

**EDEN CITY COUNCIL
REGULAR MEETING AGENDA
FEBRUARY 20, 2024 at 6 p.m.
Council Chambers, 308 E. Stadium Drive**

1. Meeting called to order by: Neville Hall, Mayor
2. Invocation: Pastor Doug Diamond, First Church of the Brethren
3. Pledge of Allegiance: Led by Wyatt Ferguson, fifth grader at Community Baptist School
4. Proclamations and Recognitions:
 - a. Recognition: North Star Realty for 25 years in business.
5. Roll Call
6. Set Meeting Agenda
7. Public Hearings:
 - a. Consideration to amend Chapter 13 of the Code of Ordinances to create a Social District in the Leaksville business district. **Erin Gilley, City Attorney; Kelly Stultz, Planning & Community Development Director; and Ken White, Main Street Manager**
8. Requests and Petitions of Citizens
9. Unfinished Business
10. New Business
11. Reports from Staff:
 - a. City Manager's Report. **Jon Mendenhall, City Manager**
12. Consent Agenda:
 - a. Approval and adoption of the (1) January 16 regular and (2) January 25 special meeting minutes. **Deanna Hunt, City Clerk**
 - b. Approval and adoption of a resolution to accept ARPA funding. **Terry Shelton, Special Projects Manager**
 - c. Approval to award the FY 2023-2024 Audit Contract to Rouse, Rouse, Rouse, and Gardner, LLP. **Tammie McMichael, Director of Finance and Personnel**
 - d. Approval and adoption of Budget Amendment 5. **Tammie McMichael, Director of Finance and Personnel**
 - e. Approval and adoption of Budget Amendment 6. **Tammie McMichael, Director of Finance and Personnel**
 - f. Approval and adoption of Budget Amendment 7. **Tammie McMichael, Director of Finance and Personnel**
 - g. Approval and adoption of an ordinance to proceed with legal action and to effectuate the purpose of the Human Habitation Standards on Black Bottom Road. **Erin Gilley, City Attorney**
13. Announcements
14. Adjournment

CITY OF EDEN – MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL

THRU: JON MENDENHALL, CITY MANAGER

FROM: ERIN GILLEY, CITY ATTORNEY, KELLY STULTZ, PLANNING AND COMMUNITY DEVELOPMENT, KENNITH WHITE, ECONOMIC DEVELOPMENT SPECIALIST

DATE: FEBRUARY 8, 2024

SUBJECT: SOCIAL DISTRICT

City Staff presented a report on a proposed Social District for the Leaksville Business district to the City Council in November. At the meeting, a timeline was presented to the Council in which Staff would hold a public meeting with Leaksville area merchants, solicit input, and gage participation.

Letters were sent to every property owner/merchant in the Leaksville business district (proposed social district area) providing notification of the meeting to discuss social districts. This meeting was advertised to the public as a public meeting for any citizen to attend, ask questions, and voice concerns. The meeting was held January 8 at 6:00 pm at Five-Star Realty.

Based upon the levels of participation, Staff prepared a map that designated the geographic boundaries of the social district.

In addition, Staff held an Internal Technical Review Committee meeting and had an ALE Special Agent in Charge attend as a special guest to answer questions and provide guidance.

Based upon the foregoing, Staff has provided a proposed ordinance, map and Maintenance and Operations Plan. These set forth the hours of the social district as: 12pm -8pm on Thursdays, Fridays, and Saturdays.

One provision of the ordinance that was changed from how it was presented in November is that a permittee business (a business that serves/sells alcoholic beverages) will be able to decide whether it wants to allow alcoholic beverages purchased or obtained from another permittee business in the social district to be brought onto its premises. These businesses will need to designate if they allow this or not on their signage.

Staff believes that there will be a minimal cost for trash receptacles and signage placed at the boundaries of the social district.

If Council votes to enact this social district ordinance, the Staff will be required to submit the ordinance and plan to NC ALE for approval. Once approved by ALE, the City will be able to proceed with obtaining and installing proper signage. It will also communicate with all businesses

in the area that they need to apply for a permit with the City to participate and obtain their proper signage. All of this must be in place in order for the Social District to begin its operation.

Staff is asking for the City Council to consider this at the February meeting. Please contact me if you should have any questions or concerns.

Leaksville Commercial Social District

In September of 2021,
Governor Roy Cooper signed into law
Bill 890(HB 890)

This Bill allows local governments
to create **Social Districts**.

**A social district is a
defined outdoor area
where alcoholic beverages,
sold by a licensed establishment,
may be consumed.**





Social Districts in North Carolina

40 and counting

What a Social District IS NOT:

- Does not create a right to break laws
- Does not encourage drunkenness in public or over consumption
- Does not encourage underage drinking
- Does NOT allow people to bring their own alcohol (NO brown bagging, etc.)



The Why?

- Responding to requests from the EDDI and Uptown Merchants, the Planning and Community Development Department was asked to research communities use of Social Districts.
 - Uptown Eden offers a distinctive and vibrant Downtown experience in Rockingham County, setting us apart from the other surrounding communities. Nearby communities have already implemented or are exploring the establishment of a social district. Our Uptown is known presently for setting the bar for exciting events such as Riverfest, Oink and Ale and Ladies Night Out; we want to make sure we always stay relevant.
 - The implementation of the Leaksville Commercial Social District will give Uptown Eden a unique opportunity to market us as an entertainment destination, as well as providing another layer to how we can economically stimulate our individually owned small businesses. The Social District will be able to promote new options that will bring regional and out-of-town visitors to Eden due to the diversity of offerings, as there are a variety of happenings for all types of visitors to enjoy.



Can I bring my own alcoholic beverage into a social district?

No. Participating location must have an ABC permit for on-site consumption as outlined in NCGS 18B-904.1(a).

Can I take an alcoholic beverage in my social district cup home with me?

No. Cups should be disposed of in a nearby receptacle prior to exiting the social district.

What if I am a retailer, and do not want alcohol inside my business?

All businesses located within the social district have the option to opt-out of the district.
Signage indicating whether you are a participant in the social district or not will be posted.

What happens if I leave the social district boundaries with an alcoholic beverage?

Individuals who leave the social district with an alcoholic beverage can be criminally charged.

How will the social district be enforced?

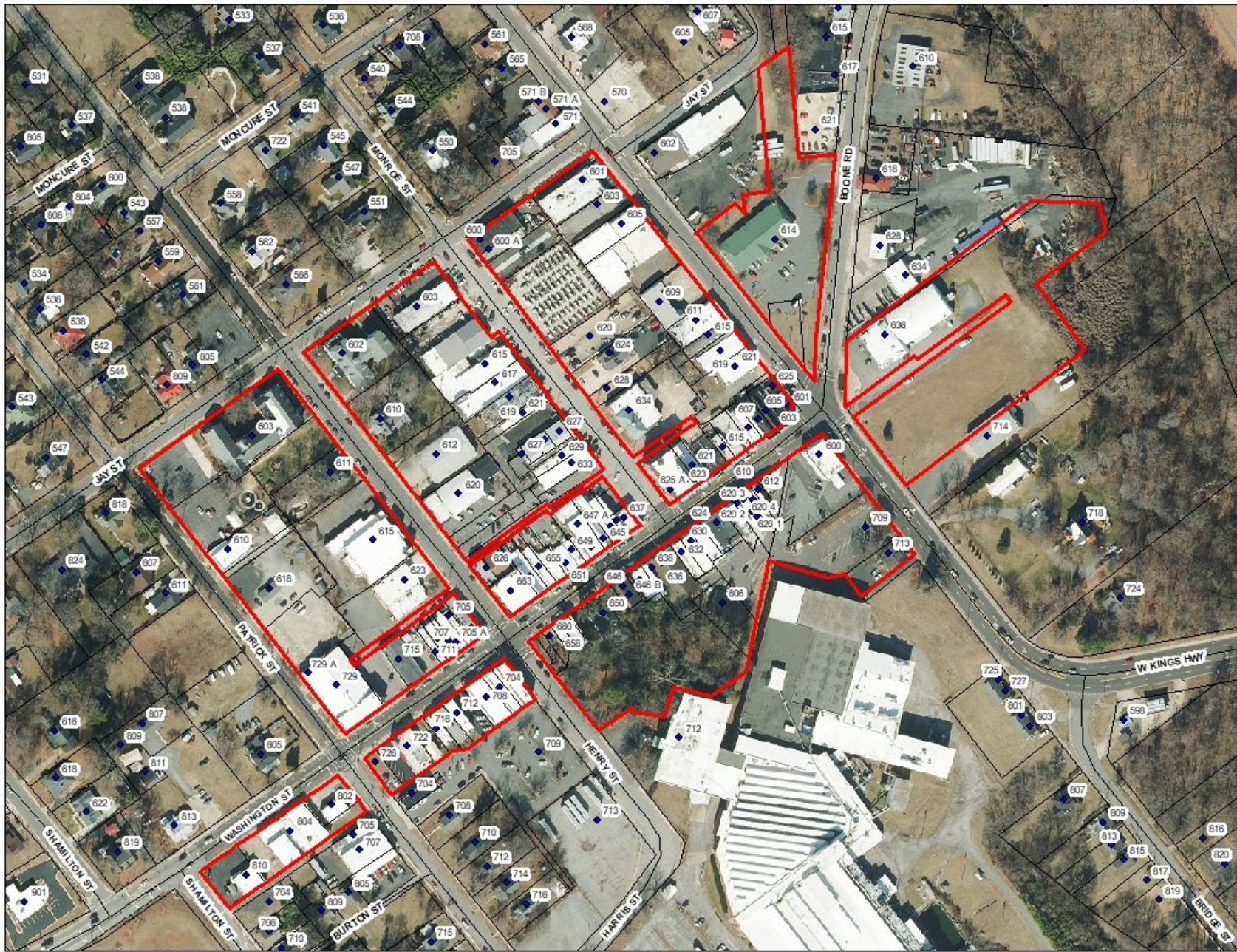
Alcohol Law Enforcement (ALE) and local law enforcement have jurisdiction over the social district.

How will the social district boundaries be marked?

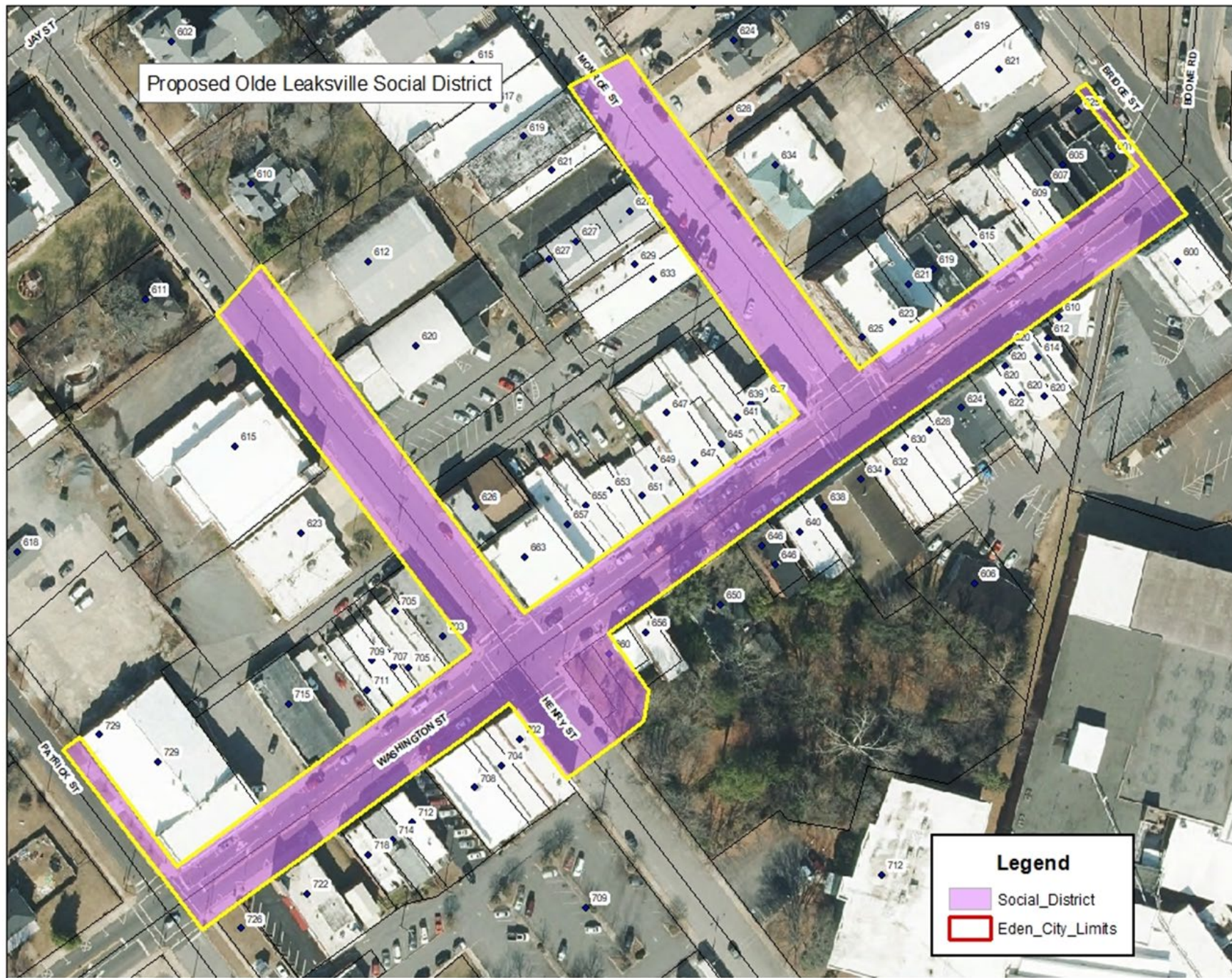
Signage will be placed at all boundaries per state ordinance.
Alcohol will not be permitted beyond the set boundaries describe in the local ordinance.

