

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, April 21, 2020 at 6 p.m. electronically via Zoom and was streamed live on the City's YouTube channel. Those present for the meeting, all via Zoom, were as follows:

Mayor:	Neville Hall
Council Members:	Darryl Carter
	Gerald Ellis
	Jerry Epps
	Angela Hampton
	Phillip Hunnicutt
	Bernie Moore
	Bruce Nooe
Interim City Manager:	Terry Shelton
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley

MEETING CONVENED:

Mayor Hall called the regular meeting of the Eden City Council to order and welcomed those in attendance. Pastor Luke Money of Pleasant View Baptist Church gave an invocation followed by the Pledge of Allegiance led by Interim City Manager Terry Shelton.

Mayor Hall noted that in the best interest of the citizens, some items that would normally be on the agenda had been tabled.

PROCLAMATIONS AND PRESENTATIONS:

- a. Police Week.

Mayor Hall read the proclamation.

PROCLAMATION: POLICE WEEK

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

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

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

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

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

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

NOW, THEREFORE, I, Mayor Neville Hall, and the Eden City Council do formally recognize our Police Officers and Support Staff for their faithful and loyal devotion to their responsibilities and their dedication to our City, and

do hereby proclaim May 10-16, 2020 as Police Week in the City of Eden and call these observances to the attention of all our citizens.

This the 21st day of April, 2020.
BY: Neville Hall, Mayor
ATTEST: Deanna Hunt, City Clerk

FIRST ORDER OF BUSINESS:

- a. Consideration of a policy implementing procedures for remote, electronic public meetings during the COVID-19 pandemic.

Mayor Hall called on City Attorney Erin Gilley.

Ms. Gilley said a policy was drafted to specifically deal with electronic meetings. One issue addressed was how a quorum would be affected by electronic participation. The policy stated that electronic participation by a member shall be deemed to be physical presence at the meeting for all purposes, including a quorum and voting. In the event that someone was unintentionally disconnected, it would not destroy the quorum. In a normal meeting, if a Council Member did not audibly vote, their vote was considered an aye or an affirmative. That would not be the case with electronic meetings. Another issue addressed in the policy was that of procedure. Any Council Member making a motion or second would need to identify who they were and the Mayor would repeat the names. The votes would be conducted by an alphabetical roll call. Whenever there was an electronic meeting, public participation would be allowed just as it was in regular meetings. The public would be allowed to join via internet or phone. Notice was posted on the City's website and social media informing the public that if anyone wished to speak or to comment on the public hearing, they would need to contact the City Clerk by a specified time. They would then be given instructions on how to proceed. The policy further addressed giving the public as much notice as possible of the remote meetings. Because the COVID-19 situation was constantly evolving, the policy may need to be adjusted and thus, the policy allowed for such changes.

Council Member Ellis questioned if any of the meeting would be viewable at a later time.

Ms. Gilley confirmed the meeting would be available on the City's website and YouTube channel.

A motion was made by Council Member Epps to approve the policy implementing procedures for remote, electronic public meetings during the COVID-19 pandemic. Council Member Ellis seconded the motion. All members voted in favor of the motion (according to a roll call vote by Mayor Hall). The motion carried.

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

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

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

including public comment procedures during this time will allow the Council to hear issues of public concern while protecting public health and safety.

III. Procedures: The following procedures shall be followed for the electronic meetings platform as well as the public comment periods:

a. Electronic Meetings. The City Council may hold a regular, special or emergency meeting as a remote, electronic meeting using technology such as Zoom, WebEx, or another virtual or teleconferencing platform provided that one or both of the following conditions are met:

1. Meeting in person would pose a threat to health and safety of the Council, City staff and the general public who might otherwise attend the meeting in person; or
2. Restrictions or prohibitions implemented in conjunction with the declaration of the State of Emergency make it impractical or not feasible to hold an in-person meeting of the Board.

Any electronic meeting held under this rule must provide, at a minimum, “conditions of opportunity for simultaneous aural communication among all participating Board members equivalent to those of meetings held in one room or area. Under such conditions, an electronic meeting shall be treated as though it were a meeting at which all the Board members who are participating are actually present.”[1] Electronic participation by a member shall be deemed to be physical presence at the meeting for all purposes under these rules. [1] RONR (11th ed.), p. 97, ll. 24-30.

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

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

b. Public Comment Periods. The following procedures shall be followed for all public comment periods including but not limited to public hearings and requests and petitions of citizens.

1. Virtual Public Comment Periods that approximate traditional public comment periods will be offered via Zoom, WebEx, or another virtual or teleconferencing platform. An online platform as well as an audio teleconferencing option will be provided.
2. In addition to these modifications, all rules and procedures directed in the City of Eden Administrative Policies and Procedures-36 (APP-36) Public Comments During Requests & Petitions of Citizens Period & Public Hearings adopted by the Eden City Council on June 19, 2018 shall remain in effect.

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

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

Adopted this 21th day of April, 2020.

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

SET MEETING AGENDA:

Mayor Hall noted the addition of one item under New Business: 10b – Consideration of a grace period for Occupancy Tax Payments due to COVID-19. A motion was made by Council Member Hampton to approve the agenda as amended. Council Member Epps seconded the motion. All members voted in favor of the motion (according to a roll call vote by Mayor Hall). The motion carried.

REQUESTS AND PETITIONS OF CITIZENS:

There were no requests and petitions of citizens at this time.

UNFINISHED BUSINESS:

There was no unfinished business at this time.

NEW BUSINESS:

- a. Consideration of a presentation by Mary Nash Rusher, of McGuireWoods Law Firm, to discuss multi-family revenue bonds to support the Nantucket Mill project and consideration to adopt a resolution giving preliminary approval to issuance of such bonds.

Mayor Hall called on Economic Development Director Mike Dougherty and Planning and Inspections Director Kelly Stultz.

