

CITY OF EDEN, N. C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, January 16, 2018 at 6:00 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members: (absent)	Bernie Moore
	Jim Burnette
	Angela Hampton
	Jerry Epps
	Darryl Carter
	Sylvia Grogan
	Jerry Ellis
City Manager	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Deputy City Clerk:	Deanna Hunt
Representatives from Departments:	
News Media:	Joe Dexter, Rockingham Now

MEETING CONVENED:

Mayor Hall 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 6:00 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 Council Member, gave the invocation followed by the Pledge of Allegiance.

RECOGNITIONS AND PROCLAMATIONS:

- a. Recognition: Eden Lawn Mower Shop 50th Anniversary.

Mr. Mike Dougherty asked Tim & Karen White, owners of Eden Lawn Mower Shop to come forward to be recognized for being in business for 50 years. Also with them was their son, Joey White, general manager.

- b. Home of Refuge Outreach Homeless Shelter.

Mayor Hall asked Ms. Linda Clodfelter to come forward. Ms. Clodfelter was present on behalf of Ms. Melissa Galloway who had a family emergency.

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**HOME OF REFUGE OUTREACH
PROCLAMATION**

WHEREAS, Home of Refuge Outreach, founded by Mrs. Melissa Galloway and Mr. Tremaine Nunley of Reidsville, North Carolina, has been in operation since October of 2011 and was started to provide temporary shelter, food and essential clothing items, to promote the spiritual welfare of the homeless as needed, to raise the awareness of the issue of homelessness, and to increase the number of resource organizations working to prevent and end homelessness; and

WHEREAS, Home of Refuge Outreach relies heavily on individual and organizational donors and volunteers to sustain its mission and has had an estimated total of 600-700 volunteers in all capacities since 2011; and

WHEREAS, Home of Refuge Outreach has housed 332 persons, called “Neighbors”, in Rockingham County since 2011, housed and transported to school and childcare 34 children between the ages of 2 and 15, and housed 8 veterans of the armed forces; and

WHEREAS, Home of Refuge Outreach provides hot meals, transportation, a shower area and living quarters, a computer and employment resource area, clothing, weekly laundry service and SKAT bus passes; and

WHEREAS, Home of Refuge Outreach provides limited transitional housing that has served 5 families which have transitioned to their own home since 2015 and the most rewarding is seeing the Neighbors receive furniture for their homes; and

WHEREAS, the purpose of this proclamation is to educate the public and advocate with and on behalf of people experiencing homelessness and the many reasons people are homeless and to encourage support for organizations such as Home of Refuge Outreach; and

WHEREAS, the City of Eden recognizes that homelessness continues to be a serious problem for many individuals and families in Eden and it forces each of us to ask the hard question – what is ours to do?

NOW THEREFORE, I, Neville Hall, Mayor of the City of Eden, do hereby proclaim that *“Homelessness isn’t just my problem, homelessness is a community problem, it’s everyone’s problem”*, and encourage our citizens to promote and participate in assisting our homeless population.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Eden, North Carolina to be affixed this 16th day of January, 2018.

Neville Hall,
Mayor

Ms. Clodfelter presented a PowerPoint that provided an explanation of Home of Refuge Outreach.

The Home of Refuge Outreach is a 501(c)(3) nonprofit organization established in October 2010 by Melissa Galloway and Tremayne Nunley of Reidsville, NC. Its primary objectives are to provide temporary shelter for the homeless, to ensure food is provided through partnering with other individuals and organizations, as well as, to provide minimal but essential clothing items to the homeless as needed. The organization also has a

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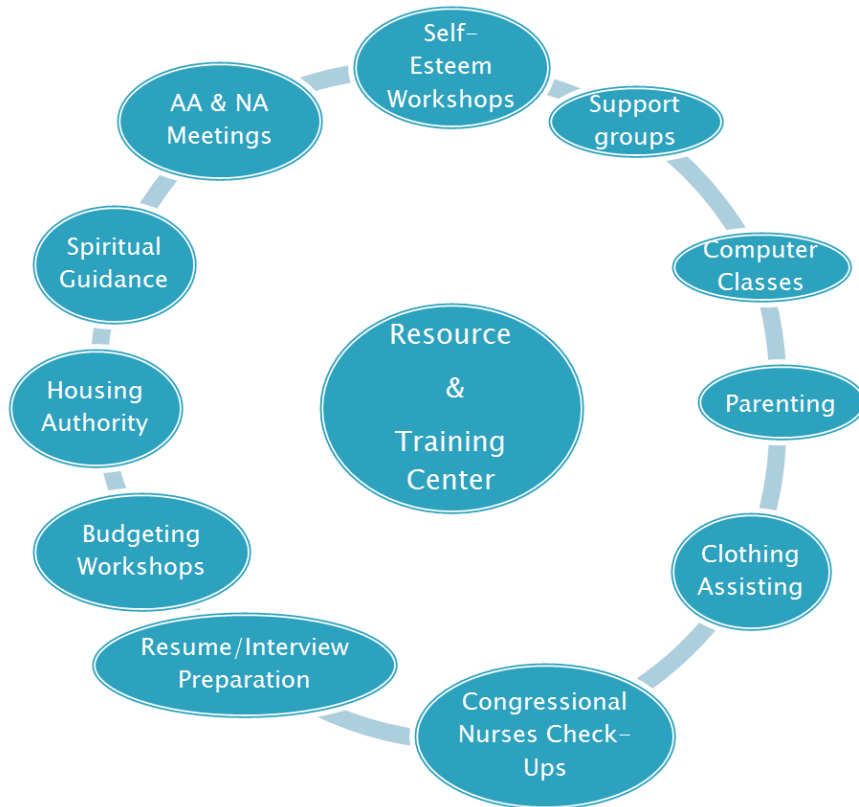
commitment to promote the spiritual welfare of the homeless. We identify and refer to our homeless friends as our “Neighbors”.

Our future goals are to continue to coordinate efforts to enhance individual lives through faith-based teaching and education, as well as the implementation of empowerment training; including workshops, career counseling, employment training, etc.



In Our Resource/Training Center we want to give our neighbors 2nd chances to get back on there feet and learn new things. However in this process we need **“Dedicated Certified Volunteers”** to come out to teach and support our neighbors.

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The PowerPoint also presented several photographs of the volunteers and neighbors who utilized the shelter.

c. Proclamation: Dr. Martin Luther King, Jr.

Mayor Hall read the following proclamation in recognition of Dr. Martin Luther King, Jr., day.

**A PROCLAMATION
DESIGNATING JANUARY 15th
TO HONOR DR. MARTIN LUTHER KING, JR.**

WHEREAS, Dr. Martin Luther King, Jr. believed that nothing could replace a kindness rendered by one human being to another and that a good society is a result of millions of such good small acts; and

WHEREAS, Dr. Martin Luther King, Jr., through his life and his work taught that freedom of choice and respect for fellow human beings are to be sought; and

WHEREAS, Dr. Martin Luther King Jr., was tragically killed on April 4, 1968 in Memphis, Tennessee while leading sanitation workers in a protest against low wages and intolerable working conditions; and

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WHEREAS, January 15, 2018, marks the observance of the Federal legal holiday, established by Public Law No. 98-144, to honor the birthday of Dr. Martin Luther King, Jr., and

WHEREAS, Dr. Martin Luther King Jr. Day is not only for remembrance and celebration but for a Day of Service to strengthen communities, empower individuals and bridge barriers, and

WHEREAS, it is appropriate for the City of Eden to support and contribute to community efforts in the observance of the Federal holiday honoring Dr. Martin Luther King, Jr.

NOW, THEREFORE, BE IT PROCLAIMED that I, Neville Hall, Mayor of the City of Eden, hereby designate January 15, 2018 be set aside as

Dr. Martin Luther King, Jr., Day

in Eden, North Carolina, and to recognize this day as “A Day On, Not A Day Off” and apply Dr. Martin Luther King Jr.’s life and teachings of community service to inspire others to serve.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 16th day of January, 2018.

Neville Hall, Mayor
City of Eden

ATTEST:
Sheralene S. Thompson, CMC, MMC
City Clerk

Mr. Malcolm Allen, President of the local chapter of the NAACP, was present for the reading of the proclamation.

SET MEETING AGENDA:

Mayor Hall explained that staff had requested that item 12b., Consideration of Request to Adopt an Ordinance for the Demolition of a Structure at 216 The Boulevard under the City of Eden Non-Residential Building Maintenance as they were in discussions with the owner about resolving this issue. A motion was made by Council Member Ellis seconded by Council Member Carter 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.

CLOSED SESSION:

A motion was made by Council Member Burnette seconded by Council Member Hampton to go into closed session to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public

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body in negotiations, or to discuss matters relating to military installation closure or realignment, to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease and to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. All Council Members voted in favor of this motion.

- a. Closed session in accordance with GS 143-318.11 (a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.
- b. Closed Session in accordance with GS 143-318.11 (a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.
- c. Closed Session in accordance with GS 143-318.11 (a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

OPEN SESSION:

A motion was made by Council Member Ellis seconded by Council Member Carter to return to open session. All Council Members voted in favor of this motion.

REQUESTS AND PETITIONS OF CITIZENS:

Mr. Jim Bollengier, 111 N. Hamilton Street, addressed the City Council.

Mr. Bollengier stated that he wished to relinquish his time to speak at this time.

Mayor Hall thanked him for waiting and stated that he was sorry for the delay.

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AUDIT PRESENTATION:

- a. Presentation of the 2016-2017 Audit by Rouse, Rouse, Penn & Rouse.

A copy of the City Manager's Audit Synopsis can be found in the Office of Administration.

Ms. Judy Rouse, Rouse, Rouse, Penn & Rouse, presented the audit report. She explained that she would be highlighting items of importance. She asked them to turn to the middle of page 2 referred to as "*Opinions*", she stated that in their opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eden, North Carolina as of June 30, 2017, and the respective changes in financial position and cash flows where appropriate, thereof and the respective budgetary comparison for the General Fund then ended in accordance with accounting principles generally accepted in the United States of America, so they have a clean opinion on their audit report.

This audit report was prepared on the basis of the state and federal uniform guidance and with the implementation of Governmental Accounting Standards Board Statements (GASB) #34, GASB statement #68 and GASB #73.

The Eden ABC Store Financial Statement was also presented in this report (see pages 15-16 and 44) as the ABC Store is a component unit of the City of Eden.

