEdenNC.com. We hope to welcome otter pups to Eden next spring!

Grogan Park

Come enjoy Grogan Park and walk in the shade under the beautiful trees! You can enjoy public art, lots of seating, a swing, wind chimes, a walking path, and picnic tables. Bring your lunch, your family, or a good book and enjoy this beautiful setting located on the City Hall campus at 308 E. Stadium Drive!

Great River Race – September 19

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

Engineering

2020-21 Street Resurfacing Contract

The bid opening for the FY 2020-21 Street Resurfacing Contract was held on February 20. A total of four responsive bids were received for the project. The successful low bidder was Waugh Asphalt, Inc. in the amount of \$486,376.61. Sectors of the following streets are included in the contract: Kemp Street, Oakwood Drive, Westwood Drive, Fagg Drive, Spruce Street, Greenwood Street, Morehead Street, James Street, John Street, Pine Lane, Panther Lane, Carpenter Road, Hairston Street, Ridge Avenue, Delaware Avenue, Maryland Avenue, and South Avenue. Construction is scheduled to start in August.

Waterline Replacement Projects Update

A crew from City’s Plumbing & Pools, Inc. started pipe installation on the eastern leg of the Ample Storage WL reroute on June 9, with three bends and roughly forty feet of 8-inch diameter ductile iron pipe placed, along with thrust blocks poured at the bends. Pipe installation continued to the south, with the crew spotting the existing 8” PVC water main off of the north side of Oleander Drive on June 12. Hydrostatic pressure testing on roughly 262 feet of new water main for the eastern leg was passed on June 17. Good bacteriological test results were received on June 24 for this section of new water main. The applicant certification form was sent to Borum, Wade and Associates on July 1.

A small shipment of water pipe, valves, and fittings ordered for use with the Jackson Street Pressure Zone project was delivered by Fortiline on June 26. Delivery of the duplex skid booster pump system manufactured by Carolina Pumpworks took place a few days later. Stakeout and clearing of the proposed pump station site should take place by early August.

Parks and Recreation

Facilities

All Parks and Recreation facilities, except for the indoor Parks & Recreation facilities, are open in a limited capacity due to COVID-19. Additional amenities hope to be opened when Phase III of the Governor’s Executive Order goes into effect.

Planning & Inspections

Collections

All code enforcement fees assessed since July 1, 2019, have been transferred to the Rockingham County Tax Department to be collected with the 2020 property tax bills. These totaled \$71,984.00 and the City received \$1,980.00 in payments during the month of June.

Draper CDBG

Applications will continue to be received until July 30.

General

The Annual Boundary and Annexation Survey, Group Quarters Population Survey, and New Residential Construction and Mobile Home Survey were completed and submitted to the N.C. Office of State Budget and Management.

GIS

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

Unified Development Ordinance

We have received all of the proposed text of the UDO, except for the definitions. Staff has a conference call planned to discuss Module 3 and will schedule a remote meeting with the Steering Committee (Planning Board). We plan to present the text to the Council at the regular August Council meeting.

Boards and Commissions

Meetings remain suspended for all of our boards and commissions, except those that receive requests that cannot be delayed, such as Planning Board and the Strategic Planning Commission. The Board of Adjustment has not had any applications since the beginning of COVID-19. There will possibly be one in August.

Police

Training

We were able to send two officers to the NCJA in Salemburg for General Instructor training. Detective Brandon Buckner and Detective Anthony Lovings are in line to be our future firearms instructors to replace the two firearms instructors who recently left our agency. This is a lengthy process and may take 18 to 24 months to complete. They began their two week General Instructor training on July 15. It should be noted that due to COVID-19, this is the only class being held in person on the NCJA campus and thus, we were lucky to get them in this training.

While COVID-19 has greatly reduced the availability of training being offered to law enforcement, we have been fortunate to be able to send our officers to some great training. Reidsville Police Department brought in some instructors for Field Force Training (riot-type training), Norse Tactical Training (SWAT training), and Crisis Intervention Training (CIT) and invited our agency to send some of our officers to attend this valuable training, which we did, and are greatly appreciative of them offering these opportunities to us.

We have re-scheduled our spring in-service mandatory training for August 10, 17, 24 and 31. This training consists of daytime firearms qualification requirements, Bloodborne Pathogens training, and HAZMAT training.

CITY OF EDEN, N.C.

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

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

MEETING CONVENED:

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

PROCLAMATIONS AND PRESENTATIONS:

There were none at this time.

SET MEETING AGENDA:

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

REQUESTS AND PETITIONS OF CITIZENS:

There were none at this time.

WORK SESSION:

- a. Proposed FY 2020-21 Budget.

Mayor Hall called on Mr. Shelton.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PUBLIC HEARINGS:

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF EDEN, NORTH CAROLINA
2020-2021 BUDGET ORDINANCE

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

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

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

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

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

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

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

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

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

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

Licenses & Permits Total \$182,000

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

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

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

Other Agencies Revenues Total \$5,508,200

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Municipal Service Tax District Fund Total \$9,800

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

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

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

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

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

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

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

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

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PARCEL 1:

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

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

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

PARCEL 2:

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

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

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

PARCEL 3:

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

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

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

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

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

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

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

STATEMENT OF NEED:

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

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

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

STATEMENT OF CONSISTENCY:

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

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

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

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

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

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

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

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

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

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

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

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF

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

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

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

SAVE AND EXCEPT FROM THE FOREGOING THE FOLLOWING TRACTS:

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

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

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

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

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

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

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

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

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

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

STATEMENT OF NEED:

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

STATEMENT OF CONSISTENCY:

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

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

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

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

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

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

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

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

Council Member Carter questioned if the project was moving forward.

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

Mayor Hall questioned how many public hearings the projects required.

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

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

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

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

UNFINISHED BUSINESS:

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

Amenities for Klyce Street Landing - \$4,300

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

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

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

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

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

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

NEW BUSINESS:

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

Mayor Hall called on Ms. McMichael.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ms. McMichael replied no.

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

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

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

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

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

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

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

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

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

Council Member Epps withdrew his motion.

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

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

Mayor Hall called on Ms. McMichael.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mayor Hall called on Ms. Galloway.

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

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

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

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

RESOLUTION BY CITY OF EDEN TO ADOPT CDBG PLANS

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

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

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

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

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

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

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

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

CODE OF CONDUCT POLICY FOR CDBG GRANTEES

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

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

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

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

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

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

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

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

THE PROHIBITION OF THE USE OF EXCESSIVE FORCE FOR CDBG GRANTEES

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

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

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

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

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

NOW THEREFORE, BE IT RESOLVED:

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

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

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

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

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

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

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

Mayor Hall called on Mr. Shelton.

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

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

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

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

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

Council Member Ellis asked what the length was.

Mr. Bullins estimated it to be 634 feet.

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

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

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

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

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

Mr. Bullins answered yes.

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

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

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

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

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

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

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

Council Member Carter asked if the company was bonded.

Mr. Bullins replied yes.

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

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

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

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

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

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

Mayor Hall called on Ms. Gilley.

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

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

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

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

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

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

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

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

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

REPORTS FROM STAFF:

a. City Manager's Report

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

City Manager's Report
June 2020

Economic Development

Industry

Eden Industry

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

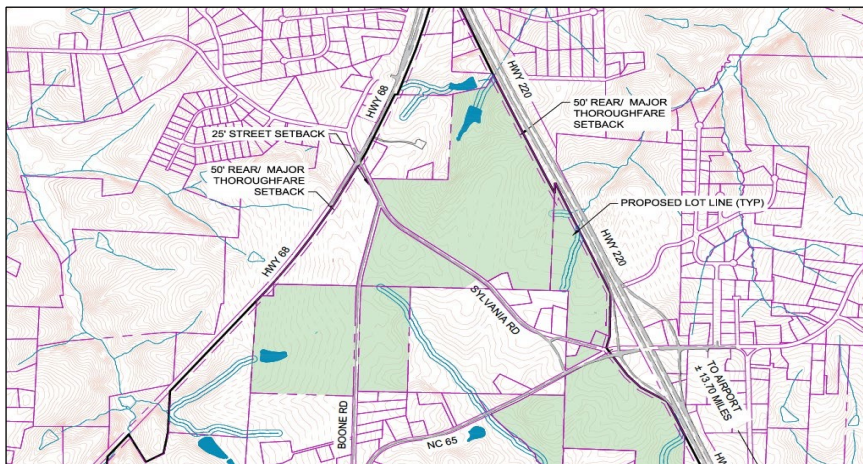
On the positive side, national unemployment did not reach the 20% level that was feared in May but remains at 13.3%, which is traditionally very high. Also, even with the pandemic, there has been significant economic development activity in both Eden and Rockingham County since early April of this year.

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

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

Southern Rockingham Corporate Park

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



RCC Workforce Development Center

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



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

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

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

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

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

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

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

Commercial

Eden YMCA

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

Di-Lishi Frozen Yogurt

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

Ruby Tuesday Restaurant

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

Carter Motor and Cycle Sales-New Business

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

Main Street

Small Business Impact

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

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

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

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

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

Other

Recycling Grant

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

Tourism and Special Events

A Celebration of Art & Otters

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

Launch Party

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

Signature Events

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

Great River Race – September 19

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

Coming Soon!

Improvements to the Freedom Park Nature Trail!

Engineering

Waterline Replacement Projects Update

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

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

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

Parks and Recreation

Facilities

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

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

Planning & Inspections

GIS

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

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

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

Collections

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

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

Unified Development Ordinance

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

Boards and Commissions

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

Nantucket Mill

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

Draper CDBG

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

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

Police

Operations & Procedures

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

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

Public Utilities

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

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

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

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

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

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

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

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

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

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

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

CONSENT AGENDA:

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

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

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

Appropriates insurance proceeds for portable radios.