Mr. Dougherty stated Ms. Rusher was a managing partner of McGuireWoods, LLP, in Raleigh, working closely with local governments, non-profits, and others to finance capital improvements using tax advantage financing, primarily tax-exempt bonds. Tonya Haddock was with Cadence Development, LLC, and specialized in historic adaptive reuse developments where she had developed more than 1,000 units in Virginia, South Carolina, North Carolina and Georgia. She was collaborating with James Maynard on the Nantucket Mill project.

Ms. Rusher wanted to discuss the City's role if it chose to act as an issuer of tax-exempt bonds in order to provide funding in the form of both bond financing and tax credits for the Nantucket Mill project. Multi-family housing bonds must be issued by a governmental issuer, which was essential in order for the bonds to be tax exempt. In North Carolina, the typical issuer of multi-family housing bonds were housing authorities. However, in places where there was no housing authority, a town or county had the power under N.C.G.S. 160A-456 to act as a housing authority. The bonds required the housing authority to be the issuer of the bonds by lending the proceeds of the bonds to the private borrower, which was a for-profit entity. That borrower was solely responsible for the repayment of those bonds. The issuer of the bonds would essentially touch the money as it went by in order for the bonds to be tax exempt. The bonds were non-governmental, would not reflect on the City's credit, and would not affect their borrowing capacity.

Ms. Rusher showed a chart that explained the structure of a tax-exempt multi-family housing bond. It would begin with the City as the authority who would issue the bonds to the bondholders. The proceeds

of those bonds would go into a construction fund and be used by the borrower for the project. At the closing of the bond issue, there would be restrictive covenants requiring at least 40 percent of the housing units be leased to tenants whose income was 60 percent or less of Area Median Income (AMI) for the longer of the life of the bonds or 15 years. The rest of the housing units could be market rent. The rules for the tax-exempt bond finance property focused on the use of the project in which 95 percent of it must be used for capitalizable cost. On the Nantucket Mill project where the building was going to be used for housing, 15 percent of the purchase price must be spent on the rehabilitation. Other criteria explained in the tax code and related regulations stated that the finished project must consist of one or more buildings or structures, be located on a single tract of land, and be occupied for leases of six months or longer. The finished project could not be used for hotels or dormitories and must provide complete living, sleeping, and cooking facilities. Subordinate facilities, such as a clubhouse, parking, pools, and playgrounds could be included under the financing and leased to the general public as well. However, they were still subject to the income restrictions, which were based on HUD guidelines. For instance, if someone who met the income restrictions moved into one of the units and happened to either secure a second job or a better job, they did not have to move out. However, if their income escalated to be 140 percent of AMI, the developer was required to hold open the next available unit for someone whose income was 60 percent or less of AMI. The income restrictions allowed people to improve their lives while keeping housing affordable.

Ms. Rusher said there was a limit of the number of multi-family revenue bonds that could be issued in any state in any given calendar year. The volume cap was based on the per capita, the population, and \$105 per capita. The North Carolina Housing Finance Agency (NCHFA) accepted applications from developers, reviewed them against the annual plan to promote affordable housing, and then awarded that volume cap, which was essentially permission for the issuance of the bonds. The volume cap allocation process was broken into two rounds each year. The first round started in January with a preliminary application and the full application due at the end of May. As part of that, the developer must demonstrate that they have an entity, such as the City, who was willing to serve as the issuer of the bonds. In the case of the Nantucket Mill project, Ms. Haddock had already filed the preliminary application and was waiting to submit the full application pending the City's agreement to serve as the issuer of the bonds. In the future, there would need to be a public hearing and an approval following the public hearing. If the bond issue had a term of longer than five years, there would also be local government approval required as they have a separate approval requirement for multi-family revenue bonds due to the fact they do not have anything to do with the entity's credit. The bonds look only at the credited of the developer and the creditworthiness of the project. The very last approval would be the approval of the issuance of the bonds and authorizing people to sign documents.

Ms. Rusher explained the Local Government Commission continued to be very strict about who bought the bonds and therefore, they were typically sold to a bank, similar financial institution, or qualified institutional buyer, or they would have an investment grade rating. The main thing multi-family revenue bonds gave to the developer, in addition to a lower interest rate, were tax credits. The tax code provided that if at least 50 percent of the basis of the project was financed with tax-exempt bonds, the developer automatically received a 4 percent tax credit provided by a limited partner in the partnership that owned the project. Instead of receiving cash flow out of the project, that limited partner would receive those tax credits over a 10-year period. Therefore, the success of the public/private partnership in the development of affordable housing was attributed to the private tax credits, the private developer, and public issuer merging together to provide affordable housing units. The players in a bond deal began with the issuer, who in the Nantucket Mill project case would be the City. There would either be a purchaser who would be privately placed or an underwriter of the bonds. There was typically not a bond trustee, but if there happened to be one, the bond trustee would hold the proceeds of the bonds and would disburse the funds needed to build the projects. They would also take care of making sure the principal and interest paid by

the developer made its way to the bond holders. A bond counsel's duty would be to oversee the entire process and issue an opinion that the bonds were tax exempt. The steps were to adopt the issuance resolution, the findings resolution required by the LGC based solely on the information provided by the developer, and once things were done, the City would adopt a final resolution approving the documents and the financing. Following the issuance of the bonds, there were annual reports about the compliance with the low-income requirements that the bond issuer would receive. Those same reports were being monitored closely by the tax credit investor and by the NCHFA because they wanted to make sure those tax credits remained in effect.

Council Member Hunnicutt questioned how long the term of the bond issue would be on the project.

Ms. Rusher replied that it was unknown at the time because they do not know what the structure would be. There was a short structure that a number of borrowers had used where the bonds were essentially just construction financing and only outstanding for two-and-a-half to three years. In other instances, there was a much longer term more like 25 years.

Council Member Hunnicutt asked at what point in the process the City would know the term.