How will participating business be identified?

Participating businesses will have window clings displayed to identify that they have opted to participate.



Old Leaksville Tax District



Proposed Days and Hours:

Thursday
Friday
Saturday

12:00 pm - 8:00 pm



MAINTENANCE AND OPERATIONS PLAN

Introduction

On September 8, 2021, Session Law 2021-150 was ratified, allowing local governments to establish “Social Districts’ within their jurisdictions. On July 7, 2022, Session Law 2022-49 was signed into law, clarifying the original social district legislation. These Social Districts allow for common areas where licensed establishments (e.g., bars, breweries, restaurants) may sell alcoholic beverages in designated containers to be taken into the common area for consumption. The City of Eden (the “City”) has established such a Social District, designated “The Leaksville Social District”.

In the plan that follows, the management and maintenance of The Leaksville Social District is outlined. The plan will be submitted to the North Carolina ABC Commission and placed on the City’s website.

Management The Leaksville Social District will be managed by the City of Eden, including the City Police Department, City Public Works Department, City Planning and Community Development.

Participating Businesses with ABC Permits

ABC Holders adjoining the District shall apply for a license agreement with the City providing their consent to abide by the rules, regulations, and requirements promulgated by the City, the ABC Commission, and ABC statutory requirements. There is no fee to apply for a license agreement with the City. Participating businesses must receive written confirmation and approval from the City prior to selling beverages to be consumed within the social district. ABC Permittee holders may apply for the License Agreement on the City website at <https://www.cityofeden.com/abc>.

Participating Businesses (No ABC Permit) Businesses without an ABC permit may participate in the social district by allowing alcoholic beverages purchased and possessed in accordance to this plan and the Social District Ordinance to be consumed in their businesses. Participating businesses that are not selling alcoholic beverages are not required to apply for a License Agreement with the City.

In accordance with NCGS § 18B-300.1(d)(4), the City will develop and approve uniform signs in electronic format indicating that a non-permittee business is included in the social district and allows alcoholic beverages on its premises during the days and hours of social district operations. Participating non-permittee businesses are solely responsible for all printing and placement of required signs. A participating non-permittee business shall display the uniform sign at all times during the times when the social district is active. A customer may not bring an alcoholic beverage into a non-permittee business that does not display the uniform sign. No non-permittee business shall be required to participate or be included in a social district or to allow customers to bring alcohol onto its premises.

Uniform signs can be accessed on the City website at _____.

District Boundaries The Leaksville Social District boundaries are shown on page ___ of this document. Notwithstanding the map, all City of Eden publicly owned and operated parking areas will be excluded from the Leaksville Social District. These parking areas are clearly designated on the map of the Social District and signage shall be posted.

Operations The Leaksville Social District will operate between the hours of 12:00 pm and 8:00 pm Thursday through Saturday.

District Designation and Logo The Leaksville Social District logo draws upon the local and historical asset of _____. Boundaries of the social district will be clearly marked with signs affixed to all entrance/exit points.

Rules & Regulations

Sale of Alcoholic Beverages: Business selling alcoholic beverages for consumption within the social district shall comply with the following rules:

1. The business shall only sell alcoholic beverages on its licensed premises.
2. The business shall only sell alcoholic beverages for consumption in a social district container that meets the requirements in the following section.
3. The business may allow a person to enter or reenter their licensed premises with an alcoholic beverage sold by another permittee within or contiguous to the Social District. Appropriate signage must be displayed by the business/permittee to allow this on their licensed premises.
4. The business shall only sell alcoholic beverages for consumption within the social district during the days and hours set forth in this plan and the social district ordinance.

Alcoholic Beverage Containers: Alcoholic beverages sold for consumption in public areas within the social district may only be sold in and consumed from containers that meet the following requirements:

1. The container clearly identifies the permitted business from which the alcoholic beverage was purchased.
2. The container clearly displays the Leaksville Social District logo and a statement that reads "Drink Responsibly - Be 21." in no less than 12- point font.
3. The container is not made of glass.
4. The container does not exceed 16 fluid ounces.

Possession and Consumption of Alcoholic Beverages: Persons consuming alcoholic beverages within the social district shall abide by the following rules:

1. Only alcohol purchased from a permitted business within the social district and that is in the approved social district container may be consumed within the social district.
2. Alcoholic beverages may not be carried into any non-participating businesses within the social district.
3. Alcoholic beverages must be disposed of before a person leaves the social district.

4. A person shall not consume alcohol in any public area within the social district except during the days and hours set forth in this policy and in the social district ordinance.

Financing

The City of Eden will fund the costs of establishing and managing the Leaksville Social District, including clearly defining the district boundaries and posting conspicuous signage within the social district. The City will develop and approve the uniform signs in the form of stickers, placards or other formats for non-permittee participating businesses; however, the cost of printing and acquisition of these signs will be the responsibility of the individual participating businesses. Likewise, the City will develop and approve the logo that is unique to the social district to be displayed on the containers required for alcoholic beverages; however, the cost of the containers and printing and acquisition of the logos will be the responsibility of the ABC permittees within the District.

Security and Enforcement

Security and enforcement in the social district will be provided by the City of Eden Police Department and North Carolina Alcohol Law Enforcement. EPD will enforce the provisions of NCGS § 18B300.1 and the Code of Ordinances. A violation of the provisions of NCGS § 18B300.1 is a Class 1 misdemeanor pursuant to NCGS 18B-102(b).

Insurance

The City of Eden is insured for its management and operation of the social district.

Sanitation and Maintenance

The City's Public Works department will provide sanitation services within the district, including trash removal and litter pickup. Trash receptacles will be located at the boundaries of the social district to encourage patrons to properly dispose of their cups and unconsumed alcohol.

Marketing and Promotion

Marketing and promotion of the social district will be a joint effort between the City and ABC permitted establishments in or adjacent to the Social District.

LOGO

SOCIAL DISTRICT BOUNDARY MAP

AN ORDINANCE AMENDING
THE CITY CODE
OF THE CITY OF EDEN

WHEREAS, the North Carolina General Assembly enacted legislation in 2021 and clarifying legislation in 2022 allowing municipalities to designate social districts within their jurisdiction to allow alcoholic beverages sold by licensed premises to be consumed within the district, outside of the establishment where the beverage was purchased; and

WHEREAS, the City of Eden, the downtown Leaksville Merchants Association and the Eden Downtown Development Inc., have worked together to propose a social district in the Leaksville commercial district; and

WHEREAS, the aforementioned community partners believe that a social district is a valuable tool to increase economic activity and the vibrancy of the Leaksville commercial district; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that Chapter 13 of the Eden City Code is amended to add subsection C to § 13 -9 as follows:

§ 13-9 CONSUMPTION OR POSSESSION OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY.

It shall be unlawful for any person to consume alcoholic beverages on property owned or occupied by the City except as provided below:

C. Pursuant to a Social District created and regulated under the authority of NC GS § 160A-205.4, NC GS 18B- 300.1 and this Article of the City of Eden Code.

1. Purpose and Intent

(A) Pursuant to the provisions of NCGS §160A-205.4, et seq., one or more social districts may be created within the City and the City hereby creates and designates the following social district: The Leaksville Social District which is designated as shown on a map dated February 20, 2024; the map is available in the Office of the City Clerk, and signage and/or markings shall be posted clearly delineating the boundaries of the Social District. Notwithstanding the map dated February 20, 2024, all City of Eden publicly owned and operated parking areas will be excluded from the Leaksville Social District. These parking areas will be clearly designated on the map of the Social District and signage shall be posted.

(B) The Leaksville Social District shall be created, designated, and managed in accordance with the requirements contained in G.S. §160A-205.4 and Chapter 18B.

(C) Any person who violates this subchapter, and any person who aids, abets, encourages, assists in, or contributes to such violation, shall be guilty of a misdemeanor in accordance with existing and applicable laws set forth by the State of North Carolina and ordinances in the City of Eden.

2. Definitions. For the purpose of this subchapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

“CUSTOMER.” A person who purchases an alcoholic beverage from a permittee that is in or contiguous to a social district.

“NON-PERMITTEE BUSINESS.” A business that is located in or contiguous to a social district and does not hold any ABC permit.

“PERMITTEE.” A person holding any of the following ABC permits issued by the North Carolina Alcoholic Beverage Control Commission established under GS § 18B-200:

- i. An on-premises malt-beverage permit issued pursuant to GS § 18B-1001(1).
- ii. An on-premises unfortified wine permit issued pursuant to GS § 18B-1001(3).
- iii. An on-premises fortified wine permit issued pursuant to GS § 18B-1001(5).
- iv. A mixed beverages permit issued pursuant to GS § 18B-1001(10).
- v. A distillery permit issued pursuant to GS § 18B-1100(5).

“PERSON.” An individual, firm, partnership, association, corporation, Limited Liability Company, other organization or group, or other combination of individuals acting as a unit.

“PREMISES.” A fixed permanent establishment, including all areas inside or outside the permitted establishment, where the permittee has control through a lease, deed, or other legal process.

“SOCIAL DISTRICT.” A defined outdoor area in which a person may consume alcoholic beverages sold by a permittee. This term does not include the permittee’s licensed premises or an extended area allowed under N.C. G.S. 18B-904(h). A social district may include public streets, or crosswalks, whether or not the streets are closed to vehicle traffic.

3. Application.

(A) The provisions and terms contained in this subchapter shall be applicable between the hours of 12:00 pm and 8:00 pm Thursday-Saturday. At all other times, the provisions and terms contained in this subchapter are not in effect and all provisions of State and local laws concerning the possession and consumption of alcohol shall be in full force and effect.

(B) Any alcoholic beverage purchased for consumption in The Leaksville Social District shall (i) only be consumed in The Leaksville Social District and (ii) be disposed of before the person in possession of the alcoholic beverage exits The Leaksville Social District unless the person is reentering the licensed premises where the alcoholic beverage was purchased. Notwithstanding the foregoing, a permittee or non-permittee business may allow a customer to possess and consume on the business's premises alcoholic beverages purchased from a any permittee in the social district. A violation of this section is a Class 3 misdemeanor.

4. Requirements for sale of alcoholic beverages.

A permittee located in or contiguous to The Leaksville Social District may sell alcoholic beverages for consumption within The Leaksville Social District in accordance with the following requirements:

(A) The permittee shall only sell and serve alcoholic beverages on its licensed premises.