Ms. Rouse referred to the City Manager's synopsis report and stated that they have reviewed the report and found it to be very complete and accurate and were pleased to note that the City Manager has addressed each comment that they presented. As the Finance Department employees received additional continued education in governmental accounting and another year of experience, the financial reporting continues to improve. Therefore, the number of adjusted entries has continued to remain at a low level.

General Fund

She explained that the first thing she wanted to talk about was the General Fund. She asked them to turn to page 91 and noted that at the bottom of the page that the Fund Balance in the General Fund increased from \$8,592,146 to \$8,722,152 an increase of \$130,006 or approximately 1.51%. The main reason for this increase is the increase in "Cash and Cash Equivalents (near the top of the page) by \$592,553 or approximately 8.61% from \$6,879,625 to \$7,472,178.

About midway of that page the total liability increased from \$858,126 to \$1,084,673. This was an increase of \$226,547. She also noted that at the bottom of the page, the information indicates that the Fund Balance available for Appropriations or called the "unassigned" fund balance equals \$6,558,570 which is an increase of \$1,012,845 or approximately 18.26% when compared to the June 30, 2016 total of \$5,545,725. This is

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due in part to the fact that \$645,900 is listed under “Subsequent Year Expenditures” for June 30, 2016 and \$0 for June 30, 2017. As they may remember, the City Council voted back in 1998-99 to keep an unassigned fund balance, equal to at least three months operating expenses. On page 107 near the middle of the page it indicates that the total expenditures during FY 2016-17 for the General Fund amounted to \$15,136,237. One-twelfth of that amount is \$1,261,353. As such, three months operating expenses would equal \$3,784,059. The amount unassigned at June 30, 2017 of \$6,558,570 is actually \$2,774,511 over that threshold. According to the most recent data available from the State Treasurer’s Office, the 2016 statewide unassigned fund balance average for municipalities was 46.71% of General Fund expenditures or \$4,484,154 and the statewide average for municipalities without electricity was 47.88% of General Fund expenditures or \$4,005,700. The 2016 statewide average for municipalities without electricity with a population ranging from 10,000 to 49,999 was 53.95% of General Fund expenditures or \$9,319,306. Eden’s unassigned balance of \$6,558,570 on hand on June 30, 2017 equals approximately 43.33% of General Fund expenditures (\$15,136,237) for FY 2016-17.

In addition, \$233,528 is listed under “Streets-Powell Bill” for June 30, 2016 and just \$93,207 for June 30, 2017. They would also note that \$1,807,001 is listed under “Restricted – Stabilization by State Statute” for June 30, 2016 and was only \$1,726,840 for June 30, 2017. Furthermore, there were some additional line item changes from year to year as indicated near the bottom of this page.

On pages 92-93 they would find the Revenues for the General Fund. At the bottom of page 93 they would note that the budget revenues were \$14,294,500 and the actual revenues were \$14,680,223 for a favorable variance of \$385,723 or approximately 2.70%. Overall, the revenues for the General Fund were up from the prior year (\$14,325,270) by \$354,953 or approximately 2.48%. In the current June 30, 2017 financial statements it indicates at the top of page 92 that the actual current year taxes increased from \$5,544,425 for 2016 to \$5,934,185 for 2017 which is an increase of \$389,760 or approximately 7.03%.

In the middle of page 92 they would see “Unrestricted Intergovernmental Revenues”. It is noteworthy to point out that this group of revenues increased by \$350,196 or approximately 8.58% from \$4,079,573 for the period ending June 30, 2016 to \$4,429,769 for the period ending June 30, 2017 due to additional funds being received from some of the revenue sources itemized in that section of the audit report.

Near the bottom of page 92 they would see the “Restricted Intergovernmental Revenues”. It should be noted that this group of revenues increased by \$70,354 or approximately 8.35% from \$842,238 for the period ending June 30, 2016 to \$912,592 for the period ending June 30, 2017, due primarily to the receipt of \$94,340 under “Downtown Revitalization Grant” for the Cook Block Downtown Improvements Project and the receipt of \$16,931 under “Smith River Greenway Parking Lot Grant” for the additional parking area that was completed. Offsetting a portion of this increase is a reduction of \$15,121 in the amount of revenue received from “Federal Drug Forfeiture” funds (\$15,121 to \$0), a reduction of \$9,900 in the amount of revenue received from “Get Fit Eden Grant” funds

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(\$9,900 to \$0), and a reduction of \$7,163 in the amount of revenue received from “Bulletproof Vest Grant” funds (\$7,163 to \$0).

In the middle of page 93 they would see the “Sales and Services” Revenues. They would note that this group of revenues decreased by \$327,190 or approximately 13.55% from \$2,415,313 for the period ending June 30, 2016 to \$2,088,123 for the period ending June 30, 2017 due to reductions in several different line items. Some of the more significant reductions include a decrease of \$207,471 or 67.29% (\$308,333 to \$100,862) in funds received under “Police Security” due to a significant reduction in the police security services being used and paid for by MillerCoors. There is also a decrease of \$37,471 or 63.70% (\$58,822 to \$21,351) in funds received under “Police Security – Fringe Benefits” and a decrease of \$28,618 or 5.93% (\$482,195 to \$453,577) in funds received under “Solid Waste Fees – Commercial”.

At the bottom of page 93 they would find the “Miscellaneous Revenue” section for the General Fund. It should be noted that this group of revenues decreased by \$125,022 or approximately 63.75% from \$196,103 for the period ending June 30, 2016 to \$71,081 for the period ending June 30, 2017 due to reductions in several different line items. Two of the more significant reductions include a decrease of \$125,000 in funds received under “Duke Energy Incentive” (\$125,000 to \$0) and a decrease of \$7,300 in funds received under “Rockingham County Reimbursement – Economic Development” (\$7,300 to \$0).

Ms. Rouse stated that on page 107 they would find the Total Expenditures for the General Fund. Near the middle of the page they would note that the total budgeted operating expenditures were \$15,733,400 and the total actual expenditures for the General Fund amounted to \$15,136,237. This was a favorable variance of \$597,163 or approximately 3.80%. Overall, the expenditures for the General Fund were up from the prior year by \$352,645 or approximately 2.39% from \$14,783,592 in 2016 to \$15,136,237 in 2017. The main reason for this increase is in the Fire Department (page 101) under “Capital Outlay: Vehicles”. They would note there is an increase of \$648,070 (\$46,930 to \$695,000) for the purchase of a new Ladder Truck that replaced Ladder Tuck 4. Without this expenditure our total actual expenditures for the General Fund would have been less than the previous year.

As each of them was aware, the General Fund is reimbursed by the Water and Sewer Fund for expenses within the General Fund that are related to Water and Sewer activities but charged to the General Fund. She asked them to turn to Page 125 (near the top of the page) indicates that the Water & Sewer Fund reimbursed the General Fund for the “Utility Service Fee – General Fund” in the amount of \$1,676,837. This is an increase of \$189,513 or approximately 12.74% from the \$1,487,324 that was reimbursed during FY 2015-16. Due to the magnitude of projects being addressed in the Water and Sewer Fund staff is spending much more time on Water and Sewer activities.

Water and Sewer Fund – Enterprise Fund

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Ms. Rouse turned to the Water and Sewer Fund and explained that this fund was used to account for the City’s water and sewer operation. She explained that page 115 includes the Comparative Balance Sheets for the Water and Sewer Fund comparing the period ending June 30, 2017 to the period ending June 30, 2016. Near the bottom of this page it indicates that the net assets in the Water and Sewer Fund (“Net Position in Water & Sewer Fund”) decreased by \$1,002,543 or approximately 2.03% from \$49,327,764 to \$48,325,221. The information at the top of the page indicates that the “Cash & Investments” increased by \$856,801 or approximately 13.49% from \$6,353,327 in the prior year to \$7,210,128 for FY 2016-17. Near the top of the page you will note that the “Total Current Assets” decreased by \$606,095 or approximately 6.01% from \$10,079,022 in the prior year to \$9,472,927 for FY 2016-17 due to a significant reduction in “Other Receivables”. Near the middle of the page they would note that the “Capital Assets Net of Accumulated Depreciation” decreased by \$1,615,910 or approximately 2.80% from \$57,651,905 to \$56,035,995.

In the middle of page 115 they would note that the “Total Assets” of the Water and Sewer Fund went down from \$67,730,927 to \$65,508,922. This is a decrease of \$2,222,005 or approximately 3.28%. The total assets include the entire water and sewer infrastructure, including all of the water and sewer lines throughout the city. It should be noted that they have taken another year of depreciation on all of their older assets. Once a specific improvement is put into operation the auditors start depreciating it. The middle of page 116 illustrates this fact. They would note that the “Depreciation Expense” increased by \$54,913 or approximately 1.91% from \$2,874,156 during FY 2015-16 to \$2,929,069 during FY 2016-17.

At the bottom of page 115 they would see where their total liabilities (things that were owed by the Water and Sewer Fund) decreased by \$747,942 or approximately 4.05% from \$18,448,596 as of June 30, 2016 to \$17,700,654 as of June 30, 2017.

The Income Statement for the Water & Sewer Fund is on page 116. Starting at the top of the page the Water and Sewer Fund “Total Operating Revenue” amounted to \$9,690,519 for FY 2016-17 compared to \$9,784,065 for the prior year. This was a decrease of \$93,546 or approximately 0.96%. This was due primarily to a reduction in “Water Sales” to MillerCoors.

Near the bottom of page 116 it indicates that the “Capital Contributions” decreased by 100% or \$2,884,232 due to a decrease in the number of grants and reimbursements the City received during the course of FY 2016-17. The actual changes in capital contributions can be found on page 116 and are as follows:

<u>Project</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>
Rural Center Grant – TAG Grant	\$ 0	\$ 50,000
CWSRF Princ. Forgive – Tanyard Branch	\$ 0	\$ 198,256
CWSRF Princ. Forgive – Matrimony Creek	\$ 0	\$ 869,160
CWMTF – Tanyard Branch	\$ 0	\$ 500,000
Duke Energy Reimbursement	\$ <u>0</u>	\$ <u>1,266,816</u>

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Total \$ 0 \$2,884,232

About half the way down that same page, the Total Operating Expenses increased from \$9,404,973 to \$10,243,907.