Ms. Rusher replied before any further action was taken. If the City agreed to be the issuer, it would likely be between October and December before the bonds would be issued and the term structure set up.

Council Member Hunnicutt asked Ms. Rusher if she anticipated there being a trustee or if that would be determined as the City moved forward.

Ms. Rusher answered that it would have to be determined unless Ms. Haddock had already selected a structure for the bond.

Ms. Haddock said she would prefer to do the short-term construction bonds, but acknowledged they were not quite at the point to decide as they were still in the preliminary stage.

Ms. Rusher said there are a number of bigger banks in the short structure that also had a program in which they come in and take out the short bonds once the project was built. In those short bond programs, there was a trustee who held the proceeds and disbursed them throughout construction.

Council Member Nooe stated that in the resolution it mentioned securing "the same by pledges of its revenues." He questioned if the City would be responsible for repaying the bonds in the event the bonds were issued and purchased by others and something happened resulting in nonpayment.

Ms. Rusher replied no. The revenues that secured it were the promise to pay from the borrower, which in turn would be secured by a mortgage on Nantucket Mill. If in the event such a thing were to happen, the only remedy that the lender would have was to foreclose on the Mill.

Council Member Nooe questioned about the borrowers possibly putting their faith in the City because it was the issuer of the bonds or if they were aware that the City had no financial responsibility.

Ms. Rusher said that it was stated multiple times in big, bold, all-caps letters throughout the offering document that the City had no responsibility for repaying the debt. In her decades of this work, she had only seen one deal go into default. The deal fell apart and they did foreclose, but nothing happened to the issuer.

Council Member Hunnicutt questioned who would be responsible for payment of any expenses or costs incurred by the City, such as possible outside counsel review on the City's behalf.

Ms. Rusher replied that the developer would be responsible for such costs. All of the costs related to the project were included in the financing and paid at closing. Most authorities that issued the multi-family housing bonds charged a fee for their willingness, staff time and effort as part of the closing process.

Ms. Gilley said the next step of the process was asking for Council to vote on the initial resolution that essentially stated if the terms became mutually agreeable by the City and the developer, the City could have a public hearing, vote on the language and the agreements, and then decide.

Ms. Rusher answered yes but added that the resolution was a representation of the possibility that the City could be the issuer of the bonds. The resolution clearly stated in paragraph six that it was subject to agreeing with the developer on the terms of what the documents said. It did not presuppose that the City agreed to be the issuer, but it allowed Ms. Haddock to take the next step in the process.

Council Member Hampton said it seemed the City had nothing to lose, but a lot to gain. She questioned the fee that had been discussed.

Ms. Rusher replied there would be no fees on the City's behalf but the fee would be paid to the City.

Mayor Hall noted that the resolution presented stated that the Council met in the Council Chambers and that needed to be changed.

Council Member Epps made a motion to adopt the resolution giving preliminary approval of issuance of multi-family housing revenue bonds on the Nantucket Mill Apartment project. Council Member Carter seconded the motion. All members voted in favor of the motion (according to a roll call vote by Mayor Hall). The motion carried.

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

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

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

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

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

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

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

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

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

1. It is hereby found and determined that the Development will involve the acquisition, construction, renovation and equipping of multifamily housing facilities, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the City agrees to assist the Company in every reasonable way to issue bonds to finance the construction and equipping of the Development, and, in particular, to undertake the issuance of the City's multifamily housing revenue bonds (the "Bonds") in an amount now estimated not to exceed Twenty Three Million Dollars (\$23,000,000.00) to provide all or part of the cost of the Development.

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

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

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

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

6. All obligations hereunder of the City are subject to the further agreement of the City and the Company to terms for the issuance, sale and delivery of the Bonds and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds, and the approval of the Bonds by the North Carolina Local Government Commission, if applicable. The City has not authorized and does not authorize the expenditure of any funds or monies of the City from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, renovation and equipping of the Development, including the reasonable fees and expenses of the City's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or

by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the City shall have no responsibility therefor. It is understood and agreed by the City and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the City.

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

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

9. This resolution shall take effect immediately.

APPROVED, ADOPTED AND EFFECTIVE this 21st day of April, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

b. Consideration of a grace period for Occupancy Tax Payments due to COVID-19.

Mayor Hall called on Mr. Dougherty.

Mr. Dougherty said as they all were aware, every small business was struggling, especially hotels. Occupancies had dropped dramatically. In light of that, the County adopted a policy allowing hotels a 60-day grace period for extra time to pay their occupancy taxes. The hotels could pick any two months they wanted to apply it to and would have to notify the County in writing if they wanted the grace period. He was asking that the City do the same thing. He thought most hotels would want the grace period to be March or April. It was not a forgiveness of payment, but a delay.

Mayor Hall said one local hotel had contacted him to tell him how close they were to going out of business. He was in favor of anything the City could do to help the hotels during this time.

Council Member Hunnicutt questioned how long the hotels would be given to catch up the deferred payments. He understood what they were trying to do but thought there needed to be a set period for the hotels to pay.

Mr. Dougherty said the hotels were reliable about paying and he thought they would understand this was a temporary measure to give them extra time. If it was not paid going forward, the City could take whatever action was available to them.

Mayor Hall asked if the County addressed the time for repayment.

Mr. Dougherty said after the 60 days had passed, the hotel would have to become current on the payments.

Mayor Hall asked if the City would be holding them to a time period.

Ms. Gilley said according to the memo, the policy would be effective April 21 through August of this year. The grace period would be in those parameters. She understood that all payments would be due after August.

Council Member Nooe asked what the average tax was per month.

Mr. Dougherty replied it varied. Some months it was \$2,000 and others \$4,000. The tax for 2019 was \$87,000 divided by five hotels. Legally, they could not disclose which hotels paid which amounts.

Council Member Nooe said the hotels would already be paying their property taxes and they were having a tough time. He asked if consideration had been given to forgive the tax for two months.