(B) The permittee shall only sell alcoholic beverages for consumption in The Leaksville Social District in a container that meets the following requirements:

i. The container clearly identifies the permittee from which the alcoholic beverage was purchased.

ii. The container clearly displays a logo or some other mark that is unique to The Leaksville Social District.

iii. The container is not comprised of glass.

iv. The container displays, in no less than 12-point font, the statement, "Drink Responsibly – Be 21."

iv. The container shall not hold more than 16 fluid ounces.

(C) The permittee business may allow a person to possess and consume on its licensed premises alcoholic beverages sold by another permittee within or contiguous to the Social District if it designates and displays appropriate signage at its entrance points.

5. Requirements for possession and consumption of alcoholic beverages.

The possession and consumption of an alcoholic beverage in The Leaksville Social District is subject to all of the following requirements:

(A) Only alcoholic beverages purchased from a permittee located in or contiguous to The Leaksville Social District may be possessed and consumed.

(B) Alcoholic beverages shall only be in containers meeting the requirements set forth in PREVIOUS SECTION of this subchapter.

(C) Alcoholic beverages shall only be possessed and consumed during the days and hours set forth in APPLICATION SECTION of this subchapter.

(D) Nothing in this subdivision shall be construed as authorizing the sale and delivery of alcoholic beverage drinks in excess of the limitation set forth in GS §18B-1010.

(E) A person shall dispose of any alcoholic beverage in the person's possession prior to exiting The Leaksville Social District unless the person is reentering the licensed premises where the alcoholic beverage was purchased. Notwithstanding the foregoing, a permittee or non-permittee business may allow a customer to possess and consume on the business's premises alcoholic beverages purchased from any permittee in the social district

(F) A violation of this section is a Class 3 misdemeanor.

6. Responsibilities of Non-Permittee Businesses.

A non-permittee business that is part of a social district and that allows customers to bring alcoholic beverages onto its premises shall not be responsible for enforcement of this Chapter. All non-permittee businesses that are part of a social district and that allow customers to bring alcoholic beverages onto their premises shall clearly post signage on any exits that do not open to the social district indicating that alcoholic beverages may not be taken past that point. During the days and hours when the social district is active, a non-permittee business that allows customers to bring alcoholic beverages onto its premises shall allow law enforcement officers access to the areas of the premises accessible by customers.

7. Exceptions. When a Parade or Special Event pursuant Article VII, Chapter 9 of the City of Eden Code is held anywhere within the boundaries of the Leaksville Social District and such event has been specifically authorized by the City of Eden, the regulations found within the Eden City Code § 13-9 (A) shall supersede the provisions of this section. During the city authorized Special Event or Parade, the provisions and terms contained in this Section § 13-9 (C) are not in effect, the Special Event Permit and the state and local laws concerning the possession and consumption of alcohol shall be in full force and effect.

8. Severability. If any section, phrase, sentence, or portion of this subchapter is held void, invalid, unconstitutional, or unenforceable for any reason by any court of competent

jurisdiction, such portion shall be deemed a separate, distinct, and independent provision; and such holding shall not affect the validity of the remains portions thereof.

APPROVED, ADOPTED AND EFECTIVE, this ____ day of _____ 2024.

CITY OF EDEN

By: _____
Neville Hall Mayor

ATTEST:

Deanna Hunt, City Clerk



City Manager's Report
February 2024
 City Manager Jon Mendenhall

ADMINISTRATION

Marketing & Communications Office

Mark your calendars for Saturday, April 27 for our 2nd Annual Native American Youth Powwow. Doors open at 10 a.m. at the Morehead High School Gymnasium with the grand entrance beginning at noon. Entry is free. More detailed information will be coming soon! You do not want to miss this very special event!

CALLING ALL POTTERS! We are now taking potter applications for our 21st Annual Piedmont Pottery Festival coming up on Saturday, June 1 at the First Presbyterian Church. Please email cadams@edennc.us to get your application.

Our Spring Grown & Gathered set for Thursday, May 16 has already **SOLD OUT!**

PARKS & RECREATION DEPARTMENT

Recreation Division

Bridge Street Recreation Center: Bridge Street Recreation Center stays busy with daily walkers, fitness classes. Prowler Basketball are having practice and games.

Mill Avenue Recreation: Pickleball is played Monday, Wednesday, Friday and Sunday afternoons. We are having open gym during the week for citizens that work can come play basketball.

Freedom Park: We have removed the playground at Freedom Park and the grading has been completed.

Senior Center: The seniors are staying busy with daily activities.

PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

Local Codes and Inspections

We are still receiving nuisance complaints either by phone or through our SeeClickFix App available to all citizens. While we still only have one inspector, complaints continue to be addressed in a timely manner and notices sent as needed. The inspector is also checking for other code violations as he sees them out in the field and submitting them to have notices sent to the property owners. Most abatements are being handled by outside contractors as Facility Maintenance is tied up with other duties.

Local Codes Inspections January 1- January 31, 2024

Total Local Code Inspections Performed	17
Local Code Notices Sent	5
Local Codes Abated	7

Permits

Building and trade permit applications are received in person, via e-mail and by fax then issued from the Planning Dept. Hard copies of permits are mailed to contractors usually once a week on Friday. A copy of each permit is filed by the property address for each trade.

Inspections & Permits January 2024

Total Inspections Performed	174 (Does not include fire inspections)
Total Permits Issued	85

POLICE DEPARTMENT

The final two Durangos are in the final stages of upfitting and are expected to be in service by the end of next week.

Timothy Knight and Blake Pulliam have been sworn in and are now working as Eden Police Officers. We are awaiting certification approval for Emmanuelle Wilts.

Isaac Bibee's paperwork is being reviewed by CJ Standards and we are expecting to have more information on his process in March.

The roll out of the certification pay increases for officers has been initiated and officers are showing great appreciation.

FIRE DEPARTMENT

The Fire Department responded to 68 calls for the month of January. The Fire Marshal completed the 30 of inspections for January. Chief White attended the state-level instructor qualification school and passed. Chief White can now teach firefighter certification classes for the state. These classes can also be taught in-house at the City of Eden Fire Department for possible employment.

PUBLIC WORKS DEPARTMENT

Streets

Maintenance activities have focused on patching (based on asphalt plant availability) and smaller concrete patch work that was delayed due to the two large projects Monroe Street and the fuel depot. We are currently working on our street signs and traffic signs maintenance program. Maintenance have removed 28 bags of litter from our City streets. Maintenance is preparing to start picking up yard waste (grass clippings) starting in March.

Construction

Construction has replaced the cross drain on Carolina Avenue at Hundley Street. They have added to the parking/drive area at the new fuel site. Construction has also repaired and smoothed up Matrimony Creek Trail where the creek had over washed it. They have cleaned the silt/sand off the parking lot under the

bridge at Leaksville Landing. They have installed the 80' of 2" water main on Hunter Lane tied to the new 6" on Circle Drive. Construction will get this new water main online when we get above freezing weather. Coming up we will be repairing the shear that occurred on the trail/outfall from Hamilton Street to Bridge Street. They also have a couple of different drainage issues to take care of. One on Kennedy Street and another on Jefferson Street. Construction will be up grading drainage on Meadowgreen Village Drive and starting on the driveway for MGM pump station.

Collections & Distribution

The Collections & Distribution Division is continuing the proactive work on waterline and sewer line maintenance. Currently 7864.50 ft YTD of sewer lines have been cleaned/flushed. Water leaks in January totaled 24 which is a slight increase from December.

Solid Waste

Solid Waste Division is continuing to work on collection of solid waste and transferring/hauling it to the landfill. The amount of municipal solid waste (MSW) hauled in the past month was 386.02 tons. The amount of vegetative tonnage (brush) collected in January was 65.45 tons while bulk waste tonnage collected was 153.60 tons.

Fleet

The Fleet Division has finished the work on the fuel depot at Klyce Street. It is now in use.

Utilities

The SEID grant was submitted for the Purina sewer relocation project, and the BRIC grant has been submitted for the siphon and greenway project. The contract is over with Stoneville since they have hired a Public Works Director. Staff is reviewing the first set of plans for the Purina sewer relocation project. The water plant is scheduling a time for the flocculator to be replaced and the mixer to be repaired. The pretreatment permit for Purina has been approved by the State, and they have begun discharging some process water.

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, January 16, 2024 at 6 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Gerald Ellis
	Jerry Epps
	Kenny Kirkman
	Greg Light
	Bruce Nooe
	Tommy Underwood
	Jason Wood
City Manager:	Jon Mendenhall
City Attorney:	Erin Gilley
City Clerk:	Deanna Hunt
Media:	Mike Moore, Mike Moore Media
	Robin Sawyers, Rockingham Update

MEETING CONVENED:

Mayor Hall called the regular meeting of the Eden City Council to order and welcomed those in attendance. Pastor William Paul Manuel, King Memorial Baptist Church, gave an invocation followed by the Pledge of Allegiance led by Reagan McNeely, a third grader at Douglass Elementary School and the daughter of Eden Detective Sonya Crabtree.

PROCLAMATIONS AND RECOGNITIONS:

- a. Recognition: Audio Plus for 30 years of business

Mayor Hall asked Neil and Jennifer Shelton and their family to come forward.

Mayor Hall said Audio Plus of Eden was locally owned by Neil and Jennifer Shelton. Mr. Shelton had been doing professional installation of automotive audio and accessories since 1985. He started as a hobby and then worked with other companies in the field. In 1993, he took a chance and opened Audio Plus of Eden on The Boulevard. In 1999, he moved the shop to the current location on Meadow Road and has continued to offer new products and services for the vehicle enthusiast. It did not matter if you have a car, truck, boat or golf cart, Audio Plus of Eden can equip your vehicle with a state-of-the-art audio or video system. He congratulated the Sheltons on the amazing accomplishment of being a locally owned small business for more than 30 years and hoped they had 30 more. He presented them with a framed print.

Mr. Shelton wanted to thank his Lord and Savior Jesus Christ for giving him the opportunity, as well as his wife and family for their support. Other key people he wanted to thank were his in-laws, Gloria and Smokey Hyler, as well as Bill Rhyne. He thanked his customers from Eden, Rockingham County and Virginia. He thanked Mayor Hall and the City for recognizing the business.

Council Member Underwood said for the people who did not know, Mr. and Mrs. Shelton held the Wilson Street Lights. He was sure some people there had heard about or seen them. They supported a good cause. He asked Mr. Shelton to tell about them.

Mr. Shelton said the lights were to raise funds for special adults in the Friendship Ministry. The lights raised money for the ministry to hold a Christmas party where the participants received gifts.

Council Member Underwood said the lights were awesome and he appreciated what they did.

b. Proclamation: Black History Month.

Mayor Hall read the proclamation.

PROCLAMATION Black History Month 2024

WHEREAS, during Black History Month, we celebrate the many achievements and contributions made by African Americans to our economic, cultural, spiritual, and political development; and

WHEREAS, this annual observance is an opportunity to remember the challenges of our past, but also to honor countless African American heroes who inspire us to shape our country's future, and

WHEREAS, we remember and celebrate the lives of Rosa Parks, Sojourner Truth, Frederick Douglass, George Washington Carver, Harriet Tubman, and countless other African Americans who triumphed over ignorance, oppression, and injustice to make indelible contributions to our American history. They are an integral part of our Nation's story. We are indebted to the individual and collective perseverance and patriotism of these outstanding men and women;

WHEREAS, during Black History Month, we recommit to being a community of opportunity and hope for every citizen;

NOW, THEREFORE, I, Neville Hall, Mayor of the City of Eden, do hereby proclaim the month of February 2024 to be BLACK HISTORY MONTH in the City of Eden and encourage all City of Eden residents to join me in celebrating the collective ingenuity, creativity, cultures and traditions of African Americans and commit ourselves to raise awareness and appreciation of Black History Month by participating in educational events honoring the contributions of Black Americans.

This the 16th day of January, 2024.