Ms. Rouse explained that this past year the City Council voted to set up two Capital Projects Funds which are sub-funds of the Water and Sewer Fund. They are called the Mega Park Waterline Project Fund and the EPA AOC Sewer Project Fund. Those sub-funds have been incorporated in to their Water & Sewer Fund.

On that same page they would notice the “Non-Operating Deductions: Interest Expense” decreased by \$8,417 or approximately 2.80% from \$300,791 to \$292,374 due to a reduction in our interest expense.

Near the bottom of page 116 it indicates that the Water and Sewer Fund realized a “Net Income” loss (“Change in Net Position”) of (\$1,002,538) compared to a net income gain of \$2,812,654 in the prior year. The primary reason for this change is the reduction in “Capital Contributions” from various outside funding sources that were received during FY 2015-16 but not in FY 2016-17.

The details of the Water and Sewer Budgetary Fund are found on pages 119 to 126. She noted that there were no departments in the Water and Sewer Operating Fund that were over their budgeted amounts.

In the flip notes, she asked them to turn to page 43. Five years ago there was a new addition to the “Notes to the Financial Statements” entitled, *Construction Commitments*. This information is outlined on page 43 of the audit document. A total of three (3) projects are highlighted on page 43 with a combined total cost of \$52,786,163. Of this total, \$19,086,700 (see page 43) will be received in the form of grants and an additional \$18,000,000 will be received in the form of a 0% interest forgiveness loan. This leaves a balance of \$15,669,463 to be funded through additional low interest loans and/or revenues from the Water and Sewer Fund. Page 43 indicates that as of June 30, 2017 \$994,693 of the \$52,786,163 in identified costs had actually been spent with the remaining commitment being equal to \$51,791,470.

Long-Term Debt

The details of long-term debt can be found on pages 62-81. Page 80 gives a detailed schedule which summarizes the City’s annual requirements to amortize all long-term debts outstanding. On page 80 it shows that the total outstanding principal debt for the City on June 30, 2017, was \$17,984,857. This is a decrease of \$1,185,319 or approximately 6.18% compared to the total of \$19,170,176 on June 30, 2016 (see page 79 of June 30, 2016 audited financial statements). This is made up from two numbers: the “Governmental Activities” debt that equals \$2,165,260 (2016 was equal to \$1,923,199) and the “Water and Sewer” debt that equals \$15,819,597 (2016 was equal to \$17,246,977).

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The primary reason for this reduction is the additional debt service that has been retired within the Water and Sewer Fund during the course of the past year.

The information concerning the specific installment purchases, capital lease purchases and other projects (pages 62-79) indicates that seven of the obligations with a total annual principal payment of \$163,681 will be paid off prior to June 30, 2018, four additional obligations with a total annual principal payment of \$53,634 will be paid off prior to June 30, 2019, and nine additional obligations with a total annual principal payment of \$230,128 will be paid off prior to June 30, 2020.

The bottom of page 79 indicates that the legal debt margin for the City as of June 30, 2017 equaled \$70,903,339 up from \$66,250,808 (see page 78 of June 30, 2016 audited financial statements) on June 30, 2016. As each of them were aware; the N. C. General Statutes limits the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within the government’s boundaries.

Analysis of Current Tax Levy

Page 137 is an analysis of the current tax levy for the year ending June 30, 2017. Near the bottom of the page they would note that the total property tax valuation is \$886,291,739. This is higher than the total property tax valuation as of June 30, 2015 which was \$828,135,104 (see page 132 of June 30, 2016 audited financial statements).

The current year tax collection rate increased slightly to 98.64% compared to the 2016 rate of 98.49%. The property excluding registered motor vehicles collection rate equaled 98.49% and is also up slightly from last year’s rate that was 98.31%. Finally, the registered motor vehicles collection rate equaled a perfect 100% for the second consecutive year (see page 132 of June 30, 2016 audited financial statements for 2016 collection rate information).

Interest Income

Ms. Rouse also noted that they had received a statement on the Interest Income. The \$64,959 in interest income earned on investments during FY 2016-17 (loose handout included with audit document) has decreased from last year’s total of \$85,897 by \$20,988 or approximately 24.38%. Unfortunately, the total amount of interest income earned continues to be significantly less than it was several years ago due to the weakened economy. Just ten years ago their interest income earned during FY 2007-08 equaled \$744,987. Information for the past five years reveals the following:

<u>Fund</u>	<u>Year Ended 06-30-2017</u>	<u>Year Ended 06-30-2016</u>	<u>Year Ended 06-30-2015</u>	<u>Year Ended 06-30-2014</u>	<u>Year Ended 06-30-2013</u>
General	\$ 32,083	\$ 43,582	\$ 31,287	\$ 29,026	\$ 34,261
Special Revenue	\$ 3	\$ 18	\$ 195	\$ 53	\$ 93

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Water & Sewer	\$ 32,865	\$ 42,247	\$ 33,368	\$ 31,368	\$ 37,260
Self Insurance	\$ 8	\$ 50	\$ 32	\$ 240	\$ 230
Police Pension	\$ 00	\$ 00	\$ 87	\$ 98	\$ 35
Total	\$ 64,959	\$ 85,897	\$ 64,969	\$ 60,875	\$ 71,879

Management Letter

The first item outlined in the auditor's management letter (loose handout included with audit document) deals with audit adjustments. The number of audit adjustments in the General Fund for the period ending June 30, 2017 was 8 with 4 of those adjustments proposed by city personnel. The number of audit adjustments in the Water and Sewer Fund for the period ending June 30, 2017 was 3 with 1 of those adjustments proposed by city personnel.

The letter stated that *"This was a very low number of adjusting entries for a City of this size. The staff was proactive in completing the schedules and reports necessary to accurately complete this audit report. This stresses the importance of the accounting personnel attending Local Government Commission and Institute of Government classes to keep abreast of new accounting and auditing issues related to the City's financial reporting requirements"*.

Ms. Rouse explained that they were going to continue to have more requirements next year with the audit. The second area discusses actuarial studies and the need for the City to continue getting actuarial studies on (a.) Net Other Post-Employment Benefits for the Health Care Plan to comply with GASB 74 and 75, and (b.) Law Enforcement Officers' Special Separation Allowance Plan to comply with GASB 73.

She was also very happy that they created the Mega Park Waterline Project Fund and the EPA AOC Sewer Project Fund to report the revenues and expenditures related to these two projects. She thought it would be easier to follow as those projects would probably continue for several years.

Mayor Hall asked if anyone had questions.

Council Member Epps stated that he thought they had done a great job.

Ms. Rouse thanked the staff and stated that they were very cooperative in helping them get this report out.

Council Member Burnette agreed and thought that the work that had been done has been fantastic. They were very diligent in what they do and most of all the important thing to point out with this audit is they came back with a clean opinion. He also wanted to point out that the manager's report gave them the details of the explanations of everything that she pointed out. If they look at this audit you see the job that the City Manager and the staff has done with this budget and the variances were essentially always positive. There

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were no under budgeted items so he wanted to congratulate the manager and the staff as well.

Council Member Ellis expressed his thanks to Ms. Rouse and her staff.

Ms. Rouse replied that she appreciated it and they were proud of how the city has maintained finances particularly when they have a tough situation ahead.

Mayor Hall commented that as everyone knew, they were spending a lot of money on water and sewer. He then recognized the staff who were present from the Finance Department and stated that what they did every day was the reason they were able to get a clean audit. He thanked them as well as the staff of Rouse, Rouse, Penn & Rouse.

UNFINISHED BUSINESS:

- a. Approval of Boards and Commissions Appointments.

Board of Adjustment – Council Member Grogan re-appointed Mr. Cleveland Ellison to (Ward 6) and Mayor Hall also re-appointed Mr. Terry Shelton (ETJ representative).

Community Appearance Commission – Mayor Hall re-appointed Ms. Raven Brown, Council Member Grogan appointed Ms. Leslie Cassell (Ward 6) and Council Member Ellis appointed Ms. Diane Hale (Ward 7).

Historic Preservation Commission – Council Member Hampton re-appointed Ms. Beth Pulliam (Ward 3).

Planning Board – Mayor Hall re-appointed Mr. Steve Morgan to serve as ETJ representative.

A motion was made by Council Member Epps seconded by Council Member Hampton to approve the Board and Commission appointments. All Council Members voted in favor of this motion.

- b. Consideration of Request to Adopt an Ordinance for the Demolition of a Structure at 216 The Boulevard under the City of Eden Non-Residential Building Maintenance Ordinance.

This item has been pulled.

NEW BUSINESS:

- a. Approval and Adoption of Resolution to Donate Firefighting Gear Surplus to Rockingham County High School Fire Program for Training Purposes.

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Fire Chief Tommy Underwood explained that the City Of Eden Fire Department has pulled from service 3 pair of bunker pants, 3 turnout Coats, 7 helmets, 5 pair of gloves, 8 Nomex hoods and 8 pair of boots due to it reaching its 10 year age limit. We would like to deem this firefighting gear surplus due to us no longer being to use this gear as Structural Fire Fighting Gear and donate it to the Rockingham County High School Fire Program for training purposes only.

Mayor Hall noted that they could all agree with him and the training was crucial for the recruitment of new firefighters and volunteers down the road. Anything they can do to facilitate them getting the experience they need, was a good partnership.

A motion was made by Council Member Carter seconded by Council Member Epps to approve and adopt the Resolution donating surplus personal property to Rockingham County High School. All Council Members voted in favor of this motion.

Council Member Grogan asked if he had received any firefighters from this program.

Chief Underwood replied no, they had not had any who had come from that program yet but he hoped that it would change down the road.

RESOLUTION TO DONATE PERSONAL PROPERTY

WHEREAS, the City of Eden Fire Department owns Turnout Gear that that has aged out of use for the Department consisting of 3 pair of pants and 3 coats, 8 pair of boots, 8 hoods, 7 helmets, and 5 pair of gloves, as shown on Exhibit "A", hereinafter referred to as "the property"; and

WHEREAS, the City of Eden Fire Department has purchased new gear and has no further use for the property; and

WHEREAS, the City of Eden recognizes that the property has been rendered surplus, and unused; and

WHEREAS, the City of Eden desires to donate this aforementioned surplus and unused property to Rockingham County High School, its fire education program pursuant to N.C.G.S. §160A-280; and

WHEREAS, the City of Eden in no way guarantees the quality, fitness of purpose or effectiveness of this property, and in no way does the City of Eden endorse this type or brand of gear, and the City of Eden has made this disclaimer known to the Rockingham County High School and has obtained a waiver of claims and liabilities from each institution; and

WHEREAS, the City of Eden has caused a Notice of Resolution to Donate Personal Property to be posted at City Hall for at least 5 days prior to the adoption of this Resolution; and

WHEREAS, the City of Eden desires to comply with all obligations of North Carolina law and desires to restrict this donation of the property to a public use that will benefit the taxpayers of this jurisdiction; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council for the City of Eden that the used Turnout Gear consisting of 3 pair of pants and 3 coats, 8 pair of boots, 8 hoods, 7 helmets, and 5 pair of gloves, as shown on Exhibit "A", be deemed surplus and unused and that they be donated to Rockingham County High School for its fire education program so long as it is being used by the Rockingham County

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City of Eden, N. C.