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

c. Approval and adoption of Budget Amendment 15.

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

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

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

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

d. Approval and adoption of Budget Amendment 16.

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

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

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

To appropriate MSD Tax funds for downtown projects.

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

e. Approval and adoption of Budget Amendment 17.

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

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

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

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

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

ANNOUNCEMENTS:

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

ADJOURNMENT:

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

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor

Eden Police Department
308 B East Stadium Drive
Eden, North Carolina 27288

Memorandum

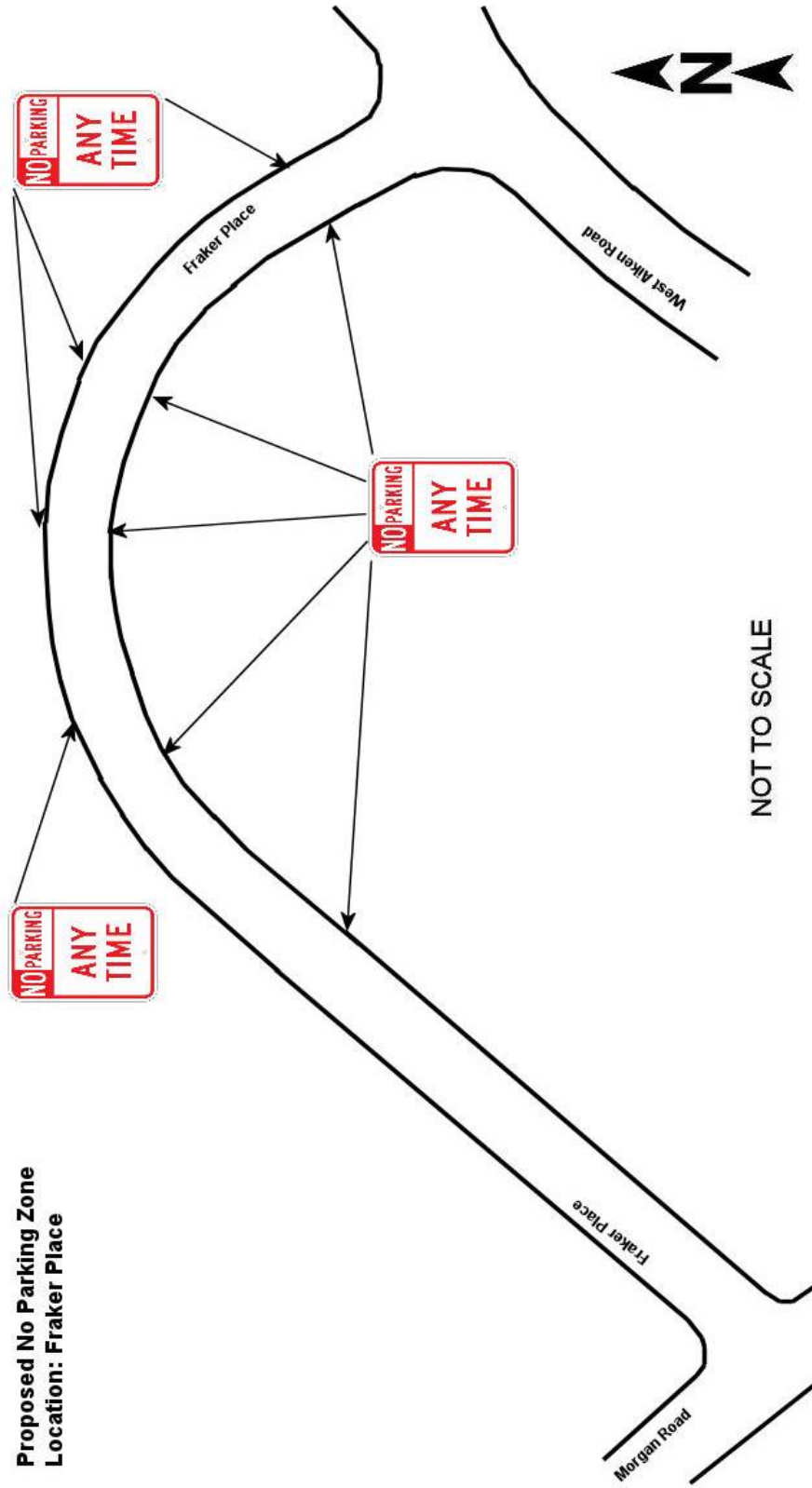
To: The Honorable Mayor and City Council
Through: Chief Clint Simpson
From: Sgt. Jim Robertson
Subject: Traffic Study Request in reference to No Parking signs in the curve of Fraker Place
Date: June 25th, 2020

On June 17th, 2020, I received a traffic study request from Council Member Jerry Epps via Captain Paul Moore in reference to placing No Parking signs on Fraker Place.

Fraker Place is a residential street with a prominent curve on the eastern end. This curve creates a geographical “blind” spot for vehicles traversing through the area. Vehicles parked along the south side of the street are not visible until motorists traveling east round the curve. Additionally, vehicles parked on the north side of Fraker Place create an obstacle that would require motorists to cross over into the opposite lane to avoid. This can thereby cause a situation where motorists would not see one another in time to avoid a head-on collision.

Due to the circumstances created by the geography of the curve on Fraker Place, the Police Department’s recommendation would be to create a no parking zone in the curve of Fraker Place for both the north and south side of the street.

**Proposed No Parking Zone
Location: Fraker Place**



NOT TO SCALE

AN ORDINANCE DECLARING A NO PARKING ZONE
IN THE CURVE ON FRAKER PLACE

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 160A-301 that:

Section 1 – The City Council of the City of Eden has determined that in order to ensure pedestrian and motor vehicle traffic safety, parking along the north side of Fraker Place westward from West Aiken Road for five hundred fifty (550) feet toward the intersection of Morgan Road and parking along the south side of Fraker Place seventy-five (75) feet eastward from Morgan Road to the intersection of West Aiken Road should be prohibited.

Section 2 – It shall be an infraction to park a motor vehicle on the north side of Fraker Place westward from West Aiken Road for five hundred fifty (550) feet toward the intersection of Morgan Road.

Section 3 – It shall be an infraction to park a motor vehicle on the south side of Fraker Place seventy-five (75) feet eastward from Morgan Road to the intersection of West Aiken Road should be prohibited.

Section 4 – Signs shall be placed, erected or installed on the north side of Fraker Place westward from West Aiken Road for five hundred fifty (550) feet toward the intersection of Morgan Road and on the south side of Fraker Place seventy-five (75) feet eastward from Morgan Road to the intersection of West Aiken Road.

Section 5 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 6 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this ____ day of _____, 20__.

CITY OF EDEN

By: _____
Neville Hall, Mayor

ATTEST:

Deanna Hunt, City Clerk

Eden Police Department
308 B East Stadium Drive
Eden, North Carolina 27288

Memorandum

To: The Honorable Mayor and City Council
Through: Chief Clint Simpson
From: Sgt. Jim Robertson
Subject: Traffic Study Request in reference to traffic calming
on Maryland Avenue and S. Byrd Street
Date: June 29th, 2020

On Monday, June 8th, 2020 I received a traffic study request from Chief Clint Simpson in reference to traffic calming on Maryland Avenue at the intersection of South Byrd Street.

Additionally, on June 29th, 2020, while conducting the traffic study I received a request from Council Member Gerry Ellis to extend the study further along South Byrd Street to the adjoining intersections.

S. Byrd Street runs north to south and is part of a residential neighborhood. Recently, two fatal motor vehicle accidents have occurred at the intersection of South Byrd Street and Maryland Avenue.

Of further note, the geography in this neighborhood has an elevation gradient in that eastbound traffic flows “downhill.” Unintentional acceleration by motorists when traveling eastbound is a factor to consider.

