

CITY OF EDEN, N. C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, April 21, 2015 at 7:30 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Wayne Tuggle, Sr.
Council Members:	Donna Turner
	Jim Burnette
	Angela Hampton
(absent)	Jerry Epps
	Darryl Carter
	Neville Hall
	Jerry Ellis
City Manager:	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Deputy City Clerk:	Deanna Hunt
Representatives from Departments:	
News Media:	Dallas Britt, Eden News

MEETING CONVENED:

Mayor Tuggle called the regular meeting of the Eden City Council to order and welcomed those in attendance. He explained that the Council meets the third Tuesday of each month at 7:30 p.m. and works from a prepared agenda; however, time would be set aside for business not on the printed agenda.

INVOCATION:

Mr. Jerry Ellis, Eden City Councilman, gave the invocation followed by the Pledge of Allegiance.

RECOGNITIONS AND PROCLAMATIONS:

a) Recognition: NC Main Street Awards.

Mayor Tuggle asked Mr. Mike Dougherty, Director of Business & Economic Development, to come forward.

Mr. Dougherty introduced Roger and Brenda Hair. He then presented them with the Washington Street Loft Best Upper Floor Award of Merit for Economic Restructuring for renovating 646 Washington Street in the Historic Leaksville downtown area.

He then introduced Suzanne Rohrbaugh and Keith Elliott. He presented them with the Best Innovation Award under the Main Street Category of Organization for the RCC Center for Brewing Sciences.

b) Recognition: 2014 Eden Main Street Champion Recognition.

Mr. Dougherty also introduced Tom and Maryann Barbour. He explained that they were chosen to be the 2014 Eden Main Street Champions.

c) Proclamation: Litter Sweep 2015.

Mayor Tuggle read the following proclamation in recognition of Spring Litter Sweep.

SPRING LITTER SWEEP PROCLAMATION

WHEREAS, the North Carolina Department of Transportation organizes an annual spring statewide roadside cleanup to ensure clean and beautiful roads in North Carolina; and

WHEREAS, the spring **2015 LITTER SWEEP** roadside cleanup will take place April 18 – May 2, 2015, and encourages local governments and communities, civic and professional groups, businesses, churches, schools, families and individual citizens to participate in the Department of Transportation cleanup by sponsoring and organizing local roadside cleanups; and

WHEREAS, Adopt-A-Highway volunteers, Department of Transportation employees, Department of Correction inmates and community service workers, local government agencies, community leaders, civic and community organizations, businesses, churches, schools, and environmentally concerned citizens conduct annual local cleanups during **LITTER SWEEP** and may receive certificates of appreciation for their participation; and

WHEREAS, the great natural beauty of our state and a clean environment are sources of great pride for all North Carolinians, attracting tourists and aiding in recruiting new industries; and

WHEREAS, the cleanup will increase awareness of the need for cleaner roadsides, emphasize the importance of not littering, and encourage recycling of solid wastes; and

WHEREAS, the spring **2015 LITTER SWEEP** cleanup will celebrate the 27th anniversary of the North Carolina Adopt-A-Highway program and its 4,400 volunteer groups that donate their labor and time year round to keep our roadsides clean; and

WHEREAS, the **LITTER SWEEP** cleanup will be a part of educating the children of this great state regarding the importance of a clean environment to the quality of life in North Carolina;

NOW, THEREFORE, I, WAYNE R. TUGGLE, SR., Mayor of the City of Eden, do hereby proclaim April 18 – May 2, 2015, as “**SPRING LITTER SWEEP**” time in the City of Eden and to encourage citizens to take an active role in making our community cleaner during **Clean Up Week** from April 20 through April 25, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Eden, North Carolina April 21, 2015.

Wayne R. Tuggle, Sr., Mayor

ATTEST:

Sheralene Thompson, City Clerk

d) Proclamation: Law Enforcement Memorial.

Mayor Tuggle read the following proclamation in recognition of National Police Week.