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High School in a way that it will benefit the public. In the event that the property ceases to be used for the public benefit, it shall revert to the City of Eden.

APPROVED, ADOPTED AND EFFECTIVE this 16th day of January, 2018.

CITY OF EDEN

By: Neville Hall, Mayor

ATTEST:

Sheralene Thompson, City Clerk

b. Consideration of a Request to Approve the Purchase of a 2018 NuLife Knuckleboom Loader Truck

Mr. Rodney Carter, Solid Waste Superintendent, explained that the Solid Waste Division is requesting the purchase of a 2018 NuLife Knuckle Boom loader truck through the NC Sheriffs Association for a total price of \$145,575.55 which includes a 2018 Freightliner chassis for \$70,986.13 and a NuLife loader and dump body for \$74,589.42.

Both the Freightliner Chassis and NuLife loader were competitively bid out by the North Carolina Sheriff's Association, a valid cooperative purchasing program. The North Carolina General Statutes allow cities to make purchases without following the state competitive bidding requirements when it utilizes a group purchasing program. Staff has verified in accordance with N.C.G.G.§143-129 (e)(3) that the North Carolina Sheriff's Association is a valid cooperative purchasing group utilizing competitive purchasing methods and that they are used by 2 or more public agencies. Staff has also verified that these contracts/products, were awarded in a competitive fashion by the North Carolina Sheriff's Association as well.

This purchase would replace Knuckle Boom truck 50-G that is a 2007 Model and has 113,000 miles on it. Back in December of 2017 this unit, 50-G, had a mechanical breakdown where the main boom broke away from the pedestal part of the boom. (Please see attached pictures). Jason Barnard, Fleet Maintenance Superintendent, has received a quote from Palfleet to repair 50-G at a cost of \$47,420.31. This price does not include installation and all of these parts will come out of Canada, with delivery being approximately 90-120 days. If the repair is made they still have a unit with 113,000 miles on it. The NuLife Knuckle Boom loader is made in the USA in Easley, SC. All parts for the unit are made in Easley, SC. Therefore, they recommend the purchase of the 2018 NuLife Knuckle Boom loader truck.

They also recommend this purchase be financed over a period of five years. This is similar to what they do for other large solid waste replacement needs.

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Council Member Ellis asked if this truck ran every day to which Mr. Carter replied that it did. He asked him to describe that use.

Mr. Carter explained that the truck would either be picking up bulk brush or junk bulk off of the street.

Council Member Ellis asked how many they had in the city currently to which Mr. Carter replied they have three.

Council Member Burnette questioned the typical life of the truck to which he replied about ten years. Council Member Burnette pointed out that they were right at the life of this truck anyway to which Mr. Carter agreed. He asked if he was saying they should replace the truck now and not budget it next year to which Mr. Carter replied in the affirmative. Council Member Burnette asked what the delivery was for a truck like this.

Mr. Carter explained that it just so happened that they have one that was already built. They could have this truck by March.

Mr. Corcoran added that was the main reason they were asking now. Obviously with it broken down there was an immediate need. It was not something they could get tomorrow, the budget would not have been adopted until May, the one that was available now would be gone, and if one had not been available then it may have been November-December before they got it.

Council Member Burnette asked if it would come out of contingency money.

Mr. Corcoran replied that if it was approved they would go out for financing and the banks would advertise, the bank would win it, the bank would give them the loan to the full price, the city would pay the truck off, they would finance it over five years, so the first payment would not be until the next budget year.

Council Member Burnette asked if they would surplus the existing truck to which Mr. Carter explained that they would just take the crane off of it as the truck itself they could still use.

A motion was made by Council Member Grogan seconded by Council Member Epps to approve the purchase of the 2018 NuLife knuckle boom loader truck. All Council Members voted in favor of this motion.

c. Approval and Adoption of Agreement for Payments in Lieu of Annexation.

The City Attorney, Ms. Erin Gilley, explained that the City Council would find a proposed "Agreement for Payments in Lieu of Annexation" and a Resolution to Adopt and Approve the Execution and Performance of the Agreement for Payments in Lieu of Annexation. The City and Thoroughbred Resources, LLC have operated under a similar agreement for approximately 20 years. This Agreement prohibits the City from annexing the

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City of Eden, N. C.

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manufacturing property for 10 years, but it also obligates Thoroughbred Resources to make payments to the City in the amount of 50% of the assessed value for these same 10 years.

Staff believes that this Agreement is a fair compromise between the parties given the current state of the annexation law and the tax burden imposed upon Thoroughbred Resources, LLC.

In order to comply with North Carolina law, this agreement requires the General Assembly to enact a Local Bill authorizing the City and Thoroughbred Resources, LLC to perform the terms herein. If this Agreement is adopted by City Council, they will send the Resolution and Agreement to their local representatives to the General Assembly for introduction and support of a local act authorizing the performance of the Agreement.

Ms. Gilley recommended that they adopt and approve this Agreement, as well as the Resolution.

A motion was made by Council Member Epps seconded by Council Member Ellis to adopt and approve the agreement and resolution. All Council Members voted in favor of this motion.

**RESOLUTION TO ADOPT AND APPROVE THE EXECUTION AND PERFORMANCE OF
AGREEMENT FOR PAYMENTS IN LIEU OF ANNEXATION**

WHEREAS, Thoroughbred Resources, LLC owns a manufacturing site in Rockingham County which facilities are located outside the corporate limits of the City of Eden; and

WHEREAS, the City and Thoroughbred Resources, LLC desire in the interest of fairness to its citizens, to pursue in lieu of annexation, alternative methods to generate revenues that are more sensitive to the present economic climate while attempting to protect the city's current economic base; and

WHEREAS, the City of Eden desires to execute and perform the terms set forth within the attached "Agreement for Payments in Lieu of Annexation" and is seeking approval and authorization from the North Carolina General Assembly in the form of a Local Act; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council for the City of Eden that the execution of the "Agreement for Payments in Lieu of Annexation" is hereby adopted and approved.

BE IT FURTHER RESOLVED, by the City Council for the City of Eden that it is seeking approval and authorization of the "Agreement for Payments in Lieu of Annexation" from the North Carolina General Assembly in the form of a Local Act.

APPROVED, ADOPTED AND EFFECTIVE this 16th day of January, 2018.

CITY OF EDEN

By: Neville Hall, Mayor

ATTEST:

Sheralene Thompson, City Clerk

Minutes of the regular January 16, 2018 meeting of the City Council, City of Eden:

REPORTS FROM STAFF:

- a. City Manager's Report.

Eden Receives \$997,000 Sewer Grant

We are pleased to announce that Eden has been awarded a \$997,000 grant from the North Carolina Rural Infrastructure Authority (NCRIA) to upgrade its sewer system with a new pump station and gravity sewer line to serve the Gildan Activewear and Weil-McLain sites on New Street. The improvements will also increase system capacity, opening additional sites to future economic development. A special thanks to Ms. Pam Cundiff of Eden who represents Rockingham County and serves as a member of the fifteen-person RIA Board of Directors. The RIA is part of the Rural Development Division within the NC Department of Commerce. The grant announcements were made by NC Commerce Secretary Anthony M. Copeland.

Update on Grants/Loans Received During the past 5 Years

Over the past 5 years the City has been very successful at applying for and being awarded grant funding, principal forgiveness type grants, and zero or low interest loans from a variety of different funding sources for improvements to our water and sewer infrastructure. The various funding sources have included: Clean Water State Revolving Fund (CWSRF), Clean Water Management Trust Fund (CWMTF), NC Rural Center, Golden Leaf Foundation, the Economic Development Administration (EDA), NC Rural Infrastructure Authority (NCRIA), Connect NC Bond, and NC Division of Water Resources Fund (NCDWRF). The following is a list of funding we have been awarded for water and sewer projects during the last five years. Grants and principal forgiveness are interchangeable terms for money that does not have to be repaid; the CWSRF and the CWMTF do not use the term grant. You will note that of the \$52,386,326 awarded to Eden a total of \$28,062,000 or 53.56% has been in the form of grants and principal forgiveness that does not have to be repaid.

<u>Project</u>	<u>Grant/Principal Forgiveness</u>	<u>Source</u>	<u>Total Funding Awarded Including Loan Amounts</u>
Northern Smith River 2 & 3 and Dry Creek 2	\$ 1,742,000	CWSRF & CWMTF	\$ 2,897,118
Kuder Street Subsystem Sewer Improvements	\$ 1,000,000	CWSRF	\$ 2,969,397
Tanyard Branch Outfall Sewer Improvements	\$ 1,500,000	CWSRF & CWMTF	\$ 4,729,129

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Upper Matrimony Creek Sewer Improvements	\$ 1,000,000	CWSRF	\$ 3,967,482
Tanyard Branch Outfall Evaluation	\$ 50,000	NC Rural Center	\$ 50,000
Upper Matrimony Creek Outfall Evaluation	\$ 40,000	NC Rural Center	\$ 40,000
Capacity Assessment Report & Remediation Plan	\$ 30,000	NC Rural Center	\$ 30,000
Mega Park Sewer Line	\$ 769,000	Golden Leaf Foundation	\$ 769,000
Covenant Branch/Meadow Greens Force Main	\$ 534,000	CWSRF	\$ 534,000
EPA Remediation Sewer Work	\$16,600,000	Connect NC Bond	\$16,600,000
New Street Sewer Improvements- MGM Property	\$ 997,000	NCRIA	\$ 997,000
Mega Park Water Line	\$ 2,000,000	EDA	\$ 2,000,000
Mega Park Water Line	\$ 1,800,000	NCDWRF	\$ 1,800,300
Mega Park Water Line	\$ 0	NCDWRF	\$15,002,900
Total	\$28,062,000		\$52,386,326

Audited Financial Statements for Period Ending June 30, 2017 – Brief Summary

The audit report for the financial period ending June 30, 2017 as prepared by our independent auditing firm of Rouse, Rouse, Penn and Rouse, L.L.P. has been approved by the Local Government Commission (LGC). Mr. Rex Rouse, CPA and Mrs. Judy Rouse, CPA will formally present their audit findings to the City Council during the regularly scheduled City Council meeting that will be held on January 16, 2018. A very brief summary of the audit report includes the following:

General Fund

The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

The fund balance in the General Fund increased from \$8,592,146 to \$8,722,152, an increase of \$130,006 or approximately 1.51% from June 30, 2016 to June 30, 2017. The fund balance on June 30, 2000, just prior to my arrival as City Manager in February 2001, was equal to \$4,157,472. This represents an increase of \$4,564,680 or 109.79% since that time.