Mr. Dougherty said it had not been considered. Part of the tax paid the salary for the Coordinator of Tourism and Special Events. The taxes were already considered in the General Fund.

Council Member Nooe said the City had struggling businesses. He would like to see the City cut here and there and do what they could to alleviate some of the pain and suffering of the businesses.

Mr. Dougherty agreed. Money was being raised for \$1,250 grants for small businesses. In three days, 116 applications had come in. This policy was another step to help.

Mayor Hall asked if Council would want to adopt the policy and then review the accounts in 60 days to see if they wanted to forgive it altogether. If there were not many occupants, forgiving the tax could help the hotels more than it would hurt the City.

Council Member Hunnicutt was not opposed to reviewing the accounts at the end of a specified time. He thought aid and assistance should go to locally based companies first. He was not in favor of giving up any revenue at this point. If the issue was brought back for discussion in August, it would give them time to see how revenues were impacted. The City's budget included sales tax of \$2,864,000 for the year. They did not know what would be lost in future sales tax. He did not want Council to waive any revenue until they had better visibility. He thought Council Member Nooe's was a good gesture. His recommendation was to go with the policy through the end of August and review it at that time and decide what to do.

Mayor Hall said those were good points. He hoped they would know more in August.

Council Member Ellis questioned the payments that had come in.

Director of Finance and Personnel Tammie McMichael said that one had been paid that week for February and that business was still outstanding for March. April payments would be due May 15.

Mayor Hall asked Mr. Dougherty if he had seen what was adopted by the County.

Mr. Dougherty explained in speaking with County Tourism Director Robin Yount, he was told hotels would have a two-month period, they could pick the two they wanted – basically February through April, and would have to put the request in writing. There was no end date on what he saw. There was one particular business he was thinking of in Eden he thought would choose March and April.

Ms. Gilley advised that Council set parameters of the months hotels could choose.

Mayor Hall said there was concern about the repayment schedule. He questioned if the hotel chose the grace period for two months, if they would then owe for three months when the next payment was due.

Mr. Dougherty said the hotels would have to understand they must get back into a regular schedule when this was over.

Council Member Ellis asked if repayment could be required by the end of August.

Council Member Nooe said he did not think requiring a lump sum payment like that would help a struggling business.

Council Member Hunnicutt suggested they continue with the policy as is, and beginning September 1, the hotels must start catching up payments and be paid up by December 31. That would avoid them having to make a lump sum payment.

Ms. Gilley said she thought the purpose was that the hotels would not owe money when they were not receiving revenue.

Council Member Hunnicutt agreed. It was up to the hotels to catch up, but it should be no greater than that period. He wanted to help businesses but at the same time, he wanted to keep an eye on the City's revenue. If the existing crisis continued for months, Council could modify the policy if they chose to. He suggested that the City defer Occupancy Tax Payments for March and April with a catchup period beginning September 1 and ending December 31.

Mayor Hall questioned why a start date to catch up was needed. He asked how much the hotels could have to pay to start the catchup period.

Council Member Hunnicutt was concerned the hotels would ask when the catchup payments had to be made. He questioned the purpose of the August date in the memo.

Mayor Hall said that was the end date for the program.

Council Member Hunnicutt agreed that there was no start up date then needed for the catchup period.

A motion was made by Council Member Hampton to allow a grace period for Occupancy Tax Payments for March and April with all payments caught up by December 31, 2020. Council Member Ellis seconded the motion.

Mayor Hall asked Ms. McMichael if for accounting purposes, the hotels should be caught up by the December 15 due date.

Ms. McMichael said if Council agreed that there were no penalties, it would not make a difference.

All members voted in favor to the motion (according to a roll call vote by Mayor Hall). The motion carried.

PUBLIC HEARINGS:

- a. Consideration to approve an Emergency Services Fire Training Facility Project financing agreement with United Financial and consideration to adopt a findings resolution for the Local Government Commission.

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

Ms. McMichael said in the 2019-20 budget, Council approved a new loan for \$466,400 for the Emergency Services Fire Training Facility project. Two proposals were received for financing, from

United Financial – a division of HomeTrust, and BB&T Governmental Finance. United Financial offered the lowest rate, had met all required specifications and proposed a fair interest rate. She was asking Council to consider the offer submitted by United Financial and adopt the Local Government Commission’s Findings Resolution.

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

A motion was made by Council Member Moore to approve an Emergency Services Fire Training Facility Project financing agreement with United Financial and to adopt a findings resolution for the Local Government Commission. Council Member Epps seconded the motion. All members voted in favor of the motion (according to a roll call vote by Mayor Hall). The motion carried.

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

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

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

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

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

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

1. The proposed contract is necessary or expedient because it allows the City to complete the following General Fund Project (i) Emergency Services Fire Training Facility, and (ii) obtain reimbursement of General Fund expenditures related to general fund project. The improvement financed by the proposed contract serves a public purpose for the citizens of the City of Eden.
2. The proposed contract is preferable to a bond issue for the same purpose because (i) the up-front costs are lower than a bond issue, (ii) the time frame to complete the financing is shorter than a bond issue, and (iii) it allows for

prepayment of the debt if future financing through revenue or general obligation bonds is needed. The \$466,400 exceeds the amount that can be prudently raised from current appropriations, unappropriated fund balance, and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the “two-thirds limitation”).

3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 5 years at an interest rate not to exceed 1.69%, yielding annual payments of \$98,075.94. Additionally, prepayment premium shall be calculated as a percentage of the principal amount prepaid, as follows: prepayment of the principal balance in whole with a 2% prepayment premium. It is anticipated that the payments will be paid through general fund revenues.

4. The City of Eden’s debt management procedures and policies are good because of good financial practices. The City of Eden’s outstanding debt as of June 30, 2019 was \$18,033,750.14. The legal debt margin for the City of Eden as of June 30, 2019 was \$71,761,909. The City of Eden’s debt management policies have been carried out in strict compliance with the law, and will henceforth be so carried out.