NATIONAL POLICE WEEK PROCLAMATION

Whereas, The Congress and President of the United States have designated May 15 as Peace Officers' Memorial Day, and the week in which May 15 falls as National Police Week; and

Whereas, the members of the law enforcement agency of the City of Eden play an essential role in safeguarding the rights and freedoms of the City of Eden; and

Whereas, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of their law enforcement agency, and that members of our law enforcement agency recognize their duty to serve the people by safeguarding life and property and by protecting them against violence and disorder; and

Whereas, the men and women of the law enforcement agency of the City of Eden unceasingly provide vital public service.

Now Therefore, I, Wayne R. Tuggle, Sr., Mayor of the City of Eden, North Carolina, call upon all citizens of the City of Eden to observe the week of May 10 through 16, 2015, as

National Police Week

Be It Further Resolved, I do hereby proclaim May 15, 2015 as

Peace Officers' Memorial Day

in the City of Eden and call upon all citizens of the City of Eden to observe these events with appropriate ceremonies and activities.

Dated this 21st Day of April, 2015.

By: Wayne R. Tuggle, Sr., Mayor

SET MEETING AGENDA:

A motion was made by Council Member Burnette seconded by Council Member Ellis to set the meeting agenda. All Council Members present voted in favor of this motion. This motion carried.

PUBLIC HEARINGS:

There were no Public Hearings scheduled.

REQUESTS AND PETITIONS OF CITIZENS:

Mr. Jerry Kellam, 902 Georgia Avenue addressed Council.

Mr. Kellam stated that he had come to present some petitions before them regarding this coal ash landfill. *A copy of this petition is in the office of the City Clerk.* He explained that he had over 705 signatures. He then read the top of the petition here, "We the undersigned are concerned citizens residing in the City of Eden, North Carolina and the County of Rockingham. We urge our city officials and leaders to serve as a voice for the people of this community to stop the development of a coal ash landfill. Based on our research we are more knowledgeable about the ramifications of developing such a facility. We understand that the toxic contamination released from such a facility is hazardous which can result in health challenges and even death. We, therefore, respectfully request that our city officials and leaders effectively fight against the development and construction of the coal ash landfill facility in Eden, NC."

Mayor Tuggle thanked Mr. Kellam.

Mr. Nelson Hairston, Jr., 911 Georgia Avenue addressed Council.

Mr. Hairston explained that he was there to speak concerning a rumor that the coal ash spill will be placed in the Draper area off of Sharp Street. That was the rumor that was flying around and usually where there was smoke there was fire.

He stated that he was told in a meeting that the City Council members could not say anything concerning this. He did not know why an answer was not given however he would like to know the answer to that. He wanted to know why a City Councilman cannot speak on behalf of the Draper section.

Mayor Tuggle stated that he would be glad to talk with him after the meeting and tell him why they could not. He explained that it had to do with legal matters. The Coal Ash bill was pretty much dictated from the State of North Carolina and not the City Council. The City Council had very little say so when it boils down to what can be done and the control that they have. He added that the Fracking Bill was like that and the Coal Ash Bill was the same way.

Mr. Hairston stated that when he ran for mayor he came to his house and sat down and talked with him and told him about everything that he needed to know concerning this city. He pointed out that he put a sign for him in his yard on Hairston Street and also on New Street and on Maryland Avenue and he worked very hard at the polls because he was going to be his voice. He pointed out that not only did he help him, he had also worked hard for Ms. Turner because her father in law and her husband were his doctors and they had been friends for many years.

He worked hard for Jerry Ellis, not because he was a great big man but because he thought he was his friend and he was running against a very tough opponent and he wanted to see him on the City Council.

He stated that he went out on a limb for Angie Hampton because it was her first run and he wanted to see her win. He fed the people that were working at the polls for her and he went to Jerry's and bought hotdogs or what they wanted to eat. He talked to some of the people concerning Mr. Burnette and he may not be in his position today if not for his name and the signs he placed in his yard.

He stated that he did not understand why they could not be told why it was going to be put in that area. He understood what Mayor Tuggle said but that did not satisfy him.

