

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, January 15, 2019 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:	Bernie Moore
	Jim Burnette
	Angela Hampton
	Darryl Carter
	Jerry Ellis
	Jerry Epps
	Sylvia Grogan
City Manager:	Brad Corcoran
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
News Media:	Bob Tudor, Rockingham Update

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 met the third Tuesday of each month at 6:00 p.m. and worked from a prepared agenda; however, time would be set aside for business not on the printed agenda.

INVOCATION:

Pastor Wayne Parlier of Meadow View United Methodist Church gave the invocation followed by the Pledge of Allegiance led by Fire Chief Tommy Underwood.

RECOGNITIONS & PROCLAMATIONS:

- a. Recognition of Nick and Cindy Freitag.

Mayor Hall called on Economic Development Director Mike Dougherty.

Mr. Dougherty asked the Freitags to come forward. He said the couple had lived in Eden 10 years. Mr. Freitag, Vice President of Wholesale Distribution Printwear at Gildan, was retiring effective February 1. Mr. Dougherty said it would be a loss for Eden. Mr. Freitag had made many significant contributions to the Eden community.

Mayor Hall read the Proclamation honoring Mr. Freitag.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mr. Dougherty said Ms. Freitag had stood beside her husband during his work. She served on the Eden Board of Cooperative Christian Ministries and was a frequent volunteer at the Eden Salvation Army Christmas Angel Distribution Day. She had been a preschool teacher at Leaksville United Methodist Church. Mr. Dougherty presented her with a gift basket that contained Eden memorabilia.

Mr. Freitag thanked everyone including the community for opening their hearts to him and his wife. Eden was a great place to live and to work. He said Gildan’s management staff would continue to make the company prosper in Eden.

PROCLAMATION HONORING NICK FREITAG

WHEREAS, Gildan VP of Wholesale Distribution Nick Freitag came to Eden in 2008 and has presided over one of the fastest growing industries in the Piedmont Triad, its 4th largest distribution center, and largest Eden industrial employer; and

WHEREAS, from the time he arrived in Eden, Nick has given back to the community, with event sponsorships, financial support for special projects such as the 2011 Eden All-America City Award campaign, the development of the John E. Grogan Park, and with complimentary T-shirts for the annual Get Fit Eden and Rockingham programs; and

WHEREAS, Nick encouraged his staff to participate in programs such as Leadership Rockingham, volunteer to be members of the Eden Chamber of Commerce Board of Directors, and support vital organizations such as the Rockingham Education Foundation that is giving Rockingham County students a better future; and

WHEREAS, when corporations leave a community, it often creates a vacuum that is difficult to fill. However, under Nick’s leadership, Gildan has quietly filled the void left by them and become our most generous corporate citizen in many ways; and

WHEREAS, Nick was the recipient of the 2016 Eden Chamber of Commerce Distinguished Citizen Award for his support for Eden, and this community will suffer a significant loss as a result of his retirement;

NOW, THEREFORE, BE IT RESOLVED that the Eden City Council does hereby honor Nick Freitag for his expertise in leading Gildan and his concern for the welfare of Eden and Rockingham County and wish him, his wife Cindy and his family the very best in the future.

This the 15th day of January 2019

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- b. Recognition of Reflections of Spray, NC, Facebook Group Old Spray Cemetery Volunteers.

Mayor Hall called on Mr. Charles Terry to come forward. Mayor Hall explained Reflections of Spray, NC, was a Facebook group who shared memories of growing up in Eden, especially the Spray area. The group took it upon themselves to clean up the Old Spray Cemetery. Many people complained about how things looked and what they wanted to see done, but not many people

January 15, 2019

City of Eden, N.C.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

stepped up and did it. That group did. He noted that Mr. Sam Lewis was not present but was a big part of organizing the clean up.

Certificate of Appreciation

WHEREAS, in the autumn of 2018, members of the recently created Reflections of Spray, NC, Facebook Group learned about the deteriorated condition of the Old Spray Cemetery located on Church Street.

WHEREAS, the members of the Group determined there was no caretaker responsible for the cemetery but they would clean it up out of respect for those buried there.

WHEREAS, on November 10, 2018, volunteers met at the cemetery for a clean-up day. They have restored the cemetery sign, painted the fence by the street and even decorated the cemetery for the holidays.

WHEREAS, with no idea of ever being recognized for their efforts, these volunteers selflessly acted to better our community, restoring pride to an area in need. We hope their actions inspire others to do the same.

NOW, THEREFORE, by the authority vested in me as Mayor of the City of Eden, the Eden City Council bestows upon the Reflections of Spray Facebook Group Old Spray Cemetery Volunteers this Certificate of Appreciation this the 15th day of January, 2019.

Neville Hall, Mayor

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

Mayor Hall read the Proclamation.

A Proclamation to Designate January 21st, 2019
as Martin Luther King, Jr. Day

WHEREAS, January 21, 2019, marks the observance of the Federal legal holiday, established by Public Law No. 98-144, to honor the birthday of the Reverend Dr. Martin Luther King, Jr., and

WHEREAS, Dr. King dedicated his life to a vision: that all Americans would live free from injustice and enjoy equal opportunity. His peaceful and lifelong crusade against segregation and discrimination brought our communities closer to the founding ideals set forth in the Declaration of Independence and the Constitution; and

WHEREAS, as we honor Dr. King, we know that our community is stronger, more just, and more free because of his life and work; and

WHEREAS, in paying tribute, we are reminded that the call lies with each of us to fulfill Dr. King's work. Let us use our time, talents, and resources to give back and help those less fortunate. Let us not forget Dr. King's own tireless spirit and efforts as we work, celebrate, and pray alongside each other.

NOW, THEREFORE, BE IT PROCLAIMED that I, Neville Hall, Mayor of the City of Eden, hereby designate January 21, 2019 be set aside as Martin Luther King, Jr. Day in the City of Eden and urge all citizens to join with me this day to apply Dr. King's life and teachings of community service.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of January, 2019.

CITY OF EDEN

By: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

SET MEETING AGENDA:

Mayor Hall said it was a great pleasure that all Council Members were present. There was an addition to the agenda under Unfinished Business, item 10a. Board and Commissions Appointments. A motion was made by Council Member Ellis to approve the agenda as amended. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

PUBLIC HEARINGS:

- a. Consideration and adoption of an Ordinance annexing 204.747 acres owned by the City of Eden. A-18-03.

Mayor Hall declared the public hearing open and called on Planning and Inspections Director Kelly Stultz.

Ms. Stultz said they began the process the previous month to annex the City-owned property and it was a much simpler task to annex than privately owned property. Staff recommended annexation of the property.

Mayor Hall asked if anyone would like to speak in favor or opposition. He said as they all knew, the land was bought by the City with the intention of annexation. As no one came forward and there was no further discussion, Mayor Hall declared the public hearing closed.

A motion was made by Council Member Epps to approve the adoption of an Ordinance annexing 204.747 acres owned by the City of Eden. Council Member Hampton seconded the motion. All members voted in favor of the motion.

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF
THE CITY OF EDEN, NORTH CAROLINA

WHEREAS, the City Council of the City of Eden has adopted a Resolution under N.C.G.S. 160A-58.7, stating its intent to annex the area described below; and

WHEREAS, a public hearing on the question of this annexation was held in the Council Chambers at 308 E. Stadium Drive at 6:00 p.m. on January 15, 2019, after due notice; and

WHEREAS, the City Council of the City of Eden finds that the proposed annexation meets the requirements of N.C.G.S. 160A-58.1(b), as follows:

- a. The nearest point on the proposed satellite corporate limits is not more than three (3) miles from the primary corporate limits of the City of Eden;
- b. No point on the proposed satellite corporate limits is closer to the primary corporate limits of another city than to the primary corporate limits of the City of Eden;
- c. The area is so situated that the City of Eden will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits;
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation;

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

- e. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, does not exceed ten percent (10%) of the area within the primary corporate limits of the City of Eden; and

WHEREAS, the City Council of the City of Eden further finds that the annexation of the area is in the public interest;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Eden, North Carolina, that:

Section 1. By virtue of the authority granted by N.C.G.S. 160A-58.7, the following described noncontiguous property owned by the City of Eden is hereby annexed and made part of the City of Eden as of January 15, 2019:

Being all of Parcel "A" containing 204.747 acres, more or less, as the same is shown and more particularly described on that plat entitled "Boundary Survey of Property Owned by: Hopkins, LLC," prepared by ESP Associates, P.A., dated October 9, 2014, and recorded June 4, 2015, in Map Book 75, page 55, Rockingham County Registry, which is incorporated herein by reference.

Section 2. The Mayor of the City of Eden shall cause to be recorded in the Office of the Register of Deeds of Rockingham County, and in the Office of Secretary of State in Raleigh, North Carolina, an accurate map of the annexed property, along with a certified copy of this Ordinance. Such a map shall also be delivered to the Rockingham County Board of Elections, as required by N.C.G.S. 163-288.1.

Adopted this 15th day of January, 2019

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

APPROVED AS TO FORM: Erin B. Gilley, City Attorney

- b. (1) Consideration of a zoning text amendment request and adoption of an Ordinance to amend Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District.
- (2) Consideration of a Resolution adopting a statement of consistency regarding the amendment of Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District.