After accounting for funds being reserved for specific purposes or otherwise restricted, the fund balance available for appropriations or called the “unassigned” fund balance equals \$6,558,570. This is an increase of \$1,012,845 or approximately 18.26% when compared to

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the June 30, 2016 total of \$5,545,725. This is due in part to the fact that \$645,900 is listed under “Subsequent Year Expenditures” for June 30, 2016 and \$0 for June 30, 2017. In addition, \$233,528 is listed under “Streets-Powell Bill” for June 30, 2016 and just \$93,207 for June 30, 2017. Furthermore, \$1,807,001 is listed under “Restricted – Stabilization by State Statute” for June 30, 2016 and was only \$1,726,840 for June 30, 2017.

As some of you may be aware, the City Council voted back in 1998-99 to keep an unassigned fund balance, equal to at least three months operating expenses. The total expenditures during FY 2016-17 for the General Fund amounted to \$15,136,237. One-twelfth of that amount is \$1,261,353. As such, three months operating expenses would equal \$3,784,059. The amount unassigned at June 30, 2017 of \$6,558,570 is actually \$2,774,511 over that threshold. This \$2,774,511 is the amount of money that would be available for use if desired by the City Council

In the current June 30, 2017 financial statements it indicates the actual current year taxes increased from \$5,544,425 for 2016 to \$5,934,185 for 2017, which is an increase of \$389,760 or approximately 7.03%.

As stated previously, the total expenditures during FY 2016-17 for the General Fund equaled \$15,136,237. This compares favorably with the total budgeted expenditures for the year, which was \$15,733,400. This was a favorable variance of \$597,163 or approximately 3.80%. Overall, the expenditures for the General Fund were up from the prior year by \$352,645 or approximately 2.39% from \$14,783,592 in 2016 to \$15,136,237 in 2017. The main reason for this increase is in the Fire Department under “Capital Outlay: Vehicles”. There was an increase of \$648,070 (\$46,930 to \$695,000) for the purchase of a new Ladder Truck that replaced an old Ladder Truck. Without this expenditure our total actual expenditures for the General Fund would have been less than the previous year.

I am very pleased to report that there was no department/division within the General Fund that exceeded the appropriated amount of funds.

Capital Project Funds

Capital Project Funds are used to account for the proceeds and expenses of specific projects that are active/developed over the course of at least two fiscal years. The City had one (1) Capital Project Fund during FY 2016-17: Grogan Park Capital Project Fund. Information concerning the Grogan Park Capital Project Fund, which had a June 30, 2017 fund balance of \$0, can be found in the financial statements. This fund was officially closed out prior to June 30, 2017 since the project has been completed.

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Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for special purposes. The City had one (1) Special Revenue Fund during FY 2016-17: Municipal Service District Tax Fund.

The Municipal Service District Tax Fund includes the tax that was voted on by the Washington Street and Draper Merchants and is designated for various projects within those areas. It had a June 30, 2017 fund balance of \$24,015, which is an increase of \$3,561 or approximately 17.41% when compared to the June 30, 2016 fund balance of \$20,454.

Water and Sewer Fund – Enterprise Fund

The Water and Sewer Fund is used to account for the City's water and sewer operation. The Water and Sewer Fund is an enterprise fund, which means the revenues being generated on an annual basis within the Water and Sewer Fund should be sufficient enough to pay for all of our annual expenses related to the Water and Sewer Fund.

The Fund Balance in the Water and Sewer Fund for the period ending June 30, 2017 was \$6,954,256. This is a decrease of \$2,384,228 or approximately 25.53% when compared to the June 30, 2016 total of \$9,338,484. However, some of you may remember that the City Council voted to transfer \$500,000 to the newly created Mega Park Waterline Project Fund and \$2,059,600 to the newly created EPA Administrative Order Consent (AOC) Sewer Project Fund during the course of FY 2016-17. The financial statements indicate a June 30, 2017 fund balance of \$415,215 for the Mega Park Waterline Project Fund and a June 30, 2017 fund balance of \$1,254,055 for the EPA AOC Sewer Project Fund. Combined, the \$415,215 and \$1,254,055 on hand on June 30, 2017 equal \$1,669,270. If you take this \$1,669,270 and add it back to the \$6,954,256 that represents the fund balance in the Water and Sewer Fund for the period ending June 30, 2017 then the **total** water and sewer fund balance figure that includes the Water and Sewer Fund, the Mega Park Waterline Project Fund and the EPA AOC Sewer Project Fund would be \$8,623,526 or a decrease of \$714,958 or approximately 7.66% when compared to the June 30, 2016 Water and Sewer fund balance figure of \$9,338,484.

On June 30, 2011 the Fund Balance in the Water and Sewer Fund equaled \$11,333,437. Due to insufficient revenues to meet our ongoing capital improvement needs, including the EPA mandate placed on the City, we have used a total of \$2,709,911 in fund balance

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during just the past six years (\$11,333,437 down to \$8,623,526) within the Water and Sewer Fund and the two newly created Water and Sewer related project funds. This is a reduction of approximately 23.91% in the past six years.

The Income Statement for the Water & Sewer Fund indicates our “Total Operating Revenue” amounted to \$9,690,519 for FY 2016-17 compared to \$9,784,065 for the prior year. This was a decrease of \$93,546 or approximately 0.96%. This was due primarily to a reduction in “Water Sales” to MillerCoors.

Our “Capital Contributions” within the Water and Sewer fund decreased by 100% or \$2,884,232 due to a decrease in the number of grants and reimbursements the City received during the course of FY 2016-17. Our “Total Capital Outlay” expenses decreased by \$5,311,615 or approximately 86.74% from \$6,123,818 during FY 2015-16 to \$812,203 during FY 2016-17. Our Capital Outlay spending for various Water and Sewer related expenditures will be increasing significantly over the course of the next few years as a result of the work that must be completed to remain in compliance with the mandate from the US Environmental Protection Agency (EPA) in reference to the Administrative Order Consent (AOC) and our Sanitary Sewer Overflows (SSOs) as well as the proposed waterline extension to the Mega Park.

The “Debt Service” expenses within the Water & Sewer Fund increased by \$268,509 or approximately 16.08% from \$1,669,476 during FY 2015-16 to \$1,937,985 during FY 2016-17.

I am very pleased to report that there was no department/division within the Water & Fund that exceeded the appropriated amount of funds.

Mega Park Waterline Project Fund

Information concerning the Mega Park Waterline Project Fund can be found in the audited financial statements. On March 21, 2017, City Council approved the creation of the Mega Park Waterline Project Fund. It was noted that the funding for this project at that point in time would include:

• Drinking Water State Reserve Grant	\$ 1,886,700
• Loan @ 0%	\$ 3,000,000
• Loan @ 1.53% (maximum rate)	\$12,002,900
• City of Eden Funds	<u>\$ 1,600,000</u>
Total	\$18,489,600

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As noted previously, the City Council voted to transfer \$500,000 to this newly created project fund and on June 30, 2017 it had an existing fund balance of \$415,215.

It should also be noted that Eden has recently been awarded a \$2.0 million dollar grant from the Economic Development Administration (EDA) to help fund this waterline extension project.

EPA AOC Sewer Project Fund

Information concerning the EPA AOC Sewer Project Fund can be found in the audited financial statements. On March 21, 2017, City Council approved the creation of the EPA AOC Sewer Project Fund. It was noted that as of January 31, 2017, a total of \$15,391,673 had already been spent on this unfunded mandate and the funding to date had included:

• 0% and low interest loans	\$10,961,507
• Principal forgiveness loans	\$ 4,034,000
• City of Eden Funds	<u>\$ 396,166</u>
	Total \$15,391,673

It was also noted that the remaining work had a projected cost of \$33,725,600 at that point in time, and thanks to the NC Connect Bond, funding for the remainder of this work would come from the following:

• NC Connect Bond grant	\$16,666,000
• NC Connect Bond loan @ 0%	\$15,000,000
• City of Eden Funds	<u>\$ 1,600,000</u>
	Total \$33,725,600

As noted previously, the City Council voted to transfer \$2,059,600 to this newly created project fund and on June 30, 2017 it had an existing fund balance of \$1,254,055.

It should also be noted that we are currently making a combined principal/interest payment of \$1,251,000 on \$14,375,755 in loans that were taken out during 2007 and 2008 with an average interest rate of 3.73%. These loans will be paid in full at the conclusion of FY 2021-22. One of the funding strategies we identified several years ago and still intend to pursue, is to roll-over this existing \$1,251,000 in debt service payments that is already built into our existing rate structure and will become available for re-appropriation in FY 2022-23. This will cover the future debt service payments related to the NC Connect Bond \$15,000,000 loan at 0%.

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Self-Insurance Fund – Internal Service Fund

On July 1, 1995, the City began its self-insured insurance coverage program. The City carries a reinsurance policy for payment on all specific claims in excess of \$55,000 once the one-time aggregating specific corridor of \$155,000 has been met. Once the one-time aggregating specific corridor has been met, the reinsurance carrier reimburses any excess above \$55,000 claimed on any individual to the City unless the reinsurance carrier has assigned a pre-determined laser on a specific individual due to an existing condition. In the comparative balance sheet of the Self-Insurance Fund it indicates the retained earnings (“Fund Equities”) showed an increase of \$133,783 or approximately 350.31% from \$38,190 in 2016 to \$171,973 in 2017. Insurance Claims increased during FY 2016-17 from \$2,475,641 in FY 2015-16 to \$2,549,078 in FY 2016-17 for an increase of \$73,437 or approximately 2.97% while Group Insurance Fixed Costs decreased by \$25,458 or approximately 4.96% from \$513,342 in FY 2015-16 to \$487,884 in FY 2016-17.