The City Attorney, Ms. Erin Gilley, explained that she may be able to give an answer in regard to the legal requirement that Mayor Tuggle referred to about not being able to speak. It was not that the Council cannot speak about the landfill. This was a zoning matter and there was an ordinance in place that if a landfill were to go in any spot within the city or the extraterritorial jurisdiction there would have to be a rezoning and a quasi-judicial process heard. The City Council would have to hear that process. They would have to be the judge on that quasi-judicial hearing. Therefore they cannot give a final opinion on that and that was why they said they cannot speak to them about it. It was not that they do not want to hear their concerns.

Mayor Tuggle added that Ms. Stultz was present at that meeting at St. Paul's and she can say anything that she wants to say representing these, but if any of them were to say anything then they can be removed from this hearing and not allowed to take a vote and by legal action. And that was definitely something they did not want to lose if it ever came to it.

Ms. Gilley also explained that they tried to do this procedure in a way that it will serve the city interest best so that they would have their Council Members able to make the very best vote that they can make. Once they get that hearing behind them then they can issue their opinion at that point.

Mr. Hairston questioned if the city had been approached.

Ms. Gilley replied that there has been no application or permits filed for a coal ash landfill so that process has not been started. She explained that she thought that she could speak for the Council and say that she thought that from what they have heard from Duke there were several options out there on the table. She thought that the City Council has conveyed and communicated what they think was best for the interest of the city and they were trying to do their best but ultimately the decision was going to be made by Duke and actually by the State, the Department of Environmental and Natural Resources being that they will decide where the landfill goes and where it did not go.

Mayor Tuggle added that the reason he said he would talk to him in private was because he could show him that with the Coal Ash Bill, the way it was written, it has language specifically written in it on Fracking and also in the Coal Ash Bill. They were written very similar. It pretty much circumvents the cities and takes the city's say so on these matters totally out of their hands and that was State law.

Mr. Hairston asked that he was telling him that if Duke Power wants to put that coal ash landfill in that area there was nothing that could be done.

Mayor Tuggle replied that he was not telling him that nothing could not be done. What he was telling him was that the City Council had very little say so in it other than there was a quasi-judicial body. They could have a vote, but if they say anything beforehand, any person can be removed from that vote and the last thing he would want was for their vote to be taken away and that was what would happen because it was a legal matter.

He explained that it boiled down to the Mining Commission through the State of North Carolina and Duke Energy and the EPA. There people were the ones that will make the decision as to where coal ash goes anywhere in North Carolina and fracking was exactly the same way.

Mr. Hairston asked that when the time comes that they have the opportunity to vote, at that time they could vote.

Mayor Tuggle replied that they could vote during a quasi-judicial hearing and that was what they could vote on.

Mr. Hairston pointed out that they did not have much in that area, but what they have they thank God for it. He stated that he knew that all of them were very intelligent people and that in time it will kill people. Babies were being born, their life will be shortened because of the coal ash in the area. He stated that God has blessed him to be old, but that will shorten his life if it was placed in the area. So as a voice for the city, for the members of the city, they were asking the Council to help protect them. To be in their corner as citizens just like they were in their corner and on their page when he ran for the seat that he was sitting in.

Mayor Tuggle replied that all he could tell him was that they would do everything they could to stand up and he knew exactly where he was coming from.

Council Member Ellis commented that this was his jurisdiction and he just asked them to trust them.

Mr. Hairston thanked them for listening.

Mayor Tuggle stated that he wanted to reiterate the way that Coal Ash Bill was written. That was why he wanted to talk to him privately so he could show him in writing how it was written. It pretty much circumvents anything any city in the State of North Carolina wants to do. It was pretty much a road block. It tells the cities they cannot do very much and most of it goes right around the Council. It was between Duke and the Mining Commission of North Carolina, but the City Council would do everything they could to try to protect what they thought was best for the citizens of Eden and that was all he could tell him.

Mr. Hairston replied that they appreciate that and they knew that Duke was a very wealthy outfit and money can do things. Before he closed he wanted to share one thing. He asked them to not

be deceived. God was not mocked and you reap what you sow, so they were asking them to protect them with all the power they have.

Council Member Hampton commented that she respected Mr. Hairston and Draper was her home. She pointed out that she had a son who lived in Draper and so her interest was in Draper. She asked him to not feel like they were betraying him. She asked him to trust them, they were doing all they could do.

Mayor Tuggle stated that they appreciated him coming.