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

Ms. Stultz said the City received a zoning text amendment request filed by Charles Clark to amend Section 11.24(o) to allow recycling centers in Industrial-2. Mr. Clark asked the City to take recycling facilities out of Industrial-3 (I-3) and allow them in Industrial-2 again. The I-3 District and the Special Use Process were recently created for those types of intense industrial uses, particularly those with noxious odors and that kind of thing. Mr. Clark's impetus was the same property on Friendly Road that had been before Council prior. There was some expensive property on the site, but the bottom line was it was a rural residential area. Staff and the Planning Board recommended denial of the text amendment.

Mayor Hall asked if anyone would like to speak in favor or opposition. As no one came forward and there was no further discussion, he declared the public hearing closed.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

A motion was made by Council Member Epps to deny the zoning text amendment request and adoption of an Ordinance to amend Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District and to approve a Resolution adopting a statement of consistency regarding the amendment of Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District. Council Member Moore seconded the motion. All members voted in favor of the motion.

A RESOLUTION ADOPTING A STATEMENT OF CONSISTENCY REGARDING
A PROPOSED AMENDMENT TO THE CITY OF EDEN ZONING ORDINANCE
CASE NUMBER Z-18-07TEXT AMENDMENT

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

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

WHEREAS, the City of Eden Planning Board received a request for an amendment to the Zoning Ordinance to amend Section 11.24(o) to allow recycling facilities as a permitted use in the I-2 district.

WHEREAS, On January 3, 2019, the City of Eden Planning Board voted to recommend to the City Council that the request be denied.

STATEMENT OF NEED:

Staff is of the opinion that this request would not be appropriate for the Industrial–2 Zoning District. The I-2 Industrial District is established as a district in which the principal use of land is for industries that by their nature may create some nuisance and which are not properly associated with nor compatible with uses in other zoning districts. Recycling facilities may include a variety of recycling – paper, plastic, scrap metals, etc. – and to allow such facilities, without specifics, in any I-2 district, could be detrimental to the surrounding areas, depending on which type of recycling is allowed and the impact to the area. This is why specific types of recycling, such as scrap metal recycling, are listed as permitted uses in other, more intense zoning districts. Staff is of the opinion that to allow the broad category of “recycling facilities” as a use-by-right could be detrimental to surrounding areas.

STATEMENT OF CONSISTENCY:

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

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

WHEREAS, The Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment is inconsistent with the City of

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Eden Land Development Plan, as amended, and why the City Council considers the proposed amendment to be unreasonable and not in the public’s best interest;

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

1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is not consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is unreasonable and not in the public’s best interest.

Approved and adopted and effective this 15th day of January, 2019.

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

REQUESTS AND PETITIONS OF CITIZENS:

Mayor Hall asked City Attorney Erin Gilley to read the City’s policy for the speakers.

Ms. April Blackstock, 241 The Boulevard, represented The Boulevard Merchants Association. She thanked the City for all of the improvements to The Boulevard like repaving the streets, adding new stoplights and allowing the Merchants Association to have fundraisers while providing assistance with the process. She thanked the City for help with the demolition of abandoned buildings and homes along The Boulevard. The crime in the area had recently decreased due to addition of new businesses and the Merchants Association. They would love to have new businesses come into the area and improve the area to bring money back into Eden, but to achieve that, the Merchants Association would need help from the City with code enforcement, removal of awnings, new sidewalks, new lighting and direction signs. Once the two buildings were demolished, they would love to see parks put in as replacements. The improvements should bring new businesses and foot traffic to the area. They wanted The Boulevard to be the best street possible and with the City’s help and the merchants’ hard work and dedication, it should be.

Audit Presentation

- a. Presentation of 2017-2018 Audit by Rouse, Rouse, Rouse & Gardner.

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

Ms. Judy Rouse of Rouse, Rouse, Rouse & Gardner presented the audit report. She explained that their firm Rouse, Rouse, Penn and Rouse had been in Eden for 52 years, but as of January 1, they had a new partner, Trevor Gardner. Mr. Gardner, from Eden, had worked for them for the last two years and had a master’s degree in accounting from UNCG. He passed the CPA exam in February 2018 and they were delighted to have him as part of their team.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

In the audit report on page 1, Ms. Rouse read “we have audited the accompanying financial statements 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 as of and for the year ending June 30, 2018 and the related notes to the financial statements which collectively comprised the City’s basic financial statements.”

Ms. Rouse said to look at page 2. She read “in our 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 as of June 30, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.” She said the City had a clean opinion on their financials.

She said the audit was prepared based on the State and Federal uniform guidance and with the implementation of the Governmental Accounting Standards Board (GASB) Statement, including Statement 75. The Eden ABC Store Financial Statement was also included in the report.

Ms. Rouse said the City Manager’s Synopsis Report had been reviewed and found to be very complete and accurate. They were pleased to note the city manager had addressed each comment they presented in the Management Letter. As the Finance Department employees received additional continued education in governmental accounting and another year of experience, the financial reporting continued to improve. Therefore, the number of adjusted entries to bring the audit report in full compliance had remained for many years at an extremely low level.

In the footnotes to the financial statement, she pointed out on page 83, A Change in Accounting Principle, the City implemented GASB Statement 75 - Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions in fiscal year ending in June 30, 2018. The implementation of the Statement required the City to report beginning total OPEB (Other Post-Employment Benefits) liability, which were the retirees’ benefits. The total OPEB liability and the effects on net position or benefit payments and administrative expenses paid by the City related to OPEB during the measurement period fiscal year ended June 30, 2017. Beginning deferred outflows and inflows of resources associated with implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$4,416,710, and in the business-type activities, which was the water and sewer fund, decreased \$922,150. That was a new requirement that had affected all of the municipalities in North Carolina that furnished any benefits to retirees. It had been a problem nationwide and one of the cities that had to deal with it was Detroit, who went bankrupt. One of the things that all municipalities needed to do was look at what they were providing for retirees. The OPEB liability for the City, the total liability for the governmental activities and the water and sewer fund was \$6,969,655. To calculate the figure, they looked at the number of households the City furnished water to (6,900) divided by the City’s OPEB liability for an estimated cost of \$1,010 per household. Ms. Rouse said that was a low number compared to what they had seen numbers be for a small town and she was pleased with Eden’s number. They did research with Brookings Institute, a think tank, and found six strategies to help keep the OPEB liability under wraps. The firm met with the city manager and

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

the Finance Department the previous week to look at the strategies to see which ones the City had already implemented. She was pleased to note that five out of the six were already implemented. She wanted to point out one of the most important strategies at the bottom of page 59, which said “any employee hired after April 17, 2018 shall not qualify for payment of all or part of the health care and dental care insurance premium upon retirement and shall not qualify for participation in the City’s health and dental insurance policy.” That was major because the City could not keep the continuing liability going. Not only was the City management considering the liability, the self-insured fund group administrator was making recommendations to the City. The change in retiree benefits was a positive thing for the City to get ahead of the game making needed revisions for future Councils and future citizens of Eden.

General Fund

She noted on page 92 that the Fund Balance in the General Fund increased from \$8,722,152 to \$9,408,745, an increase of \$686,593. In the prior year, the Fund Balance increased \$130,006. At the top of page 92 under cash, there was an increase from \$7,472,178 to \$8,473,756 or \$1,001,578. In the middle of page 92, it indicated Total Liabilities in the General Fund increased by \$146,279 from \$1,084,673 for 2017 to \$1,230,952 for 2018. Near the bottom of the page, the information indicated that the Fund Balance available for appropriations or the unassigned fund balance equaled \$6,612,247.

On page 108, under Total Expenditures, the total actual expenditures for the General Fund amounted to \$16,596,728. One-twelfth of that amount multiplied by three months was \$4,149,182. Therefore, the amount unassigned at June 30, 2018 was \$2,463,065 above the three months of operating expenses or 39.84% of annual expenditures. The City Council voted in 1998-99 to keep an unassigned fund balance equal to at least three months operating expenses. The Fund Balance available was comprised of amounts shown as what was restricted, committed, assigned or unassigned according to the Local Government Commission and using that theory, the Fund Balance for Eden was 55.27% of expenditures. The 2017 average statewide level of total Fund Balance maintained by municipalities, without electric and with a population in the City of Eden’s range between 10,000 and 49,999, was 56.11%. Eden was slightly under the State average.

At the bottom of page 94, the budget revenues were \$14,890,000 and the actual revenues were \$14,972,326 for a favorable variance of \$82,326. Overall, the revenues for the General Fund were up from the prior year of \$14,680,223 by \$292,103.

Ms. Rouse said the City Manager’s Synopsis provided detail about the variances; therefore, she would not speak as much about that.

On page 108, the budgeted operating expenditures were \$17,774,600 and the actual expenditures were \$16,596,728. It was a favorable variance of \$1,177,872. Overall, the expenditures for the General Fund were up from the prior year by 9.65% from \$15,136,237 in 2017. The Water & Sewer Fund reimbursed the General Fund for expenses within the General Fund related to Water & Sewer activities. She was happy to note that no department within the General Fund was over budget. The General Fund had Utility User Fees paid from the Water & Sewer Fund to the

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

General Fund for \$2,071,393. It was an increase of \$394,556 from the 2017 reimbursement total of \$1,676,837. It was due to projects related to the EPA mandate.

Water & Sewer Fund

Ms. Rouse said page 115 contained a balance sheet for the Water & Sewer Fund of the full accrual basis, which meant the OPEB liability was a line item on the balance sheet. It was not on the General Fund balance sheet, but was included in the front of the report on the lifttables.