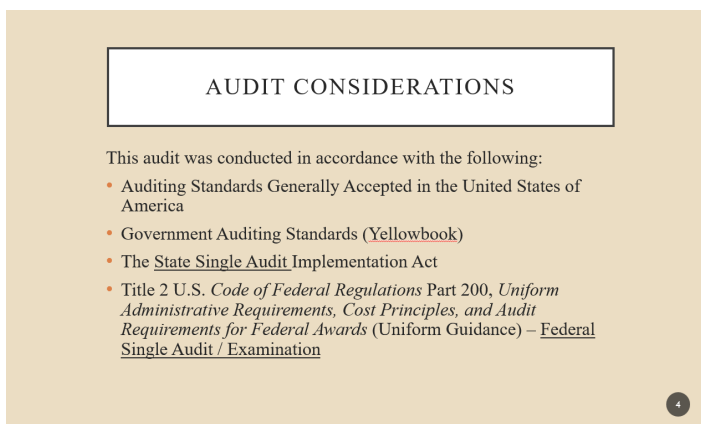
By: Neville Hall, Mayor

Attest: Deanna Hunt, City Clerk

AUDIT REPORT:

a. Presentation of the 2022-2023 Audit by Rouse, Rouse, Rouse & Gardner.

Trevor Gardner, CPA, Rouse, Rouse, Rouse & Gardner, reviewed information included in a PowerPoint shown at the meeting (*slides discussed included in the minutes*).



Mr. Gardner reviewed the types of audits performed. The first was the Financial Statement Audit as required by the Local Government Commission (LGC) per North Carolina General Statutes. The second was the Yellowbook or Government Auditing Standards. The third was the State Single Audit, required if \$500,000 or more was spent in state money. The last was the Uniform Guidance or Federal Single Audit, which was required if \$750,000 or

more was spent in federal money. The City qualified for all four audits so each was performed. He would hit on each as the presentation progressed.

AUDIT OPINION

Auditor Opinion – p.1

“In our opinion, based upon our audit, the accompanying financial statements referred to above **present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Eden as of June 30, 2023,** and the respective changes in financial position, and cash flows [where applicable] thereof and the respective budgetary comparison for the General Fund and the ARPA Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

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Mr. Gardner said the Financial Statement Audit could be found on page 1 of the Financial Statement (*this report can be found in its entirety online at edennc.us under the Finance Department page*). He read from the slide: “In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eden as of June 30, 2023.” He explained that in other words, it was a clean audit.

ADDITIONAL AUDIT CONSIDERATIONS

- The Eden ABC Board financial statement is presented as a component unit of the City of Eden.
- This report includes financial information from the following actuarial studies:
 - Law Enforcement Separation Allowance
 - Other Post Employment Benefits
 - Local Government Retirement Pension and Law Enforcement Retirement

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Mr. Gardner said to keep in mind the Eden ABC Board financial statements were included as a component unit. Inside the report was financial information from actuarial studies related to post employment benefits, pension and separation allowance.

GENERAL FUND – BALANCE SHEET

	2023	2022	Difference	% Change
Cash	\$13,393,540	\$10,661,659	\$2,731,881	25.62%
Total Liabilities	\$1,168,400	\$949,508	\$218,892	23.05%
Fund Balance available for appropriation	\$11,041,408	\$8,720,082	\$2,321,326	26.62%
Total Fund Balance	\$15,419,522	\$12,378,104	\$3,041,418	24.57%

- Cash increased 25.62%
- Healthy Fund Balance – 24.57% increase in available fund balance

Please refer to page 87 of the report for full statement.

Mr. Gardner said the first line item was cash. There was \$13,393,540 at the end of FY 2023, compared to \$10,661,659 at the end of FY 2022, for an increase of \$2.7 million. The fund balance available for appropriation was \$11,041,408 compared to the previous year of \$8,720,082, for an increase of \$2.3 million. The total fund balance was \$15,419,522 compared to \$12,378,104, an increase of \$3 million. The cash increased 25.62 percent and the total fund balance increased 24.57 percent. The City had a healthy fund balance and it was definitely going in the right direction. All of that information could be found on page 87 of the audit report.

- ### 3-MONTHS WORKING CAPITAL POLICY
- During the 1998-1999 fiscal year, the council voted to require 3 months working capital.
 - Total Expenditures (pg 103) - \$16,482,841 divided by 12 multiplied by 3 = \$4,120,710 minimum req.
 - Total Unassigned Fund Balance is \$11,041,408 (pg 87) or \$6,920,698 higher than the policy requirement.

Mr. Gardner explained that the City adopted a policy that went into effect in 1998-1999 that required keeping three months working capital in the fund balance. The total expenditures for the year of \$16,482,841 divided by 12 months and multiplied by three months was \$4,120,710, the minimum they could have. The total unassigned fund balance was actually \$11,041,408 or \$6,920,698 higher than the minimum required.

- ### FUND BALANCE MAINTAINED BY MUNICIPALITIES
- The Local Government Commission states the fund balance available is comprised of amounts shown as restricted, committed, assigned or unassigned.
 - Total Fund Balance Available - \$12,359,681 – Per LGC Calculation
 - Total Expenditures - \$16,570,696 – Per LGC Calculation
 - Fund Balance available for expenditures – 74.59%
 - Average of Similar Units (based on expenditures) – 46%
 - The City of Eden is above the state average by 28.59%.

Mr. Gardner said there was an LGC metric detailing fund balance to pay expenditures. The LGC had their own calculation of \$12,359,681 fund balance and the total expenditures were \$16,570,696. Dividing the fund balance into expenditures showed the percentage of available fund balance was 74.59 percent, compared to the average 46 percent in other municipalities with similar expenditures. The City was above the state average by 28.59 percent, which reiterated the point of a healthy fund balance.

GENERAL FUND – BUDGETARY COMPARISON				
	Budget	Actual	Favorable/ (Unfavorable)	Page #
Total Revenues	\$17,168,100	\$19,200,004	\$2,031,904	89
Total Expenditures	\$18,640,100	\$16,482,841	\$2,157,259	103

- No budgetary violations reported in the general fund.

Mr. Gardner said while revenues were budgeted at \$17,168,100, actual revenues were \$19,200,004 creating a \$2 million favorable variance in the good. Total expenditures were budgeted at \$18,640,100 and actual was \$16,482,841, meaning the City spent less than budgeted, which was good. These two numbers were not on the slide but he wanted to point them out: interest income in the General Fund was substantially up at \$449,000 in 2023 compared to the prior year of \$34,000. Interest rates going up had increased income from investments. He wanted to note there were no budgetary violations to report. They did not see any, which was a testament to Council, management and department heads.

Mayor Hall said going back to the reserve amount, Council voted for the three-month minimum. He asked what the State required.

Mr. Gardner said it used to be eight but that was why the state had the metric. The minimum for the City was 25, the City was at 75, and the average was 46. The City was way above the minimum.

AMERICAN RESCUE PLAN ACT (ARPA) FUND			
<ul style="list-style-type: none"> The purpose of the American Rescue Plan act fund is to account for federal funds awarded to assist with the recovery of the economic and health effects of the COVID-19 pandemic. Below shows where the amount of the funds used during 2023. This can be found on page 105. 			
	Total Inception to June 30, 2022	Year Ended June 30, 2023	Total Inception to June 30, 2023
American Rescue Plan Act Allocations	580,790	1,125,362	1,706,152
Transfer to General Fund	(456,961)	(624,255)	(1,081,216)
Transfer to Water & Sewer Fund	(123,829)	(501,107)	(624,936)
Net Change	-	-	-

Mr. Gardner explained the American Rescue Plan Act funds were related to COVID-19. The middle column related to 2023 showed the General Fund used \$624,255 while the Water and Sewer Fund used \$501,107. He

believed those funds had to be assigned or spent by December 31, 2024. The Finance Department was aware of that date and the money had been spent or was planned to be spent.

WATER AND SEWER FUND – BALANCE SHEET				
	2023	2022	Difference	% Change
Cash	\$2,842,067	\$4,060,901	(\$1,218,834)	-30%
Other Receivables	\$2,615,968	\$232,454	\$2,383,514	1025%
Total Assets and Deferred Outflow of Resources	\$88,260,318	\$82,042,680	\$6,217,638	8%
Net Position	\$63,060,286	\$60,799,407	\$2,260,879	4%

Note: Please refer to page 114 of the report for full statement.

The Water and Sewer Fund balance sheet includes Mega Park Capital Project Fund and the EPA/AOC Capital Project Fund.

Mr. Gardner said the balance sheet showed some line items he thought were important. The cash balance at year end was \$2,842,067 compared to \$4,060,901 in 2022, a decrease of \$1.2 million. The difference in the other receivables was up \$2.3 million, so that is where the cash was sitting on subsequent collections after June 30. Other receivables were \$2,615,968 compared to 2022 at \$232,454, meaning they were just waiting to collect the money which he was sure had already been done. That would be the reason for the cash decrease. The net position was \$63,060,286 compared to \$60,799,407 in 2022, an increase of \$2.2 million. The information could be found on page 114 in the audit report. Included in the numbers were all the smaller project funds like EPA, Mega Park, and the Metro Pump Station. Inside the receivables number was the grant reimbursements.

WATER AND SEWER – INCOME STATEMENT			
	2023	2022	Difference
Operating Revenues (pg 115)	\$10,109,518	\$9,422,190	\$687,328
Capital Contributions from Grants (pg 115)	\$3,029,835	\$1,307,403	\$1,722,432
Operating Expenses (pg 115)	\$10,967,985	\$10,387,770	\$580,215
Non-Operating Expense – Interest (pg 115)	\$49,319	\$118,122	(\$68,803)
Net Income (pg 115)	\$2,260,879	\$256,730	\$2,004,149

Note: Capital Contributions consist of grant reimbursements

Mr. Gardner said operating revenue was up \$687,328 to \$10,109,518 compared to \$9,422,190. The second line – capital contributions from grants – was the grant reimbursements coming in from the federal and state governments at \$3,029,835 compared to \$1,307,403, an increase of \$1.7 million. The net income for the year was \$2,260,879 compared to \$256,730, an increase of \$2 million. Overall a nice increase from the prior year. To get back to the General Fund and Water and Sewer Fund, the City paid off a lot of debt the previous year so cash in the General Fund would have been reduced. They had paid off \$2.7 million in total debt payments, the interest payments on last year’s financial statements. That year, it was around \$400,000. The decision made to get the debt down had helped improve the financial statements.

EPA AOC AND MEGA PARK FUNDING SOURCES – CURRENT YEAR	
EPA AOC Remediation Plan – pg 130	
NC Connect Bond Grant	\$2,455,841
NC Connect Bond Loan	\$2,455,840
Miscellaneous Revenue	\$0
Total	\$4,911,681
Mega Park Funding Sources – pg 128	
Drinking Water Reserve Grant	\$72,437
Loan Proceeds	\$217,313
Total	\$289,750

Mr. Gardner said the EPA and Mega Park funding were the multi-year projects that had been going on for some time. They wanted to show Council where the funding was coming in. He thought the Mega Park was about finished. The total funding sources for the year for the EPA ACO Remediation Plan were \$4,911,681, half of which was grant and the other half loan. The loan would have to be repaid but on favorable terms. The Mega Park funding consisted of a reserve grant of \$72,437 and loan proceeds of \$217,313.

WATER AND SEWER – BUDGETARY INFORMATION

- Details of the budgetary Water and Sewer Fund can be found on pages 118-125.
- No departments in the Water and Sewer Fund spent over their budgeted amounts!!

Mr. Gardner said details for this information could be found on pages 118 through 125 in the audit report. There were no budgetary violations found in the fund.

ADDITIONAL ITEMS TO NOTE

- Included in the footnotes is an analysis of construction proposed commitments in effect as of June 30, 2023 and extending to 2024. Please see page 44.
- The details relating to long-term debt appear on page 76. The installment purchases total \$21,122,366 (principal) at June 30, 2023. This amount consists of \$3,209,418 of debt for governmental activities and \$17,912,948 for water and sewer activities.
- Legal Debt Margin is 8% of the total assessed property valuation of \$941,953,320, found on page 141, or \$75,356,266, which can be found on page 74.

Mr. Gardner referred Council to page 44 on the report, which was an analysis of proposed commitments so they would see what would be coming up. Page 76 detailed long-term debt, which totaled \$21,122,366 between both funds. The maximum debt the City could have was 8 percent of the property tax valuation, which was \$941,953,320. The 8 percent of that was \$75,356,266. The debt was far below that and hopefully the City would never be in a position where it needed to borrow \$75 million but legally they could.

EPA ADMINISTRATIVE ORDER OF CONSENT

- On page 78, there is a footnote concerning the EPA Administrative Order of Consent. It is imperative that the council follow the progress of the bid process and construction related to this mandate to ensure compliance with the extended deadline of December 31, 2024.
- We would like to remind the staff to timely request reimbursements of grant and loan funds.