Mr. Malcolm Allen, NC Hwy 770, addressed the City Council.

Mr. Allen explained that he wished to address the Council with several concerns. He stated that one of those concerns was the lack of information coming forth to the Draper community. He asked the following questions:

Why is the money for disaster in the Eden area awarded to the cities of Reidsville and Madison and who were the people on the committee who made that decision.

Who does the lawyer Eden hired, Mr. Tom Terrell, represent. He knew that previously he had represented Duke Energy. Each time he has made an appearance on TV he was applauding Duke modern research and development saying nothing of the wrong done to the city and the Draper community. Was he paid with taxpayer money.

Had the Mayor or Council communicated or reached out to other cities in North Carolina where this has already happened or being proposed to happen to see what options may be available instead of saying they could not do anything.

Mr. Allen noted that this evening on the 5:00 news there was an item that came on where residences near coal ash ponds were ordered not to use their wells. Out of 114 wells tested, 87 were found to be contaminated and not safe to use. Now, if the first spill was handled as promised, this second spill could have been avoided.

Lastly, he stated that he would like to humbly ask the Mayor to cease from elevating these entities where they only find them to represent the wealthy and businesses and disregard small communities and the poor. One year ago in this very hall they were told that Duke was a great partner to the city. That great partner broke their promise to haul the toxic coal ash out of this area only to dump it in their neighbor's back yard.

He stated that last week Mayor Tuggle commented that with Mark Walker in office the city was in good hands. He questioned what bills Mr. Walker had introduced to help repair their infrastructures. Would he convince his cohorts to expand Medicaid to aid struggling hospitals such as Morehead. He stated that these were questions that were yet to be answered.

He closed by stating that their praises and coordination should be earned and not forecasted. Each time that it fails it damages the credibility of this office. They (City Council) were their voices and do not let those voices be silent.

Mr. William Osborne, Oak Ridge Drive,

Mr. Osborne explained that he had two matters. He pointed out that because of their leadership in passing a resolution to support Medicaid expansion, they have emboldened Reidsville and Madison and last night they took this before the County Commissioners and feel good that they will also pass the resolution.

In doing so they stood up for their hospital, 3,000 working people in Rockingham County who will be eligible if legislature passes, they stood up for the small businesses and for virtually every constitute they have in Rockingham County and especially Eden and for that he thanked them.

He explained that now he was there at the request of Common Cause of North Carolina, which was a bipartisan organization. Sometime last year the past Republican Mayor of Charlotte and the past Democratic Mayor of Raleigh joined together and they have now joined along with legislatures in order to pass legislation to stop gerrymandering of districts throughout North Carolina. They want their congressional and legislative districts to be drawn fairly without the influence of politicians and money. In so doing they have a very good bill on the table in the House and they were pushing to get it passed. With their permission he would like to ask that the City Council cooperate with what Common Cause is asking. They want elected leaders to go on record in supporting bipartisan legislation to do away with gerrymandering. They were not asking them to pass a resolution, this was something done individually.

He then passed out a sheet of paper to each member of Council that included links to various websites that provided further information.

Mayor Tuggle thanked Mr. Osborne for his comments.

UNFINISHED BUSINESS:

There was no Unfinished Business scheduled.

NEW BUSINESS:

a) Consideration and Approval of John E. Grogan Park Bid Award.

The bids for the construction of the John E. Grogan Park came on Friday, February 27, 2015 and only one bid was received. Cirrus Construction, Inc. submitted a bid in the amount of \$416,835 which was approximately \$197,000 over the amount of funds available for this project.

Staff and the Grogan Park Committee met with Cirrus Construction on several occasions to do value engineering on the project and scale the project back, and now the bid for the John E. Grogan Park is \$236,850. This does not

include approximately \$35,000 for projects that will be done by City Staff and the Grogan/Donor Recognition Plaque.

The projected cost for the total project is \$271,850, and as indicated in the attachment, a total of \$273,652.02 has been raised or pledged for this project. No public funds will be needed for construction of this project.

As additional funds are raised, it is the hope of the Grogan Park Committee and City Staff, that additional components of the park will be built.