Page 115 included the Comparative Balance Sheets for the Water & Sewer Fund that compared the period ending June 30, 2018 to the period ending June 30, 2017. It indicated the net assets in the Water & Sewer Fund decreased from \$48,325,221 to \$47,769,488. The information at the top of the page indicated that the Cash & Investments decreased from \$7,210,128 in the prior year to \$5,190,502 for FY 2017-18. Total assets and deferred outflows of resources at June 30 totaled \$64,514,382 compared to the prior year which was \$66,051,588. Total liabilities in the Water & Sewer Fund decreased from \$17,700,654 as of June 30, 2017 to \$16,672,037 as of June 30, 2018. The liabilities also decreased because of paying off another year on anything financed or the bonds that were financed.

Ms. Rouse said the Income Statement for the Water & Sewer Fund was on page 116. The Water & Sewer Fund Operating Revenues amounted to \$10,241,441 for FY 2017-18 compared to \$9,690,519 for the prior year. Sewer charges increased due primarily to revenues received from Duke Energy for the treatment of their leachate. The Capital Contributions increased by \$579,412 due a Special Legislative Grant for the Covenant Branch sewer project and funds received for Tornado Reimbursement. Total Operating Expenses increased from \$10,243,907 in 2017 to \$10,257,849 in 2018. The Depreciation Expense decreased by \$356,244 from \$2,929,069 during FY 2016-17 to \$2,572,825 during FY 2017-18. There was another year of depreciation and it went down each year. As the improvements to the water and sewer system were being done, those items would not start depreciating until put into operation. There would be construction in process.

Ms. Rouse said it was a consolidated full accrual of the Water & Sewer Fund. In the prior year, the City had moved the Mega Park Waterline Project and the EPA Administrative Order of Consent into two separate funds, but on the statement that she had just reviewed all of those funds were included together.

On the same page, the Non-Operating Income was \$73,216 from \$43,224 during FY 2016-17 and the Interest Expense for FY 2017-18 was \$269,803 from \$292,374 during FY 2016-17. With payment on the bonds and other installment loans, the interest went down, but some of the things being worked on were not yet complete so the interest would go up. Hopefully, it would not be that much of an increase due to some 0% interest borrowing on the money they would have to spend.

Near the bottom of page 116, it indicated that the Water & Sewer Fund realized a Net Income gain of \$366,417 compared to a net income loss of \$1,002,538 in the prior year. The City Manager's Synopsis reviewed all of the budgetary with the Water & Sewer Fund.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Ms. Rouse was very pleased to report there was no department within the Water & Sewer Fund that exceeded the budgeted amount of funds.

Mega Park Waterline Capital Project Fund and EPA AOC Sewer Capital Project Fund

On page 43 for the Construction Proposed Commitments, Ms. Rouse explained the City Manager's Synopsis went into detail about the projects. The remaining commitment was shown with a note as to where the money would come from to pay for the projects. She said the original budget for the Mega Park was higher but the anticipated revision had already been voted on by Council because less money was needed than originally thought.

Long-Term Debt

The details of the Long-Term Debt were found on page 81. The combination of the Governmental Activities Installments \$3,916,283 and Business-Type Activities Installments \$14,094,507 was \$18,010,790. Those were for installment purchases in the General Fund and Water & Sewer Fund. The Compensated Absences (Accrued Vacation) and Other Post-Employment Benefits were noted as well. The legal debt margin of the City could be 8% of the assessed value, which could be found on page 138. The Total Property Valuation was \$892,176,523 and 8% of that number would be \$71,374,122. On page 138, the collection on the Tax Levy for the current year was 98.21%, which was lower than the previous year at 98.64%. She said the Manager's Synopsis pointed out some reasons for the decrease in tax collections and some taxes were collected since the date of the audit. The State average collection rate for 2017 was 99.01% excluding vehicles and the City's rate was 97.97%. The City was below the State average when vehicles were excluded in the population range. On the Schedule of Interest Income, she was pleased to note the interest increased a little compared to the prior year. The Interest Income amounted to \$162,564 for FY 2017-18 compared to \$64,959 for FY 2016-17.

Council Member Burnette asked with the new OPEB requirement now being in the audit report if the Local Government Commission would look at the audit reports any differently.

Ms. Rouse responded when they attended the classes earlier, the Local Government Commission projected how much difference OPEB would make on everyone's report. She said the Commission would call if they saw something that looked out of line for that municipality. She said it was early in the game because many audit reports had not gotten in yet, but they were very concerned about keeping North Carolina municipalities financially sound. It was a good thing municipalities were required to do the studies. Eden's Council had been proactive in doing the studies which was why they were ahead of the game in keeping liabilities down and making needed changes because their children and grandchildren should not have to face it in the future.

Mayor Hall asked why the OPEB was a line item in the Water & Sewer Fund but not in the General Fund.

Ms. Rouse said it was not a requirement to put that on the General Fund Balance Sheet in the full accrual method. The Full Accrual Method for the General Fund was on the lifttables in the front of the report. Page 15 included the OPEB liability for the Governmental Funds but the column that

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

said Business-Type Activities was the same as what she had just reviewed. On the full accrual method, the unrestricted had a deficit in the first column of \$798,016. The reports were consistent across the State. The Water & Sewer Fund had to have enough to cover expenses and was supposed to be self-supporting. It was an enterprise fund and needed appropriate rates charged to make it that way. However, with the General Fund, receiving increased funds most of the time meant taxes had to be increased and/or grants received.

Council Member Burnette confirmed the larger portion was in the General Fund.

Ms. Rouse replied that was correct.

Mayor Hall said some of the money received from Duke Energy for leachate was variable depending on the weather. One year, the City budgeted much more than they collected but it was the opposite currently. Of course, it was good when the departments stayed on budget.

Ms. Rouse said she noticed the first few months the leachate billing seemed less, but it picked way up and finished with around \$500,000 for the year.

Mayor Hall said he thought the City was in good shape with the percentage of debt they had and it was based on the evaluation of real estate, which was undergoing a revaluation. He heard the City and County were going to be close to what they were before so they had plenty of room on their debt ratio.

Ms. Rouse replied they wanted to keep that under control. The only other thing she had was the Management Letter that stated they were pleased with the number of adjusting entries. For the General Fund, there were only seven with four of those proposed by City personnel. Under the Water & Sewer Fund, there were only four with two of those proposed by City personnel. The City was proactive with the Finance Department doing a great job keeping up with the latest mandates from GASB, evaluating things and getting the proper studies required for a completed audit and keeping up with classes at the School of Government. She wanted to point out the value of the actuarial studies to keep abreast of the potential liabilities there were for the City under the OPEB and the Law Enforcement Separation Allowance. The State Auditor's Office provided the information for the liability for the City related to the retiree pension for the City but the Council was responsible for the OPEB benefits because the Council made decisions related to OPEB. The Officers Special Separation Allowance was a mandate from the State. She was pleased to see the City set up two separate funds for the big projects because they would go on for several years and it would be easier to follow the expenditures of each project. She said she could only say positive things about the City's staff as they did a commendable job getting the report together and writing the report.

Mayor Hall said the City could not do it without the staff and city manager providing the Council with all of the information and they appreciated all of the hard work. He thanked the department heads and staff for staying under budget. He asked the Finance Department to stand for recognition.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mayor Hall said the City Manager's Synopsis of the Audit and the Auditor's Report were available to anyone who wanted a copy. He thanked the firm for their work.

UNFINISHED BUSINESS:

- a. Consideration of 2019 Boards and Commissions appointments.

Board of Adjustment

Council Member Moore nominated Joan Moore to serve for Ward 1. Council Member Hampton nominated Barney Walker to continue for Ward 3. Council Member Ellis nominated Diana Biggs to continue for Ward 7.

Community Appearance Commission

Council Member Moore nominated Millie Priddy to serve for Ward 1.

Historic Preservation Commission

Council Member Ellis nominated Otis Stultz to serve for Ward 7. The nomination for Mayor Hall's appointment was tabled.

Tree Board

Council Member Hampton nominated Sybil Carter to serve for Ward 3.

Strategic Planning Commission

Joy Toms and Sarah Heston were the nominations.

A motion was made by Council Member Ellis to approve the Board of Adjustment, Community Appearance, Historic Preservation, Tree Board and Strategic Planning appointments. Council Member Carter seconded the motion. All members voted in favor of the motion.

NEW BUSINESS:

- a. Consideration and approval of National League of Cities Service Line Agreement.

Mayor Hall called on Ms. Gilley.

Ms. Gilley said the program was endorsed by the National League of Cities and the North Carolina League of Municipalities. It had been utilized by 500 other cities around the country and nine other municipalities in the State. It would educate homeowners on the responsibility of water and sewer service lines. Many times a homeowner reported to the City that there was a water line break or leak and they did not realize it was the homeowner's responsibility to do the repairs from the meter to the property. The City would only repair leaks in the right-of-way. The program was

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

a voluntary warranty insurance that offered an affordable payment every month to help with any damages that happened to the homeowner's property during the contract time. It would not cost the City anything to allow the program but there would be a joint marketing initiative where the company would use City letterhead and issue a letter to all City residents saying the insurance was available. It would happen up to three times a year. The City would collect 50 cents per product for each month so the City would share a bit in the program. The company would utilize local plumbers for repairs. Staff felt like it was a good, valid program.