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Mr. Gardner noted the EPA AOC compliance deadline was December 31, 2024, unless it had been updated. The penalties were heavy if it were not taken care of.

GOVERNMENTAL AUDITING STANDARDS -
YELLOWBOOK

- The Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards can be found on page 144.
- Our audit was not designed to identify all deficiencies in internal control.
- No significant deficiencies or material weaknesses were noted during 2022-2023.
- The results of our tests found no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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Mr. Gardner said the Yellowbook Audit, or Governmental Auditing Standards, required a report on internal control over financial reporting and on compliance and other matters based on the audit performed to government standards, which was page 144. The audit was not designed to identify all deficiencies in internal control. With that being said, they did not identify any significant deficiencies or material weaknesses during the audit period. The results of the firm's tests found no instances of noncompliance or other matters required to be reported under Government Auditing Standards. In other words, it was a clean report.

SINGLE AUDIT – STATE SINGLE AUDIT ACT

- Due to the significant amount of state grants/loans received during 2022-2023, the City was required to include the following report:
- Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act – Pages 146-147

Opinion on Each Major State Program – pg 146

In our opinion, the City of Eden complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

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Mr. Gardner said the State Single Audio Report was based on spending more than \$500,000 in state money. They were required to report on compliance for each major state program and report on internal control over compliance in accordance with uniform guidance in the State Single Audit Implementation Act. In their opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023. It was a clean report.

UNIFORM GUIDANCE – FEDERAL SINGLE AUDIT

- Due to the amount of federal government money expended (greater than \$750,000) during 2022-2023, the City was required to have an audit conducted in accordance with Uniform Guidance.
- The City was allowed to have an “Alternative Compliance Examination Engagement” conducted in lieu of a full single audit. A copy of this report was separately provided with a copy of the audit report.
- The examination was reduced in scope as compared with a full single audit but we are still required to give an opinion on compliance with specified requirements:
 - “In our opinion, City of Eden complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.”

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The final compliance audit was the Federal Single Audit required if the City spent \$750,000 of federal money. The City was allowed to have an Alternative Compliance Examination Engagement which was a separate report from the large audit report. It was reduced in scope but the firm was still required to give an opinion on compliance with that examination. The opinion was that the City complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023. Again, that meant a clean audit.



Mr. Gardner noted Council had two letters – management and governance. The management letter listed items the firm wanted to note and bring to Council’s attention. It was addressed to management for a reason and if there were any questions they could contact the firm. The second was the governance letter. The firm was required to send out a letter at the end of the audit to governance. What they liked to pinpoint was on the second page, there was a section that said disagreements with management. Thankfully, there were no disagreements with management. City staff from the top down were extremely responsive to questions. They had a great relationship. It was nice to work with competent people who cared about their job. Hats off to everyone who was involved in helping with the audit.

Mayor Hall thanked the firm for the work they put in. As Mr. Gardner mentioned, the City’s staff was very knowledgeable and he appreciated the work they had done. He usually asked Ms. Rouse to repeat the fact that no one spent over what they had budgeted. It was a testament to the staff, department heads and manager that the health of the City’s financial status was, he would imagine, as good as it had ever been. They continued to provide services and tried to do it as least expensively as they could. He appreciated everyone taking good care of their departments and ensuring the audit was clean. He did wish that Rex Rouse could be at the meeting but wished him well in his recovery. The audit report was available to view by anyone.

SET MEETING AGENDA:

A motion was made by Council Member Epps to set the meeting agenda. Council Member Underwood seconded the motion. All members voted in favor of the motion. The motion carried 7-0.

PUBLIC HEARINGS:

There were none at this time.

REQUESTS AND PETITIONS OF CITIZENS:

There were none at this time.

UNFINISHED BUSINESS:

- a. Consideration of appointments to Boards and Commissions.

Planning and Community Development Director Kelly Stultz wrote in a memo: The following seats on the City Boards and Commissions are up for appointment or reappointment in 2024. When making appointments, please consider whether these persons have the time or the ability (for whatever reason) to attend regular meetings and participate in the activities of the board or commission. If you have questions, please do not hesitate to call. Ward 2 Councilman Nooc: Community Appearance – Martha Corum (Resigned).

Council Member Nooe said he needed to get with Planner Jeff Alderman for contact information for a potential appointee.

NEW BUSINESS:

There was none at this time.

REPORTS FROM STAFF:

- a. City Manager's Report.

Mayor Hall called on Mr. Mendenhall.

Mr. Mendenhall said he would be happy to answer any questions about the report. He asked Ms. Stultz to give grant information from Raleigh that had been helpful.

Ms. Stultz said the environmental record for Draper School had been received that day. The state took a review of the neighborhood and those kinds of things and it went through multiple levels of state departments. A notice of intent to request a release of funds, which informed the public that the environmental review was available for examination, would be published the following day. The environmental review documents were on the counter in the Planning and Community Development Department. All comments must be received by January 25, 2024. Staff would officially file the request to release funds the first or second week of February.

Council Member Underwood asked if that included the fire station.

Ms. Stultz said no, it was only for the school.

Council Member Underwood asked if she knew when the funds would be released so work could start.

Ms. Stultz said staff had pushed as hard as they could. They had positive communication regarding the fire station that day.

Council Member Ellis said it was great news about the school so they could move forward.

Mayor Hall thanked him and said the detailed report was available at the meeting, online and in Eden's Own Journal.

City Manager's Report: January 2024 - City Manager Jon Mendenhall

PARKS & RECREATION DEPARTMENT

Recreation Division

Bridge Street Recreation Center: Bridge Street Recreation Center stays busy with daily walkers, fitness classes. Prowler Basketball are having practice and games.

Mill Avenue Recreation: Pickleball is played Monday, Wednesday, Friday and Sunday afternoons. We are having open gym during the week for citizens that work can come play basketball.

Freedom Park: We have removed the playground at Freedom Park and the grading has been completed.

Senior Center: The seniors are staying busy with daily activities.

PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

Local Codes and Inspections

Minutes of the January 16, 2024 meeting of the City Council, City of Eden:

We are still receiving nuisance complaints either by phone or through our SeeClickFix App available to all citizens. While we still only have one inspector, complaints continue to be addressed in a timely manner and notices sent as needed. The inspector is also checking for other code violations as he sees them out in the field and submitting them to have notices sent to the property owners. Most abatements are being handled by outside contractors as Facility Maintenance is tied up with other duties.

Local Codes Inspections December 01– December 31, 2023

Total Local Code Inspections Performed	10
Local Code Notices Sent	1
Local Codes Abated	4

Permits

Building and trade permit applications are received in person, via e-mail and by fax then issued from the Planning Dept. Hard copies of permits are mailed to contractors usually once a week on Friday. A copy of each permit is filed by the property address for each trade.

Inspections & Permits October,2023

Total Inspections Performed	161 (Does not include fire inspections)
Total Permits Issued	80

Boards & Commissions

The Community Appearance Commission (CAC) did not meet for the month of December.
The Historic Preservation Commission (HPC) did not meet for the month of December.
The Tree Board did not meet for the month of December.
The Planning Board did not meet for the month of December due to there being no cases.

Christmas Tree Lighting Campaign

The Tree Board launched their “Christmas Tree Lighting Campaign” on City social media and website pages to encourage citizens to decorate a tree on their property for the upcoming Holiday season. This campaign also encourages citizens to re-plant their live Christmas Tree on their property if possible.

POLICE DEPARTMENT

All of our officers have successfully qualified with the new Glock Pistols. The transition was seamless, as expected, and there has been an overwhelming positive response to carrying a tried-and-true Duty Weapon. We ordered and received six 2023 Dodge Durango’s. One Durango, assigned to administration, has been upfitted and is now in service. Three of the patrol Durango’s have now been fully upfitted and are in service. Our new vehicle’s graphic designs have received multiple compliments from community members. Our three, full-time trainees in the RCC BLET Program successfully completed the program and have begun their Field Training program. Isaac Bibee also graduated BLET in December and has been hired as an employee. Bibee is in the field training program. We received information from CJ Standards that we should anticipate a 5–7-week delay in received approval for certification for our new hires.

FIRE DEPARTMENT

Station 1 has completed the installation of the weather siren. Station 2 is still under construction. The City of Eden Fire Department employee Christmas dinner was held on December 7. Wesley Priddy was presented with the Firefighter of the Year award.

PUBLIC WORKS DEPARTMENT

Streets

Trucks/plows for snow season were tested ahead of schedule in December, leaf season has for all intents and purposes come to an end. Maintenance activities have focused on patching (based on asphalt plant availability) and smaller concrete patch work that was delayed due to the two large projects (Monroe St and fuel depot).

Construction

Construction completed work on the canopy pad in cooperation with Street Division. Roadside drainage improvements were made in the vicinity of Hundley St. and Carolina Ave. Construction plans to do some radius improvements in the public works yard at the new fuel depot, construct an access road to the Metro Pump Station, complete some waterline cutover work in the Circle Drive vicinity and waterline work on Hunter Lane. Some of the waterline work will be weather (temperature dependent)

Collections & Distribution

The Collections & Distribution Division is continuing the proactive work on waterline and sewer line maintenance; given seasonal change (temperature) the incidence of water leaks has decreased to 22 the past month (32 being the average).

Solid Waste

Solid Waste Division is continuing to work on collection of solid waste and transferring/hauling it to the landfill. The amount of municipal solid waste (MSW) hauled in the past month was 478 tons, which is lower than the moving average of 501.27 tons.

Fleet

The Fleet Division is continuing to work on the fuel depot at Klyce Street, installers are wrapping up their work on the installation of the fuel tanks and dispensers; the switch-over to the new system and new tanks is imminent, thereafter the old system will be held as a back-up and after several weeks the decommissioning process will begin which will result in the demolition/removal of the existing fuel system.

Utilities

Utilities are continuing working on the North Basin at the WWTP, biosolids have been removed from the basin after it was dewatered. A problem has been noted with Clarifier #3 and work is being scheduled to address some gear-shaft related issues with that clarifier. The Sludge scrapper at the WTP has been delayed until spring to accommodate the switch-over to DelPac. Various grants are in the process of being applied for including the BRIC grant. The Purina sewer re-routing and the renovation of Railroad PS are being designed. A firm has been contracted to provide the necessary compliance information on the new EPA lead and copper rules. The chlorine conversion design work for both plants is nearing 90% complete.

CONSENT AGENDA:

- a. Approval and adoption of the December 19 Council meeting minutes.
- b. Approval and adoption of a resolution authorizing electronic means of advertisement for the RFP for an audio system upgrade.

IT Analyst Taylor Rorrer wrote in a memo: The City of Eden intends to electronically advertise an RFP to accept proposals for upgrading all audio equipment in the council chambers. Advertising electronically will save on costs and allow more prospective vendors to submit proposals. City Staff asks for Council authorization to begin the electronic RFP advertisement by adoption of the attached resolution.

RESOLUTION AUTHORIZING THE ELECTRONIC MEANS OF ADVERTISEMENT FOR THE RFP FOR THE AUDIO SYSTEM UPGRADE

WHEREAS, the City of Eden intends to solicit proposals from with vendors for an audio system upgrade solution for all audio equipment in the council chambers; and

WHEREAS, the City of Eden desires to comply with all requirements of North Carolina General Statutes § 143-129.8. for the Purchase of information technology goods and services; and

Minutes of the January 16, 2024 meeting of the City Council, City of Eden:

WHEREAS, pursuant to North Carolina General Statute §143-129.8 and 143-129 (B), the City Council must authorize the decision to advertise the notice for the Request for Proposals solely by electronic means; and

WHEREAS, The City desires to publish this notice solely by electronic means via the City of Eden website; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council for the City of Eden that notice for the Request for Proposals for the Audio System Upgrade shall be advertised solely by electronic means.

APPROVED, ADOPTED AND EFFECTIVE this 16 day of January, 2024.

CITY OF EDEN

By: Neville Hall, Mayor

Attest: Deanna Hunt, City Clerk

- c. Approval and adoption of an amendment resolution, grant project ordinance and amended grant project ordinance for the CDBG-NR (Draper) project.