Staff recommends that Cirrus Construction, Inc. be awarded the contract to construct the John E. Grogan Park for \$236,850 as outlined in the revised bid proposal by Cirrus Construction, Inc.

Mayor Tuggle asked Mr. Johnny Farmer, Director of Parks & Recreation, to come forward.

Mr. Farmer explained that this project began in August of 2013 when Council Member Turner brought this idea to build a park in honor of former Mayor John E. Grogan. They discussed that the project would be built with no city dollars. He was happy to tell them that with some valued engineering the project was put out to bid and they have been able to come up with a project that will be a great asset the city, an honor to the former mayor and a great addition to their Parks & Recreation Department. The original project was put out to bid in January of 2015 and it came in at about \$416,000 and at that time it was over \$197,000 above what they had available. They met with the construction company and the committee and they were able to make some cuts and get the project down.

A motion was made by Council Member Turner seconded by Council Member Hall to award the contract to construct the John E. Grogan Park for \$236,850 as outlined in the revised bid proposal by Cirrus Construction, Inc. All Council Members present voted in favor of this motion. This motion carried.

REPORTS FROM STAFF:

No Reports were scheduled.

CONSENT AGENDA:

- a) Consideration and Approval of Minutes for February 28 and March 17, 2015.
- b) Approval and Adoption of Budget Amendment 7.

The attached budget amendment is to allocate an additional payment received from Duke Energy for the Public Relations campaign related to the coal ash spill. A separate line item has been created to account for this revenue and the Economic Development Professional Services line item has been increased to account for the expenditures.

Subject: Budget Amendment # 7

	Account #	From	To	Amount
General Fund				
Revenues				

Incentive Agreement - Duke Energy	10-3412-42000	\$	209,900.00	\$	234,900.00	\$	<u>25,000.00</u>
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**General Fund
Expenditures**

Econ Dev Professional Services	10-4135-19400	\$	210,100.00	\$	235,100.00	\$	<u>25,000.00</u>
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Appropriate Incentive Agreement payment from Duke Energy.

Adopted and effective this 21st day of April, 2015.

Attest:

Sheralene Thompson, City Clerk

Wayne Tuggle, Mayor

c) **Approval and Adoption of Budget Amendment 8.**

When the City purchases vehicles with installment purchases, it is required to show the loan proceeds as revenue and the payment to the vendor as an expenditure in the financial statements. The attached amendment increases the General Fund revenue line item “loan proceeds” and also increases the following Police Department Capital Outlay – Vehicles for the purchase of fourteen police vehicles.

Subject: Budget Amendment # 8

	Account #	From	To	Amount
General Fund Revenues				
Loan Proceeds	10-3850-86000	\$ -	\$ 466,000.00	<u>\$ 466,000.00</u>
General Fund Expenditures				
Police C/O Vehicles	10-4310-55000	\$ -	\$ 466,000.00	<u>\$ 466,000.00</u>

To allocate loan proceeds for (14) police vehicles.

Adopted and effective this 21st day of April, 2015.

Attest:

Sheralene Thompson, City Clerk

Wayne Tuggle, Mayor

d) **Approval and Adoption of Budget Amendment 9.**

The attached budget amendment transfers money from the drug forfeiture account to the General Fund to cover expenditures in the drug forfeiture line items. Below is a breakdown of each line item and the specific expenditures.

Training & Travel	\$ 1,600
Narcotics Canine	<u>\$ 7,900</u>
TOTAL	<u>\$ 9,500</u>

Subject: Budget Amendment # 9

	Account #	From	To	Amount
General Fund Revenues				
Police Fed/State Drug Forfeiture	10-3431-41900	\$ -	\$ 9,500.00	<u>\$ 9,500.00</u>
General Fund Expenditures				
Police Training/Travel Drug Forfeiture	10-4310-39501	\$ -	\$ 1,600.00	\$ 1,600.00
Police C/O Equip Non-Depr/Drug Forf	10-4310-57201	\$ -	\$ 7,900.00	<u>\$ 7,900.00</u>
				<u>\$ 9,500.00</u>

Transferring money from the Federal Forfeiture bank account to the General Fund.

Adopted and effective this 21st day of April, 2015.