Mayor Hall said he participated in a conference call with the company. It was basically an insurance policy that a citizen would have an option to buy or not. The plan provided insurance coverage for the water line from the meter to the property or the sewer line from the meter to the property and another product covered the internal plumbing. He said the current fees were listed but could change, however it was on a monthly basis and the citizen could end the coverage. The prices were \$5.75 monthly for water line, \$7.75 for sewer line and \$9.99 for internal plumbing with no deductible. The company would pay local plumbers typical market rates. The project would be no cost to the City. The company would just send their letter out on City letterhead and for every product sold the City would be paid 50 cent. He said it was not a lot of money but it could build up to help pay for a water or sewer project. The most important thing to point out was it being optional insurance. The City would only be allowing the company to use the City logo for their letter but not paying for anything. He said a citizen could get this insurance for about \$120 yearly.

Council Member Moore verified that if there were a problem with the insurance the City would not be involved.

Mayor Hall replied the City only gave the company permission to use the City letterhead but had nothing else to do with the program.

Ms. Gilley said the agreement with the National League of Cities Service Line program would be for three years. After three years, the City could opt out of the agreement and it would have no effect on the current policies with the homeowners.

Council Member Burnette asked if the company did their own vetting with the plumbers.

Mayor Hall said it would be up to the insurance company and the City had nothing to do with that process. He said many times citizens said they called the City for a water leak and were told it was their problem because it was on their side of the meter. The insurance would give homeowners protection for water lines if they wanted to do it.

Council Member Burnette said the sentence that said the water line insurance was optional should be bold type and underlined. He just wanted citizens to know the coverage was optional, not mandatory.

Council Member Grogan said with the letter on City of Eden letterhead the citizens might think it was from the City. She had had line protection for gas lines through HomeServe for seven or

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

eight years since her husband, former Mayor John Grogan, learned about the protection probably at the National League of Cities.

Mayor Hall said to his knowledge it was the first time the water and sewer line protection had been offered in Eden. He said the insurance company said it did not matter the age of the plumbing or the pipes. He told the company many of the lines were getting old on both sides of the water meter. It was an option for homeowners to take if they wanted to.

Council Member Moore asked if the policy would cover irrigation systems.

Mayor Hall replied he would not be surprised if that was also covered. It was an outside water line, but one would need to read the contract. He said the insurance was presented at a National League of Cities meeting and had been around a long time with many cities using it.

Council Member Hampton asked if it was a good idea to use the City logo.

Mayor Hall replied that was the only way the company would partner with cities. He was not sure if the company would let an individual buy coverage individually on their website.

Ms. Gilley said she thought individuals could get the coverage by the website. It was prohibited under the agreement for another company to use the City's logo. The type of insurance was offered by other companies.

Council Member Epps said the rates were probably lower for homeowners who got coverage because of the large mailing instead of buying it individually.

Mayor Hall replied yes, for just one or two the coverage would probably be a different rate.

Council Member Carter said that for a major job, the licensed plumber should come get a permit and have the work inspected by the City.

A motion was made by Council Member Grogan to approve the National League of Cities Service Line Agreement. Council Member Hampton seconded the motion. All members voted in favor of the motion.

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of _____, 20__ ("Effective Date"), by and between the City of Eden, North Carolina ("City"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("Company"), herein collectively referred to singularly as "Party" and collectively as the "Parties". RECITALS: WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("Residential Property Owner"); and WHEREAS, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "Product" and collectively, the "Products"); and WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and NOW, THEREFORE, in consideration of the foregoing recitals, and for other

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Purpose. City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.

2. Grant of License. City hereby grants to Company a non-exclusive license ("License") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. In the event that City extends a similar license to a direct competitor of Company during the Term and any Renewal Term of this Agreement, Company may immediately terminate this Agreement.

3. Term. The term of this Agreement ("Term") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("Renewal Term") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement.

In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. Consideration. A. As consideration for such license, Company will pay to City a License Fee as set forth in Exhibit A ("License Fee") during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. Indemnification. Company hereby agrees to protect, indemnify, and hold the City, its elected officials, officers, employees and agents (collectively or individually, "Indemnitee") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "Claim"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products; provided that the applicable Indemnitee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6. Notice. Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows: To: City: ATTN: Mayor Neville Hall City of Eden 334 Sunset Dr Eden, NC 27288 Phone: (336) 623-2110

To: Company: ATTN: Chief Sales Officer Utility Service Partners Private Label, Inc. 11 Grandview Circle, Suite 100 Canonsburg, PA 15317 Phone: (866) 974-4801

7. Modifications or Amendments/Entire Agreement. Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

8. Assignment. This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City, such consent not to be unreasonably withheld.

9. Counterparts/Electronic Delivery; No Third Party Beneficiary. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

10. Choice of Law/Attorney Fees. The governing law shall be the laws of the State of North Carolina. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

11. Incorporation of Recitals and Exhibits. The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement. [Signature Page Follows].

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF EDEN

Name: Title:
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

Name: Michael Backus Title: Chief Sales Officer

Exhibit A
NLC Service Line Warranty Program
City of Eden
Term Sheet November 26, 2018

- I. Initial Term. Three years
- II. License Fee. \$0.50 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually, for:
 - a. City logo on letterhead, advertising, billing, and marketing materials
 - b. Signature by City official
- III. Products.
 - a. External water service line warranty (initially, \$5.75 per month)
 - b. External sewer/septic line warranty (initially, \$7.75 per month)
 - c. Interior plumbing and drainage warranty (initially, \$9.99 per month)
 Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.
- IV. Scope of Coverage.
 - a. External water service line warranty:
 - Homeowner responsibility: From the meter and/or curb box to the external wall of the home.
 - Covers well service lines if applicable.
 - b. External sewer/septic line warranty:
 - Homeowner responsibility: From the exit point of the home to the main.
 - Covers septic lines if applicable.
 - c. Interior plumbing and drainage warranty:
 - Water supply pipes and drainage pipes within the interior of the home.
- V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

REPORTS FROM STAFF

a. City Manager's Report.

City Manager Brad Corcoran said each Council Member should have received a copy of the report. It was posted on the City's website the previous week and submitted to the Eden's Own Journal for publication. There were hard copies available for anyone wanting one. He would be happy to answer any questions.

City Manager's Report – January 2019

Audited Financial Statements for Period Ending June 30, 2018– Brief Summary

The audit report for the financial period ending June 30, 2018 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 15, 2019. 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 \$8,722,152 to \$9,408,745, an increase of \$686,593 or approximately 7.87% from June 30, 2017 to June 30, 2018. The fund balance on June 30, 2000 was equal to \$4,157,472. represents an increase of \$5,251,273 or 126.31% since that time.

After accounting for funds being reserved for specific purposes, otherwise restricted, the fund balance available for appropriations, or called the "unassigned" fund balance equals \$6,612,247. This is an increase of \$53,677 or approximately 0.82% when compared to the June 30, 2017 total of \$6,558,570. This is despite the fact that \$500,000 is listed under "Subsequent Year Expenditures" for June 30, 2018 compared to \$0 for June 30, 2017. This reflects the \$500,000 in "unassigned" fund balance allocated in the current budget for FY 2018-19. There was no "unassigned" fund balance allocated to the budget for FY 2017-18. In addition, \$4,106 is listed under "Streets-Powell Bill" for June 30, 2018 compared with \$93,207 for June 30, 2017. Furthermore, \$1,928,746 is listed under "Restricted – Stabilization by State Statute" for June 30, 2018 compared with \$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 2017-18 for the General Fund amounted to \$16,596,728. One-twelfth of that amount is \$1,383,061. As such, three months operating expenses would equal \$4,149,183. The amount unassigned at June 30, 2018 of \$6,612,247 is actually \$2,463,064 over that threshold. This \$2,463,064 is the amount of money that would be available for use if desired by the City Council.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

In the current June 30, 2018 financial statements, it indicates that revenues for the General Fund were up from the prior year by \$292,103 or approximately 1.99%.

As stated previously, the total expenditures during FY 2017-18 for the General Fund equaled \$16,596,728. This compares favorably with the total budgeted expenditures for the year, which was \$17,774,600. This was a favorable variance of \$1,177,872 or approximately 6.63%. Overall, the expenditures for the General Fund were up from the prior year by \$1,460,491 or approximately 9.65% from \$15,136,237 in 2017 to \$16,596,728 in 2018. One of the main reasons for this increase can be found on page 103 of the audit document under "Street Resurfacing – Contracted Services". There was an increase of \$1,098,159, (\$0 to \$1,098,159) for the additional street resurfacing projects that were included in the FY 2017-18 budget. In addition, there is a combined increase of \$523,590 or approximately 389.01% under "Capital Outlay" for the Solid Waste Division from \$134,597 being spent during 2017 to \$658,187 being spent during 2018 for the replacement of two solid waste vehicles, replacement of the trash compactor at the recycling/transfer station and improvements to the recycling/transfer station. Without these capital outlay related expenditures, 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 related to the General Fund during FY 2017-18: Fire Training Facility Capital Project Fund. Information concerning the Fire Training Facility Capital Project Fund, which had a June 30, 2018 fund balance of \$8,972, can be found in the financial statements. This fund was created during FY 2017-18.

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 2017-18: 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, 2018 fund balance of \$26,334, which is an increase of \$2,319 or approximately 9.66% when compared to the June 30, 2017 fund balance of \$24,015.