Ms. Stultz wrote in a memo: At the December 21, 2023, City Council meeting, a public hearing was held to hear any comments on amending the Community Development Block Grant #18-C-3071 to reallocate funds and add Fire Station No. 2 to the project. The attached Resolution and Ordinances are required by the N. C. Department of Commerce to proceed with this grant and rehabilitation of Fire Station No. 2. Please authorize the amendments and the execution of these documents.

CITY OF EDEN FY 18/19 COMMUNITY DEVELOPMENT BLOCK GRANT # 18-C-3071
NEIGHBORHOOD REVITALIZATION AMENDED GRANT PROJECT ORDINANCE

Be it ordained by the City Council that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

Section 1. The project authorized is the Community Development Project described in the work statement contained in Grant Agreement 18-C-3071 between the City and the North Carolina Department of Commerce (DOC) Rural Economic Development Division (REDD). This project is known as the 2018/2019 Neighborhood Revitalization Project.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant documents, the rules and regulations of the North Carolina Department of Commerce and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project:

Community Development Block Grant	\$750,000.00
Local Match	\$0.00
Total	\$750,000.00

Section 4. The following amounts are appropriated for the project:

Rehabilitation of Privately Owned Dwellings	\$675,000.00
Administration	\$75,000.00
Total	\$750,000.00

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the Grant Agreement and Federal and State regulations.

Section 6. Funds will be requisitioned from the State after submission of documentation to the City. The City upon actual receipt of CDBG funds will make disbursement of funds from the State. Compliance with all federal and state procurement regulations is required.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Minutes of the January 16, 2024 meeting of the City Council, City of Eden:

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to the Council.

Section 9. Copies of this Amended Grant Project Ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Section 10. The above amended budget is contingent upon final release and approval of the CDBG-NR Program Amendment from REDD.

Adopted this 16th day of January, 2024.
By Neville Hall, Mayor
Attest: Deanna Hunt, City Clerk

CITY OF EDEN FY 18/19 COMMUNITY DEVELOPMENT BLOCK GRANT # 18-C-3071
NEIGHBORHOOD REVITALIZATION AMENDED GRANT PROJECT ORDINANCE

Be it ordained by the City Council that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

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Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant documents, the rules and regulations of the North Carolina Department of Commerce and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project:

Community Development Block Grant	\$2,050,000
Local Match	\$0
Total Revenues	\$2,050,000

Section 4. The following amounts are appropriated for the project expenses:

Rehabilitation of Privately Owned Dwellings	\$675,000
Fire Protection Facilities	\$1,200,000
Administration	\$175,000
Total Expenses	\$2,050,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the Grant Agreement and Federal and State regulations.

Section 6. Funds will be requisitioned from the State after submission of documentation to the City. The City upon actual receipt of CDBG funds will make disbursement of funds from the State. Compliance with all federal and state procurement regulations is required.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to the Council.

Section 9. Copies of this Amended Grant Project Ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Section 10. The above amended budget is contingent upon final release and approval of the CDBG-NR Program Amendment from REDD.

Section 11. The above amended budget is contingent upon receipt of additional CDBG-NR funds from REDD.

Adopted this 16th day of January, 2024.

By Neville Hall, Mayor

Attest: Deanna Hunt, City Clerk

CITY OF EDEN FY 18/19 COMMUNITY DEVELOPMENT BLOCK GRANT # 18-C-3071
NEIGHBORHOOD REVITALIZATION AMENDMENT RESOLUTION

This Resolution authorizes an amendment to the City of Eden FY 18/19 Community Development Block Grant-Neighborhood Revitalization (CDBG-NR) Program.

WHEREAS, the City is participating in the Community Development Block Grant Program under Title 1 of the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Commerce (DOC) Rural Economic Development Division (REDD); and

WHEREAS, the City desires to amend the approved project activities and certifies that a public hearing, in accordance with the North Carolina CDBG-NR Program Regulations, was conducted on Tuesday, December 19, 2023, at 6:00 PM to discuss the proposed amendment.

THEREFORE, BE IT RESOLVED by the City Council of the City of Eden, North Carolina:

1. That the amendment to the FY18/19 CDBG-NR Program is authorized.

Adopted this 16th day of January, 2024.

By Neville Hall, Mayor

Attest: Deanna Hunt, City Clerk

d. Approval of authorization to continue forward with the FEMA-BRIC grant review process.

Utilities Manager Melinda Ward wrote in a memo: The PTRC's Planning Department is seeking authorization for submitting a grant application to fund work and engineering of a proposed greenway in Eden as well as urgent water siphon repairs. Efforts are needed to pursue \$2.2 million in match toward an \$8.8 million FEMA-BRIC grant for work involving a proposed greenway, water siphon repair, and restored riparian corridor along the Dan and Smith River. The application is submitted to FEMA-BRIC within the US Department of Labor's Building Resilient Infrastructure and Communities Grant. PTRC is the lead applicant, providing grant writing and administration services in partnership with the city. After the initial review, Eden's application has been ranked number one in the state moving forward. This project is the product of many years of planning and various watershed and masterplan studies.

The BRIC grant program principles include:

- Supporting Community Capability and Capacity Building
- Undertaking hazard mitigation projects, to reduce risks faced from disaster
- Encouraging and enabling innovation
- Promoting partnerships and equity
- Enabling large infrastructure projects
- Maintaining Flexibility and Providing Consistency

If awarded, there will be a local match requirement of \$2.2 million dollars made up of previous and future grants and in-kind services. Eden will have over one year to designate the match before grant is awarded.

Sub applications are due by Monday, February 5th.

ACTION REQUESTED: The PTRC Planning Department requests authorization to move forward with the FEMA-BRIC grant through the US Department of Labor Program. PTRC also seeks agreement for the City of Eden to agree upon and find a \$2.2 million dollar match.

e. Approval and adoption of a resolution adopting a policy for mutual assistance with other law enforcement agencies.

City Attorney Erin Gilley and Police Chief Paul Moore wrote in a memo: N.C.G.S. §288 authorizes city and county law enforcement agencies to enter into mutual aid agreements. This statute requires a local law enforcement agency lending assistance to obtain authorization to enter a mutual assistance agreement from the governing body of its City. Once this authorization is obtained, the head of the agency, e.g. the chief may temporarily provide assistance to another agency if the assistance is requested in writing by the head of the other agency. Only one officer in the agency shall have the delegated authority at any time. The City in the past, has authorized specific mutual aid agreements between specific jurisdictions. If an emergency situation arises where there is need for law enforcement to act immediately, a general authorization would provide protection to the individual officers, as well as the City as a whole. Staff has prepared a general resolution authorizing the chief to enter into mutual assistance agreements but does not specify with which agencies the agreements may be executed. This type of resolution allows the chief to enter an agreement with additional agencies at a later date. No additional resolution would be required. The general resolution provides greater flexibility. This general resolution permits the chief to participate in mutual assistance agreements as the need arises. Based upon the foregoing, Staff recommends that you adopt the attached general resolution. Please do not hesitate to contact either of us if you should have any questions.

RESOLUTION ADOPTING A POLICY FOR MUTUAL ASSISTANCE
WITH OTHER LAW ENFORCEMENT AGENCIES

WHEREAS, pursuant to North Carolina General Statutes § 160A-288, the governing body of a city may adopt appropriate guidelines for the purpose of mutual assistance with other municipal and county law enforcement agencies; and

WHEREAS, pursuant to said laws, the law enforcement assistance to be rendered authorizes lending officers to work temporarily with officers of the requesting agencies, including in an undercover capacity, and lending equipment and supplies; and

WHEREAS, it is deemed to be in the best interests of the citizens of to adopt a reasonable policy and guidelines whereby reciprocal law enforcement assistance can be both rendered to and obtained from other governmental jurisdictions; and

WHEREAS, such reciprocal assistance is necessary for effective law enforcement for the protection of the citizens of the City of Eden, North Carolina.

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

1. The Chief of Police is hereby authorized to enter into mutual assistance arrangements with other municipal and county law enforcement agencies, provided that the head of the requesting law enforcement agency makes such a request in writing.
2. The Chief of Police is hereby authorized to permit officers of the Police Department to work temporarily with officers of the requesting agency, including in an undercover capacity, and the Chief of Police may lend such equipment and supplies to requesting agencies as he/she deems advisable.
3. All such request and authorizations shall be in accordance with North Carolina General Statutes § 160A-288, as applicable.
4. While working with a requesting agency, an officer shall have the same jurisdiction, powers, rights, privileges and immunities (including those relating to the defense of civil actions and payment of judgments) as the officers of the requesting agency in addition to those the officer normally possesses.
5. While on duty with the requesting agency, an officer shall be subject to the lawful operational commands of the officer's superior officers in the requesting agency, but the officer shall for personnel and administrative purposes, remain under the control of the officer's own agency, including for purposes of pay. An officer shall furthermore be entitled to worker's compensation and the same benefits to the extent as though he were functioning within the normal scope of the officer's duties.
6. The Chief of Police is hereby authorized to enter into mutual assistance agreements with other law enforcement agencies in accordance with such reasonable arrangements, terms and conditions as may be agreed upon between the respective heads of the law enforcement agencies.

APPROVED, ADOPTED AND EFFECTIVE this 16 day of January 2024.

By: Neville Hall, Mayor

Attest: Deanna Hunt, City Clerk

A motion was made by Council Member Kirkman to approve the consent agenda. Council Member Epps seconded the motion. All members present voted in favor of the motion. The motion carried 7-0.

ANNOUNCEMENTS:

Mayor Hall said the budget retreat would be held Thursday at 10 a.m. He asked where it would be held.

Mr. Mendenhall said Council would be in the chambers for the majority of the meeting and lunch would be served in the Eden Room.

Council Member Underwood thanked all employees for the jobs that they did, the level of service they provided. He was pleased with the audit. The Public Works Department did an outstanding job. He wanted to thank those employees individually for what they did – they got down into holes in all kinds of weather. The Police and Fire Departments did outstanding jobs as well as far as what they had to do, put up with and what they had to see. He again thanked all City employees for what they did.

Council Member Ellis congratulated Mr. Mendenhall on the fine audit report. It was a positive direction. It may be one of the best they had achieved in many years. He congratulated all the City workers. The City would want to recognize it as the way they wanted to continue to grow.

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

CITY OF EDEN, N.C.

A special meeting of the City Council, City of Eden, was held on Thursday, January 25, 2024 at 4 p.m. in the conference room at City Hall, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Gerald Ellis
	Jerry Epps
	Kenny Kirkman
	Greg Light
	Bruce Nooe
	Tommy Underwood
	Jason Wood
City Manager:	Jon Mendenhall
City Attorney:	Erin Gilley
City Clerk:	Deanna Hunt

MEETING CONVENED:

Mayor Hall called the special meeting of the Eden City Council to order.

CLOSED SESSION:

Pursuant to NCGS 143-318.11(a)(4) economic development and (a)(3) attorney-client privilege.

A motion was made by Council Member Underwood to go into closed session. Council Member Ellis seconded the motion. All members of Council voted in favor of the motion. The motion carried 7-0.

A motion was made by Council Member Underwood to return to open session. Council Member Ellis seconded the motion. All members of Council voted in favor of the motion. The motion carried 7-0.

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

CITY OF EDEN – MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THRU: JON MENDENHALL, CITY MANAGER

FROM: TERRY SHELTON, SPECIAL PROJECTS MANAGER

DATE: FEBRUARY 7, 2024

SUBJECT: REQUEST FOR CONSIDERATION OF A RESOLUTION ACCEPTING A \$400,000
PRECONSTRUCTION ENGINEERING GRANT

The attached resolution is for Council to accept a \$400,000 grant offer from the State to do preconstruction engineering work on the evaluation of the Railroad and Covenant Branch Force Mains. Staff requests Council authorize us to move forward with the necessary paperwork for the grant acceptance.

The City has encountered numerous failures in the last few years of the force main pipes of the Railroad and Covenant Branch Force Mains. The ruptures or breaks typically have been attributed to thinning of the pipes due to hydrogen sulfide gas creating an acidic reaction which the inside top of these pipes. This grant will allow us the opportunity to have an engineering firm evaluate the piping currently in service and to plan a course of action for the rehabilitation of these force mains where it is needed. When the final report is completed, we will know where the problems are, have a plan of action to address the problems, and a general estimate of the costs to make repairs. Once this project is complete, we can plan to make repairs as funding becomes available. We would use this evaluation project report as a guide to plan the future rehab work. Having this preconstruction evaluation project done should also aid in applying for funding to do the actual rehabilitation much faster as a shovel-ready project can be prepared quickly when the time is right.