Attest:

Sheralene Thompson, City Clerk

Wayne Tuggle, Mayor

e) **Approval and Adoption of Reimbursement Resolution for Tanyard Branch Sewer Outfall Project.**

Please find attached the Reimbursement Resolution for the Tanyard Branch Sewer Outfall Project. We need the reimbursement resolution in place so that if we use any Water & Sewer Fund Balance to pay for the city's portion of expenditures we will be able to reimburse the Water & Sewer Fund Balance with the loan proceeds should the city do an installment purchase.

The Tanyard Branch Outfall is a particularly bad section of the Bridge Street Pump Station Basin. There are serious issues in the outfall piping that contribute significant inflow/infiltration to the Bridge Street Pump Station Basin. It has been the location of recurring sanitary sewer overflows (SSOs). The total cost for the Tanyard Branch Outfall sewer rehabilitation project is \$5,067,350 and the remaining \$3,534,100 of this cost has been included in the FY 2015-16 budget. Fortunately, a \$1,000,000 principal forgiveness loan from the NC Clean Water State Revolving Fund and a \$500,000 principal forgiveness loan from the NC Clean Water Management Trust Fund will be combined with \$908,538 pay-as-you-go funds from the City of Eden and a \$2,658,812 0% interest twenty-year loan from the NC Clean Water State Revolving Fund to fund this project. The cost estimate of this project has increased significantly since the first estimate was done in August 2011 due to stricter stream buffering requirements which has resulted in the re-routing of the sewer around several structures as well as the need to upsize a portion of the line from a 12" line to a 15" line. Construction is on-going and we anticipate completing this project during FY 2015-16.

RESOLUTION OF THE CITY OF EDEN, NORTH CAROLINA DECLARING THE INTENT OF THE CITY TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE TANYARD BRANCH SEWER OUTFALL PROJECT FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN THE FISCAL YEAR 2015-2016.

WHEREAS, the Eden City Council (the “Council”) has determined that it is in the best interests of the City to finance the construction, renovation, and improvements of certain projects within the City known as the Tanyard Branch Sewer Outfall Project (the “Project”); and

WHEREAS, the City presently intends, at one time or from time to time, to finance all of a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver its tax-exempt obligations (the “Obligations”) to finance, or to reimburse itself for, all or a portion of the costs of the Project; and

WHEREAS, the City desires to proceed with the Project and will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the “Original Expenditures”), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the City intends, and reasonably expects, to reimburse its Water & Sewer Fund for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Eden City Council as follows:

Section 1. **Official Declaration of Intent.** The City presently intends, and reasonably expects, to reimburse its Water & Sewer Fund for the Original Expenditures incurred and paid on or after the date occurring 60 days prior to the date of adoption of this resolution from a portion of the proceeds of the Obligations. The City reasonably expects to execute and deliver the Obligations in the Fiscal Year 2015-2016 to finance all of a portion of the costs of the Project and the maximum principal amount of Obligations expected to be executed and delivered by the City to pay for all or a portion of the costs of the Project, which amount is subject to change, is expected to be \$908,538.

Section 2. **Compliance with Regulations.** The City adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulation promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the City’s intent to reimburse its Water & Sewer Fund for the Original Expenditures from proceeds of the Obligations.

Section 3. **Itemization of Capital Expenditures.** The Director of Finance for the City, with advice from the City Attorney, is hereby authorized, directed and designated to act on behalf of the City in determining and itemizing all of the Original Expenditures incurred and paid by the City in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

Adopted and Approved this 28th day of April, 2015.

Wayne Tuggle, Mayor

Attest:

Sheralene Thompson, CMC, MMC, NCCMC
City Clerk

CERTIFICATE

I, Sheralene Thompson, the duly appointed Clerk to the City Council of the City of Eden, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution entitled “**RESOLUTION OF THE CITY OF EDEN, NORTH CAROLINA DECLARING THE INTENT OF THE CITY OF EDEN TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE TANYARD BRANCH SEWER OUTFALL PROJECT FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN THE FISCAL YEAR 2015-2016**” which was adopted by the City Council at its regular meeting held on the 28th day of April, 2015.