5. The proposed agreement should not create an increase in taxes to meet the sums to fall due.

6. The City of Eden is not in default in any of its debt service obligations.

7. The attorney for the City of Eden has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

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

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

The motion to adopt this resolution was made by Council Member Moore, seconded by Council Member Epps and passed by a vote of 7 to 0.

By: Neville Hall, Mayor
Attest: Deanna Hunt, City Clerk

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

Deanna Hunt, City Clerk

REPORTS FROM STAFF:

a. City Manager’s Report

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

City Manager’s Report
April 2020

Administration

Eden Youth Council

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

This experience provides our youth with:

- Service opportunities
- Development of leadership and professional skills
- Networking amongst civic leaders
- Coordinating opportunities for Eden youth
- Great experience to list on resumes and college applications
- Applications are available online on the City's website

Economic Development

Industry

Eden Industry

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

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

Commercial

Small Business Administration Disaster Loans

Significant time has been spent during the last few weeks in circulating information on Small Business Administration (SBA) Disaster loans to small businesses. These businesses can apply for approximately \$15,000 in assistance to help them during this difficult time. (Initially, small businesses were able to apply for up to \$2 million, but the extreme demand has caused this amount to be drastically reduced.)

Gordman's Department Store

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

Reynolds Brewery

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

Okoku Express: Now Open!

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

The Roasted Bean Coffee Shop: Now Open!

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

House of Health

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

Restaurants

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

Arby's,	838 S. Van Buren Rd.	336-627-0861
Biscuitville,	114 W. Kings Hwy.	336-627-0267
Bojangles,	631 S. Van Buren Rd.	336-623-6404
Burger King,	221 W. Kings Hwy.	336-627-5700
China Wok,	640 S. Van Buren Rd.	336-623-5697
Circle Drive-In,	111 Boone Rd.	336-623-8854
Cook Out,	659 S. Van Buren Rd.	866-547-0011
Dick's Drive-In,	1004 Washington St.	336-627-7112
Di'lishi,	640-C S. Van Buren Road	336-623-2155
Domino's Pizza,	640 S. Van Buren Rd.	336-623-4040
Downtown Deli,	637 Washington St.	336-612-2763
Elizabeth's Pizza,	640 S. Van Buren Rd.	336-627-5291
El Parral,	734 S. Van Buren Rd.	336-623-4830
Elree's Sweet Shop,	323 E. Meadow Rd.	336-627-9338
Hardee's,	262 W. Kings Hwy.	336-627-1268
Kelly's Carryout,	1314 E. Stadium Dr.	336-635-9590
KFC,	123 N. Van Buren Rd.	336-623-8414
King's Inn Pizza,	112 N. Van Buren Rd.	336-627-1706
Little Caesar's,	808 S. Van Buren Rd.	336-623-1323
McDonald's,	640 S. Van Buren Rd.	336-627-1045
Okoku Express,	201 E. Meadow Rd.	336-612-2681
Papa John's,	659 S. Van Buren Rd.	336-623-3737
Pizza Hut,	734 S. Linden Rd.	336-623-6333
Railroad Café,	239 Main St.	336-635-1709
Rio Grande,	122 E. Meadow Rd.	336-623-2680
The Roasted Bean,	618 Washington St.	336-508-2631
Ruby Tuesday,	706 S. Van Buren Rd.	336-623-7920
Sakura,	640 S. Van Buren Rd.	336-627-8889
Santana's,	436 E. stadium Dr.	336-623-1030
Speedy's,	955 Washington St.	336-623-9044
Stella's Pizza,	515 Morgan Road	336-623-5055
Subway,	302 N. Pierce St.	336-627-3573
Subway,	824 S. Van Buren Rd.	336-623-7827
Sweet Revenge,	705 Washington St.	336-627-3694 (By appointment only)
Taco Bell,	726 S. Van Buren Rd.	336-623-8226
Wendy's,	639 S. Van Buren Rd.	336-627-5085

Main Street

Eden Downtown Development Inc. (EDDI)

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

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

Washington Street

Apartments are complete at 620 Washington Street and the Roasted Bean coffee shop opened March 23 with takeout orders only. The owners are moving forward with more apartments and a pizzeria restaurant at 624 Washington Street. The pedestrian walkway has been completed between the Bridge Street parking lot and Washington Street. Good progress is happening at the Hive Eden meadery, with plans to open in 68 weeks. A temporary mural was painted by members of Eden's Youth Council on the back of buildings along the Bridge Street Alley.

The Boulevard

241 Events has painted their façade and begun interior renovations.

Tourism and Special Events

Smith River Butterfly Trail

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

Boulder Entrance Signs

New boulder entrance signs have been installed at the three entrances to the Freedom Park Nature Trail. One is located on Country Club Drive across from Central Elementary School and the other two are located on the interior of the park. Huge thanks to Chris of Joyce Monument for the beautiful sandblasting work on the wording. Native plants will be planted very soon to beautify these areas as well.

Matrimony Creek Nature Trail

Repair work will begin very soon on the Matrimony Creek Nature Trail! The first ¼ mile of the trail along with the shelter will open first. The upper end sustained more damage during the flood and is going to take more extensive work to repair.

Otter Sculpture

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

Sunflower Field at Smith River Greenway

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

Event Cancellations

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

Engineering

2019-20 Street Resurfacing Contract

APAC Atlantic, Inc. resumed construction on the FY 2019-20 Street Resurfacing Contract earlier this month. The following street sections were resurfaced in conjunction with the project: Armfield Street (Morgan to Warehouse), Madison Street (Meadow to Moore), Grant Street (Pierce to Dogwood), Pervie Bolick Street (Meadow to Dead

End), Roosevelt Street (Friendly to North), Haywood Street (Lenoir to Woodland), Front Street (Main to Hundley), Hale Street (Stadium to Fieldcrest) and Maryland Avenue (Hundley to Hairston). The cost to resurface these streets was just over \$246,000. The total cost of the 201920 Street Resurfacing Contract including the streets that were resurfaced in October 2019 was approximately \$422,000.