Staff requests Council approve this resolution to accept this offer of funding and authorize staff to get started with this engineering evaluation planning grant.



City of Eden Resolution Acceptance of ARPA Grant Offer

WHEREAS, the American Rescue Plan Act (ARPA), funded the State Fiscal Recovery Fund, was established The Session Law (S.L.) 2021-180 to assist eligible units of government with meeting their drinking water and/or wastewater needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered Pre-Construction Planning Grant ARPA funding in the amount of \$400,000 to perform the work detailed in the submitted application, and

WHEREAS, the City of Eden intends to perform said project in accordance with the agreed scope of work,

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

That the City of Eden does hereby accept the ARPA grant offer of \$400,000; and

That the City of Eden does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Funding Offer and Acceptance (award offer) will be adhered to; has substantially complied, or will substantially comply, with all Federal, State of North Carolina (State), and local laws, rules, regulations, and ordinances applicable to the project; and to federal and State grants and loans pertaining thereto;
and

That Jon Mendenhall, City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the North Carolina Department of Environmental Quality, Division of Water Infrastructure.

Adopted this the 20th day of February, 2024 at the City of Eden, North Carolina.

By: _____
Neville Hall, Mayor

Attest: _____
Deanna Hunt, City Clerk



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Jon Mendenhall, City Manager

From: Tammie B. McMichael, Director of Finance and Personnel

Date: February 20, 2024

Subject: Award of Audit Contract FY 23-24

We are seeking approval for the FY 23-24 Audit Contract. Please find attached an audit contract submitted by Rouse, Rouse, Rouse & Gardner, LLP for year ending June 30, 202. The contract amount is \$52,500.00. The City of Eden paid \$52,495 in FY 22-23.

The Rouse's and their staff have been doing the city's audit for 43 years. Their love and compassion for the City of Eden shows in their willingness to assist in any way that they can to make sure the city's finance department operates in the most efficient and effective way to provide accurate financial information. They have always been very faithful and dedicated to the city. We call on them for assistance with day-to-day questions that come up or for special projects. They never bill us for anything extra. It is very nice to know that we have someone we can call anytime, and they always have time for us. If they do not have the answer immediately, they never refer us to someone else. They always take the time to make telephone calls on the city's behalf. They look after the city's best interest in making sure that we get the answers that we need. They keep us updated on Governmental Accounting Standards Board and Internal Revenue updates. They also keep us updated on any classes/seminars that they feel would be beneficial to the finance staff. Based on their experience and dedication along with the city's desire to do business locally; I cannot make a better recommendation than to award the 23-24 audit contract to Rouse, Rouse, Rouse & Gardner.

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA
Judy G. Rouse, CPA
Victor B. Rouse, CPA/PFS
Trevor C. Gardner, CPA

January 24, 2024

Ms. Tammie McMichael, Director of Finance
City of Eden
308 E. Stadium Drive
Eden, NC 27288

Dear Ms. McMichael:

Thank you for allowing us to submit our proposal to provide auditing services to the City of Eden for the year ended June 30, 2024.

This proposal contains section and question numbers that reference corresponding section and question numbers found in the standard request for proposal for audit services published by the Local Government Commission.

Our firm currently provides audit services to approximately 20 different governmental or not-for-profit entities including six municipalities and five ABC Boards. Our staff is updated on proper auditing procedures through continuing education offered by the North Carolina Association of Certified Public Accountants, the School of Government and the Local Government Commission. Because of our commitment to continuing education and our experience in municipal auditing, we believe that we can provide value-added audit services to you at a reasonable cost.

Therefore, we propose to audit the City of Eden for the year ended June 30, 2024 for a fee of \$52,500 subject to the provisions of items 8 and 9 of section two of this proposal and would anticipate an increase of 5% for each of the subsequent two years. This fee is also contingent upon the staff preparing the financial statements in their entirety. If the staff is unable to prepare the financial statements, we will charge an additional \$4,000.

However, if in addition to these items, all of the following items can also be accurately completed by City Personnel by September 15, 2024.:

- a. Capital asset records must be accurately prepared and all additions must be balanced with the general ledger. Depreciation schedules including infrastructure records must be prepared in accordance with GASB 34.
- b. The tax collections as recorded in the general ledger must be agreed to the year-end county collection report.
- c. The Powell Bill report must be timely filed and accurately prepared.
- d. Take or pay billing statements should be prepared and ready for examination.

In the event that the City requests any additional services beyond the scope of the audit, our fees will be agreed to prior to the commencement of the additional services. It is anticipated that we would bill these services at our standard hourly rate.

We sincerely appreciate this opportunity to submit this proposal and look forward to working with you in the future.

Very truly yours,

Rouse, Rouse, Rouse & Gardner, LLP
Certified Public Accountants

Enclosures

FIRST SECTION

1. The audit will be handled by the following personnel:

Trevor Gardner, CPA. Partner
Judy Rouse, CPA, Partner
Bennett Early, CPA Candidate, Staff

2. Current and prior governmental audit clients include the following:

City of Eden – Annual Audit – 44 Years
Town of Mayodan – Annual Audit – 55 Years
Town of Wentworth – Annual Audit – 24 Years
Town of Danbury – Annual Audit – 51 Years
Eden ABC Board Annual Audit – 39 Years
Madison ABC Board – Annual Audit – 27 Years
Walnut Cove Board of Alcohol Control – 26 Years
Reidsville ABC Board – Annual Audit – 22 Years
Rockingham County Airport Authority – Annual Audit - 24 Years
Aging, Disability and Transit Services of Rockingham County – 11 Years
Town of Stokesdale – Annual Audit – 6 Years (prior client)
Bethany Community School – Annual Audit – 7 Years
HELP, Incorporated – Annual Audit – 7 Years

3. Our Firm has provided various additional services to our governmental audit clients throughout the years. Our current policy requires all such services to be performed under a separate arrangement.
4. Our Firm and its predecessor have participated in AICPA-sponsored quality review programs for the past twenty seven years. Prior to 1998, our firm was operated as a sole proprietorship. Consequently, all quality reviews performed prior to 1998 were performed for R. Rex Rouse, Jr., Certified Public Accountant. Our partnership received quality reviews in 1999, 2002, 2005, 2008, 2011, 2014, 2017, 2020 and 2023. We have received an opinion that states the following for the year ended June 30, 2023:

In our opinion, the system of quality control for the accounting and auditing practice of Rouse, Rouse, Rouse & Gardner, LLP in effect for the year ended June 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Rouse, Rouse, Rouse & Gardner, LLP has received a peer review rating of **pass**.

5. The professional experience and percentage of time on site for personnel assigned to the audit is as follows:

Trevor Gardner, CPA – 7 years experience in governmental auditing, 50% of time
Judy G. Rouse, CPA – 52 years experience in governmental auditing, 50% of time
Bennett Early– 3 years experience in governmental auditing – 75% of time

6. Trevor Gardner and Judy Rouse each received at least 40 hours of continuing education each year. All three have each received a minimum of 40 hours in governmental accounting in each of the last three years and the courses have included the following:
 1. Governmental and Non-Profit Annual Update
 2. Professional Ethics
 3. Governmental Auditing Standards
 4. NC Local Governmental Auditing and Reporting
 5. Compliance and Internal Control Testing under Uniform Guidance
 6. Governmental and Not For Profit Annual Update

7. Trevor Gardner and Judy Rouse are fully qualified to perform all aspects of a municipal audit.

8. All 3 auditors assigned to the audit possess specialized skills, training, background and experience in auditing local governmental units.

9. Current and prior governmental audit clients who may be contacted for reference are as follows:
 1. Brianna Cardwell – Finance Director - Town of Mayodan – 336 427-0241
 2. Yvonne Russell – Finance Director – Town of Wentworth - 336 342-6288
 3. Mike Barsness – Town Administrator – Town of Danbury – 336 593-2002

10. See attached copy of our firm’s independence policy and procedures.

11. In our opinion, we are adequately insured to cover claims. Our professional liability policy prohibits disclosure to clients of our liability insurance coverage arrangements. We have never filed a claim.

12. There has never been any regulatory action taken by any oversight body against our organization.

SECOND SECTION

1. We use audit programs from the Guide to Audits of Local Governments published by Thomson Reuters. We tailor these audit programs as we deem necessary to reach our desired audit objectives.
2. As a starting point, we use the audit programs in The Guide to Audits of Local Governments published by Thomson Reuters to establish materiality by levels. We believe that the importance of professional judgment cannot be overemphasized as it applies to the evaluation of the adequacy of evidential matter generated by the sampling approach. Regardless of the sampling approach selected, an auditor must properly plan, perform, and evaluate the results of the sample. Professional judgment must be used to relate the sample results to other evidential matter when the auditor forms a conclusion about a particular account balance or class of transactions.
3. We are thoroughly familiar with the accounting output data generated by the City's computerized system. We have worked closely with computer specialists hired by other governmental units in the following areas: accounts receivable, accounts payable, payroll and capital assets.
4. The audit team and the approximate amount of time to be spent on the audit is as follows:

Trevor Gardner, CPA, Partner	55%
Judy G. Rouse, CPA, Partner	20 %
Bennett Early, Staff Auditor	25%
5. In our management letter, we would communicate to the City any deficiencies in internal control brought to light by our assessment of the City's accounting system and relate any recommendations for corrective action in accordance with Statement on Auditing Standards.
6. We expect the same level of assistance that we have received in prior years from the City's staff.
 - a. Capital asset records must be accurately prepared and all additions must be balanced with the general ledger. Depreciation schedules including infrastructure records must be prepared in accordance with GASB 34.
 - b. The tax collections as recorded in the general ledger must be agreed to the year-end county collection report.
 - c. The Powell Bill report must be timely filed and accurately prepared.
 - d. Any take or pay billing statements should be prepared and ready for examination.
 - e. Investment interest schedule must agree to the General Ledger balances.

7. In order to meet the October 31 deadline, we plan to complete all audit planning and substantially all internal control testing prior to June 30, 2023. Year-end fieldwork should be completed by September 15 and the report finalized by October 31.
8. Preparation of the financial statements for review by October 15th.
9. a. Personnel Costs are estimated as follows:

1. Estimated Hours –

	<u>Hours</u>
On-site interim work	80
Year-end on-site work	480
Work performed in the auditor’s office	<u>220</u>
 Total Estimated Hours	 <u>780</u>

2. Rates per Hour -

Partners	\$250
Staff	\$150
Clerical	\$100

3. Total cost for each category of personnel and for all manpower costs -

	<u>Cost</u>
Partners	\$ 40,000
Staff	10,000
Clerical	<u>2,500</u>
 Total manpower costs	 <u>\$ 52,500</u>

b., c. and d. No costs for travel, supplies or other expenses are to be billed to the City.

In the event that the City requests any additional services beyond the scope of the audit and related services listed in the RFP, our fees will be agreed to prior to the commencement of the additional services. It is anticipated that we would bill these services at our standard hourly rates.

We would anticipate a fee increase of 5% for each of the subsequent two years.

Sincerely yours,

Rouse, Rouse, Rouse & Gardner, LLP
 Certified Public Accountants

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA
Judy G. Rouse, CPA
Victor B. Rouse, CPA/PFS
Trevor C. Gardner, CPA

January 24, 2024

To City Council and Management

City of Eden
308 East Stadium Drive
Eden, NC 27288

We are pleased to confirm our understanding of the services we are to provide for City of Eden for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of City of Eden as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Eden's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Eden's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions
- 3) Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability
- 4) Law Enforcement Officers Special Separation Allowance Schedule
- 5) Other Post Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies City of Eden's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of expenditures of federal awards.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or

governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

1. Management override of controls
2. Revenue recognition

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Eden's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Eden's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Eden's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Eden in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books,

records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on October 15, 2024.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have

disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to city council and management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Rouse, Rouse, Rouse and Gardner , LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request

and in a timely manner to oversight agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Rouse, Rouse, Rouse & Gardner, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Trevor Gardner is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately October 31, 2024.