Sheralene Thompson, CMC, MMC, NCCMC
City Clerk

- f) Approval to call a public hearing to consider the FY 2015-2016 Budget on May 19, 2015.

A motion was made by unanimous consent to approve the Consent Agenda. As there was no objection the motion carried.

ANNOUNCEMENTS:

Council Member Hampton expressed thanks to everyone for their support and everything that they have done for her over the past few weeks.

Council Member Carter mentioned that he had received a letter from a 4th grader at Douglass Elementary referencing juvenile diabetes. The school is sponsoring a walk on April 24 at 12:30 at Douglass School. They are trying to raise money through donations for juvenile diabetes research.

RECESS:

Mayor Tuggle called for a ten minute recess.

WORK SESSION – PROPOSED FY 2015-2016 BUDGET:

Mayor Tuggle asked the City Manager, Mr. Brad Corcoran to present the proposed FY 2015-2016 budget.

A copy of the entire proposed budget is located in the Administrative Offices.

Mr. Corcoran explained that the FY 2015-16 budget as submitted includes the following:

- A. Does **NOT** raise the current tax rate of \$0.609 per \$100 assessed valuation.
- B. **No** cost-of-living allowance pay increase or performance based merit pay increase.
- C. **No** increase in water or sewer service charges and refuse collection fees.
- D. **Maintains** the number of full-time personnel at 180 positions. There were 203 full-time positions in FY 1995-96 and 189 during FY 2000-01.
- E. The General Assembly eliminated our right to collect a privilege license from area

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businesses. In addition, the Rockingham District Attorney intends to shut down all of the businesses operating electronic sweepstakes effective July 1, 2015. These two actions combined will result in the City losing a substantial amount of money. Actual collections for last year equaled \$224,338.

- F. Implements a \$10.00 business registration fee that will generate \$6,200 in new revenue in an effort to know what businesses are in our community for the purposes of zoning, required fire inspections and general information.
- G. Implements a \$5.00 municipal vehicle tax per vehicle that will generate \$59,800 in new revenue. The \$5.00 will be collected by the NC Department of Motor Vehicles at the same time and on the same bill as the current state registration and personal property tax bill.
- H. Includes \$854,400 in contingency funds (General Fund - \$354,000, decrease of \$145,600 and Water & Sewer Fund - \$500,000, increase of \$250,000) for unforeseen declines in revenue and/or unanticipated expenditures.
- I. Includes funding for \$8,020,800 in unfunded mandates for the EPA Administrative Order (sewer) and Disinfection/Disinfection Byproducts Rule (water).
- J. Includes an additional \$1,898,900 for other capital outlay needs not related to the unfunded mandates.
- K. The combined budgets include a total of \$2,109,200 in principal payments and an additional \$388,800 in interest payments for total payments of \$2,498,000 related to long-term and short-term debt.

County/Municipal Tax Rates
Existing Tax Rates

- Eden \$ 0.609 – *Lowest In County*
- Madison \$ 0.73
- Mayodan \$ 0.63
- Reidsville \$ 0.74
- Rockingham County \$0.696
- Stoneville \$0.67
- Wentworth Not Applicable

He explained that the combined budgets for fiscal year 2015-16 equal \$34,566,100. This is a **decrease of \$927,900** or approximately **2.61%** when compared to the current combined budgets of \$35,494,000.

The main reason for the decrease is a reduction in spending (for one year) on projects related to the current EPA Administrative Order designed to eliminate sanitary sewer overflows (SSOs).

A more detailed breakdown of the FY 2015-16 budget indicates the following:

<u>Summary (Funds)</u>	<u>15-16 Budget</u>
General	\$14,600,000

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Water & Sewer	\$17,358,800
Self-Insurance	\$ 2,490,600
Police Pension	\$ 92,500
Runabout Travel	\$ 15,000
Municipal Service Tax District	<u>\$ 9,200</u>
	\$34,566,100
Less:	
Inter-fund Transfers	\$ 2,202,400
Appropriated Fund Balances	\$ 1,281,700
Grants/Principal Forgiveness Loans	\$ 1,661,500
0% Interest Loans	\$ 4,684,400
Low Interest Loan	\$ 1,500,000
Pass Thru Funds	<u>\$ 432,400</u>
	\$11,762,400
 Total New Recurring Revenue	 \$22,803,700

Inter-Fund Transfers

Inter-Fund transfers are funds within the budget that are shown as revenue and expenditures in two different locations.