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 to pay for all of our annual expenses related to the Water and Sewer Fund.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

The Fund Balance in the Water and Sewer Fund for the period ending June 30, 2018 was \$5,875,129. This is a decrease of \$1,079,127 or approximately 15.52% when compared to the June 30, 2017 total of \$6,954,256. However, some of you may remember that the City Council voted to transfer \$500,000 to the 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. During FY 2017-18, an additional \$1,000,000 was allocated to the EPA Administrative Order Consent (AOC) Sewer Project Fund. The financial statements indicate a June 30, 2018 fund balance of \$366,049 for the Mega Park Waterline Project Fund and a June 30, 2018 fund balance of \$857,953 for the EPA AOC Sewer Project Fund. Combined, the \$366,049 and \$857,953 on hand on June 30, 2018 equal \$1,224,002. If you take this \$1,224,002 and add it back to the \$5,875,129 that represents the fund balance in the Water and Sewer Fund for the period ending June 30, 2018 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 \$7,099,131 or a decrease of \$1,524,395 or approximately 17.68% when compared to the June 30, 2017 combined Water and Sewer fund balance figure of \$8,623,526.

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 \$4,234,306 in fund balance during just the past seven years (\$11,333,437 down to \$7,099,131) within the Water and Sewer Fund and the two Water and Sewer related project funds. This is a reduction of approximately 37.36% in the past seven years.

Despite our recent challenges due to the loss of several water/sewer intensive industries, the various regulatory mandates, and other capital improvement projects, the fund balance in the Water and Sewer Fund has increased from a total of \$4,345,594 on June 30, 2000, to \$7,099,131. This is an increase of \$2,754,537 or approximately 63.36%.

The Income Statement for the Water & Sewer Fund indicates our "Total Operating Revenue" amounted to \$10,241,441 for FY 2017-18 compared to \$9,690,519 for the prior year. This is an increase of \$550,922 or approximately 5.69%. This was due primarily to \$858,160 in revenues received from Duke Energy for the treatment of their leachate.

The combined, "Water Sales" and "Sewer Charges" increased by \$504,417 or approximately 5.27% from \$9,567,599 in FY 2016-17 to \$10,072,016 for FY 2017-18. However, without the \$858,160 in revenues received from Duke Energy for the treatment of their leachate there would have been a year-to-year combined reduction of \$353,743 or approximately 3.70% from \$9,567,599 in 2017 to just \$9,213,856 for 2018. During the past year, we had a combined reduction of \$360,046 in water/sewer revenues from three industries and an additional reduction of \$109,780 in water/sewer revenues from one business. The combined reductions from these four accounts equaled \$469,826.

Our "Total Capital Outlay" expenses increased by \$456,689 or approximately 56.23% from \$812,203 during FY 2016-17 to \$1,268,892 during FY 2017-18. 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

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

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.

Our future planning will require us to be mindful about the reduced usage patterns and actions that may be needed to make sure the revenues being generated on an annual basis are sufficient to pay for all of our annual expenses. As an enterprise fund, it is imperative that our water and sewer rate structures be established to generate the level of revenues that are necessary on an annual basis to cover all of our operational, capital and debt related costs.

The “Debt Service” expenses within the Water & Sewer Fund increased by \$56,908 or approximately 2.94% from \$1,937,985 during FY 2016-17 to \$1,994,893 during FY 2017-18.

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

As noted previously, the City Council voted to transfer \$500,000 to this newly created project fund and on June 30, 2018, it had an existing fund balance of \$366,049.

On November 20, 2018, the City Council approved an amendment to the amounts previously authorized. Due to a reduction in the size of the proposed waterline and additional grants that have now been awarded, the projected cost and funding sources for this project have changed as follows:

Revised Estimated Project Cost as of November 2018: \$7,072,900

Projected Funding Sources as of November 2018:

• Drinking Water Reserve Grant	\$1,018,225
• Economic Development Administration (EDA) Grant	\$2,000,000
• NC General Assembly Legislative Grant	\$1,000,000
• Loan @ 0% Interest	\$3,000,000
• Loan @ 1.53% (maximum rate)	<u>\$ 54,675</u>
	Total \$7,072,900

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

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 initially to transfer \$2,059,600 to this newly created project fund and an additional \$1,000,000 contribution was budgeted for and received from the Water and Sewer Fund during the past year. On June 30, 2018, this Capital Project Fund had an existing fund balance of \$857,953.

Funding Sources for Capital Project Funds & Future Debt Service Payments

- The Mega Park Waterline Capital Project Fund and the EPA AOC Sewer Capital Project Fund have a combined total cost of \$56,190,173. A total of \$15,391,673 had been spent on the EPA AOC Sewer Projects prior to March 2017 leaving a combined remaining total cost of 40,798,500.
- We are very pleased that \$20,684,225 (\$16,666,000 EPA AOC and \$4,018,225 Mega Park Waterline) or approximately 50.70% of this total cost is expected to be received in the form of grants. An additional \$18,000,000 or approximately 44.12% is expected to be received in the form of 0% interest forgiveness loans and \$54,675 or approximately 0.13% is expected to be received in the form of a loan with a maximum interest rate of 1.53%. This leaves a balance of \$2,059,600 or approximately 5.05% to be funded from the Water and Sewer Fund.
- The City of Eden is 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.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

- This will be sufficient to cover the future debt service payments related to the loans associated with the EPA AOC Sewer Capital Project and the Mega Park Waterline Capital Project.
- The \$15,000,000 loan for the EPA AOC Sewer Capital Project will be paid back over a period of 20 years with an interest rate of 0% and an annual debt service payment of \$750,000. The \$3,000,000 loan for the Mega Park Waterline Capital Project will be paid back over a period of 20 years with an interest rate of 0% and an annual debt service payment of \$150,000. The \$54,675 loan for the Mega Park Waterline Capital Project will be paid back over a period of 20 years with a maximum interest rate of 1.53% and an annual maximum debt service payment of \$3,194. Combined, the future annual debt service payments associated with these three loans will equal \$903,194.

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 \$26,841 or approximately 15.61% from \$171,973 in 2017 to \$198,814 in 2018. Insurance Claims increased during FY 2017-18 from \$2,549,078 in FY 2016-17 to \$2,553,221 in FY 2017-18 for an increase of just \$4,143 or approximately 0.16% while Group Insurance Fixed Costs decreased by \$10,568 or approximately 2.17% from \$487,884 in FY 2016-17 to \$477,316 in FY 2017-18.

The audit document indicates that \$0 (\$0 General Fund and \$0 Water & Sewer Fund) was used in FY 2017-18 in order to balance the Self Insurance Fund. This is a significant improvement when compared to the \$450,000 (\$250,000 GF and \$200,000 WSF) that was utilized during 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, 2017, the actuarial accrued liability for benefits was \$2,258,738. This represents an increase of \$356,195 or approximately 18.72% when compared to the previous year total of \$1,902,543. The audited financial statements indicate that for the year ended June 30, 2018, the City recognized pension expense of \$192,604 for our retired police officers.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

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.

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, 2018 equaled \$19,533, which is an increase of \$2,262 or approximately 13.10% from the amount on hand as of June 30, 2017, which was \$17,271. Again, this is merely a fund for its members who contribute monies for scheduled activities and trips.

Long-Term Debt

On June 30, 2018, the combined total outstanding principal and interest debt for the City was equal to \$19,292,177. This is an increase of \$30,869 or approximately 0.16% compared to the total of \$19,261,308 on June 30, 2017.

The information concerning specific installment purchases, capital lease purchases and other projects is also included in the audited financial statements and indicates that four of the obligations with a total annual principal payment of \$53,634 will be paid off prior to June 30, 2019, eleven additional obligations with a total annual principal payment of \$230,128 will be paid off prior to June 30, 2020, and one additional obligation with a total annual principal payment of \$26,924 will be paid off prior to June 30, 2021.

The legal debt margin for the City as of June 30, 2018 equaled \$71,374,122 up from \$70,903,339 on June 30, 2017. 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 2017-18 was \$892,176,523. This is higher than the total property tax valuation for FY 2016-17, which was \$886,291,739.

The current year tax collection rate dropped slightly to 98.21% compared to the 2017 rate of 98.64%. The property excluding registered motor vehicles collection rate equaled 97.97% and is down slightly from last year's rate that was 98.49%. The reductions were because SGRTEX failed to pay their taxes due prior to June 30, 2018. Finally, the registered motor vehicles collection rate equaled a perfect 100% for the third consecutive year.

Interest Income

The \$162,564 in interest income earned on investments during FY 2017-18 has increased from last year's total of \$64,959 by \$97,605 or approximately 150.26%.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

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.

Economic & Tourism Development Department

MillerCoors Property

Greensboro, NC based D. H. Griffin purchased the former MillerCoors site on December 31, 2018 for approximately \$2.7 million. City officials will meet with the new owners soon to determine their plans for the site. D.H Griffin has a business development arm of its company. Several commercial brokers have speculated that the 1,600-acre property would be an ideal “mega site” due to its abundant utilities and other resources, such as rail.

The price paid for the facility has raised questions within the economic development community. Pabst offered MillerCoors \$100 million for the Eden site in 2015 but was told it was worth \$750 million. This was curious since MillerCoors purchased the Eden site from Miller Brewing Company for approximately \$53 million in 2008 when the joint venture between the two companies began. Some have speculated that MillerCoors did not want to assist Pabst by providing it with the Eden brewing capacity. Like other traditional light lager beer producers, MillerCoors is under intense competitive pressure from the craft beer segment as well as steadily increasing wine sales. One wonders why the company would settle for 2.7% of the original offer for the facility unless this was done by design.