Our fee for these services will be billed according to our contract. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and governing board of City of Eden. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to City of Eden and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Rouse, Rouse, Rouse & Gardner, LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the City of Eden

Management signature: _____

Name and Title: Tammie McMichael - Director of Finance and Human Resources

Date: _____

Governance signature: _____

Name and Title: Neville Hall - Mayor

Date: _____

The	Governing Board CITY COUNCIL
of	Primary Government Unit CITY OF EDEN
and	Discretely Presented Component Unit (DPCU) (if applicable) NA

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name ROUSE, ROUSE, ROUSE & GARDNER, LLP
	Auditor Address PO BOX 2152, EDEN, NC 27289-2152

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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Must be within four months of FYE

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
- At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
 - b) the status of the prior year audit findings;
 - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
 - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
AMY WINN	Assistant Director of Finance	AWINN@EDENNC.US

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	CITY OF EDEN
Audit Fee (financial and compliance if applicable)	\$ 52,500
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

Discretely Presented Component Unit	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* ROUSE, ROUSE, ROUSE & GARDNER, LLP	
Authorized Firm Representative (typed or printed)* TREVOR GARDNER	Signature*
Date* 01/24/24	Email Address* TREVORGARDNER@RRG.INFO

GOVERNMENTAL UNIT

Governmental Unit* CITY OF EDEN	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* NEVILLE HALL	Signature*
Date	Email Address*

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$
Primary Governmental Unit Finance Officer* (typed or printed) TAMMIE MCMICHAEL	Signature*
Date of Pre-Audit Certificate*	Email Address* TMCMICHAEL@EDENNC.US

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
NA	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



To: Honorable Mayor and City Council

Thru: Jon Mendenhall, City Manager

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

Date: February 20, 2024

Re: Budget Amendment # 5

The attached budget amendment closes out the Metro Pump Station fund due to the completion of this project. The remaining fund balance of \$50,400 will be transferred to the Water & Sewer fund. The Water & Sewer fund initially transferred \$209,000 to the Metro Pump Station fund but only \$158,600 was need to complete the project.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Jon Mendenhall, City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: February 20, 2024
Subject: Budget Amendment # 5

	Account #	From	To	Amount
Metro Pump Station Expenditures				
Metro Pump Station Contingency	34-8130-99100	\$ 111,500.00	\$ 61,100.00	\$ (50,400.00)
Metro Pump Station Transfer to W/S	34-8130-54000	\$ -	\$ 50,400.00	\$ 50,400.00
				<u>\$ -</u>
Water & Sewer Revenues				
Transfer from Metro Pump Station	30-3986-98400	\$ -	\$ 50,400.00	<u>\$ 50,400.00</u>
Water & Sewer Expenditures				
W/S Contingency	30-9990-99100	\$ 500,000.00	\$ 550,400.00	<u>\$ 50,400.00</u>

Closes out Metro Pump Station Fund.

Adopted and effective this 20th day of February, 2024.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



To: Honorable Mayor and City Council

Thru: Jon Mendenhall, City Manager

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

Date: February 20, 2024

Re: Budget Amendment # 6

The attached budget amendment allocates funds received from the State of North Carolina for Unauthorized Substance Excise Tax. These funds are generated due to cases that are worked by the Eden Police Department. The Police Department will use these appropriated funds to purchase a drone and battery.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Jon Mendenhall, City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: February 20, 2024
Subject: Budget Amendment # 6

	Account #	From	To	Amount
General Fund Revenues				
Police Unauthorized Substance Tax	10-3431-41800	\$ -	\$ 11,000.00	<u>\$ 11,000.00</u>
General Fund Expenditures				
Police Departmental Supplies	10-4310-29100	\$ 40,000.00	\$ 51,000.00	<u>\$ 11,000.00</u>

Appropriates funds received from State of NC for Unauthorized Substance Tax.

Adopted and effective this 20th day of February, 2024.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor



To: Honorable Mayor and City Council

Thru: Jon Mendenhall, City Manager

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

Date: February 20, 2024

Re: Budget Amendment # 7

The attached budget amendment appropriates fund balance from the Runabout Travel Fund to cover Senior activity expenditures.



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Jon Mendenhall, City Manager
From: Amy P. Winn
Assistant Director of Finance
Date: February 20, 2024
Subject: Budget Amendment # 7

	Account #	From	To	Amount
Runabout Travel Fund Revenues				
Fund Balance Appropriated	25-3991-99100	\$ -	\$ 5,000.00	<u>\$ 5,000.00</u>
General Fund Expenditures				
Runabout Travel Expense	25-9100-31200	\$ 23,000.00	\$ 28,000.00	<u>\$ 5,000.00</u>

Appropriates fund balance for Senior activities.

Adopted and effective this 20th day of February 2024.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

CITY OF EDEN – MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL

THRU: JON MENDENHALL, CITY MANAGER

FROM: ERIN GILLEY, CITY ATTORNEY, KELLY STULTZ, PLANNING AND COMMUNITY DEVELOPMENT

DATE: FEBRUARY 14, 2024

SUBJECT: ORDINANCE TO PROCEED WITH LEGAL ACTION AND TO EFFECTUATE THE PURPOSE OF THE HUMAN HABITATION STANDARDS ON BLACK BOTTOM ROAD

At the December City Council meeting, the City Council authorized the City Attorney to begin legal action to enforce the City of Eden Human Habitation Standards with respect to a structure on Black Bottom Road, PIN 7969-08-89-1039, Parcel No. 133169.

City Staff presented to the City Council at the December meeting, the violations found at this property and instructed the Council that the City of Eden UDO Standards and the enabling legislation permit the City Council, upon adoption of an ordinance, to file a civil action in the name of the City to remove such occupant.

Such ordinance is attached to this memo for adoption by the City Council. In order to enforce the City Human habitation standards and proceed with legal action, Staff is asking you to adopt the ordinance. Please contact me if you should have any questions or concerns.

**AN ORDINANCE AND ORDER
FOR THE EVICTION OF OCCUPANT
ON BLACK BOTTOM ROAD
(PIN 7969-08-89-1039; PARCEL NO. 133169)
CITY OF EDEN, NORTH CAROLINA**

GRANTORS/GRANTEES:

City of Eden
Joe Dalton
Roy Dalton
Sheila Dalton
William Dalton
Jonathan Dalton
Rainie Dalton
Roger Dalton
Lawanda Dalton
Sandy Dalton
Martha Dalton (Cohen)

Mary Dalton
Carolyn Dalton
Patricia Dalton
Calvin Dalton
Swanson Dalton
Norman Dalton
Deloyce Dalton
George Dalton
Robert Dalton
Willie Dalton
Gloria Dalton

Drawn by and Return to:
Erin B. Gilley
City of Eden
PO Box 70
Eden, NC 27829-0070

AN ORDINANCE AND ORDER
TO PROCEED TO EFFECTUATE THE PRUPOSE OF THE HUMAN HABITATION STANDARDS OF
THE CITY OF EDEN UNIFIED DEVELOPMENT ORDINANCE
ON BLACK BOTTOM ROAD
(PIN 7969-08-89-1039; PARCEL NO. 133169)
EDEN, NORTH CAROLINA

THIS ORDINANCE is issued pursuant to the provisions of North Carolina General Statutes §160D, Article 4 and Article 9 of the City of Eden Unified Development Ordinance.

WHEREAS, on the 6th day of September, 2023, the Director of the Planning and Community Development Department caused an examination of the dwelling owned by Annabell Dalton Heirs, including, but not limited to, Joe Dalton, Roy Dalton, Sheila Dalton, William Dalton, Jonathan Dalton, Rainie Dalton, Roger Dalton, Lawanda Dalton, Sandy Dalton, Martha Dalton, Mary Dalton, Carolyn Dalton, Patricia Dalton, Calvin Dalton, Swanson Dalton, Norman Dalton, Deloyce Dalton, George Dalton, Robert Dalton, Willie Dalton, and Gloria Dalton, together with all assignees, heirs at law and devisees of the before stated heirs that are deceased, on an unnumbered lot on Black Bottom Road identified as PIN 796908891039 and PIN 133169, including any accessory structure and found it to be unfit for human habitation, that said property is more particularly described as follows:

BEGINNING at a point on the west edge of Pratt Street and on the line of the John Sharp Property at the corner of Lot 97; thence South 14 deg. 45 min. West 265 feet to the southwest edge of Lot 119; thence with meanderings of branch to the southwest edge of Cemetery Street 387.1 feet to the intersection of Cemetery and Pratt Streets; thence North 75 deg. 15 min. West with the southern edge of Pratt Street, 305.6 feet to the PLACE OF BEGINNING and being all of Lots 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119 of the map of Dillard Springs property of the Boulevard Real Estate Company as subdivided May, 1921, S. B. Dameron, C. E., Reidsville, N.C., and redivided October 11, 1923, for the Piedmont Realty Company. See Book 328, page 171. Also see Book 610, page 495.

See Book 730, page 927, Rockingham County Registry.

SAVE AND EXCEPT those tracts conveyed in Book 786, page 39.

The above-described property being located on Black Bottom Road and identified by the Rockingham County Tax Dept. as PIN 7969-08-89-1039 and Parcel No. 133169.

WHEREAS, on the 6th day of September, 2023, the Director caused to be issued a Complaint and Notice of Hearing for the 28th day of September, 2023, which was served on George Dalton first class mail and certified mail, return receipt requested; the certified mail was received on September 11, 2023; the Complaint and Notice of Hearing was served on Joe Dalton by posting on the subject property on the 7th day of September, 2023; and

WHEREAS, the hearing was held on the 28th day of September, 2023, and the Director subsequently issued an Order to repair, alter, improve or vacate the structure located on the property; and

WHEREAS, a copy of the Order was served on George Dalton by certified mail, return receipt requested, and first-class mail; the certified mail was received on the 27th day of October, 2023; the Finding of Fact and Order was posted on the subject property on the 3rd day of October, 2023; the Finding of Fact and Order was published in the Rockingham Now on the 25th day of October, 2023; and

WHEREAS, the property owners did not appeal the Order and, pursuant to Article 9, Section 9.02(K)(2) of the City of Eden Unified Development Ordinance, a copy of the order has been mailed to any organization involved in providing or restoring dwellings for affordable housing that has filed a written request for such notice; and

WHEREAS, the Owners have had a reasonable opportunity to bring the property into conformity with Article 9, Section 9.02 of the City of Eden Unified Development Ordinance and they have failed to take any action to comply with the Director's Order.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Eden that the Director is hereby ordered to proceed to effectuate the purpose of the Human Habitation Standards set out in Article 9, Section 9.02 of the City of Eden Unified Development Ordinance with respect to the property described above by (1) causing such dwelling to be repaired, altered or improved, and pending such repairs, alterations or improvements, may order such dwelling vacated and closed and/or (2) causing to be posted on the main entrance of any dwelling so closed a placard with the following words: "This building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful." Occupation of a building so posted shall constitute a Class 1 misdemeanor.

IT IS FURTHER ORDERED that a certified copy of this Ordinance and Order shall be recorded in the Office of the Register of Deeds of Rockingham County, North Carolina, and indexed in the names of Joe Dalton, Roy Dalton, Sheila Dalton, William Dalton, Jonathan Dalton, Rainie Dalton, Roger Dalton, Lawanda Dalton, Sandy Dalton, Martha Dalton (Cohen), Mary Dalton, Carolyn Dalton, Patricia Dalton, Calvin Dalton, Swanson Dalton, Norman Dalton, Deloyce Dalton, George Dalton, Robert Dalton, Willie Dalton, and Gloria Dalton in the Grantor and Grantee index.

IT IS FURTHER ORDERED that the amount of the cost of effectuating the purpose of the Human Habitation Standards set out in Article 9, Section 9.02 of the City of Eden Unified Development Ordinance by the Director shall be a lien against the real property upon which the cost was incurred, said lien shall be filed, have the same priority, and be collected as the lien for special assessment provided by North Carolina General Statutes Chapter 160D, Article 10.

APPROVED, ADOPTED AND EFFECTIVE, this 20th day of February, 2024.

CITY OF EDEN

BY: _____
Neville A. Hall, Mayor

ATTEST:

Deanna Hunt, CMC
City Clerk