Law Enforcement Officers Special Separation Allowance – Actuarial Study

The Law Enforcement Officers Special Separation Allowance is a public employee retiree system pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers. The separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

As of December 31, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,902,543. This represents an increase of \$6,918 or approximately 0.36% when compared to the previous year total of \$1,895,625. The audited financial statements indicate that for the year ended June 30, 2017, the City recognized pension expense of \$122,801 for our retired police officers.

It is important to note that most municipalities fund their separation allowance on a pay as you go basis and this is what we have been doing. The City continues to be committed to funding this ongoing obligation on an annual pay as you go basis.

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains one fiduciary fund: The Agency Fund - Runabout Travel Club Fund.

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The Agency Fund – Run-About Travel Club Fund is custodial in nature and does not involve the measurement of operating results. The Run-About Travel Club Fund accounts for money deposited with the City of Eden Parks and Recreation Department for those individuals participating in the programs of its department sponsored club. The fund balance on June 30, 2017 equaled \$17,271, which is an increase of \$1,760 or approximately 11.35% from the amount on hand as of June 30, 2016, which was \$15,511. Again, this is merely a fund for its members who contribute monies for scheduled activities and trips.

Long-Term Debt

On June 30, 2017 the total outstanding principal debt for the City was equal to \$17,984,857. This is a decrease of \$1,185,319 or approximately 6.18% compared to the total of \$19,170,176 on June 30, 2016. The primary reason for this reduction is the additional debt service that has been retired within the Water and Sewer Fund during the course of the past year.

The information concerning specific installment purchases, capital lease purchases and other projects is also included in the audited financial statements and indicates that seven of the obligations with a total annual principal payment of \$163,681 will be paid off prior to June 30, 2018, four additional obligations with a total annual principal payment of \$53,634 will be paid off prior to June 30, 2019, and nine additional obligations with a total annual principal payment of \$230,128 will be paid off prior to June 30, 2020.

The legal debt margin for the City as of June 30, 2017 equaled \$70,903,339 up from \$66,250,808 on June 30, 2016. As you may be aware, the N. C. General Statutes limits the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within the government's boundaries.

Analysis of Current Tax Levy

The total property tax valuation for FY 2016-17 was \$886,291,739. This is higher than the total property tax valuation for FY 2015-16, which was \$828,135,104.

The current year tax collection rate increased slightly to 98.64% compared to the 2016 rate of 98.49%. The property excluding registered motor vehicles collection rate equaled 98.49% and is also up slightly from last year's rate that was 98.31%. Finally, the registered motor vehicles collection rate equaled a perfect 100% for the second consecutive year.

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Interest Income

The \$64,959 in interest income earned on investments during FY 2016-17 has decreased from last year's total of \$85,897 by \$20,988 or approximately 24.38%. Unfortunately, the total amount of interest income earned continues to be significantly less than it was several years ago due to the weakened economy. Just ten years ago our interest income earned during FY 2007-08 equaled \$744,987.

Construction Commitments

Five years ago there was a new addition to the "Notes to the Financial Statements" entitled, *Construction Commitments*. A total of three (3) projects are highlighted within the audited financial statements with a combined total cost of \$52,786,163. Of this total, \$19,086,700 will be received in the form of grants and an additional \$18,000,000 will be received in the form of a 0% interest forgiveness loan. This leaves a balance of \$15,669,463 to be funded through additional low interest loans and/or revenues from the Water and Sewer Fund. As of June 30, 2017 \$994,693 of the \$52,786,163 in identified costs had actually been spent with the remaining commitment being equal to \$51,791,470.

Detailed Synopsis

As I traditionally do, I have prepared a more detailed synopsis of the audited financial statements for the period ending June 30, 2018 for use by the Mayor and City Council in an effort to assist them with their annual review. If anyone would like a copy of this synopsis please email me at bcorcoran@edennc.us and I will be glad to share a copy with you.

Positively Eden Strategic Plan – Update

Work continues on our implementation of various strategies related to the *Positively Eden* strategic plan. The overall responsibility for working towards the fulfillment of each strategy is now being handled by Ms. Kelly Stultz, Director of Planning and Inspections and her staff within the Planning and Inspections Department. A brief update on a couple of initiatives includes the following:

Eden Strategic Plan Strategy 2 - Broaden the Impact of Downtown

Branding Study

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An RFP (request for proposals) from Arnett Muldrow & Associates for a branding study to develop a Downtown Eden Branding and Marketing Strategy, with associated brands for Eden's defined small areas (Leaksville, Draper, Spray, designated historic areas) was approved by City Council. Data gathering has begun and various community stakeholders from the Strategic Planning process meetings are being invited to assist in the process. The kickoff schedule has yet to be determined.

The firm hired to assist us with the branding and marketing strategy has been asked to develop sub-brands of smaller commercial areas and assets that can be used as destination points in our branding and/or marketing strategies.

Murals

The restoration of the two Coca-Cola murals in the Draper section of town was completed in December. Additional "ghost" sign restoration efforts at the Fieldcrest Road pocket park were slowed due to the record freezing temperatures. The signs are Moore's Café and Roger's Jewelry Co. Our artist will continue work on the signs when temperatures hold consistently above 40 degrees. Scaffolding is in place for this project.

Eden Strategic Plan Strategy 4 – Integrate Recreation & Health

Freedom Park Dog Park

The Mayor and City Council approved the construction of the Freedom Park Dog Park at its October 17, 2017 City Council meeting as part of the Eden Strategic Plan. The cost for this facility will be approximately \$35,000. Purchase orders for equipment and materials for this project has been completed, and the fencing should be installed in the next few weeks, weather permitting. The benches, water fountains, trashcans, and pet waste containers should be delivered in the next 4-6 weeks. City staff is planning to install the water lines for the water fountains in the next month. This project is scheduled for completion in the spring of 2018.

Freedom Park Nature Trail

Staff has met at the Freedom Park Nature Trail and discussed the improvements that will be made to the trails that include additional stone and granite dust, additional picnic tables, and the installation of 10 RV pads. We plan to begin applying new stone and granite dust and working on the RV pads in January 2018. This project is scheduled to be completed by the spring of 2018 as per the grant agreement.

Matrimony Creek Greenway

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The Matrimony Creek Greenway project is moving forward. Stoltzfus Engineering Inc., the Engineer for the project, has provided the City with the completed engineering drawings and this information has been reviewed by NCDNR. They have approved the erosion control plan. A request has been sent in to NCDOT for a curb cut for the parking lot at this site.

The City Attorney continues to work on completing all of the easement property transfers to the city for this project and hopes to have this completed in the very near future. We plan to begin work on the parking lot and trail areas sometime in January 2018, weather permitting.

Eden Strategic Plan 5- Engage Citizens

We are working with both WGSR and CTT Productions to complete 3 (2 to 3 minute) segments highlighting Economic Development, Code Enforcement, etc. Our first 5 of 25 “Did You Know” segments are completed and are already running. Representatives of WGSR are working with us to set up a 15 to 30-minute program that will air monthly.

Please check out the links below to see some samples of what is now available to our citizens and will be coming in the near future:

https://youtu.be/dm33iuM0K_o

<https://youtu.be/gv06tPtCXEI>

Finally, it is anticipated that a detailed update on our implementation efforts to date will be given to the members of the strategic plan steering committee on February 9th and then to the members of City Council and the public at future dates and times that will be announced and advertised in the future. If you have any questions or suggestions concerning the strategic plan please feel free to contact Kelly Stultz, Director of Planning and Inspections at kstultz@edennc.us.

Orientation for Councilwoman Sylvia Grogan

An all-day orientation with various members of City staff was held with Councilwoman Sylvia Grogan on Thursday, January 11th. Councilwoman Grogan was appointed by the members of City Council and sworn into office during their meeting on December 19th to fill the unexpired Ward 6 City Council seat that was vacated by Mayor Hall as a result of his election as Mayor during the November election.

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Annual Budget Retreat

The annual budget retreat for the Eden City Council and staff has been tentatively set for Saturday, February 24th beginning at 8:30 a.m. in the Eden Room of the Eden Municipal Building. The topics to be discussed will be based on priorities for FY 2018-19 that is submitted by the Mayor and each member of City Council.

Economic & Tourism Development Department

UNC Rockingham Healthcare

This is the new name that was announced for the former Morehead Hospital on January 2, 2018. The name is consistent with other UNC owned hospitals and signifies a health care system that serves the entire county, not just Eden.

Industry Bus Tour

This bus tour has been approved and scheduled for April 30th with Morehead High School teachers, guidance counselors and its college advisor touring multiple Eden facilities and then finishing at RCC where the community college's workforce training facilities will be showcased. This will familiarize staff with the potential career possibilities of high school students.

Chamber of Commerce Annual Dinner

UNC Health System President Chis Ellington has been secured as the keynote speaker at the 2018 Annual Chamber of Commerce Leadership Recognition Dinner to be held on Tuesday, January 30th at the Eden Ball Room.

Lidl Supermarket

The City approved the interior construction plans for this new store in early December. The company is currently accepting bids from contractors and construction should begin in January or February based on the most recent information received.

Daniel's Furniture

Due to the retirement of the owner, this retail store will close soon. It plans to launch a three-month going out of business sale to liquidate its inventory. Watch for the banners and signs in front of the Van Buren Road store if you are interested.

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Berry Hill Regional Mega Park

This park is designed to accommodate a large, game-changing industry, such as an automotive plant or chemical facility. It has received over \$30 million from the Virginia Tobacco Commission and is one of three Virginia mega parks. It has been in development since 2001, and it is designed to attract a major industry, such as an automaker. In December of 2017, the City was informed that Berry Hill was the #3 site considered for the Toyota-Mazda plant that was ultimately narrowed to mega parks in Greensboro/Randolph County and Alabama. It shows how favorable this park is in the eyes of site consultants to be considered so highly among some of the most attractive sites in the U.S. This project enables a rural area, such as south side Virginia and the northern Piedmont Triad to compete with larger, more urban areas.