Gildan Activewear

Mr. Nick Freitag, Gildan Vice-President of Wholesale Distribution—Printwear will retire from his position effective February 1, 2019. Since coming to Eden in 2008, Freitag has overseen several company expansions, contributed annual T-shirts to the Get Fit Eden and Rockingham programs, sponsored Eden events, has encouraged his management employees to serve on local Boards and Commissions, and was the 2016 recipient of the Eden Chamber of Commerce Distinguished Citizen Award. Nick and his wife Cindy will be honored by the Eden City Council at its January 15, 2019 meeting. The Freitags will retire to Pilot Mountain, NC.

SGRTex

The Receiver appointed to oversee the sale of this facility continues to show it to potential purchasers. Recently, he advertised the site in *Textile News*, an industry publication, to generate continued interest in the building and its machinery.

Southern Virginia Mega Site at Berry Hill

On December 19, NC Senator Phil Berger, VA General Assemblyman Danny Marshall, Rockingham County Board of Commissioners Chair Reece Pyrtle, Eden Mayor Neville Hall, Eden Director of Economic Development Mike Dougherty, Rockingham County Economic Development Assistant Director Ken Allen and Ted Lord of the Golden Leaf Foundation met with their counterparts from Danville and Pittsylvania County to discuss the developments at the

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mega Park and workforce development efforts. The meeting was held at the Danville Institute for Advanced Learning and Research.

Danville Community College (DCC) and the Institute have helped create an excellent workforce development program, assisted by sponsorships from Gene Hass and other companies who supply equipment. The Danville Economic Development Director dedicated \$1.6 million of his budget to the local school system to encourage students to become part of the precision machining and other programs at the college and Institute. Four companies from the United Kingdom have moved to Danville because of its workforce development program. A \$25 million project will be coming soon to the Institute campus. Since RCC is beginning the process to program the new workforce development center, it seems beneficial to consult with our northern neighbors about programs that would complement what they are providing. They want to create an unsurpassed workforce development program that will help this region be very attractive to industry. Workforce Development is the main concern for most companies so if we have an excellent program in place, it will help us attract industry here.

The first action item resulting from this meeting is for RCC President and staff to meet to determine what training can be included in the RCC Workforce Development Center to complement what is offered in Danville and Martinsville. The goal is to create a regional workforce development initiative to help lure companies to this area. In addition, the Mega Site was featured in the March 2018 issue of Site Selector's Magazine.

Eden's Own Journal

Publisher Lisa Griffith, her husband David and her daughter Liza Doss were among the family members honored at the December 2018 Eden City Council meeting for their 20th Anniversary. A special plaque was presented by Mayor Neville Hall at the beginning of the meeting. Griffith started the newspaper in 1998 and has expanded its reach over the years so it now is a countywide publication. Griffith expressed gratitude for the advertisers who have supported her over the years and made this publication possible.

63rd Annual Chamber of Commerce Awards Dinner

This event will take place on Tuesday, January 29 at the Wright Memorial Event Center, 184 Slaydon Road in Eden with the reception at 6:00 p.m. and dinner at 6:30 p.m. The keynote speaker will be Morehead High School's dynamic new Principal, Ryan Moody. In addition, this event is where the Distinguished Citizen of 2018 and the recipient of the John E. Grogan Lifetime Achievement Award will be announced among other award winners. This is also a great time to hear about the Chamber of Commerce's plans for 2019. Tickets are \$35 per person. Please RSVP by Friday January 25, 2019 at 336-623-3336 or email President Angela Fowler at president@edenchamber.com. You can also stop by the Chamber office at 678 S. Van Buren Road.

622 Washington Street

The sale of the 622 Washington Street to high bidder Trey Wyatt is complete. He plans to open a locally owned craft beer and wine restaurant featuring a delicious American tapas menu in a fun and entertaining environment. He hopes to be open in time for Riverfest which is scheduled for September 20-21, 2019.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Fieldcrest Road Public Space

Corrugated sliding metal doors, a window package and benches for the Fieldcrest Public Space have been ordered. The benches have a ship date of January 31 and the doors should be completed by the end of February. Windows will need final measurements to proceed. The lighting installation has been hampered by record rainfall but will be completed in the near future.

Bridge Street Municipal Parking Lot

A larger new parking lot sign has been ordered for this site. The Home Trust Endowment grant that has been awarded for this beautification project is still being held at the Stadium Drive branch waiting for the official corporate release date. Additional research is being conducted from other Main Street communities on parking guidelines that encourage a pedestrian friendly downtown.

Entrepreneurship Program/SCORE

Plans are being made for an Entrepreneurship program that would feed into a future local SCORE chapter involving the city, Eden Chamber, and county partners. This program would assist with our objectives found for economic development in the *Positively Eden* Strategic Plan.

The Boulevard Merchants Association

The Boulevard Merchants Association held their annual Christmas Party at 241 events. They are currently planning their second annual Food Truck Rodeo for April 13, 2019. Proceeds from their fundraisers are used for their beautification efforts.

Leaksville Merchants Association

The Leaksville Merchants Association have agreed to donate their excess snowflake street pole decorations to the Boulevard Merchants Association. With some additional fundraising, we could see the Boulevard fully decorated during November – December, 2019.

Eden Downtown Development Inc. (EDDI)

The Eden Downtown Development Corporation cancelled their December meeting due to snow. The agenda items will carry over for discussion during their January 14 meeting. Work to pursue the restoration of the Balmar Theater will be tabled, as the current owner has no interest in such a project. The EDDI was recently notified of its 2019 state accreditation from NC Main Street Center staff.

Public Art Project

A public art project supporting painting fire hydrants has been announced. Hydrants in our downtown areas have been identified as priorities and several local artists have volunteered to take on the project initially. This is open to the public. Please contact Randy Hunt, Main Street Manager at rhunt@edennc.us for more information.

Wire Animal Public Art Project

Our artist Josh Cote has completed all six of the animal art pieces. He will be joining us in Eden from Bakersville, North Carolina on Saturday, January 19 to help position the art pieces in Grogan Park. Installation will take place the following week. We will then announce a dedication date that we hope all of you will attend. This has been a very exciting project and we think you

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

are going to be very proud of what has been created for our community to enjoy for many years to come. Stay tuned!

2019 Event Dates

Mark your calendars now because you do not want to miss any of our signature events here in Eden this year!

- May 11 – Oink & Ale
- June 1 – Piedmont Pottery Festival
- July 20 – Shaggin’ on Fieldcrest
- August 15 – Grown & Gathered
- August 24 – Touch –A-Truck
- September 20 & 21 – RiverFest

We will also host smaller events such as Movies under the Stars, Hispanic Heritage Day, the Veterans Day Celebration, WinterFest and more.

Piedmont Pottery Festival

Calling all potters! Our Piedmont Pottery Festival date is set for Saturday, June 1. We would love to have a big group of our talented Rockingham County potters participate this year. Applications will be available online on February 1 at www.ExploreEdenNC.com.

Oink & Ale Barbecue Cookers

Oink & Ale will take place Saturday, May 11. We will be featuring the band ON THE BORDER – THE ULTIMATE EAGLES TRIBUTE and are expecting a large crowd. We would love to feature some of our local barbecue cooks that day as well. Please call Cindy Adams at 336-612-8049 or email her at cadams@edennc.us if you are interested in being a part of this fun event.

Explore Downtown Newsletter

You can get information about upcoming local events by email through our monthly Explore Downtown newsletter. If you want to subscribe, please send your email address to godowntown@edennc.us.

“A Few Minutes with the Mayor”

Tune in to WGSR Star News the last Thursday of every month at 6:15 p.m. and spend 15 minutes with Mayor Neville Hall.

Explore Eden Facebook Page

Please join our Explore Eden Facebook page as another way to stay up to date on what to do in Eden! We have over 7,300 followers!

Engineering Department

Street Resurfacing Projects:

The bid opening for the FY 2018-19 Street Resurfacing Contract, No. 2 was held on Thursday, December 13, 2018 at Eden City Hall. The following bids were received: Waugh Asphalt, Inc.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

\$398,792.94; Turner Asphalt \$480,107.80; Adams Construction \$491,314.80 and Triangle Grading & Paving \$592,317.00. Waugh Asphalt was the low bidder. A request to award will be presented at the upcoming city council meeting.

Restriping of Country Club Drive

Triad Road Maintenance has been delayed on several projects due to the recent bad weather. This work is still scheduled to be completed as soon as the contractor can work it in.

Waterline Replacement Projects Update

Workers from City's Plumbing and Pools, Inc. were able to spot existing utilities and make a wet tap for the new water main for Ridge Avenue on December 27. Due to holidays and wet weather, work continued with one good day a week until the last of the new 2-inch diameter PVC water main was installed on January 7. The new pipe passed the hydrostatic testing the next day, with additional testing scheduled before new water taps can be made for some of the residents west of N. Hale Street.

Joyce Backhoe Services, Inc., low bidder for the Morehead Street waterline replacement project, still plans to start the installation of the 6-inch diameter ductile iron water main between Glovenia Street and Hollingsworth Street around the later part of January, or early February 2019.

City's Plumbing and Pools, Inc., the lowest bidder for the Jackson Street and W. Moore Street waterline replacement project, has submitted bonds and other required documents that are being reviewed. The installation of up to 905 feet of 6-inch diameter ductile iron water main along Jackson Street north of W. Moore Street could also begin at the end of January 2019.