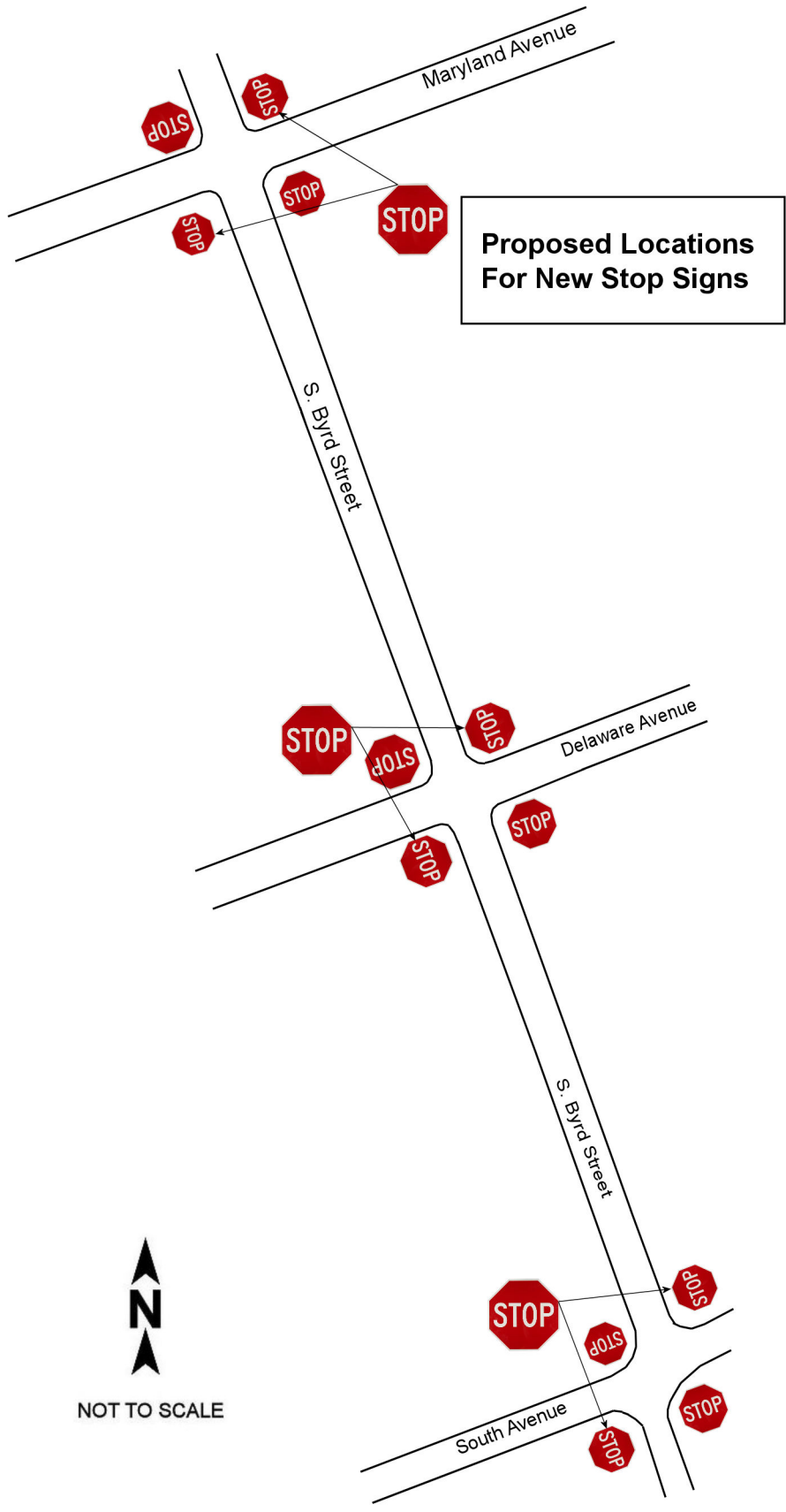
Creating four-way stops by adding two additional stop signs to govern eastbound and westbound traffic at each intersection of S. Byrd Street at Maryland Avenue, Delaware Avenue, and South Avenue may help alleviate the risk that these intersections present to motorists/cyclists/pedestrians.

North Carolina General Statute 20-158(b) (1) reads as follows:

(b) Control of Vehicles at Intersections. –

(1) When a stop sign has been erected or installed at an intersection, it shall be unlawful for the driver of any vehicle to fail to stop in obedience thereto and yield the right-of-way to vehicles operating on the designated main-traveled or through highway. When stop signs have been erected at three or more entrances to an intersection, **the driver, after stopping in obedience thereto, may proceed with caution.**

The Police Department's recommendation would be to place two new stop signs at each of the intersections of South Byrd Street (at Maryland Avenue, Delaware Avenue, and South Avenue) for eastbound and westbound traffic at each of the three intersections making the intersections each a four-way stop (see attached diagram).



NOT TO SCALE

AN ORDINANCE REGULATING TRAFFIC ON SOUTH BYRD STREET
AT THE INTERSECTIONS OF MARYLAND AVENUE,
DELAWARE AVENUE, AND SOUTH AVENUE

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 160A-301 that:

Section 1 – The City Council of the City of Eden has determined that in order to ensure pedestrian and motor vehicle traffic safety, four (4) way stops shall be created at the intersections of South Byrd Street at Maryland Avenue, Delaware Avenue, and South Avenue.

Section 2 – Two new stop signs shall be placed, erected or installed along Maryland Avenue at its intersection with South Byrd Street directing traffic travelling east and west to stop before proceeding through the intersection.

Section 3 – Two new stop signs shall be placed, erected or installed along Delaware Avenue at its intersection with South Byrd Street directing traffic travelling east and west to stop before proceeding through the intersection.

Section 4 – Two new stop signs shall be placed, erected or installed along South Avenue at its intersection with South Byrd Street directing traffic travelling east and west to stop before proceeding through the intersection.

Section 5 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 6 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this ____ day of _____, 20__.

CITY OF EDEN

By: _____
Neville Hall, Mayor

ATTEST:

Deanna Hunt, City Clerk

Eden Police Department
308 B East Stadium Drive
Eden, North Carolina 27288

Memorandum

To: The Honorable Mayor and City Council
Through: Chief Clint Simpson
From: Sgt. Jim Robertson
Subject: Traffic Study Request in reference to changing the speed limit and establishing a crosswalk on Thompson Street
Date: July 6th, 2020

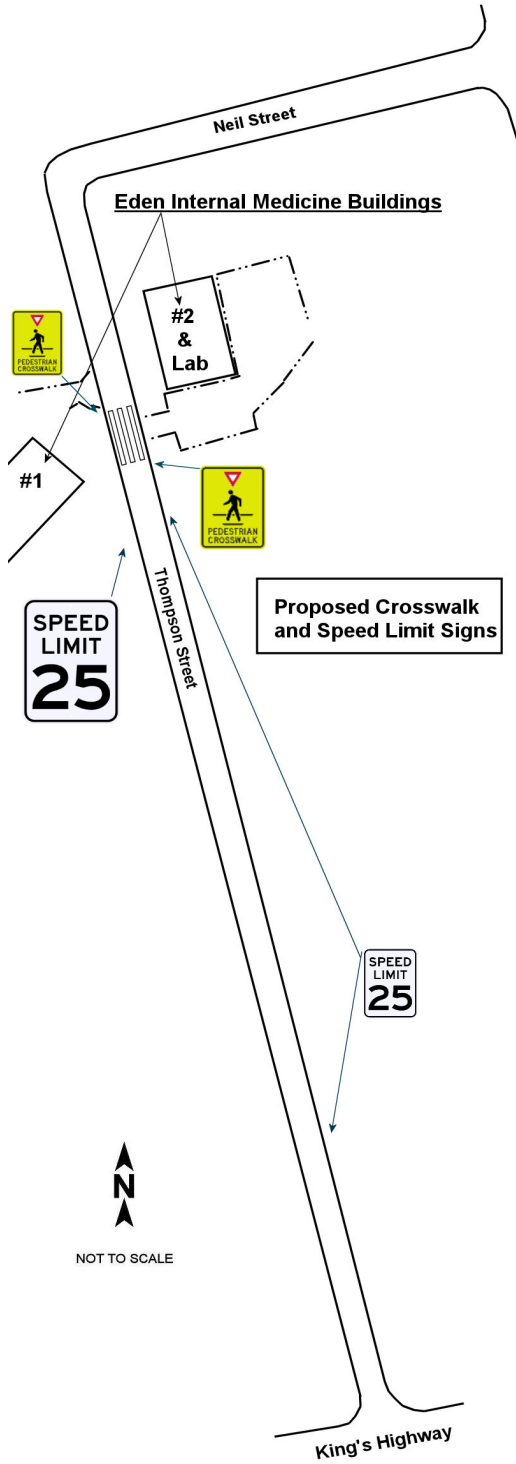
In March of 2020, just before the Covid-19 pandemic, I received a traffic study request from Chief Greg Light about reducing the speed and establishing a crosswalk on Thompson Street.

At the time of the request, Planet Fitness had just opened and an increased flow of traffic began to pervade the area as Thompson Street became a “shortcut” for motorists travelling from Van Buren Road over to King’s Highway/Kingsway Plaza.

Also of concern, Eden Internal Medicine has two buildings on opposite sides of Thompson Street and patients/employees tend to walk from one side of the street to the other on a frequent basis.

Although traffic flow has diminished due to Covid-19 restrictions it can be anticipated that the flow will return once restrictions have been lifted. It is therefore the Police Department’s recommendation that the speed on Thompson Street be reduced

from thirty-five (35) MPH to twenty-five (25) MPH and that a pedestrian crosswalk be established across Thompson Street in the vicinity of Eden Internal Medicine (See diagram below).



AN ORDINANCE ESTABLISHING A CROSSWALK ON THOMPSON STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 160A-300 that:

Section 1 – The City Council of the City of Eden has determined that in order to ensure pedestrian and motor vehicle traffic safety a crosswalk shall be established on Thompson Street extending in an eastwardly and westwardly direction across Thompson Street. The crosswalk shall be seventy-five (75) feet wide from north to south and shall be centered on the driveway to the Eden Internal Medicine #2 Building and Lab located on the east shoulder of Thompson Street.

Section 2 – The location and boundaries of the crosswalk shall be marked on the pavement of Thompson Street.

Section 3 – Signs shall be placed, erected or installed north and south of the crosswalk on the east and west sides of Thompson Street giving notice to vehicles traveling north and south on Thompson Street that they are required to yield the right of way to pedestrians crossing the roadway within the marked crosswalk.

Section 4 – It shall be an infraction for the operator of a motor vehicle traveling north or south on Thompson Street to fail to yield the right of way to any pedestrian within the marked crosswalk.

Section 5 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 6 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this ____ day of _____, 20__.

CITY OF EDEN

By: _____
Neville Hall, Mayor

ATTEST:

Deanna Hunt, City Clerk

AN ORDINANCE REDUCING THE SPEED LIMIT ON THOMPSON STREET FROM
W. KING'S HIGHWAY NORTHWARD TO NEIL STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina,
pursuant to authority granted by N.C.G.S. § 20-141(e) that:

Section 1 – The City Council of the City of Eden has determined that operation of a motor vehicle Thirty-Five (35) miles per hour on Thompson Street from W. King's Highway northward to Neil Street is greater than is reasonable and safe under the conditions existing upon Thompson Street from W. King's Highway northward to Neil Street.