The Mega Park is a 3,500-acre site located on Berry Hill Road between Eden and Danville, VA. The City of Eden has worked with representatives with the Regional Industrial Facilities Authority (RIFA) to supply water and sewer to the park because of our available capacity. In 2013, a sewer line was run from Eden to the Virginia state line with \$769,000 in grant funding being received from the Golden Leaf Foundation. The RIFA of Danville and Pittsylvania County is running the line from the NC state line to the park. The City will get to treat the first million gallons per day of wastewater from the park and possibly up to three million gallons per day as development continues.

Currently, there is water capacity of 750,000 gallons per day from an existing water line that Danville has already run to the park. When the Mega Park begins developing and there are significant water users, we will be called upon to provide water to the Mega Park site. If there are large water users or those requiring a redundant source, we will be required to upgrade the sizes of our existing trunk mains in our distribution system to support higher volumes of water moving to the east side of the City. The City has been awarded \$3.8 million in grants and over \$15 million in loan offers for the water extension project based on a 30" line that would be required to accommodate large water users. One project that seems to be moving forward is Project Lignum. This is a project that will include an investment of \$120 million and will create 80 jobs paying more than \$41,000 per year. The City Council for Danville, Virginia approved a resolution in support of this project at a meeting on Tuesday, December 5th. The resolution also supported a \$2.6 million grant from the Virginia Tobacco Commission that the RIFA was seeking to fund a buildable construction pad and rail spur for the project.

A formal groundbreaking took place at the park in March of 2017 and three tracts have since been cleared. RIFA has contacted the respective environmental agencies to seek permission to clear larger tracts since much of the interest it has gleaned from site

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consultants and potential clients has been for larger tracts. Local economic developers are now receiving requests for information about this park at least once a week.

In December of 2017, Danville and Pittsylvania Economic Developers reiterated a need to show regional cooperation with Eden and Rockingham County. They wish to develop regional marketing materials that include the workforce, workforce training and infrastructure assets of their NC neighbors.

50th Anniversary Synopsis & Wrap-Up

We had a great time celebrating Eden's 50th Anniversary during the course of the past year. Much thanks and appreciation to Ms. Cindy Adams, Coordinator of Tourism & Special Projects/Events for her leadership and work related to each of our efforts throughout 2017. Below of some of the exciting things that took place to commemorate our special year:

- 50th Anniversary Logo was developed and stationary created for use throughout the year.
- Banners were placed on Poles at City Hall featuring the logo and Large Statics were placed on City Buildings & Fire Stations.
- A very special kick-off event was held in conjunction with the Eden Chamber of Commerce at their Annual Dinner.
- The Chamber of Commerce Directory Cover Featured the 50th Logo on a Cake by Brenna Yates at Sweet Revenge Bakery.
- Staff conducted 2 Tree Dedications that were held at:
 1. Freedom Park, and
 2. John E. Grogan Park – Invited Central 3rd Graders – A reception with the kids was held to celebrate Earth Day.
- “Welcome Race Fans” Banner was placed on Hwy. 14 & Stand Up Welcome Boards were placed in Hotel Lobby's featuring the 50th Logo.
- Staff held an “Old Timers Game” where softball players from years past were brought back for a fun afternoon of reminiscing. They were presented 50th- Anniversary T-Shirts.
- Historical Pictures and Articles were placed on Social Media.

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- A 50th Anniversary Special Section was featured in the News & Record/Rockingham Now.
- A Chamber Coffee was hosted by City of Eden that featured businesses that had been here 50 years. They had booths setup that showcased some of their items through the years. Some of the specific businesses featured included: Dyers, Eden Drive-In, WLOE, Kings Chandelier and others. Even the refreshments had a 50th Anniversary theme.
- The Eden Historical Museum featured a very special window filled with lots of great historic items from the last 50 years. A fun Unveiling Ceremony was conducted just prior to RiverFest. The Museum also “did it up big” during RiverFest to continue the celebration.
- A fantastic book entitled “Celebrating 50 Years” was assembled by Sheralene Thompson, City Clerk. It is 165 pages full of wonderful and fascinating information about consolidation and the years after. It is for sale to the public for \$15 and can be purchased at Eden City Hall.
- We had a great Celebration at RiverFest with special introductions, recognitions and cakes commemorating the anniversary.
- City Employees wore apparel featuring the logo and 50th Anniversary T-Shirts were sold to the public.
- The *Positively Eden* Strategic Planning process was completed and its initial implementation signifies the beginning of the next 50 years.
- A time capsule will be put in place at City Hall on Wednesday, January 24th at 2:00 p.m. that will be opened on our 75th Anniversary in 2042. We have secured a time capsule that will be placed in a special feature inside a wall inside the Eden Municipal Building instead of the earth. This new method better preserves the materials inside the capsule.

“Did You Know” Ads

Our first five “Did You Know” ads are running on WGSR/STAR NEWS. When the project is completed we will have 25 produced. Also, coming soon will be 3-minute

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segments featuring our economic development efforts, code enforcement, and other important subjects. This is an effort that is part of our Strategic Planning Process.

Text Message Marketing

We will soon be launching our text message marketing effort to better inform our citizens about upcoming meetings, involvement opportunities, event information and so much more. Anyone interested in receiving the information should email your text number to Cindy Adams at cadams@edennc.us or call 336-612-8049. As an alternative, you can text us with your name and the fact that you would like to **opt in** at 336-552-6132 and we can get your number via the text. **Citizens have to opt in. No one will just be added to the list.** This will be a great way to stay informed, but we promise not to overload you with text messages.

2018 Major Event Dates

Mark your calendars now! We have a fun line-up of 6 major events slated to take place in 2018. They are the following:

- May 12 Oink & Ale
- June 2 Piedmont Pottery Festival
- July 21 Shaggin' on Fieldcrest
- August 9 Grown & Gathered
- August 25 Touch-A-Truck
- Sept. 14 & 15 RiverFest

Watch www.ExploreEdenNC.com and our Explore Eden Facebook page for other small events such as “Movies Under the Stars”, Downtown Events and so much more!

Mama Crockett's Donuts

We have nearly 6,500 people following our Explore Eden Facebook Page. A very popular food trailer based out of Lynchburg, VA saw our page and liked what they saw and decided to give Eden a try! We were actually the first North Carolina stop for Mama Crockett's Donuts! They set up in the municipal parking lot on Henry Street and sold donuts and cider out of their awesome food trailer on January 10th. They love small towns and had a successful day here.

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Boulevard Merchant's Association

The Boulevard Merchant's Association is planning a food truck rodeo Saturday, April 21st. They had a successful Christmas campaign and are inviting residents of the Boulevard to attend their meetings.

Eden Downtown Development Corporation

The Eden Downtown Development Corporation began their new calendar year installing four new members, Faye Shelton, Peggy Wyatt, Rhonda Price and Terrie Penn. New subcommittee members have been identified from their attendance at the September 5th Main Street meeting with Liz Parham, Director of the North Carolina Main Street Program.

Building Rehabilitation Grant & Façade Grant Programs

We continue to work with individual businesses concerning the Building Rehabilitation Grant and Façade grant. Currently three projects can benefit from its creation. Two other building owners have requested the BRG information in anticipation of construction.

Engineering Department

Street Resurfacing Projects - Update

Construction on the FY 2017-18 Street Resurfacing Contract will resume in April or May weather permitting. We have approximately \$300,000 remaining in our loan proceeds to finish resurfacing the remaining 11 streets on the contract. The remaining streets consist of sections on the following: Hale Street, Center Street, Delaware Avenue (2 sections), Eisenhower Court, High Street, Hundley Drive, Mill Avenue, Ridge Avenue (2 sections) and Woodrow Avenue.

Staff is currently in the process of finalizing the street list for the FY 2018-19 Street Resurfacing Contract. The bid documents should be completed by the end of the month. The contract will be let out for bid sometime in February.

NCDOT has sections of the following state roads in the Eden city limits scheduled to be resurfaced in 2018: Aiken Road, Summit Road, Friendly Road, Short Union Street, Lincoln Street, Northridge Drive and Wilshire Drive.

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Waterline Replacement Projects Update

Crews from Sam W. Smith, Inc. continued to install a 6” ductile iron water main along W. Arbor Lane in the Bear Slide subdivision, with an additional 531 feet of pipe installed during the past month (through January 4th). During the past week, no pipe has been installed due to the workers making water main repairs at industrial sites in the county. Tees have been installed for future fire hydrant leg connections, and a tee and 2” valve was installed at the intersection with Wildflower Lane. An additional 170 feet of 6” ductile iron pipe is to be installed along W. Arbor Lane, as well as about 450 feet of 2” PVC water main along Wildflower Lane as part of this project.

A bid opening is set for January 23rd at 11:00 a.m. for the Sunset Drive 2” Waterline Replacement project. The Public Water Supply Section of the North Carolina Department of Environmental Quality is reviewing plans and other documents prepared by Stoltzfus Engineering, Inc. About 800 feet of 6” ductile iron pipe is to be installed after receiving plan approval and an authorization to construct, in the Grand Oaks subdivision between Conover Drive and Knollwood Drive.

Fire Department

Expansion of Training Grounds

The City of Eden has secured a tract of land from the Rockingham County School Board. The land is located behind Station 4 on East Stadium Drive. The City acquired the land in exchange for a 1987 model fire truck that was decommissioned and taken out of service. The fire truck will be used in the high school firefighter program that is being taught at Rockingham High School. The land is in the process of being cleared and will be used to further expand the training grounds behind the fire station. The fire department kicked off its fund raising efforts in the month of December for the burn building to be built behind station 4 on E. Stadium Drive. Pine State Group located on New Street donated \$4,570.00 to go toward the construction. This will be a state of the art building, which will give firefighters live fire training in a controlled environment. The building will not only give live fire training, search and rescue, ventilation, and a large variety of other training opportunities can be utilized in the building. The Eden Fire Department is very excited about the fund raising efforts to try and achieve this excellent training facility.

July 1, 2017 – December 31, 2017 Statistics

The City of Eden Fire Department ran a total of 291 calls from July 1, 2017 to December 31, 2017. Fire related calls totaled 198 calls with EMS related calls making up the other 93

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calls. The fire department received automatic aid from neighboring fire departments a total of 98 times and gave automatic aid 58 times. The average pre fire incident value of the properties we responded to was approximately \$2,967,200 and the fire loss was approximately \$95,400. The average response time for the Fire Department from the time the call is dispatched to the time a unit arrives on the scene is approximately 5 minutes. This time does not reflect responding mutual aid with county fire departments 210 and 220. The average on scene time for the fire department for the past 6 months is 32 minutes.