Fire Department

During 2018, the Eden Fire Department conducted 27 fire and life safety programs throughout the city. A total of 57.5 hours of material was presented on various safety topics. Listed below is the age break down with the number of participants:

- 0-4 years 213
- 5-10 years 799
- 11-13 years 120
- 14-18 years 178
- 19-61 years 643
- 62+ years 36

• **Total Number** **1989**

The fire department distributed 20 smoke detectors and installed 19 batteries. We offer a free smoke detector for citizens who own their home. If you or anyone you know, is in need of a smoke detector please call Eden Fire Station 4 @ 336 623-9820 for more details.

Information Technology

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Tax season is upon us. Which means IRS scam season is also here. Between January and April, we always see an increase in the amount of phishing e-mails that either claim to be from the IRS, your bank, or employer. The Center for Internet Security (<https://cisecurity.org>) recommends these three tips to help you avoid scams this tax season:

- **File your taxes as early as you can**
 - By filing your taxes early, scammers aiming to use your personal information to file a fraudulent return in your name will be unable to do so. They can't file if you beat them to it!
- **Never click a link in an email notifying you of available tax documents**
 - Always go to your browser and type in your company's online W-2 or tax document retrieval service URL to avoid many common phishing scams. This will ensure you go to the right website and get your documents safely.
- **Avoid IRS impersonation scams**
 - The IRS will never contact you over the phone or email to ask for payment of an overdue tax bill. Criminals frequently make such calls and can request payment by normal means or by prepaid gift cards, and any contact like this should be ignored.

To report tax fraud:

The IRS encourages taxpayers to send suspicious emails related to tax fraud to phishing@irs.gov. Other forms of tax fraud can be reported by following the instructions on this site: <https://www.irs.gov/businesses/small-businesses-self-employed/tax-scams-how-to-report-them>

Municipal Services Department

Code Red Notification System

The City of Eden has a Code Red Notification System to help make residents aware of changes to garbage collection due to weather or holiday closings, missing persons and any road closures. The system is also used for other public service and emergency related announcements. If you are not receiving the notifications and are interested in being included, please contact Georgette Spence at 336-623-2110 option 3 and have your name and number(s) added to the Code Red notification list. If you are an Eden resident, there is no cost to receive these notifications.

Reminder Concerning Snow Events

During snow events, our Municipal Services Department requests that all residents avoid parking their car(s) on the roadway. Please park any and all cars OFF the roadway, if possible. This would allow better access for the snowplows to clear the roadway in a timelier and efficient manner, thereby allowing all residents access to clear roads much faster. Thank you so much for your assistance.

Reminder: Collection of Leaves is Now Underway

The City of Eden is in the process of collecting leaves for leaf season. Residents should place their leaves behind the curb or edge of the road, and leaves must be separated from brush. During heavy rain events, leaves may not be picked up on schedule due to water damaging the leaf machine. However, leaves will be picked up when they dry out. The City will be collecting leaves on a regular basis until February.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Parks, Recreation & Facility Maintenance Department

Community Accents Program & Parks & Recreation Radio Program

Staff will be participating in the Community Accents Program with WLOE (Wonderful Land of Eden) radio on January 11. In addition, staff participated in the Parks & Recreation Radio Program with WLOE on December 27 and will be participating in the same program again on January 23 to update the public on our recreational program offerings during the months of January, February and March. We remain involved in these community outreach efforts in an effort to update residents about the programs being offered by our Parks & Recreation Department.

Be Healthy Rockingham County

Staff continues to be involved with Be Healthy Rockingham County initiative. They will attend the Be Healthy Rockingham County meetings scheduled for January 9 and February 13.

Santa Calling Program & Santa Visits

Parks & Recreation staff conducted the Santa Calling Program and Visits by Santa during the month of December 2018.

Dixie Youth Ozone State Baseball Championship

The City of Eden has been selected as the host City for the 2019 Dixie Youth Ozone State Baseball Championship that will take place from July 12-18, 2019 at Freedom Park.

Freedom Park Splash Pad Update

Cirrus Construction is in the process of preparing construction documents and currently plans on initiating construction at some point this month, weather permitting. VORTEX is continuing their work on the construction documents for the splash pad component and they too are currently planning to begin construction at some point this month, weather permitting.

Matrimony Creek Greenway Parking Lot – Update

The City Council authorized the paving of the Matrimony Creek Greenway Nature Trail Parking Lot at their meeting on September 18, using funds from the *Positively Eden* Strategic Plan Funds for FY 2018-19. Prices were received for this project and a P.O. was issued, but this project was put on hold until the spring of 2019 due to the repairs and restoration work needed due to the damage from Tropical Storm Michael.

Freedom Park Walking Track and Road Repairs

Road repairs and crack sealing was done to the parking lots and walking track at Freedom Park during the week of November 26-30. The walking track and stripping will be completed in the spring of 2019.

Chiller & Cooling Tower for Eden Municipal Building

The installation of the new Chiller and Cooling Tower that was previously approved by the Eden City Council is scheduled to begin in late February or early March and will be completed by mid-April.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Planning & Inspections Department

Stadium Drive Sidewalk

We have finally been given the go ahead to start the survey work and procurement of a surveyor and designer for this project. A meeting representatives from the North Carolina Department of Transportation, is the next step. Once that meeting is held, we will put out a Request for Proposals for an Engineering firm to design the project according to NCDOT standards. A survey will need to be done and any necessary easements procured.

Demolitions

At the November 2018 regular City Council meeting, the City Council approved the demolition of seven properties. The following are before and after pictures of the first three of those buildings that have been demolished:



Code Enforcement

31 local code inspections were made since the last report. The breakdown of types are as follows: 1 for a building violation, 2 for high grass, 12 for junk cars, 12 for junk storage, and 4 for miscellaneous inspections. Miscellaneous inspections would include, but are not limited to, sight

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

obstructions, sewer discharge on to the ground, and rats. In addition, 6 notices have been mailed by certified mail and first class mail. The number of properties affected are as follows: 1 for a building violation, 4 for junk, and 1 for a junk car.

In an effort to identify property owners, our Staff regularly consults with the Clerk of Superior Court of Rockingham County, North Carolina, regarding deceased property owners and with the Medicaid Estates Recovery Department in the North Carolina Department of Health and Human Services to determine if they plan to seek action to collect funds.

Collections

Statements were mailed out the last week of November to all property owners with an outstanding balance. The City received payments in the amount of \$215.00. December is usually a slower month for collections.

During 2018, the City of Eden and Rockingham County have worked together toward our collection efforts for local code abatement fees owed to the city. The decision was made that each June, the fees from the most recent year that remain due for local code enforcement will be sent to Rockingham County to be placed on the tax bills that will come out in August. Since the tax bills were mailed in August of 2018, the City has received \$4,083.54 from Rockingham County on code enforcement fees that were billed with the property taxes.

If delinquent taxes are due on a property as well as local code enforcement fees, the County has agreed that the city can use the tax foreclosure process for collections. We will have to pay taxes with proceeds that we receive, but using this style of foreclosure will allow the resulting property to be sold free of all liens except federal tax liens. This will make it much easier to sell the properties and get them back on the active tax rolls.

Planning Board

On January 3, the board met to discuss a text amendment that would allow recycling centers in I-2. This type use was moved to I-3 when our industrial districts were overhauled. While the request was a text amendment, the focus is still on the property on Friendly Road that used to be a junkyard. The Planning Board recommended denial of the request as did staff.

For the next regular meeting of the Board, we have received a zoning map amendment request from the owners of the former Fieldcrest filter plant on Meadow Road. They are working toward a micro-brewery on the site. We are also taking a staff generated zoning ordinance amendment to the Board about disabled vehicles.

Planning Organization Boards and Commissions

Boards and Commissions during January and February will be discussing their goals and objectives for the next budget year.

Strategic Plan Project Proposal – Residential Improvement Grant

Staff is currently developing a proposal for a Residential Improvement Grant and we intend to ask the *Positively Eden* Strategic Plan Commission to fund the first year of the project if we receive approval from the City Council. We will select seven neighborhoods and allow both owners and

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

landlords of single family residential structures to apply for a maximum of \$10,000 for the following improvement categories.

1. Life Safety issues
2. Energy Conservation
3. Appearance and General Upgrades

We plan to model the program after both our Downtown Improvement Grant (DIG) program and the old Single Family Rehab grant programs from the State. We will include the same protections (Deed of Trust) to prevent us giving grants and then owners taking the windfall and selling. In addition, there will provisions to prevent landlords from upping rents based on city-sponsored improvements.

Police Department

Due to the re-assignment of Officer Elizabeth Tilley to the Downtown Business District Officer, an interview panel was formed for the vacant School Resource Officer position at Holmes Middle School. Congratulations to Officer Jay Parker for being selected for this re-assignment.

On January 22 – 23, the police department administration and supervisors will receive training on Data-Driven Approaches to Crime and Traffic Safety (DDACTS). This training integrates location based crime and traffic data to establish effective and efficient methods for deploying law enforcement and other resources. Using GIS mapping to identify areas that have high incidences of crime and crashes, DDACTS uses traffic enforcement strategies that play a dual role in fighting crime and reducing crashes and traffic violations.

We have a student from ECU majoring in Criminal Justice working on his internship. Brock Fox, an Eden resident, is doing an internship and shadowing officers and other staff to complete more than 500 hours of required time to complete his internship. Brock will observe many of the day-to-day operations as well as the behind the scenes operations.