Section 2 – Operating a motor vehicle on Thompson Street from W. King's Highway northward to Neil Street in excess of Twenty-Five (25) miles per hour shall be enforceable in accordance with N.C.G.S. § 20-141.

Section 3 – Signs shall be placed, erected or installed on each side of Thompson Street from W. King's Highway northward to Neil Street giving notice of the speed limit to traffic traveling in each direction on said road.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 5 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this ____ day of _____, 20__.

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: Terry Shelton, Interim City Manager, and Tammie B. McMichael, Director of Finance and

Date: July 21, 2020

Subject: City of Eden Grade and Positions 07/01/20-06/30/21

In the 2020-2021 Budget, Council approved for the Information Technology Department to transition a part-time position into a full-time position. Staff needs to add a new job title to the City of Eden's – Grade and Positions 07/01/20 – 06/30/21 document for the new full-time position. The new job title will be Information Technician in pay grade 8 with a current salary range of \$33,203 - \$49,805.

It is Staff's recommendation that we add the new job title, Information Technician to the City of Eden's Grade and Positions 07/01/20 – 06/30/21 document.



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager
Paul Dishmon, Director of Municipal Services

From: Dusty Curry, Solid Waste Superintendent

Date: July 21, 2020

Subject: Wood Grinding Contract

The City's Solid Waste Division typically solicits for the annual Wood Grinding Contract to grind and haul away all the wood debris into mulch that is collected from around the City throughout the year. Bids were received for this project in June. Bids were solicited from the following vendors who have previously expressed interest in this project: Kamp's Shredding Service, Timberland Mulch & Farms, Henson's Wood Grinding Inc., Williams Logging & Chipping Inc. and A-1 Sandrock Inc.

The bids received and their amounts were
Williams Logging & Chipping: \$67,000.00
A-1 Sandrock Inc.: \$67,500.00
Timberland Mulch & Farms: \$116,000.00

The Solid Waste Division is coming before Council to recommend the contract be awarded to Williams Logging & Chipping with the low bid of \$67,000.00

Please let me know if you have any questions or concerns.

BID PROPOSAL

LOCATION: 1050 Klyce Street, Eden NC

BIDDER INFORMATION:

Company Name: Williams Logging & Chipping Inc.

Name Frank L. Williams

Address 2737 VA NE Road

Spencer, VA 24165

Phone 276-952-5369

I, the undersigned contractor, have inspected the above listed property and understand the extent and character of the grinding, hauling off material, and clean-up work to be completed as described in the invitation to bid.

I propose to furnish all labor and equipment necessary to accomplish the work for the sum of \$ 57,000.00 Big Pile; \$ 10,000.00 for small pile. Total \$ 67,000.00

Date: 6/17/2020

Signature: Frank L. Williams

BID PROPOSAL

LOCATION: 1050 Klyce Street, Eden NC

BIDDER INFORMATION:

Company Name: A-1 SANDROCK INC.

Name JIMMY PETTY

Address 2606 PHOENIX DR. SUITE 518

GREENSBORO, NC 27417

Phone 336-303-6540

I, the undersigned contractor, have inspected the above listed property and understand the extent and character of the grinding, hauling off material, and clean-up work to be completed as described in the invitation to bid.

I propose to furnish all labor and equipment necessary to accomplish the work for the sum of \$ 67,500.00.

Date: 6-15-2020

Signature: Jimmy R. Petty

BID PROPOSAL

LOCATION: 1050 Klyce Street, Eden NC

BIDDER INFORMATION:

Company Name: Timberland Mulch and Farms, Inc.

Name Shad T. Bolen

Address 11510 Franklin St.

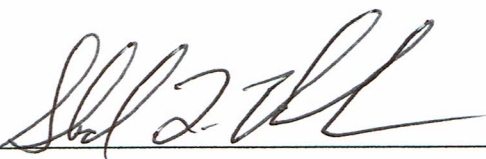
Ferrum, VA. 24088

Phone 540-365-6200

I, the undersigned contractor, have inspected the above listed property and understand the extent and character of the grinding, hauling off material, and clean-up work to be completed as described in the invitation to bid.

I propose to furnish all labor and equipment necessary to accomplish the work for the sum of \$ 116,000.

Date: 6/17/20

Signature: 



Planning and Inspections Department

308 East Stadium Drive * Eden, North Carolina 27288-3523 * (336) 623-2110 * Fax (336) 623-4057

MEMO

To: Honorable Mayor and City Council
Thru: Terry Shelton, Interim City Manager
From: Kelly Stultz, AICP, Planning Director
Subject: **Change of Position Classification/ Succession Planning**
Date: July 9, 2020

Josh Woodall has submitted his resignation from the City of Eden. His last day will be the 14th of this month. His resignation has given us the opportunity to look at our Department and how the city is best served moving forward. I have consulted with Terry Shelton, my other staff and I also had a conversation with Mayor Hall about our next step.

As I am sure you remember, I had asked for an additional person during the City Council Budget Retreat earlier this year. At that time the Council was supportive of the new position. This was before the pandemic and all of the damage and uncertainty it has brought to us. Terry Shelton was faced with the extremely daunting task of preparing a fiscal year 2020/2021 budget. Understandably, the position that I asked for was cut along with significant cuts to the entire budget.

During the pandemic, with the changes in work schedules, we have learned more about our current staff. Debra Madison is focusing her work mainly on GIS. With the advent of the new expanded program and with up to 100 users, I suspect that for the next two years she will spend her time learning and teaching others to use the ESRI program.

Debbie Galloway has assumed most of the local code administrative duties and is working toward the balance of these duties. She is handling nuisances and all other local codes actions. She is sending notices, handling abatements, filing and keeping that program running. Debra Madison assisted with this transition. Debbie Galloway is very happy with the changes to her duties. She is also issuing most of the permits and the two of us have been manning the office.

Bob Vincent's position has not changed. Inspections have been very busy.

The City of Eden has only had 2 people hold the position of Planning Director in the past 30 years. That is unusual. Continuity of institutional knowledge is extremely vital to a department like ours. Both of us were either AICP certified or able to be certified within a

short time after being named director. When I took over as Director, I had already worked for the City and been in the department for a number of years.

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".

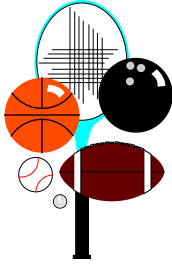
By the end of this calendar year, three members, of our staff, will be 61 or over. One member is already 64 and intends to retire in 2 years, one is already 63 and I will turn 61 in August.

Previously, our staff consisted of 6.5 people. Today, there are currently 5 full time positions funded in our department. We are understaffed based upon the work that we do and the population of our community. This information came from other NC planners.

With that in mind, I would like to make the following recommendations:

- That we hire a Planner as quickly as possible. This person should have GIS experience and AICP certification or the ability to obtain such certification within 4 years. This person would be qualified to either assume the Director position when I retire or at the very least be of great assistance to the next Planning and Inspections Director and provide the continuity necessary. This person would take over Debbie Galloway's long range planning duties with the various boards and commissions. The new planner would work alongside the Director and assist with current planning and other project work. The UDO makes this issue urgent.
- That we keep Debbie Galloway's duties as they are today. When she retires we will need to hire a Planning Coordinator position. A Planning Coordinator would man the front counter, issue permits, type minutes and handle correspondence and other duties in support of the staff
- Debra Madison should continue to have her main focus be GIS. When she retires we will need to hire a GIS person.
- That we be able to hire a Codes Inspector 1 or a Codes Inspector Trainee at the beginning of 2021.

If you need any further information, please let me know.



Eden Parks & Recreation Department
308 East Stadium Drive, Eden, NC 27288-3523
Voice 336-623-2110, Fax 336-623-4041

MEMORANDUM

TO: Honorable Mayor & City Council

THRU: Terry Shelton, Interim City Manager

FROM: Johnny Farmer, Parks & Recreation Director

SUBJECT: Duke Energy – Storm Staging Area Agreement
(Freedom Park – Over Flow Parking Lot)

DATE: July 8, 2020

The City of Eden has been approached by Duke Energy to use the Over Flow Parking Lot at Freedom Park as a Storm Staging Area to restore electrical power resulting from storm damage.

City Staff and the City Attorney have reviewed the attached agreement and have no problem entering into this agreement.

Duke Energy has always been a very valuable corporate citizen and partnered with the City in activities in the past. This will be another working relationship between the City of Eden and Duke Energy striving to provide the best possible services they can to the citizens of Eden and surrounding areas.

City Staff recommends that the Mayor and City Council enter into this Storm Staging Area Agreement with Duke Energy for use of the Over Flow Parking Lot at Freedom Park.

If you have any questions or need additional information, please advise.

Duke Energy
550 South Tryon St.
Charlotte, NC 28202
Mail Code: DEC22

June 8, 2020

Mr. Johnny Farmer
Mr. Ray Thomas
City of Eden

***RE: Storm Staging Agreement
199 North Edgewood Road
Eden, NC***

Dear Mr. Farmer and Mr. Thomas]:

This letter is in regards to our recent inquiry concerning the use of property owned by the City of Eden for a storm staging area. The City of Eden hereby grants to Duke Energy Progress, LLC, and affiliated entities and agents (collectively, "Duke Energy") the right to enter and utilize the property identified on **Exhibit A**, attached hereto and incorporated herein by reference, located at or near 199 Edgewood Road, across the street from Freedom Park in Eden, NC (the "Property") and all buildings and improvements thereon (the "Facilities") in support of electric power restoration resulting from storm damage to the Duke Energy electric transmission or distribution system.