2020-21 Street Resurfacing Contract

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

NCDOT State Resurfacing Projects

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

Waterline Replacement Projects Update

A Sam W. Smith, Inc. crew began installing 2-inch diameter schedule 80 PVC water main along the east side of N. Primitive Street on March 30, connecting to the 2" valve installed last fall by a Collection & Distribution crew just north of the water tap for Church Street Station. Most of the new water main along N. Primitive and a section of Spring Street was placed in four days. Two additional days were needed for making the tap off the existing 8" water main in Dameron Street and getting across the pavement while maintaining one lane of travel. The hydrostatic pressure testing of the new water main was completed without issues on April 8, along with the initial chlorination of the pipe that afternoon. Results received on April 13 indicated that samples picked up for bacteriological analysis were absent of bacteria, allowing the contractor to proceed with switching customers to the new water main. The crew began the asphalt patching of Dameron Street at the Spring Street intersection on April 14.

Information Technology

Surge in COVID-19 themed scams and attacks.

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

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

- Scammers are using the promise of phone COVID-19 test kits to get Tricare recipient personal private info. A recent scam is targeting Tricare beneficiaries with an offer to ship or sell COVID19 test kits. The scam requests PII such as social security numbers and bank or credit card information. Recently, the FDA and FTC issued a joint statement warning companies against attempting to sell products that claim to prevent or treat COVID-19. Those who do feel they may have COVID-19 symptoms are encouraged to remain at home and contact a medical provider. From there they will be assessed and screened for exposure.
- Promise of COVID-19 testing kits, updates, vaccines, or cures. Cyber criminals are using COVID19 themed email phishing attempts promising test kits, real-time virus updates, vaccines, and/or cures or treatments to gain PII, request money, or drop malware onto systems.
- COVID-19 themed domain names and fake smartphone applications. Over 100,000 new domains have been registered containing terms like "covid," "virus," and "corona." While all these domains will not be malicious, any such domain should be treated as suspect. There have been multiple cases reporting malicious Android applications claiming to offer information or support for COVID-19 that if installed, allow the hacker to spy on the device user or encrypt the device and hold it for ransom.

Examples of Malicious File Attachment Names:

- AWARENESS NOTICE ON CORONAVIRUS COVID-19 DOCUMENT_pdf.exe

- Coronavirus COVID-19 upadte.xlsx
- CORONA VIRUS1.uue
- CORONA VIRUS AFFECTED CREW AND VESSEL.xlsm
- covid19.ZIP

Tips to Know if An Email Attachment is Malicious:

- 1.) Unknown Sender: As a rule, approach any email from an unknown sender with extreme caution. Even if the email is from a known sender, be wary of impersonated or spoofed emails, as a known contact of yours could have been hacked- verify emails that seem out of character or are unexpected with the sender prior to downloading or opening any attachments. Check for emails from persons or organizations with an incorrect ending (.com instead of .gov) or incorrect spelling (inserting an “n” in place of an “m” etc.)
- 2.) Unexpected Request: Be cautious of any unexpected requests for information, especially if the information requested is personal information, financial or donations requests.
- 3.) File Names: File names that appear “bizarre” or not within the norm of what is expected such as files with spelling errors or strange strings of characters should be approached with caution. Majority of shared information is not shared with random naming conventions or topics.
- 4.) Be Cautious When Opening Files: (a.) EXEs are executable files. These files are notorious for being able to install malicious code onto a device. There are some cases where EXE files are known to “hide” within an attached word document or PowerPoint file attachment. Hover over the attachment in the email (without downloading it) to see if the file extension is what it should be. For example, a PDF file attachment, when hovered over should display “name of file.pdf”. (b.) Disable Macros in Microsoft Office and Stay in Protected View until file is identified as legitimate.

Parks and Recreation

Facilities

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

Planning & Inspections

Stadium Drive Sidewalk

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

CDBG

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

Urgent Repair Grant

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

Unified Development Ordinance

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

Boards and Commissions

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

Police

Operations & Procedures

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

New K-9 Officer

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

Public Utilities

Wastewater Treatment

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

Mr. Shelton wanted to discuss work on the budget. He had been through the budget with staff, making cuts where possible. He had been through it at least five times himself. It was very lean. He would like to have a workshop where Council would have the opportunity to ask questions. The budget for fiscal year 19-20 was \$32 million and the upcoming budget for fiscal year 20-21 would be \$28.9 million. Mr. Shelton expressed concern in regards to revenue, including the occupancy taxes, because of travel and attendance restrictions to any Eden events. He hoped the State would be willing to reimburse local government municipalities and possibly the County in terms of costs incurred with the Governor's Stay at Home orders and the restrictions for business operations. One area that impacted revenue was the Governor's Order 124 dealing with utility disconnections during the COVID-19 crisis, where the City suspended penalties and interest incurred in addition to any balance owed on utility bills. That particular order would continue for six months past the point when the Governor's order was rescinded. Depending on the ability of citizens to return to work and pay their utility bills, there could be issues on how much was collected on outstanding balances. The County had projected a decrease in the percentage of taxes collected from real estate, personal property, and industrial facilities due to the decreased flow of money coming through businesses and households.

Mr. Shelton had mentioned adopting an interim budget in June that would allow the City to continue to operate based on the 19-20 fiscal year budget in regards to operational expenses. Capital expenditures would be placed on hold during that time until a budget was passed for fiscal year 20-21 and the City was able to evaluate the progress of tax collections and revenue intake before proceeding with any large purchases beyond the City's operating expenses. Upon speaking with other local governments within the State, Mr. Shelton learned that many were going to adopt interim budgets, utilizing the same budget from fiscal year 19-20 for fiscal year 20-21 due to the unknown of when operations would return to normal.