The budget includes \$2,202,400 in inter-fund transfers:

- a. \$2,110,000 – Group Insurance payments in the General Fund and Water/Sewer Fund and then again in the Self-Insurance Fund.
- b. \$92,400 – Separation Allowance payment in the Police Department and then again in the Police Pension Fund.

Appropriated Fund Balances

The appropriated fund balances budgeted to be used during FY 2015-16 is \$1,281,700.

<u>Fund</u>	<u>Reason</u>	<u>15-16 Budget</u>
General	Pass Thru private contributions for Grogan Park.	\$261,900
General	Pass Thru Duke Energy funds for Bouvier-Kelly public relations campaign.	\$ 94,800
General	Additional funds to cover projected expenses.	\$500,000
Water/Sewer	To fund EPA Administrative Order related capital outlay needs allocated to the Sewer Construction budget.	\$425,000

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Grants/Principal Forgiveness Loans & 0% Interest Loans

The FY 2015-16 budget includes \$1,661,500 in grants/principal forgiveness loans for the following:

A. NC Clean Water State Revolving Fund – Matrimony Creek	\$ 761,500
B. NC Clean Water Management Trust Fund – Tanyard Branch	\$ 500,000
C. Duke Energy Reimbursement – Chloramines Project	<u>\$ 400,000</u>

The FY 2015-16 budget includes \$4,684,400 in 0% interest loans for the following:

A. NC Clean Water State Revolving Fund – Matrimony Creek	\$2,524,500
B. NC Clean Water State Revolving Fund – Tanyard Branch	<u>\$2,159,900</u>
Total	\$4,684,400

The FY 2015-16 budget includes \$1,500,000 in low interest loans for the following:

A. Bank Loan – EPA Administrative Order Initiatives	<u>\$1,500,000</u>
Total	\$1,500,000

Pass Thru Funds

- Pass Thru Funds are non-taxpayer funds where the City acts as the custodian for both the revenues and expenditures that are related for a specific purpose.
- A total of \$432,400 are included in the FY 2015-16 budget for four different purposes:

- A. Runabout Travel Fund - \$15,000
- B. Municipal Service District Tax Fund - \$9,200
(Leaksville - \$7,600 & Draper - \$1,600)

- A. Grogan Park - \$10,000
- B. Project SAFE Rockingham County - \$18,200
- C. Self Insurance Fund - \$380,000

FY 2015-16 Budget

- The budget document includes a 5 Year Capital Improvement Plan (CIP) for the General Fund (\$16,086,500) and a 20 Year Capital Improvement Plan (CIP) for the Water & Sewer Fund (\$80,745,000) that equals \$96,831,500.
 - The Tax and Service Rates section of the budget outlines all of the tax and service rates for the upcoming year.
 - The budget message and personnel sections of the budget outline all of the pertinent information concerning personnel.

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- The budget message includes updated and detailed information about the EPA Administrative Order.

Note of Thanks

- I would like to conclude my remarks by extending my sincere thanks and appreciation to each of the department/division heads and their staff members for the excellent work they do for our community on a daily basis.
- For the past several years, our staff has been called upon to reduce its operational costs, to seek more grants and to provide the same level of services despite having significantly fewer full-time positions compared to the past.
- Despite staffing cutbacks and tough economic times – **NO** city services have been eliminated!

A special thanks to our staff for their excellent service!!!

Mayor Tuggle asked if there were any questions. As there were no questions Mayor Tuggle pointed out that Mr. Corcoran covered things very well and everything was self-explanatory.

Mr. Corcoran agreed that it was a very detailed budget message.

Council Member Carter thanked the City Manager for keeping the tax rates down.

ADJOURNMENT:

A motion was made by unanimous consent to adjourn. This motion carried.

Respectfully submitted,

Sheralene S. Thompson,
CMC, MMC, NCCMC
City Clerk

ATTEST:

Wayne R. Tuggle, Sr., Mayor