This right of entry for operations is granted upon the following conditions:

1. Duke Energy may enter and use the Property and Facilities during the time that electric power restoration resulting from storm damage to the Duke Energy electric transmission or distribution system is being conducted.
2. Upon ten (10) days notification to Owner, Duke Energy may cancel this agreement. Upon ten (10) days notification to Duke Energy, Owner may cancel this agreement.
3. Duke Energy may use the Property and Facilities for activities associated with the restoration of electric services. The activities may include, but are not limited to the feeding of personnel; 24-hour vehicle parking; use of existing restroom facilities; delivery and storage of materials necessary to the effort; temporary housing of employees or agents of Duke Energy; installation of communications facilities and mobile offices; and the installation or use of new or additional temporary kitchen, laundry, and shower facilities.
4. Owner provides this Property to Duke Energy without compensation as support to the community for electric restorations efforts.

5. Duke Energy warrants and represents that no environmental contaminants or hazardous materials shall be knowingly brought upon or stored upon the Property.
6. Duke Energy shall indemnify and hold harmless Owner and its officers, directors, successors and assigns from and against all liability, loss, cost, claims or expense (including reasonable attorneys' fees) incurred as a result of the acts of Duke Energy employees and agents during Duke Energy's use of the Property and Facilities during the term of this Agreement and that result in death, personal injury, or physical damage to Owner's property. Additionally, Duke Energy is providing a certificate of insurance, attached hereto as **Exhibit B** and incorporated herein by reference, listing Owner as the certificate holder.
7. Duke Energy agrees to immediately repair or replace any pavement or light poles that are damaged by truck parking or other activities conducted on the Property by Duke Energy or its agents.
8. Duke Energy agrees to maintain the premises in a clean and safe manner at all time.
9. Duke Energy shall take responsibility for all theft or vandalism that may occur on the Property.
10. Duke Energy requests and has been granted permission to install a phone line pedestal at a mutually agreed location at Duke Energy's expense.

Please find enclosed two originals of this agreement. Please complete, sign, and return one original to Duke Energy in the enclosed self-addressed envelope.

Owner:

[OWNER NAME]

Date: _____

By: _____
 Name: _____
 Title: _____

Cell

Contact Person: _____
 Phone Number: _____
 Email Address: _____
 Address: _____

Duke Energy:

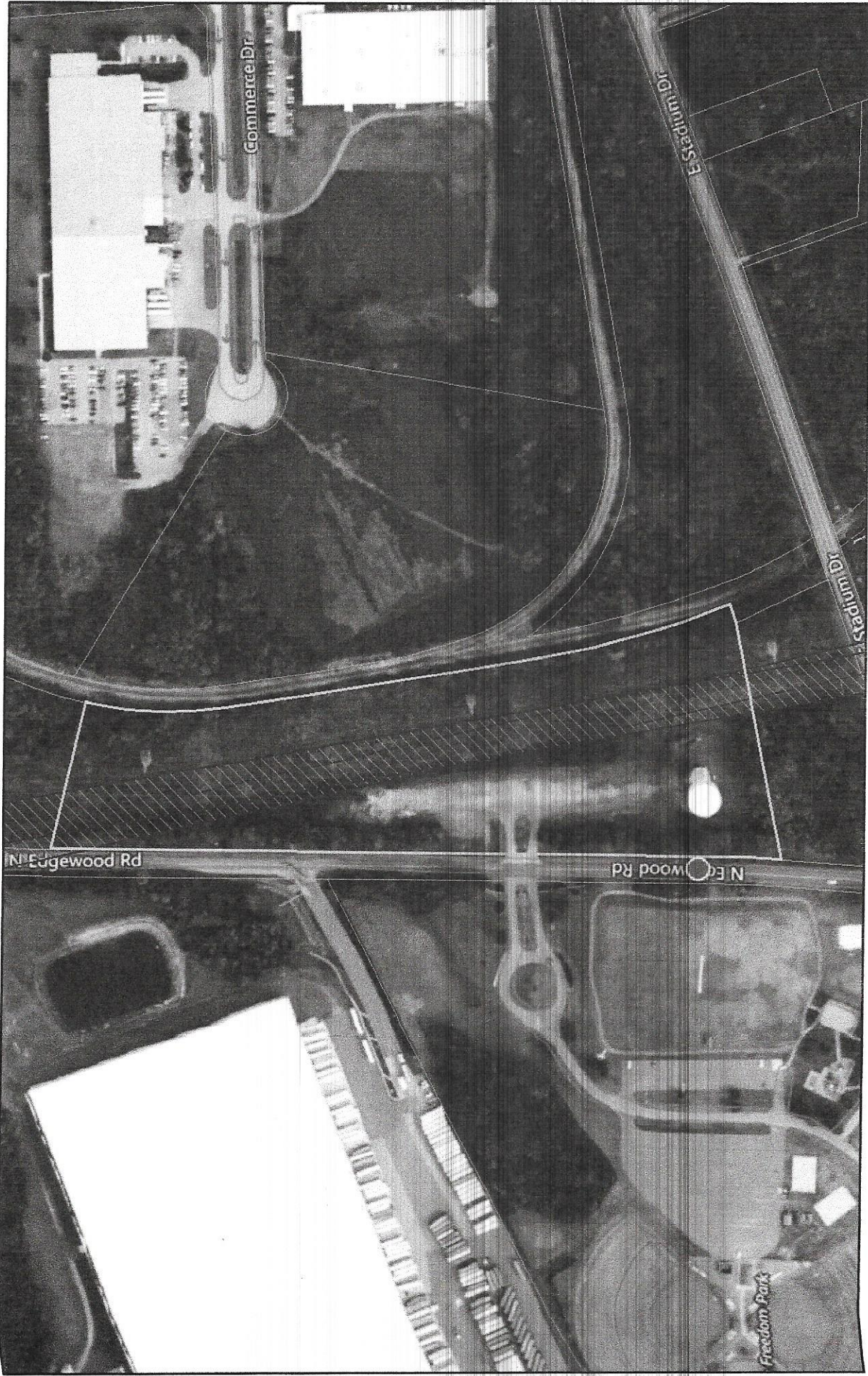
Duke Energy Progress, LLC

Date: 6/8/2020

By: KA
 Name: Karin Silverthorn
 Title: Real Estate Rep

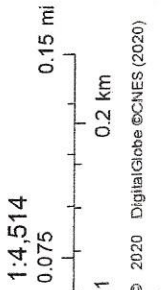
Contact Person: Karin Silverthorn
 Phone Number: 919-666-2535
 Email Address: ksilverthorn@duke-energy.com
 Address: 550 S. Tryon Street, DEC22A
Charlotte, NC 28202

GIS Mapping Operations



June 8, 2020

Fee Owned <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Released	Easement Line <input type="checkbox"/> Existing <input type="checkbox"/> Released	Easement Polygon <input type="checkbox"/> Existing <input type="checkbox"/> Released	Electric Easements <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Released	Gas Easements <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Released <input type="checkbox"/> NC Parcels	SC Parcels <input type="checkbox"/> Future Harvest
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 Distribution Airbus DS © 2020 HERE



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
09/04/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services South, Inc. Charlotte NC Office 1111 Metropolitan Avenue, Suite 400 Charlotte NC 28204 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105	
	E-MAIL ADDRESS:		
INSURED Duke Energy Corporation 550 South Tryon Street DEC 410 Charlotte NC 28202 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Liberty Mutual Fire Ins Co		23035
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

Holder Identifier :

COVERAGES **CERTIFICATE NUMBER: 570078140560** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			AS2-641-443955-039 (AOS) Self-Insured NC, SC, OH, IN, FL, TN & KY	09/01/2019 09/01/2019	09/01/2020 09/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE AGGREGATE
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC2641443955029 (AOS) Self-Insured NC, SC, OH, IN, FL, TN & KY	09/01/2019 09/01/2019	09/01/2020 09/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$2,000,000 E.L. DISEASE-EA EMPLOYEE \$2,000,000 E.L. DISEASE-POLICY LIMIT \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Re: Leased premises at 1262 Cox Avenue, Covington, Kentucky.

Certificate No : 570078140560

CERTIFICATE HOLDER **CANCELLATION**

1262 Cox LLC Attn: Mickey Hill 152 E. 22nd Street Suite B Indianapolis IN 46202 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---



Engineering Department

P.O. Box 70, Eden, NC 27289-0070
308 E. Stadium Drive, Eden, NC 27288
(336) 623-2110



MEMO

To: Honorable Mayor and City Council

Through: Terry Shelton, Interim City Manager

From: Bev O'Dell, Director of Engineering

Cc: Deanna Hunt, City Clerk
Kelly K. Stultz, AICP, Director of Planning & Inspections

Date: July 10, 2020

**Re: Consideration of Proposed Booster Pump Station Replacement
by Dan River Water, Inc. off Mt. Carmel Church Road**

Mike Lemons, Utility Supervisor for Dan River Water, Inc., is requesting that City Council grant approval for the proposed replacement of the booster pump station located on the east side of Mount Carmel Church Road, near the intersection with Hampton Road. Preliminary plans for the project have been prepared by William E. Mitchell Associates. Approval of the proposed improvement is being requested in accordance with the water purchase agreement between the City of Eden and Dan River Water, Inc.

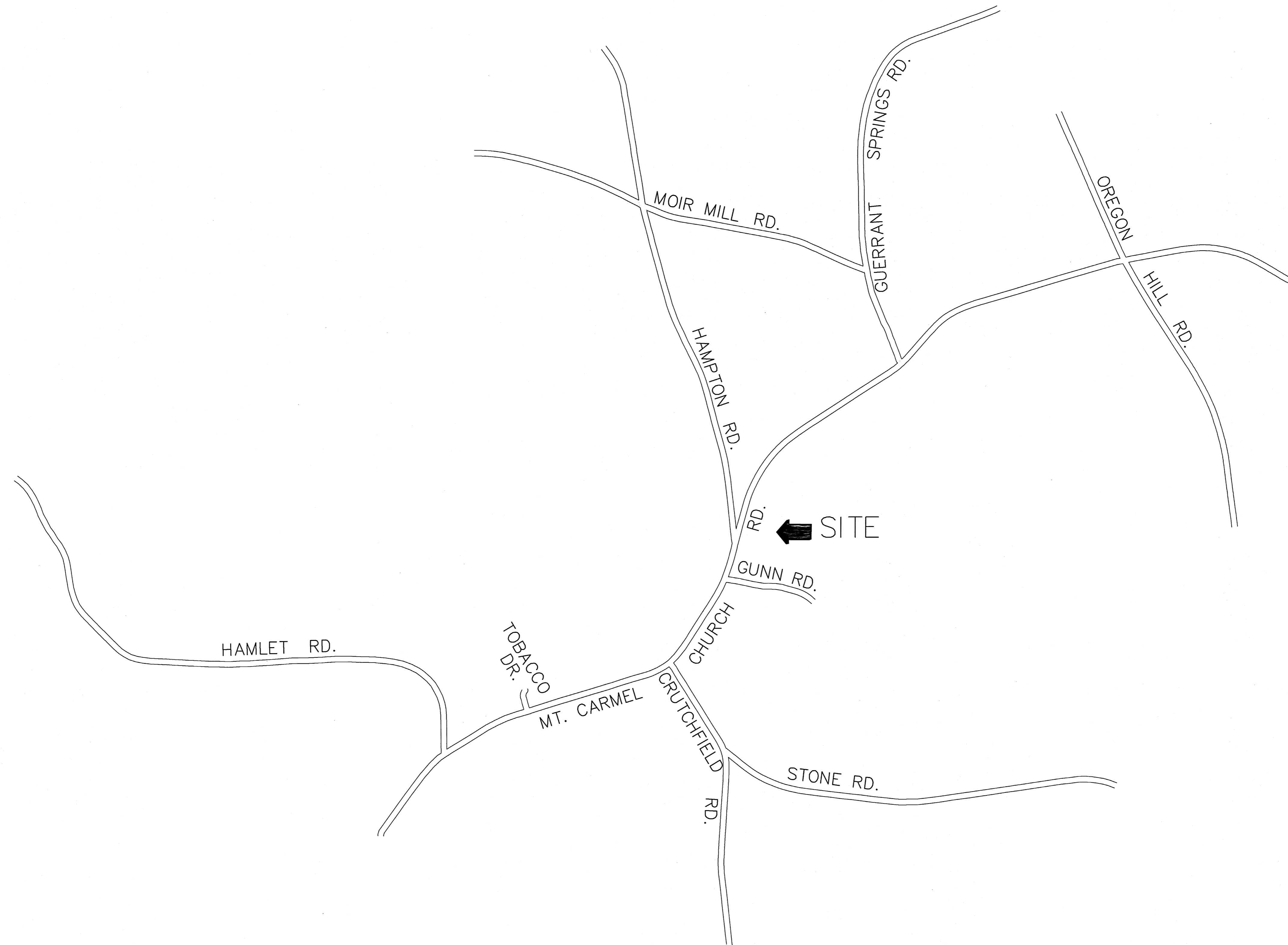
The improvements are intended to replace aging equipment and improve the reliability of delivering water to existing Dan River Water, Inc. customers. The new pump station building will be located north of the existing booster pump station, and northeast of their existing 250,000 gallon standpipe.

Enclosed are the preliminary plans for the proposed booster pump station improvements.

It is recommended that the proposed replacement of the Dan River Water, Inc. facility off Mt. Carmel Church Road be allowed to take place. If you have any questions, please do not hesitate to contact me, or Mike Lemons, prior to the July City Council meeting.

Thanks for reviewing and considering this matter.

MOUNT CARMEL BOOSTER PUMP STATION



CONTACT
DAN RIVER WATER, INC.
610 PATRICK STREET
EDEN, NC 27288
336-623-2526

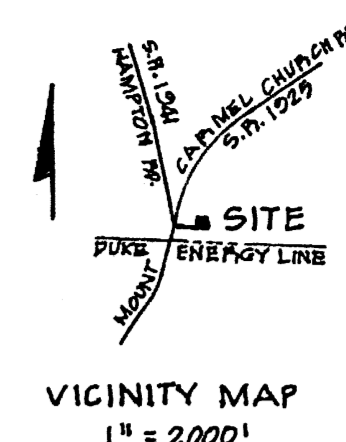
COVER SHEET
FOR
DAN RIVER WATER, INC.
RUFFIN TOWNSHIP ROCKINGHAM COUNTY
NORTH CAROLINA
JUNE 15, 2020 NO SCALE
WILLIAM E. MITCHELL ASSOC.
CIVIL ENGINEERING - SURVEYING - LAND PLANNING
1803 C ASHWOOD COURT
GREENSBORO, N.C. 27455
336-540-0080
JOBNAME: DRWSLAYDNRD2017

2020/05/23

GENERAL NOTES:

- BOUNDARY & TOPOGRAPHIC INFORMATION BASED ON SURVEY BY C. E. ROBERTSON & ASSOCIATES DATED AUGUST, 2019.
- INFORMATION CONCERNING EXISTING UTILITIES WAS OBTAINED FROM AVAILABLE RECORDS AND FROM FIELD SURVEY. CONTRACTOR IS RESPONSIBLE FOR VERIFICATION AND FOR NOTIFYING ALL UTILITIES PRIOR TO BEGINNING WORK. CONTRACTOR SHOULD CALL NC CALL ONE AT 1-800-632-4343 FOR ASSISTANCE.
- TAX PIN NO 8907-00-89-4856
- DEED REF: DP 864 PG 12B
- TOTAL AREA IN TRACT = 0.23 AC.
- ZONING IS PA
- EXISTING/PROPOSED USE - UTILITY BUILDING
- PROPOSED BUILDING = 192 S.F.; MAX. BLDG. HGT. = 8'-6"
- THIS PROPERTY IS NOT LOCATED IN A SPECIAL FLOOD AREA AS DETERMINED BY THE DEPARTMENT OF HOUSING & URBAN DEVELOPMENT.

IRA T. SPARKS, JR.
ZONING PA
EXIST. RES.



Date:	JUNE, 2020
Scale:	1" = 10'
Drawn By:	WEM
Checked By:	

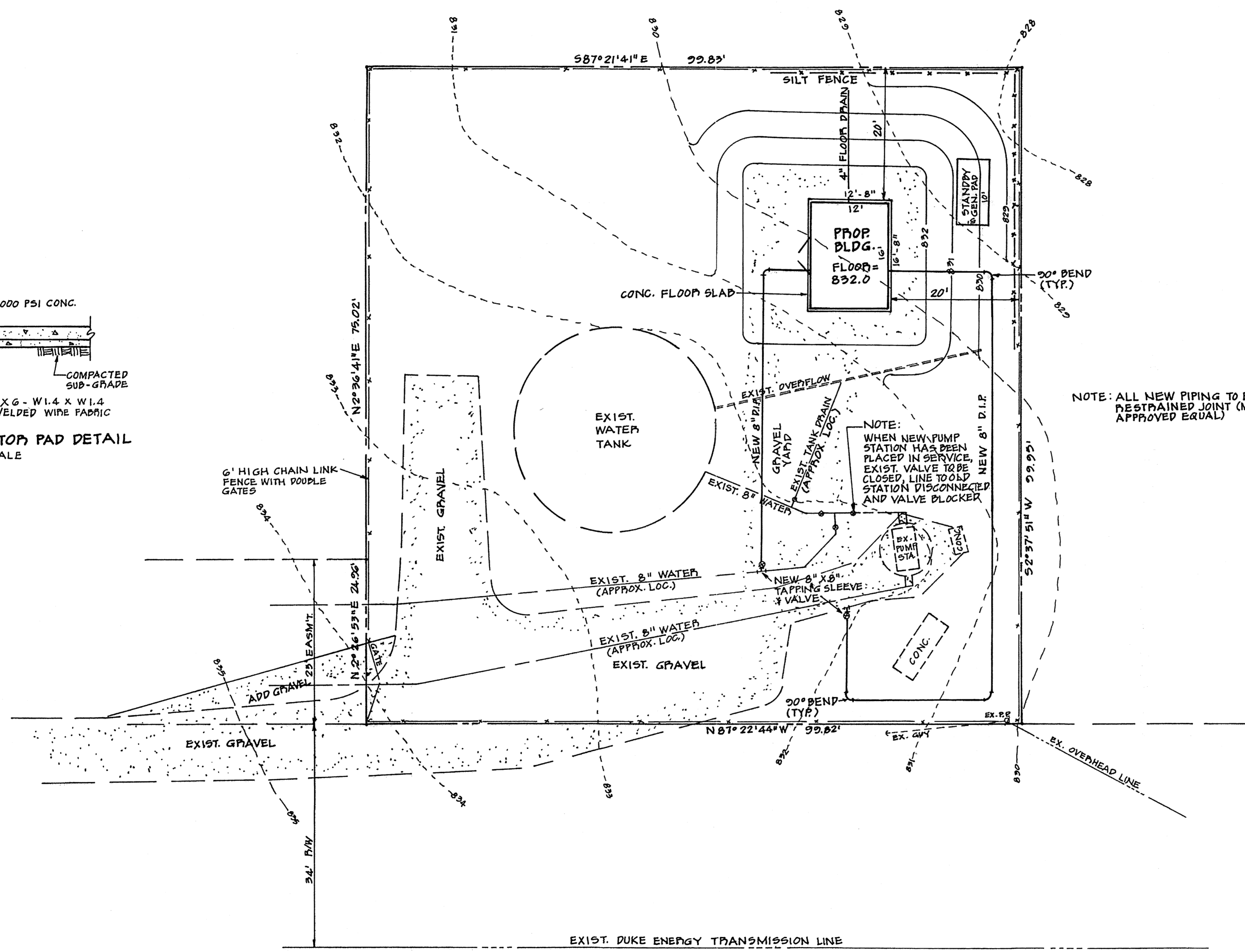
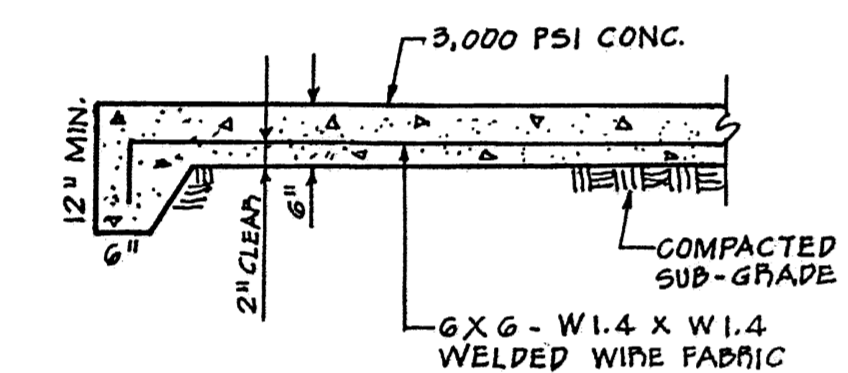
SCALE: 1" = 10'