Council Member Ellis stated because of the uncertainty of the future, he was in favor of maintaining the budget for fiscal year 19-20 and continuing it into the next fiscal year. The City may need to tighten its belt, as was being done elsewhere. He appreciated Mr. Shelton's discussion about the budget.

Council Member Hunnicutt asked Mr. Shelton if there was any mention of how long other municipalities and counties were considering an interim budget being in effect.

Mr. Shelton replied that the City had only adopted an interim budget twice in the past 40 years due to the uncertainty of revenues. Some of the other local governments intended to forgo a formal budget preparation by carrying over the budget from the current fiscal year into fiscal year 20-21. He would like to have something adopted by the September meeting. In the past, the City had adopted a budget in August and in September.

Council Member Moore thought the interim budget was the way to go right now. He was glad to see that a workshop was being planned.

Mr. Shelton suggested a workshop in June, which would provide a chance to evaluate the current revenue status along with staff proposals for expenditures in the upcoming fiscal year. He hoped to have a better knowledge in August of how much money would be reimbursed to the City from the State and other revenue sources with the expectation of adopting a formal budget by the September meeting.


CONSENT AGENDA:

- a. Approval and adoption of (1) February 22, 2020 and (2) March 17, 2020 Minutes.
- b. Approval to award the 2020-21 Street Resurfacing Contract to Waugh Asphalt.

Transportation Engineering Director Tammy Amos wrote in a memo that a total of four responsive bids were received for the FY 2020-21 Street Resurfacing Contract. The successful low bidder was Waugh Asphalt, Inc. in the amount of \$486,376.61. The date of availability for the contract was July 13, 2020. The substantial completion date was September 25, 2020. The Engineering Department requested Council approve to award the contract to Waugh Asphalt, Inc. based on their bid amount.

Minutes of the April 21, 2020 meeting of the City Council, City of Eden:

CITY OF EDEN					
FY 2020-21 STREET RESURFACING CONTRACT (SRC 2020-21-01)					
STREET LIST					
MAP NO.	STREET NAME	BEGINNING TO END	LAST RESURFACED	PAVING LENGTH (FT.)	TOTAL SQ. YARDS
1	KEMP STREET	HALED TO GALLOWAY	09/2006	700	1,283
2	OAKWOOD DRIVE	WASHINGTON TO HARRIS	07/2005	1,089	3,340
3	WESTWOOD DRIVE	WASHINGTON TO WEST	08/2006	728	2,144
4	FAGG DRIVE	KINGS HWY TO ARBOR	08/2006	1,326	5,451
5	SPRUCE STREET	GLOVENIA TO VINE	06/2000	610	1,694
6	GREENWOOD STREET	MANLEY TO OAK	08/2006	790	2,309
7	MOREHEAD STREET	GLOVENIA TO HOLLINGSWORTH	07/2005	468	1,166
8	JAMES STREET	HARMON TO DEAD END	08/2001	567	1,008
9	JOHN STREET	SUMMIT TO WALTER CHAMBERS	09/2006	3,920	8,711
10	PINE LANE	SUNSET TO DEAD END	08/1999	1,139	2,531
11	PANTHER LANE	STADIUM TO GREENWAY	09/2006	956	2,018
12	CARPENTER ROAD	DEAD END TO DEAD END	07/1997	730	1,622
13	HAIRSTON STREET	STADIUM TO GEORGIA	09/2002	870	1,933
14	RIDGE AVENUE	HALE TO DEAD END	08/2001	320	2,133
15	DELAWARE AVENUE	FIELDCREST TO CENTER	06/2000	675	1,875
16	MARYLAND AVENUE	BETHEL TO RICKMAN	09/2006	1,724	3,543
17	SOUTH AVENUE	HIGH TO RICKMAN	08/2001	2,120	4,240
	TOTALS			18,730	47,001

FY 2020-21 STREET RESURFACING CONTRACT (SRC 2020-21-01)											
CITY OF EDEN, NORTH CAROLINA											
BID TABULATION SCHEDULE											
FEBRUARY 20, 2020 11:00 A.M.											
Bid Item No.	Description	Unit	Est. Qty.	Waugh Asphalt, Inc. NC License # 59882		APAC-Atlantic NC License # 12459		Adams Construction NC License # 20677		Triangle Grading & Paving NC License # 17456	
				Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total
1	Adjustment of Manholes	EA	57	\$ 375.00	\$ 21,375.00	\$ 400.00	\$ 22,800.00	\$ 400.00	\$ 22,800.00	\$ 420.00	\$ 23,940.00
2	Adjustment of Valve Boxes	EA	21	\$ 375.00	\$ 7,875.00	\$ 400.00	\$ 8,400.00	\$ 400.00	\$ 8,400.00	\$ 420.00	\$ 8,820.00
3	Edge Milling Asphalt Pavement, 0 to 1 1/2" depth	SY	1,081	\$ 6.10	\$ 6,594.10	\$ 7.30	\$ 7,891.30	\$ 7.75	\$ 8,377.75	\$ 8.40	\$ 9,080.40
4	Edge Milling Asphalt Pavement, 0 to 2 1/2" depth	SY	3,269	\$ 4.98	\$ 16,279.62	\$ 3.75	\$ 12,258.75	\$ 5.30	\$ 17,325.70	\$ 7.50	\$ 24,517.50
5	Milling Asphalt Pavement, 2 1/2" depth	SY	5,953	\$ 4.64	\$ 27,621.92	\$ 3.80	\$ 22,621.40	\$ 3.30	\$ 19,644.90	\$ 5.90	\$ 35,122.70
6	Asphalt Concrete Leveling Course, Type S9.5B Virgin Mix, 1/2" depth	TON	362	\$ -129.50	\$ 46,879.00	\$ 121.00	\$ 43,802.00	\$ 113.00	\$ 40,906.00	\$ 172.00	\$ 62,264.00
7	Asphalt Concrete Surface Course, Type S9.5B Virgin Mix, 1 1/2" depth	TON	3,356	\$ 101.52	\$ 340,701.12	\$ 111.00	\$ 372,516.00	\$ 113.00	\$ 379,228.00	\$ 134.00	\$ 449,704.00
8	Shoulder Reconstruction - Incidental Stone (ASB)	TON	285	\$ 71.89	\$ 19,050.85	\$ 51.00	\$ 13,515.00	\$ 58.50	\$ 15,502.50	\$ 60.00	\$ 15,900.00
Total Bid Price (Items 1-8)					\$ 486,376.61		\$ 503,804.46		\$ 512,184.85		\$ 629,348.60
Alternate Bid Items											
A1	Asphalt Concrete Leveling Course, Type RS9.5B, 1/2" depth	TON	362	\$ 126.50	\$ 45,793.00	\$ 110.00	\$ 39,820.00	\$ 107.00	\$ 38,734.00	\$ 168.00	\$ 60,816.00
A2	Asphalt Concrete Surface Course, Type RS9.5B, 1 1/2" depth	TON	3,356	\$ 98.52	\$ 330,633.12	\$ 98.65	\$ 331,069.40	\$ 107.00	\$ 359,092.00	\$ 130.00	\$ 436,280.00
The Lump Sum and Unit Prices in This Tabulation received on February 20, 2020 Are As Given In The Bidder's Respective Bid Proposals And The Totals Are Arithmetically Correct  Jimmy Amos Director of Transportation Engineering, City of Eden											