Information Technology Department

Security Issues

With the recent announcements of a serious virus outbreak as well as the Meltdown and Specter vulnerabilities, the IT department wants to ensure our citizens that we take the security of your data seriously. We routinely send specially crafted phishing emails to our users to verify that they are applying security best practices. Any users who click links or open attachments in the emails that we send are enrolled in additional training to help them identify the red flags associated with phishing email.

The City of Eden is also a member of the Multi-State Information Sharing and Analysis Center (MS-ISAC). The mission of MS-ISAC is to improve the overall cyber security posture of the nation's state, local, tribal and territorial governments through focused cyber threat prevention, protection, response, and recovery. Through them we receive security bulletins, up-to-date security best practice techniques, and training opportunities on identifying and mitigating emerging cyber security threats. They offer these services as well as after-incident forensic analysis of computers and servers free of charge to government agencies.

Parks & Recreation Department

Community Accents Program

Staff participated in the Community Accents Program with WLOE radio on December 20th and January 12th and will be participating in additional broadcasts on January 17th, and February 9th. We use these opportunities to update our residents and others about the Parks and Recreation programs that are happening during the months of January and February.

Santa Visits/Calls & Christmas Parties

Staff conducted Santa Visits and calls for the residents of the City through December 21st. In addition, staff conducted Christmas parties at the Bridge Street Recreation Center and

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Mill Avenue Recreation Center on December 20th for the participants who use these facilities on a daily basis.

Dixie Youth Baseball State Meeting

Staff will attend the NC Dixie Youth Baseball State meeting on January 19-20, 2018 and provide attendees with information about the NC Dixie Youth Baseball Ozone State Tournament that will be held in Eden at Freedom Park on July 13-20, 2018.

Be Healthy Rockingham County

Staff continues to be involved with be Healthy Rockingham. They attended the be Healthy Rockingham meeting on January 3rd and will attend the next meeting that is scheduled for February 7th.

Public Meetings – Matrimony Creek Greenway Project

The Parks and Recreation Department conducted public meetings on January 4th and January 11th to provide updates on the status of the Matrimony Creek Greenway Project and get feedback from those in attendance.

Playground Repairs – Freedom Park

You may have visited Freedom Park and noticed the yellow warning tape and wood at the children's playground. This is to keep people off of this one area at the playground until the new replacement slide that has been ordered can be delivered and installed. If you have any questions concerning this work please feel free to contact Johnny Farmer, Director of Parks and Recreation at jfarmer@edennc.us.

Planning & Inspections Department

Ashton Way Apartments

Wynnefield Development has officially purchased the property on E. Harris Place from Osborne Investments and anticipates beginning construction on the Ashton Way Apartments in the near future.

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Police Department

Swearing-In Ceremony

A swearing-in ceremony for Greg Light, Police Chief and Clint Simpson, Deputy Police Chief was held at City Hall on Thursday, January 11th. Please be sure to congratulate both of these fine men if you see them.

Police Department Promotions

Anthony Welch, Police Sergeant II, a 17-year veteran of the Eden Police Department and Paul Moore, Police Sergeant II, a 14-year veteran of the Eden Police Department have been promoted to the position of Police Lieutenant I within our Patrol Division. In addition, David Lamberth, Police Sergeant I, a 14-year veteran of the Eden Police Department has been promoted to the position of Police Lieutenant I within our Investigations Division. Please congratulate all three of these fine men if you see them.

Project Safe Rockingham County Initiative (PRSC)

Project SAFE Rockingham County (PSRC) is a countywide coalition between the community and law enforcement, conducted to call-in violent offenders. At the meeting, held semi-annually in Wentworth, felons with firearms convictions hear a resounding message: Put down your guns or face the wrath of the entire criminal justice system. A law enforcement panel, consisting of local, state and federal criminal justice leaders, present the offenders with a stern warning that crimes committed with firearms will not be tolerated. Initially, PSRC was supported by state grant funding with local financial assistance from the Reidsville Area Foundation. However, during the past few years the anti-gun crime effort has been funded entirely by the six law enforcement departments around the county. PSRC is one of eleven Project SAFE Neighborhoods (PSN) initiatives in the federal middle district of the state. The call-in is the signature, or high profile, event of PSN efforts, and Rockingham County has enjoyed a high degree of success with them so far. With the experience of thirteen (13) call-ins to its credit, 156 offenders have been notified to attend and 154 offenders have attended. Of the 154 offenders that attended, 28 have been charged with a serious felonious crime since being notified. Another important fact of the call-in is the third segment of the meeting. Community volunteers, led by Project Re-Entry, sit down one-on-one with the offenders and discuss needs assessment sheets, which they complete prior to the meeting. Strategies are discussed concerning how to best serve the offenders as they mainstream back into the community.

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Mental Health Services – Involuntary Commitments – UNC Rockingham Healthcare

In 2008 Governor Mike Easley signed the Mental Health Reform Act, which essentially pushed the responsibility for treating individuals with mental illness back into the communities. A strategic plan was developed to reduce the number of state beds available for inpatient treatment of those individuals with Medicaid or indigent. As a result of these actions by the Easley Administration, over the years, we have observed an increase in the number of involuntary commitment patients that we have been required to attend to at UNC Rockingham Healthcare (formerly Morehead Hospital).

Calendar Year 2008	86 Commitments	Calendar Year 2012	134 Commitments
Calendar Year 2009	91 Commitments	Calendar Year 2013	101 Commitments
Calendar Year 2010	141 Commitments	Calendar Year 2014	129 Commitments
Calendar Year 2011	143 Commitments	Calendar Year 2015	119 Commitments
Calendar Year 2016	116 Commitments	Calendar Year 2017	122 Commitments

We continue to work closely with other law enforcement agencies and mental health service providers within the county to address the issues surrounding the involuntary commitment process. We have collaborated with all the other law enforcement agencies in the county to establish guidelines for involuntary and emergency commitment situations, as well as developed a Memorandum of Understanding, which has been agreed to by the local law enforcement entities and the Rockingham County hospitals. This continues to be an issue that taxes law enforcement and healthcare resources throughout the state.

Public Utilities Department

The New Street Sewer Improvements Project

The owners of the MGM Warehouse property have formally asked that the city provide sewer to their warehouse facilities on New Street. This is due to the inoperable condition of the old Fieldcrest Mills wastewater treatment plant on the MGM property. Because this property is in the City, we are obligated to provide sewer service to this property. The city staff developed a scope of work where we plan to develop a pumping station on the property of adequate size to handle the MGM workforce operations, Gildan’s workforce operations, prepare for limited growth on the adjacent potential industries development sites, and consolidate the Weil McLain pump station into the new larger pumping station.

The city staff began working to securing a funding source for this project late last summer. A funding application was submitted to the North Carolina Department of Commerce in October of 2017. As noted previously, the city was formally notified in December of 2017

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that the project had been funded with a \$997,000 grant. Design work on the project will begin soon and the construction should begin in early summer.

1600 KW Generator – Water Filtration Plant & Wastewater Treatment Plant – WATCH Event

The 1600 KW generator for the water plant and wastewater plant located at the water plant is on a Power Share Program with Duke Energy. During weather extremes such as have been experienced the first week of January we are placed on WATCH status for the possibility of a load curtailment event for large business demand response. When these events occur the water plant staff are notified by Duke Energy of the need for a load curtailment. At that time, the water plant staff switches the generator to Peak Shave; the switchgear system will automatically transfer the electrical load of both the water plant and the wastewater plant to the generator unit. The staff is notified once the demand on Duke Energy reserve is lessened and we are able to switch back to Duke Energy power. This WATCH event ran from January 2-7, 2018 because of the extreme cold conditions. On January 2, 2018 from 7:00 a.m. until 10:00 a.m. and again on January 7, 2018 from 7:30 a.m. until 10:30 a.m. notice was given to curtail load and on both days the generator carried the electrical demand of the water plant and wastewater plant.

During the extreme recent cold the water plant basins and filters are covered with ice. This makes the operations of the plant more challenging and freezes the water in the stilling wells associated with the levels on the basin and in the lake. Breaking ice up is a daily effort to ensure proper operations.

Did You Know? – Why is there a Sewer Odor at Times Near the Intersection of Edgewood/Stadium at Freedom Park?

This has been an ongoing problem since the City of Eden lost the industrial flow to the Railroad Pump Station from Hanes Brands. The odor comes from an air relief valve on the sewer force main coming from this pump station located in front of 702 E Stadium Drive. The sewage being carried has changed from mostly industrial waste to mostly domestic sewer, which digests more readily in the piping before reaching the wastewater treatment plant. In the course of this digestion all available water-soluble oxygen is used up and the bacteria begins to go after chemical oxygen readily found in the sulfates contained in the sewage. This creates the odor causing sulfides. Until a more permanent solution can be found (hopefully, an increase in industrial flow from future industries) the City has been feeding a calcium nitrate solution for the bacteria to feed on instead of the sulfates so as to prevent the odiferous sulfides from being created. We realize that it's not always a perfect solution as there are times when the odor still occurs. The annual cost of this chemical has been approximately \$80,000.

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Did You Know? – Eden Has Plenty of Water & Sewer Capacity for Potential Large Users

The City of Eden Water Filtration Plant is rated at 20.6 million gallons (MGD) a day. However, during the month of December 2017 the water plant averaged treating 3.74 million gallons of raw water per day and distributed an average of 3.02 MGD. The Mebane Bridge Wastewater Treatment Plant is permitted for 13.5 MGD, but since the closure of Hanesbrands, the plant has only been averaging between 2.5 and 4.0 MGD. As you can see, Eden has plenty of water and sewer capacity for potential large users.

CONSENT AGENDA:

- a. Approval and Adoption of December 19, 2017 Minutes.

A motion was made by Council Member Hampton seconded by Council Member Burnette to approve the Consent Agenda. All Council Members voted in favor of this motion.

ANNOUNCEMENTS:

Mr. Corcoran reminded everyone about the upcoming budget retreat and to get their budget information in as scheduled.

ADJOURNMENT:

A motion was made by unanimous consent to adjourn. All Council Members voted in favor of this motion.

Respectfully submitted,

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

ATTEST:

Neville Hall, Mayor