WILLIAM E. MITCHELL ASSOC.
CIVIL ENGINEERING • SURVEYING • LAND PLANNING
1903-C ASHWOOD COURT
GREENSBORO, NC 27455 (336) 540-0060

MOUNT CARMEL BOOSTER PUMP STATION
DAN RIVER WATER, INC.
646 MOUNT CARMEL CHURCH ROAD
RUFFIN TOWNSHIP
EDEN, NORTH CAROLINA - ROCKINGHAM COUNTY

Sheet No.	
of	Sheets



IRA T. SPARKS, JR.
ZONING PA
EXIST. RES.

NOTE: ALL NEW PIPING TO BE D.I.P., CL. 50, RESTRAINED JOINT (MEGA-LUG OR APPROVED EQUAL)

NOTE: EXISTING FACILITIES TO BE REMOVED AND UNDERGROUND PIPING PLUGGED BY CONTRACTOR. SUMP PIT TO BE BACKFILLED WITH MATERIAL EXCAVATED ON-SITE AND COMPACTED. ANY EXCESS MATERIAL TO BE SPREAD ON-SITE. ALL DISTURBED AREAS TO BE STABILIZED WITH STONE OR PERMANENTLY SEEDED WITHIN 14 DAYS OF COMPLETION OF WORK.
DISTURBED AREA IS LESS THAN 1 AC. - NO APPROVAL REQ'D. BY DENP.
CONTRACTOR IS RESPONSIBLE FOR CONTAINMENT OF SEDIMENT ON-SITE.

DARON W. GANTT
ZONING PA
EXIST. RES.

OWNER:
DAN RIVER WATER, INC.
CONTACT: MIKE LEMONS
610 PATRICK STREET
EDEN, N.C. 27228
336-627-2326





Economic Development Department

July 10, 2020

To: The Honorable Mayor and Eden City Council

Thru: Terry Shelton, Interim City Manager

From: Mike Dougherty, Director of Economic Development

Re: Building Reuse Grant for Hutchens Holdings

Ron Hutchens, CEO of Night Owl National Contractors, has purchased the Eden Mall property. Initially, he plans to rehabilitate the roof, paint the exterior and clean up the exterior foliage. His latter plans include a new fabrication facility and space for professional companies. No retail is planned for the facility. This property was purchased under the entity Hutchens Holdings.

The City of Eden will seek a NC Department of Commerce Building Reuse Grant to help defray the up fit costs of the fabrication facility that will include considerable investment as well as jobs. The resolution is in support of this grant application.

The application will be submitted in October of 2020 for consideration by the NC Rural Infrastructure Authority in December of this year.



**Resolution in Support of Applying to the
N.C. Department of Commerce Rural Division
for approval of a Building Reuse Grant to benefit Hutchens Holdings**

WHEREAS, the Eden City Council has previously indicated its desire to assist in economic development efforts within the City; and,

WHEREAS, the Eden City Council wishes the City to pursue a formal application with the N.C. Department of Commerce Rural Division Building Reuse funding to benefit Hutchens Holdings and will invest monies in the amount of 5 percent of the grant amount (up to \$25,000) toward proposed renovations as committed to the application; and,

WHEREAS, the Eden City Council certifies it will meet all statutory requirements of the Program,

NOW THEREFORE, be it resolved by the Eden City Council that:

Upon receipt of the Grant Agreement for the 2020 Building Reuse Project by the N.C. Department of Commerce Rural Division, the Eden Mayor and/or City Manager are hereby authorized to proceed with the execution of documents and return them to the funding agencies in the interest of proceeding with the grant execution.

The Eden Mayor and/or City Manager are hereby authorized to execute daily grant related documentation which includes documentation such as the grant agreement, general correspondence between the City and the proposed business and/or the funding agency (as necessary). Any documentation which reflects a change in the original scope of work and/or amendment related activities must be brought before the Eden City Council for approval.

NOW THEREFORE BE IT RESOLVED by the Eden City Council that the City of Eden is authorized to submit a formal application to the N.C. Department of Commerce Rural Division for approval of a Building Reuse Grant to benefit Hutchens Holdings.

Adopted this 21st day of July, 2020 in Eden, N.C.

Neville Hall, Mayor

Deanna Hunt, City Clerk



To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Amy P. Winn, CPA
Assistant Director of Finance

Date: July 21, 2020

Re: NC Public Employee Deferred Compensation Plan – NC 457

As a part of the contract with the new city manager, council agreed to make available the NC 457 Plan administered by Prudential. Attached is a resolution that needs to be approved by council to provide this plan to the employees of the City of Eden. This does not require the City to make any contributions to the plan but would be available for employees to make contributions.



WHEREAS, the City of Eden wishes to provide a qualified defined contribution plan to the employees of the City of Eden.

AND WHEREAS, the State of North Carolina has established the North Carolina Public Employee Deferred Compensation Plan, a qualified governmental Deferred Compensation Plan under Internal Revenue Code § 457(b) for public employees of North Carolina.

THEREFORE, be it resolved that the City of Eden has adopted the North Carolina Public Employee Deferred Compensation Plan also known as NC Deferred Comp. under the terms of the Plan Document and the Third-Party Administrator Agreement. All employees shall become eligible to defer compensation immediately.

Signed this 21st day of July, 2020.

Neville Hall
Mayor

Date

OPERATIONAL REQUIREMENTS FOR EMPLOYERS

SUPPLEMENTAL RETIREMENT INCOME PLAN OF NORTH CAROLINA

(NC 401(k))

And

NC PUBLIC EMPLOYEE DEFERRED COMPENSATION PLAN (NC 457)

The State of North Carolina Supplemental Retirement Board (“Board”) and the North Carolina Retirement Systems Division of the Department of State Treasurer (“Treasurer”) selected Prudential Retirement Insurance and Annuity Company (PRIAC) as the Third-Party Administrator of the Supplemental Income Plan of the State of North Carolina and the NC Public Employee Deferred Compensation Plan (“Plans”). The Board and the Treasurer have entered into an agreement with Prudential under which Prudential has agreed to provide administration and communication services for the Plan (the “Contract”). To enable Prudential to provide such services on behalf of an employer which elects to implement one or both of the Plans for its employees (“Employer”), the Employer confirms that it will provide the information and support described below. The term “Plan” throughout these Requirements, shall mean each plan elected by the Employer, as indicated on the last page.

ARTICLE I

RESPONSIBILITIES OF THE EMPLOYER

A. Implementation of Plan(s)

1. The Employer confirms that it made the decision to implement the Plan via resolution. The employer agrees to provide a copy of such resolution, if available, to Prudential.

2. The Employer will designate a coordinator for each unit to work with Prudential to select enrollment dates, determine the number of meetings needed and what employee notification

of meetings will be required, and to make other decisions necessary to hold successful enrollment meetings.

3. The Employer will provide time for its employees to attend an enrollment meeting. The Employer agrees that employees representing all employee pay grades will be given the opportunity to attend the meetings. The Employer understands that the meetings are an important resource in making employees aware of their opportunity to participate in the Plan(s).

4. The Employer will provide a facility to conduct enrollment meetings for its employees.

5. The Employer will publicize the meetings to all its employees by internal publication, meeting notices provided by the Third-Party Administrator and through other media agreed to by its coordinator and the Third-Party Administrator.

B. Operation of Plan(s)

1. The Employer will have sole responsibility for determining which of its employees are eligible to participate in the Plan(s) in accordance with eligibility requirements established by the Plan or North Carolina General Statutes or the Employer, where applicable, both with respect to elective deferral contributions and with respect to sharing in the allocation of any Employer contributions made pursuant to Article VII. The Employer will advise the Third-Party Administrator each month of any “new enrolled” employee who is eligible to participate in the Plan(s). The Employer also will advise the Third-Party Administrator each month of any participant in the Plan(s) who has terminated their employment, the date of termination, and the reason for the separation from service.

2. The Employer will provide payroll deductions for all contributions to the Plan(s) and all loan repayments to the Plan. The Employer will modify its payroll application to comply with specifications required by the Third-Party Administrator of the Plan(s). This includes the

format of the deduction report for the delivery of contributions and loan repayments to the Third-Party Administrator. The Employer will notify the Third-Party Administrator of any changes in payroll frequency, the frequency of payroll deductions, or change in status.

3. The Employer will deliver the remittance files, loan payment files, and the funds for these reports to the location provided by the Third-Party Administrator.

4. The Employer agrees that employee voluntary contributions to the Plan and loan repayments will not be suspended, modified or terminated for a participant unless so instructed by the Third-Party Administrator based on the participant's actions with the Third-Party Administrator.

5. The Employer agrees to comply with all operating procedures established by the Third-Party Administrator of the Plan(s). It understands that the procedures may be modified or revised from time to time, and the Employer agrees to comply with revisions and modifications without delay upon receipt of adequate notice of such modifications.

6. The Employer will inform the Third-Party Administrator in advance of any changes in the Employer's benefit or compensation programs that affect the operation or administration of the Plan(s).

7. With respect to Sworn Law Enforcement Officers, the Employer agrees that if Employer contributions are not remitted in a timely manner and as a result, the Court Cost allocations are not made, the Employer will be solely responsible for remitting the funds necessary to make up the missing Court Costs (applies to Supplemental Income Plan of the State of North Carolina).

8. The Employer may request that the Third-Party Administrator refund a contribution made within the preceding 12 months on account of a mistake of fact, as defined by the Internal Revenue Service, and the Third-Party Administrator will grant such request.

9. The Employer will furnish the Third-Party Administrator all documents, data and other information necessary for the Third-Party Administrator to perform its duties under this Agreement. The Employer will be solely responsible for the accuracy of any documents, data, or other information provided to the Third-Party Administrator by the Employer or by any other person or entity having responsibilities with respect to the Plan(s). If the Employer fails to provide any such requested information, the Third-Party Administrator will be obligated to perform its duties under this Agreement only insofar as it is able to do so with the information available. All information required to be furnished by the Employer will be transmitted in the medium and form acceptable to the Third-Party Administrator. The Third-Party Administrator will be entitled to rely fully on the accuracy and completeness of information submitted by the Employer and will have no duty or responsibility to verify such information.

10. The Employer will comply with the Uniformed Service Employment and Re-employment Rights Act of 1994 regarding participation in the Plan by participants with military service. The Plan(s) allows an Employer to permit an employee who meets the criteria of the Uniformed Service Employment and Re-employment Rights Act of 1994 the opportunity to “catch-up” salary deferrals to the Plan that were not made during the time they were on active duty. Loan repayments are suspended during the period the Plan(s) participant is on active duty.

ARTICLE II

RESPONSIBILITIES OF THE THIRD-PARTY ADMINISTRATOR

A. Implementation of Plan(s)

1. The Third-Party Administrator will assist the Employer’s coordinator in scheduling enrollment meetings, provide the employer with meeting notification materials, including but not limited to posters, handbills, press release-type articles and payroll stuffers that are mutually acceptable to the Employer coordinator and the Third-Party Administrator.

2. The Third-Party Administrator will present the Plan(s) and its benefits to the employees and enroll them in the Plan(s).

3. The Third-Party Administrator will provide brochures, enrollment forms, payroll deduction authorization forms, withdrawal forms, loan applications and other forms relating to loans, as well as other forms needed to fulfill the duties as Third-Party Administrator. For purposes of this paragraph, “form” will also mean a facility for electronic processing of participant requests.

B. Operation of Plan(s)

The Third-Party Administrator will provide the services described below, as required under the Contract:

1. The Third-Party Administrator will maintain a record of each participant’s contributions and will invest his/her contribution in the fund(s) selected by the participant.

2. The Third-Party Administrator will provide the participant with a quarterly statement of his/her account, which shows the value of the participant’s account.

3. The Third-Party Administrator will allow the participant to borrow from his/her account when he/she has complied with the eligibility requirements established by the Third-Party Administrator and the Plan as permitted by federal regulations, the Plan and the Third-Party Administrator.

4. The Third-Party Administrator will provide the participants withdrawal options including lump sum distribution and periodic payments in accordance with the Plan(s) and the Code.

5. The Third-Party Administrator will provide participants in the Plan(s) who become entitled to receive a distribution from the Plan with all appropriate notices and election forms concerning such distribution. The Third-Party Administrator is responsible for proper reporting of all distributions from the Plan(s) and the withholding of income taxes as required by the Plan(s) and the Code.

6. The Third-Party Administrator will provide administrative and operating procedures for the Employer.

ARTICLE III

PLAN(S) PARTICIPATION

The Employer and the Third-Party Administrator jointly agree to promote the Plan(s) and encourage participation in the Plan(s) by all pay grades of the Employer. This will require that initial enrollment meetings be held with all eligible employees to ensure that they are aware of the benefit and value of participating in the Plan(s). The Employer agrees to promote the Plan(s) on an on-going basis by conducting periodic meetings with eligible employees, utilization of posters, newsletter articles, payroll stuffers, and other agreed upon communications.

ARTICLE IV

TERMINATION OF AGREEMENT

1. Either party may terminate this Agreement upon giving six months advanced written notice to the other party, provided that the non-terminating party may waive such notice requirement. The termination of this Agreement *does not* terminate the Plan(s) in which the Employers' employees are participating or require a distribution of accounts of the participating employees from the Plan(s). The termination of this Agreement relieves the Employer from taking deductions and loan repayments from the participating employee's pay and remitting them to the Third-Party Administrator.

2. The State may terminate the Plan(s) at any time through the enactment of laws.

3. This Agreement will terminate if the State terminates its Agreement with Prudential by which Prudential is obligated to serve as Third-Party Administrator.

4. This Agreement will terminate if the Trustees discontinue the Plan(s).

ARTICLE V
EMPLOYER PAID CONTRIBUTIONS

The Employer may, in its discretion, make contributions to the Plan(s) on behalf of its eligible employees upon approval by the Third-Party Administrator. If an Employer requests approval for applying Employer-paid contributions to the Plan(s) (other than those mandated by law), the exact nature and application of the proposed contribution allocation method will be described in writing and submitted to the Third-Party Administrator to review.

If a proposed Employer contribution is found to be within guidelines of the Code, and the Plan(s) document, and compatible with operational procedures as provided by the Third-Party Administrator of the Plan, the Employer contribution will be implemented on such date as agreed upon by the Employer and the Third-Party Administrator. The Employer agrees to comply with reporting procedures outlined by the Third-Party Administrator.

The Employer further agrees to remit payroll deductions for Plan(s) contributions, loan repayments and any employer contribution to the Plan(s) on behalf of the employee participating in the Plan(s), to the Third-Party Administrator on the same frequency of the payroll, but no less than once each month.

In the event an Employer proposes to implement an Employer contribution on a match basis or an Employer contribution that does not otherwise provide a proportionate benefit for all eligible employees regardless of length of service or job classification, review and approval by the Third-Party Administrator is required.

Once an Employer contribution to the Plan(s) has been established in accordance with the above, the Employer agrees to advise the Third-Party Administrator in advance of any proposed change in the Employer contribution. The Third-Party Administrator will inform the Employer whether the proposed change is acceptable based upon the Code, the Plan(s) document, and the Third-Party Administrator's operating procedures. If the Employer contribution is found to be

within the Code, and the Plan(s) document, and compatible with operational procedures as provided by the Third-Party Administrator of the Plan(s), the Employer is required to provide the Third-Party Administrator with a written description of the employer contribution to include the effective date of the change, the employee group covered, and the rate and method of allocation.

ARTICLE VI
MISCELLANEOUS

1. All times specified will be the current Eastern Time.

2. The Employer will make available to the Third-Party Administrator, the Department of the State Treasurer, and an auditor appointed by the Third-Party Administrator or the Board of Trustees its records of contributions and loan payments submitted to the Plan(s) for the purposes of an audit. The Employer will also make available its documents pertaining to its employees' deferral elections and other documents deemed necessary by the Third-Party Administrator to audit the Plan(s).

I agree to the terms set forth above with respect to the Plan indicated below:

____ Supplemental Retirement Income Plan of North Carolina

____ NC Public Employee Deferred Compensation Plan

AGREED TO BY:

Name of Employer (Please Type or Print)

By: _____
(Signature)

(Please Type or Print Name Signed Above)

Its: _____
(Please Type or Print Official Title)

Date: _____

PRUDENTIAL

By: _____

Date: _____



Economic Development Department

July 10, 2020

To: Honorable Mayor and City Council

Thru: Terry Shelton, Interim City Manager

From: Mike Dougherty, Director of Economic Development

Re: July 21, 2020 Closed Session Request

Time is requested for a Closed Session at the end of the July 21, 2020 Eden City Council meeting to discuss an economic development project. Please let me know if you have any questions concerning this request. Thank you.