c. Approval of Budget Amendment #9.

Assistant Director of Finance Amy Winn wrote in a memo that the budget amendment transferred money from the drug forfeiture account to the General Fund to cover expenditures in the drug forfeiture line items.

	Account #	From	To	Amount
General Fund Revenues				
PD Fed/State Drug Forfeiture Proceeds	10-3431-41900	\$ -	\$ 9,300.00	\$ 9,300.00
General Fund Expenditures				
Police C/O Equip - Non Depr/Drug Forf	10-4310-57201	\$ -	\$ 9,300.00	\$ 9,300.00

Appropriates from Drug Forfeiture proceeds for the purchase of holsters and undercover video/audio recording contract.

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

d. Approval of Budget Amendment #10.

Ms. Winn wrote in a memo that the City received loan proceeds for the Stadium Drive Sidewalk project and the Klyce Street and Draper river access landings in FY 18-19. The projects were not completed until FY 19-20. The loan proceeds that were not used in FY 18-19 went into the fund balance at June 30, 2019. The budget amendment transferred the loan proceeds from the General Fund fund balance to the appropriate line items for the projects.

Minutes of the April 21, 2020 meeting of the City Council, City of Eden:

	Account #	From	To	Amount
General Fund Revenues				
Fund Balance Approp - Loan Proceeds	10-3991-99100	\$ 500,000.00	\$ 640,900.00	\$ <u>140,900.00</u>
General Fund Expenditures				
Streets C/O Improvement	10-4510-54000	\$ -	\$ 98,800.00	\$ 98,800.00
Matrimony Creek Natural Trail	10-9920-69871	\$ -	\$ 26,100.00	\$ 26,100.00
Klyce St/Draper River Access	10-9920-69872	\$ -	\$ 16,000.00	\$ <u>16,000.00</u>
				\$ <u>140,900.00</u>

Appropriates FY 18-19 loan proceeds for the Stadium Drive sidewalk and the Klyce Str. and Draper River Access Points.

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

e. Approval of Budget Amendment #11.

Ms. Winn wrote in a memo that the budget amendment allocated proceeds from a Governor’s Crime Commission grant that was used for the purchase of crisis negotiation equipment for the Police Department. The amendment increased the Police Grant and Police C/O Equipment line items.

	Account #	From	To	Amount
General Fund Revenues				
Police Grant - Governor's Crime Comm	10-3431-72000	\$ 24,200.00	\$ 48,200.00	\$ <u>24,000.00</u>
General Fund Expenditures				
Police C/O Equipment - Depreciable	10-4310-57000	\$ 21,000.00	\$ 45,000.00	\$ <u>24,000.00</u>

Appropriates NC Governor's Crime Commission grant funds for the purchase crisis negotiation equipment.

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

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

f. Approval of financing for the purchase of a C&D service truck included in the FY 2019-20 Budget.

Ms. Winn wrote in a memo that in the 2019-20 budget, Council approved the purchase of a service truck for the Collections & Distribution Department and it had been set up in the budget to be financed. On March 31, she requested bids from local banks for the financing and received the following quotes: BB&T 3.08%, First National Bank 3.07%, and United Financial (HomeTrust) 1.74%. The total cost of the equipment was \$85,265 with annual payments of approximately \$18,374. She respectfully asked that Council approve United Financial (HomeTrust) as the successful bid for financing.

A motion was made by Council Member Moore to approve the Consent Agenda. Council Member Hampton seconded the motion. All members voted in favor of the motion (according to a roll call vote by Mayor Hall). The motion carried.

ANNOUNCEMENTS:

Council Member Nooe said he was told a poll went around between the Council on some of the items that ended up being pulled from the agenda due to a lack of support. While he did not have a problem with the Council talking among themselves to share thoughts, opinions and concerns, he did not feel it was appropriate to take a straw vote outside of an open Council meeting. He did not think anyone should be trying to drum up votes.

Council Member Hunnicutt questioned the current status of the interview process for the new City Manager.

Mayor Hall replied that the consulting group conducted virtual assessments of the remaining six candidates. The City was the third organization where the consulting group had to perform the assessments virtually and the other two organizations saw success in the selection and hiring for their advertised positions.

Mr. Shelton added that the consulting group proposed a virtual meeting to be held on May 1 to discuss the assessment results of the remaining candidates. He stated he would call to verify and have the information sent to Council.

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