The Eden Police Department would like to continue to encourage the citizens of our community to utilize the Eden Police Department's Facebook page for updates and information concerning our community, as well as Crimestoppers, to provide anonymous information concerning illegal activity to keep our community safe.

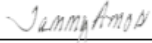
CONSENT AGENDA:

- a. Approval and adoption of the December 18, 2018 minutes.
- b. Consideration and approval to award FY 2018-19 Street Resurfacing Contract No. 2.

Director of Transportation Engineering Tammy Amos submitted a copy of the Bid Tabulation Schedule for the FY 2018-19 Street Resurfacing Contract, No. 2. Bids were received on December 13, 2018 at 11:00 a.m. A total of 4 responsive bids were received for the project. The low bidder was Waugh Asphalt, Inc. in the amount of \$398,792.94. The date of availability for the contract is April 1, 2019. The Engineering Department requested Council's approval to award the contract to Waugh Asphalt, Inc. based on their bid amount shown.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

 FY 2018-19 STREET RESURFACING CONTRACT, NO. 2 (SRC 2018-19-02) CITY OF EDEN, NORTH CAROLINA BID TABULATION SCHEDULE DECEMBER 13, 2018 11:00 A.M.											
Bid Item No.	Description	Unit	Est. Qty.	Waugh Asphalt, Inc. NC License # 59882		Turner Asphalt, Inc. License #55042		Adams Construction NC License # 20677		Triangle Grading & Paving NC License # 17456	
				Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total
1	Adjustment of Manholes	EA	42	\$ 325.00	\$ 13,650.00	\$ 325.00	\$ 13,650.00	\$ 350.00	\$ 14,700.00	\$ 430.00	\$ 18,060.00
2	Adjustment of Valve Boxes	EA	27	\$ 325.00	\$ 8,775.00	\$ 325.00	\$ 8,775.00	\$ 350.00	\$ 9,450.00	\$ 430.00	\$ 11,610.00
3	Edge Milling Asphalt Pavement, 0 to 1 1/4" depth	SY	1,929	\$ 3.99	\$ 7,503.81	\$ 6.50	\$ 12,538.50	\$ 4.40	\$ 8,487.60	\$ 9.50	\$ 18,325.50
4	Edge Milling Asphalt Pavement, 0 to 2 1/2" depth	SY	2,834	\$ 3.56	\$ 10,089.04	\$ 4.50	\$ 12,753.00	\$ 6.10	\$ 17,287.40	\$ 10.00	\$ 28,340.00
5	Milling Asphalt Pavement, 1 1/2" depth	SY	4,321	\$ 4.30	\$ 18,580.30	\$ 4.50	\$ 19,444.50	\$ 4.00	\$ 17,284.00	\$ 7.50	\$ 32,407.50
6	Milling Asphalt Pavement, 2 1/2" depth	SY	3,298	\$ 3.37	\$ 11,107.52	\$ 3.80	\$ 12,524.80	\$ 3.80	\$ 12,524.80	\$ 8.50	\$ 28,016.00
7	Asphalt Concrete Leveling Course, Type S 9.5B Virgin Mix	TON	263	\$ 122.20	\$ 32,138.60	\$ 108.00	\$ 28,404.00	\$ 140.00	\$ 36,820.00	\$ 210.00	\$ 55,230.00
8	Asphalt Concrete Surface Course, Type S 9.5B Virgin Mix, 1 1/2" depth	TON	2,582	\$ 107.71	\$ 278,107.22	\$ 138.00	\$ 356,316.00	\$ 135.50	\$ 349,861.00	\$ 150.00	\$ 387,300.00
9	Shoulder Reconstruction - Incidental Stone (ASB)	TON	228	\$ 81.33	\$ 18,543.24	\$ 68.00	\$ 15,504.00	\$ 108.00	\$ 24,168.00	\$ 56.00	\$ 12,788.00
10	Asphalt Concrete Surface Course, Type RS 9.5B (Alternate 1)	TON	1	\$ 100.21	\$ 100.21	\$ 130.00	\$ 130.00	\$ 137.00	\$ 137.00	\$ 140.00	\$ 140.00
11	Shoulder Reconstruction, Soil, Seed & Mulch (Alternate 2)	TON	1	\$ 198.00	\$ 198.00	\$ 68.00	\$ 68.00	\$ 595.00	\$ 595.00	\$ 120.00	\$ 120.00
Total Bid Price (Items 1-11)					\$ 398,792.94		\$ 480,107.80		\$ 491,314.80		\$ 592,317.00

The Lump Sum and Unit Prices in This Tabulation received on December 13, 2018
 Are As Given In The Bidder's Respective Bid Proposals
 And The Totals Are Arithmetically Correct

Tammy Amos
 Director of Transportation Engineering, City of Eden

- c. Consideration and approval of financing for a mobile communications system for Public Works.

In the 2018-2019 Budget, City Council approved the purchase of a mobile communications system for Public Works and it was set up in the budget to be financed. On December 20, 2018, Ms. Amy Winn, Assistant Director of Finance, requested bids from local banks for the financing and received the following quotes: BB&T 3.21% and United Financial (Home Trust) 3.19%. The total cost of the equipment is \$127,800 with annual payments of approximately \$28,057.28, which is within the budgeted amounts. Ms. Winn respectfully asked that Council approve United Financial (Home Trust) as the successful bid for financing.

- d. Consideration and approval of financing for a service truck for C&D.

In the 2018-2019 Budget, City Council approved the purchase of a service truck for the Collection & Distribution Department and it was set up in the budget to be financed. On December 20, 2018, Ms. Winn requested bids from local banks for the financing and received the following quotes: BB&T 3.21% and United Financial (Home Trust) 3.19%. The total cost of the equipment is \$78,378 with annual payments of approximately \$17,207.15, which is within the budgeted amounts. Ms. Winn respectfully asked that Council approve United Financial (Home Trust) as the successful bid for financing.

- e. Approval to call a public hearing to consider an installment purchase contract in the amount of \$945,700 for the General Fund Splash Pad, Resurface Tennis Courts, Matrimony Creek Phase II, Klyce Street & Draper Landing, Stadium Drive Sidewalk Match, and Street Resurfacing Projects.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

A motion was made by Council Member Moore to approve the Consent Agenda. Council Member Ellis seconded the motion. All members voted in favor of the motion.

ANNOUNCEMENTS:

Mayor Hall called on Mr. Dougherty.

Mr. Dougherty said 770 Ventures LLC purchased the former MillerCoors facility on December 31, 2018. One of the 770 Ventures partners was D.H. Griffin, best known as a demolition company. It led to rumors that the facility would be demolished. The previous Friday, City and County officials met with the new owners. They considered the site to be a great asset because of the utilities and other resources available there, abundant water, sewer, natural gas and rail. Their first priority was to sell the facility to a user who would provide jobs. There had been significant interest in the site since the purchase was announced. The City and County Economic Development departments were working on those and past leads. The initial positive outcome of the 770 Ventures purchase was that now the property was for sale and the owners would work with interested parties unlike the last two years when potential companies found little cooperation dealing with the previous owner. The absolute last resort would be to demolish the facility, but the new owners say that would not be a financially good outcome for them. There were two separate structures beside the 1.3 million square foot larger facility. He was working with a new potential owner of one of those structures now. The Southern Virginia Mega Site at Berry Hill had seen a significant increase in interest. Support companies for a tenant there may be interested in locating in the area. There are almost 500 prime developable acres on the site. He said he would meet with one of the new owners the following day for an in-depth discussion about the property.

Council Member Grogan asked if the new owners would be willing to sell off portions of the property.

Mr. Dougherty replied yes, that was the problem over the last two years as there was no consideration of anything else. One of the situations was that Eden did not have many buildings of 50,000 or 100,000 square feet. There were 50,000 and 105,000 square foot buildings on the property that could be used. There was access to Summit Road and ample parking at both of those. He felt 770 Ventures LLC's main goal was to sell the property.

Council Member Epps asked if the owners would consider it if the City was interested in some of the land.

Mr. Dougherty replied possibly, as the owners were open to all options.

Mayor Hall felt with the property now legitimately for sale, things were headed in the right direction.

Council Member Carter asked if there were still people interested in the SGRTEX building.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mr. Dougherty replied yes, and he had met the previous week with the interested party and the Bank of India people who held the deed of trust on the property. There were two companies who made offers on the property. There was a receiver assigned to the property who would do an appraisal to determine a proper value. It was one of those situations where the bank was wanting a high price and an offer came in lower but they would have to meet somewhere in between. With an accurate appraised value they could make counter offers. The first objective of the bank would be to sell it turnkey to get it operational as a textile facility. If that did not happen, it was certainly a very marketable building at 181,000 square feet. One of the companies that made an offer was legitimate with plans to operate there if they got the facility.

Council Member Hampton thanked The Boulevard merchants for all their hard work. She said the area really needed the City’s help if possible. The Leaksville EDDI gave The Boulevard snowflake lights for Christmas but they needed help getting electrical outlets installed to power them. The area was really trying.

Council Member Epps said he had complimented Council Member Hampton in an earlier conversation and told her that she was doing a great job with The Boulevard. He told the merchants at the meeting that he appreciated all they had done to make The Boulevard look great.

Council Member Carter thanked Coordinator of Tourism & Special Events Cindy Adams, Mr. Corcoran and staff for the great job on WinterFest. It was a great success and he would like to see it get even bigger in years to come. It was a good turnout for a first-time event.

ADJOURNMENT:

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

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor