

**MINUTES OF THE SPECIAL MEETING  
OF THE REIDSVILLE CITY COUNCIL  
HELD SATURDAY, JANUARY 21, 2017 AT 8:00 A.M.  
GREEN HOUSE, PENN HOUSE,  
INCLUDING JANUARY 26, 2017 & JANUARY 31, 2017  
RECESSED MEETING MINUTES**

**CITY COUNCIL MEMBERS PRESENT:**

Mayor John M. "Jay" Donecker  
Mayor Pro Tem Harry L. Brown  
Councilman Tom Balsley  
Councilman James K. Festerman  
Councilman Donald L. Gorham  
Councilman William Hairston  
Councilwoman Sherri G. Walker

**COUNCIL MEMBERS ABSENT:**

NONE

**CITY STAFF PRESENT:**

Preston W. Mitchell, City Manager  
Angela G. Stadler, CMC, City Clerk  
Chris Phillips, Assistant City Manager of  
Administration  
Tom Wiggins, Assistant City Manager of  
Community Services  
Kevin Eason, Public Works Director  
Robert Hassell, Police Chief  
David Bracken, Fire Chief  
Terri S. Rivers, Human Resources Director  
Rhonda Wheeler, IT Director  
Jeff Garstka, Economic Development Director  
Judy Yarbrough, Penn House/Market Square  
Manager  
Michelle Smith, Human Resources Analyst

Following breakfast served in the Main House beginning at 7:30 a.m., Mayor Donecker called the retreat to order at approximately 8:10 a.m. in the Green House.

Following opening remarks by Mayor Donecker and Council members, Assistant City Manager/Finance Director Chris Phillips said a few word about the audit presentation for the fiscal year ending June 30, 2016.

**AUDIT PRESENTATION:**

Before the auditor began his report, Phillips noted that it had been a good year for the General Fund with more revenues realized and less expenditures than budgeted. The Unassigned Fund Balance is

up as well, he said. On the flip side, the Water and Sewer Funds did not have quite as good a year, but he stressed that the action Council took last year which went into effect July 1<sup>st</sup> corrected that as well as the renegotiating of the contract with the City of Greensboro. He referenced page 73 of the Comprehensive Annual Financial Report, citing the Section 704(b) Covenant's Debt Service Coverage Ratio of 89.74%. He said that should be at 100% but that was one of the reasons the City did the rate increase last year. If we miss that percentage, Phillips explained, a remedy is to call in a consultant to set rates. However, he talked with our lender Carter Bank, who said the City did not have to call in the consultant since we had implemented the rate increase.

Phillips then introduced the auditor, Phil King from McGladrey. King said his firm had enjoyed working with the Finance Director and his staff. He then went to the PowerPoint presentation handout about the audit. (A COPY OF THE POWERPOINT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

King briefly discussed changes in the accounting rules, whereby the Law Enforcement Officers' Special Separation Allowance trust fund was reclassified, meaning the beginning fund balance for the General Fund increased by almost \$400,000. The Unassigned Fund Balance increased from 34% to 37% of expenditures, which is very good from their firm's point of view, the auditor said. The State recommends a minimum of 8% so the City is way above that figure. He briefly discussed the City's peers, noting that some are very high across the country but added that 37% is a figure of which to be proud. Councilman Festerman asked if the Unassigned Fund Balance has been that high before? Phillips said the highest he remembers was 42%, which was prior to the Vance Street improvements being done. The Councilman asks whether the State ever worries about the percentage being too high? King said no. However, both the Mayor and Councilman Festerman said they didn't think our citizens want to pay taxes just for us to sit on it. Phillips referenced the "flat line" on the front page of the PowerPoint discussing the "Analysis of General Fund Balance." He stated that the flat line reflected the City being careful of the state it was in and the uncertainty of the economy. Manager Mitchell talked of the uncertainty with Commonwealth as an example. Councilman Festerman said it looks like we have been very conservative in estimating our revenues.

Looking at General Fund Revenues and the analysis, King said the year was better than expected because of the sales tax. Manager Mitchell said staff was very conservative with the sales tax estimates as we prepared for the debt that would be associated with the Senior Center. The City, along with others across the State, didn't want to count on expanding sales tax revenues because sometimes we don't see immediate upticks. Sometimes the tax revenues might go down before going up in the next 2-3 years, he added.

Reviewing General Fund Expenditures, King said the big observation here was that every City department was conservative, at times not utilizing their full budget. What kind of "catchup" the City will want to do in the future is something the Council will have to decide, he said. He concluded the General Fund discussion by noting this year saw a \$1.2 million surplus compared to last year's \$1 million decrease in the Fund Balance.

Looking at the Water and Sewer Funds, the City has already increased water rates. In the Water Fund, the increase in operating expenditures was due to increased sludge disposal and adding

another employee, the auditor said. In the Sewer Fund, revenues are sliding, King noted, but operating expenses are lower because some of the projects that occurred in 2015 did not occur in 2016. He said that while expenses are relatively flat, the City needs to be generating income to fund the debt out there now.

King said his firm had clean opinions on grants and compliance with those grants as well as a clean opinion overall. He noted that the document, "Report to the Honorable Mayor and Members of the City Council," lists on pages 1-2, the results of the audit. There were no issues or disagreements with Management, he added. There were no findings to report, and no adjustments recorded to the Financial Statements, the auditor said.

King concluded by explaining what the audit is and noting that his firm doesn't have the time to test every single transaction. Instead, they target specific transactions, look at documents, make inquiries of people within the organization and, in the end, give their opinion, which in this case, was clean or unmodified. He noted that the award the City wins every year is a big deal, adding that lots of cities do have modifications. The auditor stated that the City is up for the Certificate of Achievement for Excellence in Financial Reporting again, which while regular for Reidsville, is not for everyone.

Councilwoman Walker asked about the controls referenced on page 2 of the Internal Control Letter about the Powell Bill funds. King said a comment on the Powell Bill testing was given to Management where some expenditures were incorrectly calculated because of improper charge rates. Phillips noted that if it had been found we were overcharging, that would be a different problem. However, the City was actually underreporting what it was spending so additional controls or oversight will be added to improve the process.

In response to a question from the Mayor, Phillips said last year was the 22<sup>nd</sup> consecutive year the City had received the Certificate of Achievement for Excellence in Financial Reporting.

Following the audit presentation, the auditor left.

### **FINANCIAL SYNOPSIS:**

Manager Mitchell then started off the section of the retreat dealing with financial issues. He referenced the synopsis, which follows:

#### **FY 17-18 Financial Issues**

- Ball Corporation – Announced planned July 1, 2017 closing date.
  - A top 5 taxpayer and utility user for the City
    - Loss of approximately \$200,000 in General Fund property tax revenue
    - Loss of approximately \$200,000 in Utility fees for Combined Enterprise Fund.
  - The City can absorb this loss **alone** through reductions in current year capital budgets
  - The City will continue to work with the Federal, State, County and Union reps to try to keep Ball here while also exploring replacement opportunities

- Commonwealth Tobacco Plant Retention/Recruitment Efforts
  - Will continue to work for the retention/recruitment of the Commonwealth Tobacco Plant in some form to remain in Reidsville.
    - Have included Rockingham County in our efforts.
    - Not projected via discussions with Commonwealth Officials to know decision or decisions until the latter of FY 16-17; if even then.
  - Property tax collection equals approximately \$585,000 for FY 16-17 for the General Fund; down from \$794,000 in FY 15-16 due to depreciation and surplus of a product line.
  - Utility usage equals approximately \$185,000 annually for the Combined Enterprise Fund.
  - Pursued a FY 16-17 conservative budget that addresses capital needs while creating/providing flexibility for potential worse case Commonwealth scenario.
    - Conservative budget will emphasize City core operations.
    - Emphasis on capital needs will allow the City to “catch up” previously delayed/unaddressed capital needs for said City core operations while providing potential areas of financial cuts/reductions through capital funding reduction versus total emphasis on service and/or position reductions.
      - Emphasis on City core operational capital needs with appropriations in FY 16-17 and FY 17-18 would allow this via “catch up” phase before a potential Commonwealth property tax revenue reduction would occur.
  - Continue meetings/discussions, but no decisions have been reported to City/County that creates much difference from previous year.
    - Continue to maintain stable reserves to be prepared for “worse case” rather than be forced to make massive cuts in one Fiscal Year.
  
- Fund Balance Appropriation in FY 16-17 Budget (General Fund)
  - Appropriated \$171,600 (1.06% of budget) for capital
  - The following adjustments have been recorded during the fiscal year to date:
    - \$13,000 for an economic dev project (driveway between M1M and Beta Fueling Systems)
    - \$65,360 for the solid waste disposal site project
    - \$33,000 for land contingent to the solid waste disposal site
    - \$250,000 allocation toward the Senior Center Project debt
    - Total to Date = \$361,360
    - A transfer back to the Water Fund of \$230,200 from the 14-15 FY will be requested – required to be eligible for future utility grants
  - Carry-over funds from FY 15-16 to FY 16-17 totaled \$769,766.
  - There was no fund balance appropriation in the FY 15-16 adopted budget. Total adjustments approved for that year were \$611,324 and the carryover from the previous fiscal year was \$475,984.

- FY 15-16 End of Year General Fund – Fund Balance Allocations and Status
  - Reference – 6/30/16 CAFR Exhibit 3, Page 21 and CAFR footnotes pages 40 and 41
    - Restricted – Debt Service = USDA Loans; required to show 1-year debt service. \$48,305 is for 800 MHz radios and \$210,000 is for the Senior Center loan (shown a year early)
    - Committed – LEO SSA – formerly presented as a fiduciary trust fund in prior years.
    - Assigned – Subsequent Years - includes amount adopted with 16-17 budget and the \$250,000 allocated by Council to the Senior Center debt upon loan closing
    - Assigned – Pledges – Senior Center pledges not yet received (attached) – to be sure the City was covered if one fell through.
    - Restricted – Stabilization by State Statute – a calculation required by NCGS that basically picks up any asset not guaranteed to be collected that do not already have a reserve. This calculation includes \$969,250 due to the General Fund from the Internal Service Funds related to cash.
    - Assigned – Internal Service Funds - This is the negative balance in the internal service funds in excess of the amount due above (non-cash losses).
    - Internal Service Funds – Self Insurance and Garage – Reference Multi-year summary sheet; 6/30/16 CAFR Exhibit E-1 page 110 and Exhibit E-2 page 111
      - City Self-Insured Health Insurance Program Benefits
        - Continue to explore/wait on full impact the ACA could/will have in its implementation and various delays; applicable to national and state level.
        - This will be discussed further in a budget work session once renewal information is available.
        - Historically have had a budget meeting on this in February/March.
      - Insurance operates May to April fiscal year, which impacts the speed of our overall budget process.
- Net Asset Appropriation in FY 15-16 Budget (Enterprise Fund)
  - Appropriated \$ (0.00% of budget)
  - No adjustments have been recorded during the fiscal year to date.
  - Carry-over funds from FY 15-16 to FY 16-17 totaled \$1,148,004. \$900,000 of this amount was related to Freeway Drive line relocation and \$199,500 was for the Cambridge Pump Station.
  - There were no net assets appropriated in the adopted FY 15-16 budget. Amendments totaling \$307,219 were approved during the fiscal year and carryover funds from the previous fiscal year were \$1,493,651.
- Enterprise Fund – Operating Philosophy

- Heavily discussed at 2016 City Council Budget Retreat and FY 16-17 Budget process to adjust operating philosophy from previous “United Water private sector contract operations” of endeavoring to limit rate increase to new contracts with United Water to maintaining City’s Financial & Operational responsibilities with rate increases considered no more than every other Fiscal Year
  - Does not apply to emergency situations and loss of heavy utility customers and resulting financing operating effect.
  - Reference – Enterprise Fund Synopsis Utility Usage Report later in packet
- 2017 General Assembly Long Session
  - Long Session that will have budget being created and several reports from study committees and commissions should be received with possible action forthcoming.
  - Other unknown items forthcoming?
- Sales Tax Reform – 2015 General Assembly Session
  - Originally began as the Local Sales Tax Revenue Distribution Reform Plan regarding urban/rural distribution.
    - Final adjusted format was included as part of State Budget
  - OSBM projects potential approximate \$200,000 increase in sales tax in FY 16-17
    - Suggested City Council follow cautious strategy from FY 14-15 previous sales tax reform of undertaking a “wait and see” approach.
      - If OSBM projections are found to be accurate, this increase could be appropriated to Senior Center USDA Loan debt in FY 17-18.
    - Comparison to the OSBM Report is attached for reference.
- City Fleet
  - Fire Department
    - Need for second apparatus debt service to adequately replace fleet and prevent multiple apparatus from requiring replacement in same Fiscal Year.
    - Ideal year to add this second debt service would be FY 18-19, but staff is conscious of financial situation.
    - See attached fleet spreadsheet
  - Public Works Department
    - See attached fleet spreadsheet
  - Police Department
    - See attached fleet spreadsheet

**(End of Handout)**

Manager Mitchell discussed the loss of \$400,000 annually due to Ball’s expected closing, including property tax revenues and utility fees. He said staff thinks we can absorb the losses if everything else stays constant. He did note that staff may bring some items to Council later in the year for purchase, items that won’t be purchased until February or March after we get a better idea of our revenues picture. He said it will hurt our proposed capital improvements, but noting

the percentage of Unassigned Fund Balance, it may be we can take some out of reserves for such purchases.

Councilman Hairston asked if Love's Travel can help make up that difference? Mitchell said yes, but noted it will be later in the budget year. Assistant City Manager Phillips said staff had a good meeting with Love's officials Thursday, and they are "ready to go." Love's expects to be up and running six months after the shovel hits the ground. They would like to start this summer, the City Manager said, adding the travel center is estimated to bring about 50 jobs. Those jobs will all be Love's employees, including those that work at Chester's Chicken and the associated tire place.

Mitchell said that Commonwealth is a similar situation, but we have a strategy for dealing with that. He noted that the company brought in a new machine a couple of years ago for their packaging, but that didn't work out. The removal of that machine means that the company's equipment value has come down and while it will still be a big number to lose; it will be a "smaller" big number.

In response to a question from the Mayor, the City Manager said he has received no feedback about the City's proposal. Plant officials are still saying everything is still "status quo" right now Mitchell added, adding that the City is prepared to be aggressive in the hopes of keeping Commonwealth here.

Mitchell and Phillips then reviewed the current year's Fund Balance Appropriation of \$171,600 as outlined in the handout.

**BUDGET ORDINANCE AMENDMENT TRANSFERRING \$230,200 FROM THE GENERAL FUND BACK TO THE WATER FUND.**

The City Manager turned over to the Finance Director a discussion of pages 2-5 (Finance Director's Memo on a "Transfer Back to Water Fund" and 2-6 (Budget Ordinance Amendment No. 8), which follow:

**TRANSFER BACK TO WATER FUND**

To: Preston Mitchell, City Manager  
From: Chris Phillips, Asst. City Manager/Finance Director  
Date: January 4, 2017

The Water and Sewer funds of the City are enterprise funds and should be operated like a for profit stand-alone business. To capture the full cost of these operations, cost reimbursement transfers are calculated during the budget process to pay the General Fund for services housed in that operating budget. For example, the Public Works Director is the department head over the enterprise funds, but his salary is charged completely to the General Fund. Each year, a

percentage of his time spent on the enterprise funds is estimated to be included in a cost reimbursement – the enterprise funds pay the General Fund for his services. This process is done for a majority of General Fund departments.

In addition to cost reimbursements, the City has also made operating transfers to the General Fund from the Enterprise Fund in the past. These transfers were not directly related to shared services. These payments were akin to a PILOT (payment in lieu of taxes). The transfer was what the Enterprise Fund could have paid if they had been a private company that had to pay property taxes.

In recent years, the NC General Assembly has studied transfers between enterprise funds and general funds. While they agreed that cost reimbursements were a normal business practice, they did not like seeing other transfers. To curb these types of transfers, the General Assembly passed a law that would restrict a government entity from receiving State grant funding for enterprise projects if the entity had transferred funds from the enterprise funds. This restriction became effective with the City's June 30, 2015 fiscal year.

The City did make a transfer in the June 30, 2015 fiscal year from the Water Fund to the General Fund of \$230,200. To be eligible for any utility-related State grant funding, ever, the City needs to transfer the funds back to the Water Fund. The City will be considered eligible on the date the return of funds is approved.

Attached is a Budget Ordinance Amendment for City Council consideration to transfer \$230,200 from the General Fund back to the Water Fund. (End of Memo)

Phillips, as he had referenced in his memo, noted that in the past the City has made operating transfers to the General Fund from the Enterprise (Water & Sewer) Fund as well as cost reimbursements. The North Carolina General Assembly has gotten more conservative and doesn't like transfers between funds. Originally the General Assembly had said no transfers but then realized some were needed. The Legislature penalizes cities that do such transfers by not giving them grants. The General Assembly adopted the law restricting such transfers which became effective with the June 30, 2015 fiscal year from that date forward. The City did make a transfer in the June 30, 2015 fiscal year from the Water Fund to the General Fund of \$230,200; therefore, the remedy for the City is to transfer the money back, Phillips said. If we don't move the monies back, we will never be eligible for grants, and staff thought this would be a good year to move the monies back, especially since we have been awarded a Connect NC grant and want to pursue other grants.

**Councilman Festerman then made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote, to move the \$230,200 from the Water Fund to the General Fund by approving Budget Ordinance Amendment No. 8.**

The Budget Ordinance Amendment as approved follows:

## **BUDGET ORDINANCE AMENDMENT NO. 8**

**WHEREAS**, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 14, 2016 which established revenues and authorized expenditures for fiscal year 2016-2017; and

**WHEREAS**, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to authorize a transfer of funds back to the Water Fund;

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 14, 2016 is hereby amended as follows;

**Section 1.** That revenue account number 61-3983-0000, Transfer from General Fund, be increased by \$230,200.00.

**Section 2.** That expense account number 10-4930-9810, Transfer to Water Fund, be increased by \$230,200.00.

This the 21st day of January, 2017.

\_\_\_\_\_  
John M. "Jay" Donecker  
Mayor

ATTEST:

\_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

### **FINANCIAL SYNOPSIS CONTINUED.**

Phillips referenced back to page 21 of the audit, noting that both the total Fund Balance and the Unassigned Fund Balance are up as he explained the differences between the two. The total Fund Balance includes Non Spendable (\$88,151 Inventories & \$19,328 Prepaid Items); Restricted which includes Stabilization by State Statute, Public Safety such as drug monies, etc., and Debt Service. The USDA requires the City to restrict one year's payment although we will also budget a payment each year, the Finance Director explained. Therefore, we will always have two payments set up, he said. He talked about such payments done for an 800 Megahertz radio system and for the Senior Center loan. We were conservative and included a payment even though we didn't have to because the loan had not closed at year's end. Manager Mitchell noted that while we work on a fiscal year, we don't live in a world where everything is clean on June 30<sup>th</sup>. In discussing the Stabilization by State Statute includes receivables we are not sure we are going to get, Phillips continued. Some of those is in sales tax payments. At June 30<sup>th</sup>, everything we have spent in sales tax is in a receivable line item, he said. Other categories under Fund balances are Committed, which includes Law Enforcement Officers' Special Separation Allowance, where we have put money in ahead of when we had to, paying some out of the

General Fund and some out of that fund. Phillips said we are trying to build that fund back up since we expect to have another wave of police retirees soon. The Assigned category includes Internal Service Funds (\$137,746), Subsequent Year's Expenditures such as the amount we gave toward the Senior Center and Pledges to be Received for the Senior Center. Senior Center pledges are at \$215,900, and we didn't want to be left holding the bag if those pledges didn't come in, he noted.

Phillips explained that the City started its Insurance Fund at \$0 and added to it annually. We experienced a really bad year about four years ago, he noted, but used the ability to borrow from the General Fund to offset the deficit. He said he didn't feel comfortable having a hanging \$1 million deficit between those two funds; therefore, those monies are set aside in the General Fund Balance because he felt it was the responsible thing to do. Therefore, he stated that theoretically we could transfer the funds to bring them to \$0 and start over again.

Manager Mitchell said it was a good year, but the City took care of a lot of necessary things. He referenced pages 2-7 and 2-8 about the Internal Service Funds. He said he was not as concerned with the Insurance Fund because the last three years have been stable. The Manager said the Garage Fund is an issue of concern. The garage makes money by charging departments, and those rates have not been increased in several years. He described as "low hanging fruit" that some of the Garage work has been contracted out, which includes markups on services, etc. He said we are looking at our productivity and looking at bringing everything back in house. Councilman Festerman asked about the contracting out of services. Manager Mitchell said we have put everything else back in but again, there is a markup of everything. He said he is not sure that bringing everything back in will get us where we need to be. Discussion ensued briefly on productivity, the efficiency of doing things in house and the charges for actual costs to departments. It was asked if the five people working in the garage are certified? Public Works Director Kevin Eason said the Garage Superintendent Tony Stowe is certified.

Manager Mitchell noted that a study of the garage had been done. Options appear to be giving the garage more money for more qualified people or contracting services out completely, which probably means our needs won't be met. He added that this is something we are going to have to address. He said it has been five years of a downward spiral, including years before that, but that is what happens when you have an internal service fund. He discussed what was done while he was in Nashville, NC, where salaries were charged to a General Fund department while only the actual costs of equipment and repairs were charged to the individual departments with the fleets. Councilman Gorham discussed timeliness. The City Manager agreed that we need to get things done in a timely manner, but we may have to adjust how jobs are scheduled. Mayor Pro Tem Brown noted that the advantage of having it in house is controlling the schedule. Councilwoman Walker asked if one way is more advantageous than the other? Mitchell said that as large as Reidsville is, the Internal Service Fund is the way to do it. He added that someone has to be dedicated to handling the inventory and logging it and that position might be able to be a General Fund position. Manager Mitchell said his recommendation is let's try to make this work but it

might need to be a hybrid type of situation. He said this year, if the cost of living goes up, it should be reflected in the rates.

The City Manager referenced other items on the Financial Synopsis. Referencing the sales tax reform on 2-9, he said it looks like the State was pretty accurate. The first three months of sales tax revenues look very positive, he said, adding that he thinks those increased revenues will cover the Senior Center payment next year, factoring in the ADTS rent.

### **Fleet Overview:**

Manager Mitchell then discussed the City Fleet found behind Tab 4. Talking about the Fire Department's main fleet, he noted that the City has a need for a second apparatus debt service to replace fleet and keep from having several apparatus requiring replacement at the same time. He said the ideal year to add a second debt payment is the 2018-2019 fiscal year. He stressed that outdated equipment can become an anchor around the City's neck, adding that it is easy to get behind. In Nashville, it took them 10 years to get caught up, he said.

The Police Department and Public Works have highlighted what they will ask for, the City Manager said. He talked of the need for two new side-arm garbage trucks, adding that he hoped to get that from money received by the Love's Travel project.

The Mayor, in discussing the replacement of vehicles, asked if there will be an attempt to do business in town? Manager Mitchell gave as an example the police cars. He said they use local dealers for administrative cars, but typically look at the State contract to get the police cruisers. He added that they reach out to local dealers to see if they can get closer to the State contract price, but usually they can't get close.

The City Manager also informed Council that we are operating under the understanding that backup vehicles serve at less than 100%. He said we base our fleet strategy on the replacement of primary vehicle/equipment, not backups or spares. He said he doesn't think it is financially feasible to update the fleet based on the backups. This led to a brief discussion about backups and situations where equipment may have to be rented if City equipment is down and that sometimes a balance is needed between the two. Manager Mitchell added that there will be times that inconveniences may arise due to downed equipment.

### **Debt Service:**

Referencing Tab 5 and Debt Service, the City Manager said Finance Director Phillips can share about the Senior Center loan. Phillips said we closed on the loan with the USDA, and the first payment is not due until next December. The loan is for 40 years at 2.375% with the debt on our books until 2056, he said. The City was able to secure \$1.5 million in savings over the life of the 40-year loan by doing the closing before the end of the year, he noted. Phillips said that Allen

Hart from the USDA, who is from Reidsville, has been great to work with and a huge resource for the City. Councilman Festerman talked of working to get a special recognition for Hart.

Mayor Donecker noted that we have some urban issues but because we are in a rural county, the USDA helps us to solve them, including securing untapped funds we can tap into. Finance Director Phillips said that while we are not qualified for water and sewer programs, we are right there in the population “sweet spot” for these general types of loans. Manager Mitchell noted that the 2.375% rate we got from the USDA is ridiculously good.

Council and staff took a brief break.

### **Top Taxpayers:**

Referencing Tab 6 showing the City’s Top Taxpayers, the City Manager noted that Commonwealth is #1; Ball is #2 and Henniges is a close third. The Mayor noted that for Henniges, the City was able to help the company get a piece of equipment here within three days, and later the company moved a business here and closed one in Georgia. That BMW equipment is new on our tax roll this year, staff said.

### **Total Assessed Value:**

Tab 7 shows the City’s total assessed value, Manager Mitchell said, an indicator of our growth. He said he’d like to see us grow more but in a rural county, it is good to see positive growth. Tab 8 gives a comparison, showing growth over recent years.

### **Mid-Year 16-17 Financial Report:**

The City Manager turned the discussion of Tab 9, the Mid-Year Report, to Finance Director Phillips. Pointing Council to the Executive Summary found on page 1 of the report, Phillips stressed that the second paragraph is key – the analysis uncovered no surprises. He said we are tracking ahead on the revenues side and are at approximately 50% on the expenditures side of our operating budget. Some line items include one-time payments that are done at the beginning of the budget year, he noted. Phillips stressed that there is not a lot of fat and if something unexpected happens, staff may come back to Council saying we can’t absorb these unanticipated expenditures, especially on the water and sewer side where nothing is cheap. Regarding property taxes, he said it looks like we are down, but we think it is because last year citizens didn’t realize that the discount wasn’t being offered. Now they do so they aren’t paying earlier, he said. He said looking at the rest of the revenues, the City is ahead on sales tax and a little ahead on licenses, fees, etc. Some grants have already been paid, he added. Phillips said we are ahead in Water Revenues because of the Greensboro payments even though we are a little behind on the regular consumer side. The shortage on the sewer side will be offset by water, but right now, we are about \$90,000 to the good, he said. Everybody is a little down on the sewer side, but Phillips said it is nothing to be concerned about. The largest user is Unifi, which had a problem with a

meter. We worked with them, the meter was replaced meaning more accurate readings, and we reimbursed Unifi through some adjustments, he continued. Again, he said we are right where we should be halfway through the fiscal year.

With expenses, General Fund operating is at 49.78% while Parks & Rec operating is at 43.76%, the Finance Director said. Parks & Rec usually trails behind until the spring sports, he noted. We are tracking pretty tight on water and sewer, he noted, adding that there were some problems at the Water Plant with staffing where employees couldn't be left alone while training. Mayor Donecker told staff to keep up the good work.

### **PLANTS & FREEWAY DRIVE RELATED UTILITIES UPGRADES SYNOPSIS:**

Manager Mitchell reviewed the synopsis, which is as follows:

#### **Utility Plants and Freeway Drive Related Utility Upgrades Overview**

- Water Treatment Plant Status
  - \$5,353,000 invested into upgrades beginning in 2013.
    - Financed via revenue bonds for 20 years at 3.00%
    - Last major improvements were in 2001, paid by City of Greensboro in conjunction with first water contract.
  - Work under the 2013 Improvement Project is now completed
    - Construction of New Raw Water Mixing Tank.
      - Allows the chemical treatment process for the removal of iron and manganese from the Lake.
    - Replacement of Filter Media.
      - Improves the removal of turbidity in the finished water.
    - Installation of Venturi Water Meter
      - Improves accuracy of metered water to the City.
    - Upgraded Data Collection and Control System.
    - Upgraded Process Chemical Pumps
    - Replacement of GSO Pump and Motor.
    - City staff is completing some items in house to prevent change orders and achieve at a lower price.
  - Public Works Director reports the contractor's warranty period runs through most of 2017.
    - Various contractors may be on site occasionally in 2017.
- Wastewater Treatment Plant Status
  - \$14,923,960 invested into upgrades beginning in 2013.
    - Financed via a State of NC revolving fund (SRF) loan through the Dept. of Environmental Quality (DEQ) for 20 years at 0.00%
    - This is the largest upgrade the plant has had since its' construction in the 1950's; some elements were still original to the construction.
  - Work under the 2013 Improvement Project is now completed.
    - Construction of Solids Handling Improvement

- Construct new solids handling building with screw press and drum thickeners to improve residual dewatering and sludge disposal
  - Electrical Improvements
  - Conversion of Surface Aeration to Fine Bubble Diffusion
    - Allows the air delivery in the process to be better controlled.
  - Construction of New Digesters to improve Solids Reduction
  - Upgraded Process Chemical Pumps
  - Roof Replacements and Heavy Maintenance of Existing Buildings.
  - Addition of Automated Carbon Feed System
  - Addition of New Parshall Flume to measure Influent Flow to Plant.
  - City staff is completing some items in house to prevent change orders and achieve at a lower price.
- Public Works Director reports the contractor's warranty period runs through most of 2017.
  - Various contractors may be on site occasionally in 2017.
- Bulk Nutrient Removal (BNR) problem has occurred with upgrades
  - Potential Nitrogen Violation of Operating Permit
    - Problem was not anticipated.
  - Potential Phosphorous Violation of Operating Permit
    - Decrease in phosphorous removal was anticipated, but it was believed it would not increase to a point of causing a violation.
  - See attachment titled "Bulk Nutrient Removal (BNR)" that has detailed explanation the Public Works Director will provide.
  - Exploring available grant funding to solve these potential violations of operating permit.
- Freeway Drive Related Utility Upgrades
  - City is required to participate in utility related improvements when an NCDOT street/highway project necessitates the relocation of local government utilities.
    - Originally estimated to cost approximately \$2,700,000.
    - First two payments have been made at \$900,000 each with remaining payment to come at completion of said project.
  - Utility Related Upgrades
    - See attached map.
  - Freeway Drive Lift Station
    - Former liftstation was replaced.
    - New liftstation includes:
      - Submersible Pumps
      - Modern Controls
      - Standby Generator
    - Estimated to cost at least \$500,000.
  - Replacement Wentworth Lift Station Lines
    - Former plastic forcemain line replaced with ductile iron pipe forcemain line. (blue on map)
    - Former receiving concrete gravity line pipe also replaced high density polyethylene gravity line pipe. (red on map)

- Manholes in poor shape were replaced.
  - Other Improvements
    - Numerous other improvements made with the existing water lines in project area.
    - Other miscellaneous improvements made as work progressed and allowed.
- Remaining Upgrade Funds & Potential Plans
  - Two sources of remaining funds with overall upgrade projects
    - Pending final payment to NCDOT for Freeway Drive Related Utility Upgrades are not more than \$900,000.
    - Overall Budget is estimated to be \$90,000 under budget
    - City has option to reimburse itself for pre-planning and engineering from State 0% loan at approximately \$1,300,000.
    - Approximately \$350,000 remaining from Revenue Bonds.
  - Potential Plans
    - Utilize \$90,000 amount under budget for Spillway/Dam Raw Water Gate Repairs.
      - Do not open at the present.
      - Public Works has a quote to repairs these for the above figure.
    - Staff is currently exploring some options regarding the installation of a second supply line from the WTP to Freeway Drive along Business 29 that could utilize some or all of the remaining funding.
      - Exploring multiple ongoing factors involving this potential project.
      - Recommend City Council not take any action until further study by City staff is completed.

**(End Of Handout)**

Referencing the Wastewater Treatment Plant, Manager Mitchell said everything is going according to plan. Public Works Director Kevin Eason noted that a high level pump is being designed and installed per the City of Greensboro's request. Greensboro is paying for it.

**Bulk Nutrient Removal:**

Manager Mitchell said that on the Wastewater side, everything is going right but the plant upgrades have led to an unexpected problem -- a possible nitrogen violation -- and a phosphorus violation to the operating permit, which was somewhat expected. Council was directed to Tab 11, Bulk Nutrient Removal. Eason explained that the State has decided that phosphorus and nitrogen need to be regulated. The only reason Reidsville is unique is that for years, we have added carbon to deal with our toxicity issue, he said. This helped with the toxicity issue but masked other issues, he explained. Eason said we are using less than 16 bags of carbon a week, which is saving the City \$10,000 weekly. While we are seeing a lot of positives and the plant is now operating more normally due to the upgrades, the nitrogen and phosphorus levels are going up, he continued. There is a limit on phosphorus and the State is talking about a limit for nitrogen

removal, he said. While we think we will be okay on phosphorus, the nitrogen is a different story, Eason noted.

Eason explained it is believed that the permit limit for nitrogen has been moved from 2016 to 2019. We have sent a letter to the State asking them which limit applies to Reidsville since it could be several years before we get another permit as the State is tied up working on the coal ash situation, etc., he said. If the City receives an Authorization to Construct, the nitrogen limit would be pushed out to 2021. He said we are seeking assistance from the Golden Leaf Foundation about a grant to, as an intermediate step, construct a baffle wall, which will help take out the nitrogen and gives us time for the engineers to examine the data. He said we are closely monitoring the situation, adding that the State is now regulating things that the plant was never designed to handle in the first place. Other municipalities are facing this as well, but the situation is worse for those who fall under the Jordan Lake Rules. Manager Mitchell said the Jordan Lake Rules have turned into a political, geographical issue, adding that the lake was built in a swamp area so there will always be issues. Mayor Donecker asked if adding more carbon would help? The answer was some, but it was noted that our new Wastewater Treatment Plant Superintendent has some ideas. Right now, we are still passing at 100% toxicity, it was stressed. Councilman Festerman asked if there are any concerns about fines or moratoriums? Eason said we are currently good on phosphorus limits and borderline on nitrogen. He said it depends if the State holds us to the 2006 permit, which has expired, that says we have a phosphorus limit as of 2016. Changes in the DEQ administration may also play a factor.

Following additional discussion on the topic, Manager Mitchell said our plan of action is the baffle wall will help with the phosphorus. We have applied for a \$500,000 grant from the Golden Leaf Foundation, which means we will have to come up with \$250,000, he continued. We can apply for a \$500,000 grant from NC Connect as well; however, he noted the need to get some answers from the State. Mayor Donecker noted that what the Colorado expert called in to help us with the toxicity issue years ago recommended has worked. Mitchell said it will take a lot of action before we get under a moratorium. Councilman Gorham said it sounds like we have a winning game plan.

Councilman Festerman asked if anyone had heard any more complaints about the sewer smell on Freeway Drive. Public Works Director Eason said while we haven't done anything regarding the smell, he thinks it has been taken care of since the force main and manholes have been replaced and sealed up tighter, etc.

### **Freeway Drive Utilities Upgrades:**

Behind Tab 12, Manager Mitchell pointed out the utility improvements for Freeway Drive. The City must pay the cost of moving the utilities. Our cost estimate is \$2.7 million, he said, adding

that two payments of \$900,000 have been made. It is hoped that the last payment will not be more than \$900,000, he said.

The Manager returned to the synopsis to discuss the final items. He said staff planned to bring to City Council at its February meeting a motion for \$90,000 for the Dam Raw Water Gate repairs if it was okay with the board. Public Works Director Eason explained that the gate, which has been there since 1976, currently does not open. It is believed that once we open it, we may not be able to close it, he added.

**There were no objections from Council about bringing the item to them at their February meeting.**

Manager Mitchell said there is no action planned yet on the second supply line listed in the synopsis. He said staff wants to do further study on the issue and look into reimbursing ourselves for the work. Finance Director Phillips discussed the approximate \$2 million cost of the project. He noted that we had received a \$1.3 million budget for engineering in the loan from the State, which must be paid back over 20 years. He added that it seemed smart to go ahead and do the engineering reimbursement since we had planned to do it all along. Mayor Donecker said we need to do the second supply line because industries like Albaad require it and it helps them if they plan to expand. We can get water from Greensboro if we have to using that same line, but that line is getting older and a second line is needed. Manager Mitchell said we have a few months after the Freeway Drive project is done to determine how to proceed. He stressed that we don't want to have to pay for water from Greensboro due to the costs. The Mayor noted that we are unique in that those who crafted the agreement put in the wording that if our water gets to a certain low level, we can cut it off to Greensboro. Mitchell said he had hoped to be at a point to bring some specific recommendations to Council; however, he said after an approximate three-month period, we hope to know where we are. It was noted that this is Eason's second highest priority project.

Before Eason sat down, the Mayor complimented the Public Works crews on the planned approach to snow removal during the recent inclement weather. Eason said that the CodeRED message helped a lot and that they saw a lot less vehicles on the streets. He said they didn't have any streets that crews couldn't get down.

**ECONOMIC DEVELOPMENT SYNOPSIS:**

Staff went by the Economic Development Overview as follows:

**Economic Development Overview**

**Restructured Department**

- Jeff Garstka hired in March 2016, new title "Economic Development Director"

- Oversees Judy Yarbrough (City Marketer and Penn House Director) and Hugh Sandoe (Market Square and Main Street Coordinator)
- Better aligned budget in 2017-18
- Possibly move Hugh to Economic Development budget for operating/overhead and programs
- Work with Judy on expanding marketing efforts to include traditional economic development outreach efforts beyond tourism and retirement

### **Industrial, Commercial and Residential Projects**

- Individual data provided by Donna Setliff and Jeff Garstka via permit and inspection research in subsequent tab
- Reidsville submitted property on 25 of 60 active inquiries via County EDC
  - Nearly 60% of inquiries related to existing building
  - 33% related to Greenfield sites
  - Six searches for rail-served sites
  - Two for airport-related property
- Major announcements:
  - UNIFI
  - Love's
  - Merchant One Manufacturing
  - Beta Fueling Systems
  - David Rothschild Company

### **Downtown Projects Opened and Announced**

- Southern Kulture, Ciotoli's Formal Wear, Tiny Toes Consignment, One Source Staffing, Gosrani Optimal Health, Lucky City Brewery (announced), Rockingham Arts Council (temporary space at Area Foundation)
- Announced Closings: Roundabout Way and Reidsville Florist
- Events
  - Casino Night
  - Clam Jam
  - Fall Jubilee
  - Christmas Tree Lighting
  - Christmas Parade
  - Classic Car Cruise-Ins
  - Ladies Night Out
  - Market Square Series (music, movies, private event rentals)
  - Farmers Market at Market Square
- Looking into expanding definition of "traditional" downtown to include vacant properties and businesses across Market Street/Martin Luther King (Armory, etc.)
- Hosting an Entrepreneur and Property Owner "Mixer" in Spring 2017 – RDC-sponsored event
- Three new RDC Board Members – David Apple, Arnold Robertson, Myra Tudor
- NC Main Street Program Legislation Update
  - New legislation enacted in 2015 regarding management of MSD funds
  - Additional \$0.25 tax collected, approximately \$35,000 in revenue; proceeds support the City's Downtown Rehabilitation Grant program
  - If MSD money is controlled by the City but advised via a nonprofit entity the City must bid out the contract to "manage" the MSD money for a three-year term
  - Alternative includes a separate Council-appointed advisory committee
  - Immediate steps prior to issuing RFP include a Needs Assessment Survey of downtown property owners and tenants and a Strategic Plan

### **Economic Development Incentives**

- Pro-Forma of previous and current/future years of incentive payments to industry in separate tab
- City provided funds for Beta/M1M driveway project as well as the sale of property to Lucky City Brewing in addition to tax-based incentives owed during the current fiscal year
- Working with County and other municipalities on a “City Center Incentive Program”
  - Outlines a district including satellite locations; incentivizes rehabilitation of existing buildings provided the owner meets minimum criteria
  - Reidsville has led the effort, working now with other entities to agree on the terms of the program and make it equal for all parties

### **Real Estate Development**

- Refer to Power Point slides for additional data/maps that will be shown during the retreat
- Timmons Group US-29 corridor site study funded by County EDC
  - Basis for identifying future industrial and commercial sites
  - Could submit 1-2 sites for Duke Energy Site Readiness Program
- Reidsville Industrial Park is now Certified via the NC Department of Commerce; allows for expanded marketing and visibility opportunities – need to take advantage of this in 2017
- Work with County to market Horse Park for additional development
- Explore concept of Public-Private speculative building deal
  - Discussed experience and concepts with three regional developers
  - Private developer willing to take on relatively significant risk, even in smaller markets
  - Continue to explore creative ways to finance a deal – the need is there for a modern existing building
- Continue to market downtown properties, including City-owned buildings

### **Workforce**

- Refer to separate tab for local and regional workforce data, including commuting pattern data
- Many growing employers have had trouble locating and retaining talent either with a lack of technical skills or soft skills
- Economic Development Office has been involved with Reset Rockingham county-wide workforce development initiative and building relationships with various workforce providers
  - Pilot course in February with a company to teach soft skills and graduates apply for actual jobs open at the company – taught through RCC
- Stronger partnership with K-12 school system in the future

### **Marketing**

- Downtown Wayfinding
  - Issue raised by both City staff and RDC as a need; potential grant money available
  - Would include auto and pedestrian wayfinding throughout downtown leading patrons to restaurants, shopping, restrooms and parking
- Other Wayfinding
  - Additional wayfinding opportunities to attract visitors and make Reidsville more accessible include
  - Lake Reidsville and Hotels at Business 29 interchange
  - Additional signage for Chinqua-Penn Trail, Penn House, Lake Hunt, Jaycee Park, Pennrose CC, Market Square/Downtown, Chamber/Visitor Center, Courthouse/RCC, RCC woodworking shop, etc. with signage out on Freeway Drive, US 29 and on the outskirts of town on Barnes and Scales Streets for instance
  - Most signage can be produced in-house by Public Works

- QR Code Historic Walking Tour
  - QR Codes can be scanned by smartphones for a variety of uses (coupons, etc.)
  - Install small monuments/plaques on or near buildings from Police Department to Market Square with QR codes imbedded
  - Users scan the code and it brings up a video that tells the history of the building
  - Idea is to create a downtown walking trail and give businesses more exposure
  - Can partner with other agencies as well as K-12 school system on field trips/history lessons
- Continue marketing efforts with County Tourism as well as retiree conferences and events
- Market lakes in addition to County focus on rivers
- Work closer with the Chamber on tourism promotion
- Create new Economic Development specific web site that links to the City's existing site
- Creation of more multi-media videos and other materials
  - Community College accessibility
  - Entrepreneur Attraction
  - Short interviews with local businesses
- Created "Industry Breakfast" group meeting quarterly to discuss relevant topics across all industries – October focused on workforce, January will be plant safety; future topics TBD



### **2017 Initiatives**

- More aggressive marketing of real estate opportunities to prospects
- Better promotion of grants and incentives
- Development of a target industry analysis and strategy
- Attendance at select industry trade shows and conferences (Shopping Center convention in May, etc.)

### **Utility Development Agreements**

- Reference UNC SOG material on development agreements.
  - Our intention is to focus on utility development agreements regarding all types of development by analysis of each proposed/potential project on a case-by-case basis rather than create a "one size fits all" policy.
  - Each would require City Council approval.
- Similar to industrial development incentives, but majority of such agreements typically applies to commercial and residential development.
  - Produces direct benefits of property tax and job creation, but usually produce indirect benefits of future development.
  - Has become successful avenue to promote growth of local government development and limits.

### **Restructuring of Department:**

In beginning the Economic Development discussion, Assistant City Manager Tom Wiggins discussed the restructuring of this department. The City hired an Economic Development Director based on the City of Eden's model and added Market Square duties to the Main Street position. Judy Yarbrough is now the City Marketer. He said he is very pleased with how we now

have a clear division of responsibilities. He also credited Economic Development Director Jeff Garstka for being active with the Reidsville Downtown Corporation committees.

**Growth Indicators:**

Wiggins reviewed Tab 14 that showed zoning permits. In 2016, permits were secured for 16 new single family units. For multi-family, 72 units are being constructed behind the Reidsville Review offices while the other development is at Woodland Heights, he said. Manager Mitchell noted that contact has been made about another large complex with commercial upfront, but a text amendment would be needed. Wiggins said it may be able to be handled as a Special Use Permit. The City Manager said the property has already been identified by this developer, who was recruited to the area. Wiggins added that the number of inspections is also going up, which is good news as well. He continued to review the permits, noting that industrial investment was at a little over \$8 million for 2016.

Mayor Donecker talked about companies like Beta Fuels that are growing. The CEO of Delta Airlines has been here at least twice to visit the industry, and Beta now has a nicer sign. He cited the upgrades on Freeway Drive and expressed his appreciation for the Economic Development department. It was noted that Beta has applied to get four electrical engineering interns from NC State University.

Commercial investment was discussed. Annie Penn Hospital did several projects in 2016. Manager Mitchell noted that while we receive no tax dollars from the hospital, we do get a higher quality of life and the trickle-down effect. Wiggins also noted that longtime business Pete's Burgers will have a ribbon cutting at 10:30 a.m. on February 1, having completed its improvements. He also said that Carter Ridge only has a handful of lots, 7-8, to be developed. Mayor Donecker said the City is still missing those single-floor patio homes. There was a brief discussion about how retirees like to have a bowling alley nearby. The status of Reidsville Lanes was discussed, and Jeff Garstka and Judy Yarbrough were asked to follow-up.

Manager Mitchell said he has been told that 2016 is some of the most commercial and industrial activity that has been seen in a long time. The Mayor said he has been getting a lot of compliments about Community Development Manager Donna Setliff and her department. Councilman Festerman said Love's Travel couldn't have been more complimentary of staff. Mitchell said non-locals have noted the high level of service provided and think we are business friendly, not bureaucratic, and have good turnaround times. Councilman Festerman said some places take a year to do what the City has done in a month.

Referring back to the multi-family projects, staff noted that Reidsville Ridge on Vance Street expects to start major construction in a couple of weeks. Woodland Heights will start construction in the spring.

Economic Development Director Garstka said he is working on getting some additional data from the State. He said a lot of industries are looking for existing buildings.

**Downtown:**

Garstka discussed the downtown. He noted that Hugh Sandoe is the Market Square and Main Street person. Manager Mitchell noted that Garstka is still in charge of the downtown, adding that the Main Street program starts with him at the top.

Garstka then explained some changes in the management of Municipal Service Districts' monies due to 2015 legislation. The additional 25-cent downtown tax collected generates about \$35,000 in revenues used for downtown rehab grants, etc., which are matched by the City. Per discussions with the City Attorney about the new legislation, the management of such funds will be bid out like any other contract, Garstka said, so that a consistent plan can be implemented and carried out. Manager Mitchell said he debated with the State Main Street Director about having to bid it out, but it has to be done. If there are any complaints about the process, they need to be directed to the State, he added. Garstka also noted that a strategic plan is needed, but that will take some time and require a needs survey. A mailer has been sent out to all of the downtown property owners per the County tax records. It will also be posted online. The Mayor asked if the Downtown Corporation is being involved on the strategic plan. Garstka answered in the affirmative, adding that these changes do not reduce the City's and RDC's power. The Mayor said it reminds the RDC to keep a close relationship with the City. Councilman Gorham said he would like to see the results of the needs survey. Manager Mitchell said he thinks it is silly to send out a Request for Proposals (RFP) to get advice. The alternative, Garstka said, is the City keeps the money in house. The City Council would have to appoint an advisory group, making the role of the RDC basically non-existent. While several Council members said they could go either way, Councilwoman Walker and Councilman Gorham talked of the "new path" with the RDC, which has a plan now. Garstka quickly reviewed some of the changes on the RDC board and the implementation of term limits, new bylaws, etc.

Manager Mitchell said he has asked Garstka and Sandoe to push for the businesses to be open more often during events, even if they don't do sales. He cited the example of Ron Wheeler, who opens not because he expects to sell guitars during downtown events, but he gets exposure for those who might come back later. Councilman Gorham talked of the need for the time for street closings on the permits to be consistent with the actual time streets are closed. Garstka said they were trying to make sure that it consistent. The Mayor talked of the need to expand the reach and membership of the RDC to the school system, the Chamber, etc. The need to also get a good

pool of volunteers to help with downtown events, an effort which had been started by Judy Yarbrough at Market Square, was also discussed. Manager Mitchell said Dav Gerrells of Café 99 stays open during City event and is supporting the downtown. Garstka said they are looking to recruit new businesses to fill the buildings left by the relocation and/or closing of businesses like Roundabout Way and Reidsville Florist. He said some new startup businesses are looking at the sites.

### **Reidsville Incentives Report:**

Jumping ahead to Tab 18, Garstka commented on incentive payments to industries, adding that there are not a lot of new payments coming online. However, this means we are in a good position to encourage these existing industries to expand. Discussion ensued about the need to improve the entrance from McCoy into Beta Fuels so that the tractor trailers don't pass by in front of M1M. Some truckers are going down to Lowes Home Improvement to turn around. The Mayor suggested the City do anything it can, within reason, to help with the situation. Possible County involvement was mentioned. Manager Mitchell said we might can ask NCDOT about a "left over" to the business, but he said we wouldn't be able to get a "left out" off the property.

### **City Center Incentive Grant:**

Garstka then discussed a City Center Development Incentive Grant behind Tab 15. He said this would target certain areas within the core city. Manager Mitchell said we have been working with other municipalities in the County, but we are further along than they are. He said we want the cities and County to all adopt the same game plan. This process rehabs existing construction and incentivizes significant renovations and can increase tax values of property by at least 50%. Reidsville's minimum construction value is \$15 per foot, but other cities may be less. We want to have a consistency of rules, etc., so that real redevelopment can be encouraged, Mitchell said. He added that the County Manager was very supportive and was glad we reached out to the other cities. All of the other cities were interested except for Wentworth, which doesn't have a tax rate, he explained. Garstka said the process requires significant investment. Page 15-2 notes that incentive grants are given yearly for five years. The map at the back of the tab shows highlighted in green those areas in Reidsville that would be eligible. The City Manager noted that Mayor Donecker plans to bring the subject up at the Mayors/Managers meeting this Wednesday.

### **Future Interstate 785 Industrial Land Study Sites:**

Discussion then moved to real estate development and the Timmons Group US-29 corridor site study funded by the County EDC behind Tab 17. Garstka talked about identifying medium to large tracts of land for industrial development. One map shows water and sewer or the potential for water and sewer around the sites. Out of the 10 sites, four were legitimate targets, close enough to be annexed and feasible for water to be sent to them.

It was also noted that the Reidsville Industrial Park is now a NC Department of Commerce registered site.

### **Labor Force Data:**

Behind Tab 16 on page 16-6, the table shows that we lose over 8,000 people to other communities on a daily basis. The Mayor said that the 15,000 number (total of “Out Commute”) is important because it shows we have an accessible workforce. Garstka discussed a soft skills course/pilot program he is doing for Rockingham Community College about employability due to his work on workplace development. At the end of the course, students will be able to apply online to Premiere Finishing, which currently has job openings. Councilman Festerman also offered the help of Arnold Robertson in such training.

At this point in the meeting, staff took a break in the Economic Development area to allow other presentations, which included waiting visitors, to be made. Council members were asked to turn to Tab 52.

### **Potential Future YMCA Recreation Complex and Park**

- Overview
  - Potential future complex and park would be located at old landfill located off Freeway Drive.
    - See attached maps of property.
  - Former landfill site is undergoing remedial investigation and closure process under the State program.
    - See attachment referencing process.
    - Staff has no plans for facility after this process is complete.
  - YCMA is interested in acquiring said site of approximately 96 acres for the development recreational/park facilities through near and long term stages.
  - Has the potential to be connected with surrounding facilities via trails.
- Staff Recommendation
  - Transfer property to YMCA after closure process is complete.
    - Make non-binding commitment today if no objections.
  - Letter of support and request is attached from YMCA of Greensboro (who operates the Reidsville Family YMCA) President/CEO.
- YMCA will have representatives attend to discuss and take questions.

Manager Mitchell said he had sent out some emails regarding the former landfill off of Freeway Drive, along with aerial and non-aerial views of the site, which is currently going through the closure process. The City has no plans for this property, which serves no purpose for us anymore, he continued. Mitchell noted that there is a letter from the YMCA of Greensboro CEO behind the tab about that organization’s interest in the site. The City Manager said it would be

great to have another park in the area, but added that he was not asking for any commitment today from Council. He just wanted to make sure the Council was okay with the idea, he said.

Public Works Director Eason went through a PowerPoint presentation about the closure of the Broad Street facility. (A COPY OF THE POWERPOINT PRESENTATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He said a letter had been sent this week to residents regarding well testing. Overall this is a 2-3 year process, he noted, reminding Council that the State is funding the remediation 100% so it is up to the State's discretion how quickly it moves. The process includes a couple of phases, including whether there are hazards to be remediated or not. He said we will have to tell the State the planned end use of the area. The Mayor suggested the Y might be able to do some parallel development in areas where nothing had been done, but Eason said the State didn't want anything going on until its analysis is complete. He noted that we don't want to do anything that might jeopardize the State funding of the remediation process.

Heather Whitsett of the Reidsville YMCA was on hand. She said they would like to include some type of soccer fields or a sporting site on the property and open it up to the public. She said they don't have any fields for their soccer programs except for the one the City lets them use at Lake Reidsville, which draws over 300 kids. She noted that soccer tournaments could bring tons of people to the City, and the fields could also be used for school and summer camp programs, environmental programming, etc. They have looked to the US Soccer Association about some possible grant funding to develop the fields, restrooms and some type of outdoor education facility.

Councilman Balsley asked if there are any hazards at the site? Eason said none that he knows of, adding that mostly junk was put out there. Councilman Festerman said he thought batteries and tires might have been placed out there. Eason said the remediation process is designed to make the land usable again. Mayor Donecker noted that across the country, contaminated property is being made into recreational fields. Councilman Gorham described it as a "win win." Eason noted that once we go through this process, we will get a certificate of closure, but if the City uses it as a landfill again, all protections are off. He added that once the wells are tested, this eliminates the ability of third parties suing the City. Manager Mitchell noted that Eason went before the Greensboro Y's Board of Directors and did a full disclosure about the property. The Manager said he just wanted to make sure that the Council was not opposed to the idea. He said this would be a nonbinding agreement and allow the YMCA to pursue funding.

**The Mayor said it appeared to be the consensus of Council to move forward.**

**Kris Nixon – Meridian 3D.**

Economic Development Director Garstka introduced Kris Nixon of Meridian 3D. He described the services that Nixon can provide for the City, 3D-imaging of properties, a good economic tool for us. Nixon then told a little bit of his personal history and the history of his company. He talked of the kinds of projects he works on, including the former Food Deals building for Lucky City Brewery and the old Armory Building in Reidsville, which he showed as an example of the technology. This technology, he explained, gives prospective buyers more detail about the buildings, beyond the GPS information found on the Internet. This process allows more people to see the sites without physically visiting the property and helps them decide whether they want to make contact with those handling the property, he said. Manager Mitchell said it lets potential clients look to see if they can fit their equipment, etc. into the existing building. While Meridian is a little different from other companies, the kind of work they do might be the standard in 5-8 years, Nixon noted. He suggested first doing the imaging on those hard to market buildings that the City needs to get out there. Mayor Donecker suggested the Ball Corporation building. Nixon said real estate is really starting to pick up on using this kind of technology. He said he didn't have any other municipal clients in North Carolina currently. Garstka said this imaging allows us to reach people we would not otherwise reach, adding that it is better than looking at a brochure. He added that it helps not to waste either side's time as well. Manager Mitchell said this is just for the Council's information right now. Councilman Gorham said we could do the City's industrial park.

(COUNCILMAN FESTERMAN LEFT THE RETREAT AT 1:18 P.M.)

Nixon concluded by noting that his company could link to the City's website to showcase the properties. The information can be sent out on data sticks as well, he said.

### **RETURN TO ECONOMIC DEVELOPMENT:**

#### **City Marketing Efforts, Including Focus on Active Retirees.**

Economic Development Director Garstka came forward with City Marketer Judy Yarbrough to discuss marketing initiatives, including marketing to retirees. She handed out "Stats for Active Living Retirement" and discussed the bulleted items. (A COPY OF THE HANDOUT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) Noting that North Carolina ranks fifth in places to retire, Yarbrough said this is a good fit for the City. She added that she is excited about the new Senior Center because, from a marketing standpoint, it sets a precedent in the State. Mayor Donecker also noted the need to stress our premiere hospital facility as well, adding that we need to make sure people understand that we don't just feed into Moses Cone but have a lot of great services at Annie Penn. Manager Mitchell said we are so little and have a lot of urban amenities.

Yarbrough then showed three videos currently on our website: the Intro to our Video Tourbook, Retire Reidsville and the Penn House.

Garstka said he has been talking with Chase Napier about using drone footage to target area centers of higher learning and training institutions and how their programs can help with our overall workforce. He also discussed signage on US 29 and Wayfaring signs downtown, which will be discussed in greater detail later in the retreat. The Wayfaring signs, combined with a QR Code walking tour, will be done in partnership with the school system. He added that the biggest cost would be production of the signs.

### **Utility Development Agreements.**

Manager Mitchell noted the UNC-School of Government article behind Tab 13 about Development Agreements. He said the City of Eden has a detailed utility agreement, but we would like to do it on a “case by case” basis. He said we feel like there will be a lot of future benefit but that we don’t need a policy at all. He said we can treat them as incentives agreements and bring them to Council on a “case by case” basis. We could offer 0% financing and pay back the costs to the commercial developers, tying it to things like jobs, etc. What is the benefit for the developer, he said. If they have a tentative agreement with the City, they can, in essence, borrow off our credit even though they aren’t because we are “backing” them on the project, he said.

### **Setting Up Future Retreat Sessions.**

Council members discussed dates to continue the retreat. Manager Mitchell noted the need to approve the next step in the CDBG process for Unifi, which would be contracting out the Administrative and Engineering services.

It was agreed the Council would resume the retreat at 4 p.m. on Thursday, January 26, to approve the CDBG contracts and discuss Human Resources and then recess to meet again at 4 p.m. on Tuesday, January 31.

**At 1:49 p.m., Councilman Gorham then made the motion, seconded by Mayor Pro Tem Brown and unanimously approved by Council in a 6-0 vote, to recess until Thursday, January 26, at 4 p.m. at City Hall and then recess to meet again at 4 p.m. on Tuesday, January 31, at the Penn House.**

### **RECESSED MEETING – 4 P.M. ON THURSDAY, JANUARY 26, 2017, REIDSVILLE CITY HALL, FIRST-FLOOR CONFERENCE ROOM**

(All Council members were present except for Mayor Jay Donecker)

Mayor Pro Tem Brown called the recessed meeting to order and turned it over to Manager Preston Mitchell. The City Manager then turned the Human Resources discussion over to Assistant City Manager of Administration/Finance Director Chris Phillips.

Phillips and staff reviewed the Personnel Synopsis as outlined in the following handout:

### **Human Resources Points of Interest - 2016**

#### **1) At-Will Employment Policy**

- Termination with or without progressive discipline for any reason except an illegal reason and employees are free to leave the City at their will as well.

#### **2) Classification and Pay Policy**

- Each full-time job classification is studied once every 3 years (more often if needed based on market changes) on a 1/3, 1/3, 1/3 rotation (Police, Public Works, all other).
- Study was deferred for FY 2009-2010 due to budget constraints
- Currently completing the study of the “Police” group which includes sworn and non-sworn positions. This will begin a new 3-year cycle. See Tab 23.

#### **3) Drug and Alcohol Screening Policy**

- Pre-employment drug screening is required for all positions
- Random drug and alcohol screening is required for positions subject to federal DOT requirements
- Random drug and alcohol screening is required for all safety-sensitive positions as directed by Reidsville City Council
- Reasonable suspicion drug and alcohol screening is required based on supervisors’ recommendation
- Post accident drug and alcohol screening is required as needed
- Return to work and follow-up screening is required after rehabilitation
- Currently, an employee who tests positive on a random test may be offered an opportunity to seek help through the Employee Assistance Program for rehabilitation and thereby retain their job. A zero tolerance policy could be considered if desired by the City Manager/City Council. See Tab 22.
- The City’s current vendor for random and post-accident testing is Safe-T-Works. This firm is contracted by the Piedmont Triad Regional Council to provide services to their member agencies that have chosen to join the substance screening consortium.
- Pre-employment, return to work, and follow-up screening services are provided to the City by Piedmont Occupational and Urgent Care and by Cone Employer Health Services.

#### **4) Group Health and Dental Insurance**

- Self-insured (stop loss begins at \$55,000)

- Plan results and recommendations are presented to the City Council in April each year and rates are set at that time.
- Plan year runs May – April
- Plan is coordinated with the Wellness Program; employees who participate in the Wellness Program have an opportunity to “buy down” their deductible from \$750 per year to \$500 per year. For 2015, 156 employees and spouses completed the requirements for the \$500 deductible. For 2016, 113 met the requirements. For 2017, 88 met the requirements.

**5) Affordable Care Act (ACA)**

- The future of the ACA is unknown until the Trump administration is in place.
- The full effect of the ACA on the City’s health and dental insurance plan will remain unknown until more information is available about a new plan if the new administration offers a plan.
- Staff is currently working to complete form 1095’s for each employee as required by the ACA. This annual requirement reports insurance coverage information to employees and the IRS for compliance oversight.

**6) Performance Appraisal and Performance-Based Pay Policy**

- Performance appraisals are conducted at mid-probation and end-of probation for newly hired and newly promoted full-time employees and annually thereafter on the date of hire or promotion
- Appraisal ratings range from below standard to above standard
- Performance-based pay was suspended in the FY 2016-2017 budget
- City Council approves pay raise levels annually during the budget process
- Each ½ % of performance-based pay for FY 2017-2018 would cost approximately \$50,000 including benefits

**7) Transition to ADP for Payroll Processing**

- The transition from processing payroll through LOGICS software to ADP has been completed successfully.
- Electronic time and attendance options are being explored as a next step in the quest for greater efficiency and cost savings.

**8) On-Line Applications**

- The City has completed the transition to on-line employment applications through People Admin. Early reviews have been positive from the hiring departments and the applicants.
- Staff continues to list positions at NC Works (formerly Employment Security Commission)

- Applicants who do not have a computer or smart phone can apply on-line at the NC Works office, at the public library or at the Goodwill Center.
- On-line applications have streamlined the application process and eliminated the possibility of applications being lost or delayed in the mail.
- Anecdotal information indicates that employers who use on-line application systems reach more qualified applicants. Staff members from EEOC Greensboro Office advised Reidsville HR staff that using on-line application systems is the number one way to increase diversity among applicants for City jobs.
- See PowerPoint Presentation in Tab 21.

**(End Of Handout)**

Before beginning, Phillips reminded Council members of the retirement reception for Yvonne Ellison on Friday, Jan. 27, from 2-4 p.m. with remarks set for around 3 p.m.

Phillips then noted that the City is an at-will employer. He then discussed the Classification & Pay Study, noting that this is the year to study Police on the three-year cycle. He noted that the police market is “hot” right now, and that we have had officers leave to go to Leland and Eden. While the department is usually a revolving door, he noted that they didn’t have anyone leave during the recession. Right now, though, is a tough environment for officers nationally, and more movement is being seen in the police market.

Referencing the City’s Drug & Alcohol Screening Policy, Phillips noted that staff did a poll and found our policy is very similar to what other cities do. He reminded Council members that this random drug policy applies to those not on duty. If you use while you are on the job, you will lose your job immediately, he said.

Councilman Festerman asked how many people were terminated last year and how many did we suggest that they might want to leave? Staff was unsure of the amount of terminations but indicated they would get that number. Human Resources Director Terri Stamey noted that we do not suggest to employees they might want to leave. Councilman Festerman said he would like to see how we are doing on that (terminations). Councilman Gorham asked how exit interviews were done, and Phillips explained the process. Councilwoman Walker asked if we have any openings in Public Works? Human Resources Analyst Michelle Smith said we have one opening right now. Phillips pointed out that we have ads on Star News about our jobs portal as we try to use more of our dollars on local outlets.

Looking at Performance Appraisal & Performance-Based Pay Policy, Phillips reminded Council members that employees received a COLA this year during performance reviews and not performance-based pay. He said supervisors continue to do annual appraisals and HR staff continues to provide quality control.

Phillips then discussed the City's transition to ADP to process payroll. Manager Mitchell noted that ADP breaks down the different benefits so that employees can see the total package of what they receive. Phillips said this past spring, the City held a sit-down employee luncheon and may do that again this year to go over benefits. Discussion went briefly to the State's pension fund for employees. Phillips explained that the State of North Carolina has done a good job with the fund unlike some other states, funding the pensions anywhere from 99 to 101%.

### **Online Job Recruitment:**

Staff then went over online applications. HR Analyst Smith reviewed the process that begins by job applicants going to the City's job portal, which is part of the City website. (A COPY OF THE POWERPOINT PRESENTATION SMITH USED IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) The City went exclusively to online applications in the spring of 2016 using PeopleAdmin, an online program suggested by Police Chief Robert Hassell, who had used it at a previous workplace.

Staff played for Council a few of the City employment ads that have been run on area radio and TV stations, including Reidsville-based Star News. Smith noted that the City has also created employment recruitment cards, which she distributed to Council members. She reviewed the ways staff have been reaching out to the community through such avenues as NC Works, Goodwill Resource Center, at surrounding community colleges and universities and job fairs. The City also submits job openings to Indeed.com, which has surpassed Monster.com as the #1 free jobs portal.

Several department heads discussed their success in recruiting online. Fire Chief David Bracken, IT Director Rhonda Wheeler and Police Chief Robert Hassell each discussed how they had found qualified employees recently through the online process, adding that they had also had greater and more diverse numbers of applicants to apply.

Councilman Gorham said he would like to know how many minorities have been hired since Mitchell became Manager.

### **AWARDING OF CDBG PROGRAM ADMINISTRATION SERVICES AND ENGINEERING QUALIFICATIONS FOR THE REPLACEMENT AND REHABILITATION OF AN EXISTING SEWER LINE ASSOCIATED WITH THE UNIFI PLANT.**

Manager Mitchell informed Council that the City had only received one set of proposals for CDBG admin services and engineering services after rebidding a second time. Proposals were due in Wednesday, January 25, and the only ones received were from Martin-McGill. With

Martin-McGill's familiarity with the City's efforts to get the CDBG grant for the Unifi sewer line project, he said he recommended that Council award the contract for admin and engineering services to the company.

**Councilman Festerman made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote, to enter into a contract with Martin-McGill for CDBG administration and engineering services.**

**At 5:04 p.m., Councilman Festerman made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 6-0 vote, to recess the meeting until 4 p.m. on Tuesday, January 31, at the Penn House.**

**RECESSED MEETING – 4 P.M. ON TUESDAY, JANUARY 31, 2017,  
At the GREEN HOUSE at THE PENN HOUSE**

(All Council Members were Present.)

Mayor Donecker called the recessed meeting to order in the Green House at approximately 4 p.m. on Tuesday, January 31. He turned the meeting over to City Manager Preston Mitchell.

**STREETS & TRANSPORTATION SYNOPSIS:**

Manager Mitchell directed the Council to Tab 24, Streets & Transportation Overview, which follows:

**Street and Transportation Overview**

- City Street Resurfacing
  - 2008-2017 Master Paving Map
    - Attached for review.
    - Color coded by year of street resurfacing.
    - NCDOT references streets that City had to undertake resurfacing as a result of storm water or utility related issues.
  - Proposed 2017 Streets to be Resurfaced
    - 2017 Map with Color Code Provided
    - The past two years have been working on preserving good pavements with slurry seal.
    - Public Works intends to utilize 2017 to focus on hot mix streets per the departmental 2014 Pavement Study.
  - Overview Review & Update of 2014 Pavement Study Status
    - Power Point presentation by Public Works Director
    - Study was based on no financial funding limits, which is not the case.
  - 2017 Pavement Survey
    - Public Works Director desires to have a new pavement survey based on a three-year cycle.



- Reference Connectors to New Freeway Drive Sidewalks Map
      - Northern sidewalk section has an existing pedestrian connection.
      - Southern sidewalk section has no existing pedestrian connection but is connected via streets and shoulders.
        - Three ranked alternatives have been provided to provide potential pedestrian connections.
    - Recommendations are dependent upon City Council’s directions regarding the Greenway Plan Update and Bike Lane Appendix discussion along with NCDOT funding being obtained for Richardson Drive.
      - See attached map.
- Future I-785
  - Proposed route map and status.
    - Attached for reference
  - NCDOT Division 7 Feasibility Study
    - Division staff has requested \$250,000 to conduct said study from Hicone Road to State Line.
      - See attachment
  - Signage
    - Division 7 Engineer Mike Mills plans to install new and additional Future I-785 signs versus older Future I-785 Corridor Signs.
      - Sharing route with I-840 allows definable route for I-785 now.
  - General Support
    - The Piedmont Triad RPO staff reports the Greensboro MPO staff fully supports this project.
    - Eden and Reidsville City Managers have discussed their support and benefits to each community.
      - Goal is to at least connect it to NC 14 Interchange.
      - County Manager has expressed support in the past.
    - Reidsville Mayor has had discussions with Senator Berger to make this a priority NCDOT project.
      - It has been discussed with Representatives Jones and Hall as well.
- NCDOT 2017 Schedule Resurfacing
  - Narrow Gauge Road
    - Satellite annexation properties are located on this route.
  - Parkland Road
    - Partially in the City Limits.
  - Vance Street Extension
    - Partially in the City Limits.
  - Others projects discussed either between the City and NCDOT or being explored by NCDOT were not funded this cycle.
    - Others could be added in future funding.

**Street Resurfacing:**

Manager Mitchell referenced the maps behind Tab 25, which show the City's streets and when they had last been paved. Public Works Director Kevin Eason went through a PowerPoint presentation on resurfacing, explaining that over the past two years, his department has attempted to preserve those streets in good condition with slurry seal. He said the City has done 22.8 miles of various resurfacing over the past eight years, including the two years of slurry seal paving. Eason noted that they had received better results the second year of slurry seal paving when a different company was used. A little less than 2 miles (1.97 miles) is planned to be repaved in 2017, he said, depending on funding. Councilman Festerman asked about what is done with the old resurfacing product. Eason said the old product is taken to the asphalt plant for recycling. He added that mobilization costs get pretty high with only two miles repaved.

Eason discussed the status of the pavement survey, which is recommended to be done every few years. When the Public Works Director came to work for the City, he found the last study had been done in 2006 when the PCI (Pavement Condition Index) was 89. The City's goal is an average PCI of 90 out of 100 with 100 being a new street. In 2014, the PCI had declined to 66 or fair condition, he noted. The City has 32% of its roads which are rated in good condition or better. Eason said the City has a backlog of \$10.8 million in repaving that needs to be done; therefore, he recommends doing another pavement study because it gives his department a priority ranking of the streets. He said they needed feedback from Council on recommended funding levels. He discussed the four funding levels and what the City would expect to be able to do for that amount of money.

Mayor Donecker asked how much the study would cost, to which Eason replied, \$30,000. The Mayor asked if that \$30,000 wouldn't be better spent on repaving the roads. Manager Mitchell said he and Eason had discussed the need to do more reasonable funding models. Several Council members said they felt staff could pick the streets because they travel on them all the time and know which ones need to be done. Discussion also ensued about the difference between slurry paving versus hot mix paving.

Eason noted that slurry paving doesn't work well if the street is already in poor condition. If the street is already in poor or very poor condition, his department has to take the street up and replace it, he said. He said he thought it would be interesting to see where we are next time the evaluation is done, adding that he expects to see that street conditions are deteriorating rapidly. He pointed out that it costs about \$200,000 to do about five miles of resurfacing. He talked of the costs of replacing streets/reconstruction, adding that we can't reconstruct a lot of streets for the amount of money we have. He said it must be decided what is realistic for an average street condition in Reidsville.

Councilman Gorham asked about slurry seal on more heavily traveled roadways like South Park Drive. Eason noted that slurry has even been put on some airport runways and that the product

they use is better than what is used on parking lots. Councilman Festerman said he never gets complaints about the quality of street in Reidsville, but other Council members acknowledged getting complaints about the slurry seal although they agreed those streets had gotten better. Manager Mitchell stressed that the Public Works Director is telling Council about concerns he has about roads in 10-15 years. The Mayor said there needs to be a balance between pay now, pay later. Mitchell said his goal last year was to put an additional \$200,000 towards resurfacing, bringing that total to \$400,000; however, he landed up having to take it out of the budget. He said no increase in the tax rate is proposed, but he also noted that Powell Bill funds do not cover all the costs associated with the maintenance of our streets. Some cities do bonds for street improvements, he added.

Manager Mitchell said Eason wants to do the study while he can see doing a study or not. He also said it might be possible to shift \$100,000 over from sidewalk repairs to resurfacing. Mayor Donecker asked what has happened between 2014 to 2016 to show a need for another study. Eason said the study can give us the most cost effective plan to follow after it is determined how much we are willing to spend. Again, several Council members said they felt with Eason's expertise and the knowledge of the Public Works crews, that a study wasn't currently needed. After more discussion, the Mayor told Eason that he should walk away with the message that the Council trusts his judgment on the road conditions.

#### **Greenways Plan Update:**

Manager Mitchell then referenced the Greenways Master Plan map located behind Tab 27. Noting the greenways plan was adopted in 1997, he said staff would like to update the plan, including a third option of a natural/primitive trail. He talked of following sewer easements and finding connections to Reidsville Proper out to Lake Reidsville as well as getting cost estimates since none have been done since 1997. If sewer rights of way are followed, he noted, some maintenance will already have been done. Various possibilities were discussed. Assistant City Manager Tom Wiggins talked of connecting the Senior Center to Lowes Ballpark. Discussion ensued about gaps, greenways versus urban trails and bike trails. Manager Mitchell said the greenways plan update would be done in house with the only costs perhaps involving the securing of estimates. Mayor Donecker noted that with the new apartments being constructed and geared to younger residents, it might be good to have some type of greenways/trails map available for those interested in walking and/or biking. The Parks & Recreation Department might be able to supply these maps to the apartment complexes, the Mayor said.

**It was the consensus of Council to update the greenways plan, adding the third option.**

#### **Freeway Drive Update:**

Manager Mitchell reminded Council that he had informed them that we do have Duke Energy's lighting plan for Freeway Drive. Staff is reviewing the plan, which would cost the City \$100,000

annually and currently lights up areas adjoining Freeway Drive that aren't even in the City limits. We have reduced the numbers of lights and are waiting on Duke to send the GIS layer to match the physical map they had already sent. He said \$100,000 a year on street lights for Freeway Drive is not sustainable for the City budget. Public Works Director Eason said that after he and Preston review again and the Technical Review Committee looks at it, Duke Energy will have to bless it. It was noted that this would be a three-year contract and while we are going by Duke's design, we don't want it to be helter skelter. Mayor Donecker asked if the newer poles have LED lights and are we paying a higher rate for the newer poles? Mitchell replied in the affirmative, noting that LED lights use less light but Duke Energy charges more for them. The poles will be wooden with overhead wiring. Installation of these types of poles is free. The Mayor said it was a shame we couldn't put the wires on the ground.

Directing them to Tab 28, Manager Mitchell said two sections of sidewalk were installed on Freeway Drive due to negotiations done in the mid-1990s, which made sense to the officials back then. The issue at hand, he said, is the section from Richardson Drive to Lawndale Drive, which has no pedestrian element to it. Staff wants to ask NCDOT to consider their suggestion that the sidewalk on Richardson be extended to Sherwood to the bike lane trail. The Mayor then led a discussion of whether we wanted people walking on that section of roadway, citing safety as a factor. Manager Mitchell, noting that the sidewalk from Vance Street to the Lowes Foods area makes sense, said staff has not been able to determine the reason for the sidewalk from Richardson to Lawndale. However, if Council is fine with that, staff is as well, he stated.

After further discussion, Mayor Donecker questioned whether we could ask NCDOT to allocate that sidewalk monies elsewhere. Manager Mitchell expressed doubt but said we can ask. He asked if Council is comfortable with the sidewalk ending where it is? The Mayor said he is comfortable with the sidewalk but not continuing it on our nickel, especially since curb and gutter may be needed. Assistant City Manager Chris Phillips said the sidewalk ended on Freeway Drive because of the gully there. Manager Mitchell said if Council is good with it, staff is good with it.

Mayor Donecker asked now that Freeway is open, has anyone done a traffic count on Sherwood? Manager Mitchell said no traffic count has been done but observations are that no speeding is going on out there. Police Chief Robert Hassell said his department is focusing more on people not stopping at the stop sign. Councilwoman Walker said the amount of traffic using Sherwood seems to have slowed down. Manager Mitchell said now there is speeding on Freeway.

### **Future Interstate 785 Update:**

Referencing the map found behind Tab 29, Assistant City Manager Tom Wiggins provided a PowerPoint on future Interstate 785, showing Council members where the roadway goes in Guilford County, ending at US 70/Wendover. He said this part of the project in Guilford is slated

to be completed in December of 2018 while part of the future interchange headed west toward the airport and Bryan Boulevard is slated to begin in 2018. In the Guilford County/Rockingham County section, two interchanges are already on the schedule, Wiggins explained. The Summit Avenue area for Proctor & Gamble needs to be improved. He said that Benaja Road and Candy Creek Road areas, both in Rockingham County, are not on the TIP schedule. He explained that the future improvements are shown in yellow. In discussion with Mike Mills of NCDOT, part of the interstate will go into Caswell County and Virginia. Mills has indicated that there is a funding source that he can tap into, Wiggins said. The Assistant City Manager referenced a feasibility study funded at \$250,000, which is currently underway, to cover the feasibility to the State line. Within Rockingham County everything looks good although the heights of overpasses may not be correct. Noting that if the interstate can get to five-lane NC 14, it would help get the City of Eden's support for the project, he said. He briefly discussed the signage for the project, including future I-785 shield signs. According to Jason Julian of NCDOT, two such signs have already been put up at the northbound lane of US 29 and at the US 28 Business interchange.

Mayor Donecker noted that Senator Phil Berger has some contingency funds that can be used for the signage, which can help NCDOT go on to the next step once the survey is completed. Manager Mitchell stressed that timing is everything. I-95 was a top project of the current administration, which wants roads to be under the Mobility Fund, connecting urban and rural roads. We need to continue to push to get the \$100 million in funding because this would mean Reidsville would be connected to the airport. The project ranks pretty good at the RPO level, and it doesn't hurt on the local to level that the project can benefit not just Reidsville but also Eden and Caswell County, thereby, getting their support.

As discussion continued, Mitchell noted that the City of Greensboro staff is supportive as well as the NCDOT staff. Doing the road by interstate standards may be a 10-year process, but we need to start today, he said. The State of Virginia is also pushing for it because they are already up to interstate standards. Berger is also behind it, he stated. Councilwoman Walker noted that they have been told, once you get that blue shield, you have more businesses coming in.

### **ENTERPRISE FUND SYNOPSIS:**

Staff then turned to the Enterprise Fund synopsis found behind Tab 30. Manager Mitchell stressed that no water or sewer rate is proposed for this upcoming year.

### **Enterprise Fund – Water and Sewer Operations**

- Enterprise Fund – Operating Philosophy
  - Heavily discussed at 2016 City Council Budget Retreat and FY 16-17 Budget process to adjust operating philosophy from previous “United Water private sector contract operations” of endeavoring to limit rate increase to new contracts

with United Water to maintaining City's Financial & Operational responsibilities with rate increases considered no more than every other Fiscal Year

- Does not apply to emergency situations and loss of heavy utility customers and resulting financing operating effect.
- Barring unforeseen emergencies, there will be no proposed water & sewer rate increase in FY 17-18.
  
- 2016 Average Monthly Flow Statistics
  - Wastewater Treatment Plant
  - Water Treatment Plant
  - See attached spreadsheet
    - 2016 is the purpose of this section, but last year has been included as reference.
  - Acronyms/General Definitions
    - WWTP – Wastewater Treatment Plant
    - WTP – Water Treatment Plant
    - Effluent – Average daily WWTP flows for particular month
    - Tap – Amount of finished water produced by the WTP plant for distribution to the City and internal uses.
    - Total Backwash – Amount of water used for the internal operation of the water plant.
    - GSO – Average daily flow to Greensboro for particular month
    - Net - Average daily flow to Reidsville (Tap – Backwash), with the backwash number converted to average MGD.
    - MGD – Million Gallons Daily
    - Graph
      - Green – Greensboro average daily flow
      - Blue – Reidsville average daily flow
      - Brown – WWTP average daily flow
  
- Top Utility Customers
  - See 2016 Calendar Year Utility Customer Breakdown
  - Largest customers are typically industrial/commercial operations so the top nine have been separated for review.
  - Remaining businesses category has been shown.
  - Total residential customers category has been shown
  - Resale customers have been shown individually.
  - Utility revenues are greatly impacted by revenue from our industrial/commercial operations customer base and Greensboro resale customer usage.
  - Greensboro Resale Customer Usage
  
- Infrastructure Matters
  - WTP and WWTP Plants
    - Previously discussed in separate synopsis.
    - Will attempt to fund the addition of a Carbon Feed System for process improvement at the WTP in FY 17-18.

- Liftstation (Pump) Rehabilitation.
  - Sewer System Liftstation Overview attachment
  - Liftstations can typically expect an operational life span for approximately 25 years.
  - Original size and design of liftstations dictate rehab cost
    - Typically liftstation rehabs include upgrade components to address increased flow that can increase cost.
  - Staff planned to engineer a liftstation rehab in odd years (Year 1) with actual rehab occurring in even years (Year 2) before loss of Ball Corporation utility revenue.
    - This will have to be reviewed and possibly delayed.
    - Will explore additional options regarding liftstation rehabs as well.
      - Estimates attached provided by Public Works for next five prioritized stations.
  
- Water Accountability
  - Water Loss
    - Reference City of Reidsville Water Pumped versus Billed Chart attachment.
  - Water Flushing
    - Reference automatic water flusher maps.
      - Accounts for approximately 7,500 gallons per day
    - Connections of dead-end water lines may prevent the need of automatic flushers by allowing the water to circulate preventing stagnation.
      - Some connections would require 6-inch or greater water lines while some could be 2-inch water lines and possibly be constructed in-house.
  
- Inflow and Infiltration
  - Clear water that enters the sewer system from a variety of sources.
    - Said clear water is then treated at same level as sanitary sewer flow, increasing operations costs.
  - Standard definitions
    - Inflow - storm water that enters the wastewater through rain leaders, basement sump pumps or foundation drains illegally connected directly to a sanitary sewer pipe.
    - Infiltration – occurs when groundwater seeps into sewer pipes through cracks, leaky pipe joints, and/or deteriorated manholes.
  - Infiltration is typically the larger cause and inflow is easier to detect and solve.
    - Infiltration can usually be correlated to weather-related matters/events.
    - See Wastewater Treatment Wet Weather Performance attachment.

- Potential Utility System Issues
  - Completion of Freeway Drive Widening Project and Utilities Relocation/Upgrades
    - \$1.8 million has already been paid to NCDOT.
    - \$900,000 is currently being held for final pavement.
    - Hope final payment does not exceed figure above
  - 24-Inch Waterline to City from Water Treatment Plant
    - Public Works Director reports that inner lining of line may need to be stabilized as a result of water chemistry in operation of plant under former private contract.
    - May result in waterline being relined or replaced before its standard lifespan.
    - Waterline is also 40 years old and only feeding source from WTP so additional line would create redundancy benefits.
  - WTP and WWTP Conversion to Hypochlorite for Primary Disinfection
    - Currently operate with utilization of chlorine gas for disinfection.
    - Regulatory and supply issues are driving factors in many plants converting to hypochlorite.
    - Presently exploring utilization of upcoming completion of existing debt service to cover cost.
    - Public Works Director has delayed this request via discussion with WTP Superintendent's desire to continue current use of Chlorine and WWTP Superintendent's creation of portable alternative.
      - He does have the opinion that it will eventually be too difficult to stay on chlorine gas and will have to convert at some point.
  - Plants Needs
    - WTP Clearwell requires repairs for leakage and repainting.
    - Several additional improvements for WTP will be recommended over time.
    - WTP impacts from regulatory changes.
    - WWTP baffle wall.
    - WWTP impacts from regulatory changes.
  - Repair and Rehab to aging utility lines
    - Age and condition of some lines will require extensive rehab or full replacement in upcoming years.
    - Exploring outside sources of funding to offset lack of internal funding.
      - Can be hit or miss in regards to timing of needs

Mayor Donecker asked about the HotBotz team from the high school needing water at their work space located in the Midtown Shopping Center. Assistant City Manager Chris Phillips indicated he would assist the team, adding that the nonprofit rate might work for them.

### **Water & Sewer Average Monthly Operations:**

Looking behind Tab 31, Public Works Director Kevin Eason hit on some stats, noting that they track several things every month, including the amount of water we use, the amount of water the

City of Greensboro purchases and lake levels every week. Greensboro used more water this year than they have used in the past since they have been replacing the water plant in the middle of Greensboro this past spring and done work on the Townsend plant in the fall, both of which benefited us, Eason said. Greensboro continues to use quite a bit of our water, he noted, and paid the \$249,000 design fee for the new pump and construction but the cost of the meters at \$20,000 will be on us. He added that we have extended our contract with Greensboro for another eight years, and they are going up to a million gallons a day because that is needed as a minimum to keep the line usable.

#### **Top Utility Users/Customers:**

He said he would not go into detail about the information behind Tab 32 because it was reviewed at budget time, including sales to Greensboro. It was stressed that the sale of water is not all profit because there are costs associated with providing the water.

#### **Sewer Liftstation Rehabilitation Status:**

Discussion then went to infrastructure matters found behind Tab 33. Manager Mitchell asked Eason to give a brief overview of the pricing and the inventory of the pump stations. Eason noted that the Cambridge project has wrapped up. The typical life span of a pump station is 25 years, it was noted. The largest City pump stations are the Wentworth and Johnson stations. Eason reviewed the rehab costs of the current stations, beginning with Laster as the #1 priority; Wentworth as #2 priority and Johnson as priority #3. Johnson could be eliminated and moved to Freeway Drive, staff said. More evaluation is needed, but it is always good to do away with lift stations when possible, but we don't have the money to do that right now, Manager Mitchell said. Also recommended for repairs are the Drum Road and Winstead lift stations. Eason stressed that rehab is like rebuilding a station but you do get 100% of its life expectancy. Mitchell noted that rehab even on a basic model is not cheap.

#### **Water Accountability:**

Behind Tab 34, staff discussed water accountability, noting that approximately 30% of our water is going to other things. Eason said that the new meter at the Water Treatment Plant and those improvements should help with accuracy so that will help to close that gap. It was noted that meter replacement on the residential side needs to be funded continuously.

#### **Water Flushing Loops:**

Discussion then went to Autoflushers behind Tab 35. It was noted that they were trying to do some things in house. There was some discussion about Walmart, where Eason said a two-inch line could help with the quality problem. However, a two-inch line won't serve a lot of new development, it was pointed out.

#### **Inflow & Infiltration:**

Inflow and infiltration (I&I) were reviewed behind Tab 36. Eason discussed high flow events where obviously a system was leaking. It was stated that I&I issues trigger the State to come in and inspect since usually the inflow is of the most concern going into the creek. While we haven't had any overflow go into the creek yet, it is obvious some sewer repairs need to be made. Manager Mitchell said it is easier to fix sections of lines dealing with I&I. He noted that we have options, but staff wanted to hit on it for Council. Councilman Festerman asked if pump stations are inspected every day? Staff said yes, it is required. When the City took over the plants from United Water, we added two maintenance positions, Eason said, adding that inspections take all day.

Council then broke briefly to get their sandwiches, agreeing to work through dinner.

### **PUBLIC SAFETY:**

#### **Police Department:**

Police Chief Robert Hassell reviewed his department's 2016 Annual Crime and Traffic Report. (A COPY OF THE PRESENTATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He first discussed the statistics found on page 5, including that overall crime has decreased by 20% from 2015 to 2016. While thefts have decreased, most have come from one location so the department is working with the business to see what can be done differently, the Chief said. Reidsville is still not out of line with other cities. With the establishment of a community task force, the department has also been more proactive against crime. Looking at the comparison data on page 7, Chief Hassell said it is always good to see accidents down. Traffic stops are also down, but he acknowledged that some might be due to the negative perception of law enforcement right now. While our city has not experienced issues like other cities, our officers may have been affected, he stated. He again talked of how proactive the department is being, including using the lighted bars on top of the police cruisers to show residents they are in the neighborhoods and concentrating more on business districts.

Councilwoman Walker said she has received positive feedback from neighborhoods about these efforts. Chief Hassell noted that the blue light bars have not only helped with visibility but may be a deterrent as well. He added that the officers have the discretion of turning the blue light bars off.

Calls for service have remained steady although they can fluctuate in different years. The only unsolved homicide is that of Daryl Long, which occurred a year ago, Chief Hassell said, but they are working on it with the father of the victim. Rape cases have also declined over the years, and they are waiting to hear back from the District Attorney's office on two cases. Page 10, he noted, shows how Reidsville compares to other cities based on population size. Another factor is the reporting schedule. Reidsville reports stats each month while some cities like Eden delay and report every few months, he said.

Chief Hassell told Council members to skip to page 15 which shows crime is trending down in all categories except for theft of vehicles. He said they are working on education efforts about this crime of opportunity. On page 21, they discussed gang activity. While we do not have the same type of gang violence as seen in bigger cities, we are not naïve to think we don't have gangs, Chief said. However, he noted many times a crime is committed not to benefit the gang but does involve gang members. He also cited that the DARE and GREAT programs have helped contribute to why we don't have high numbers of people in gangs and gang violence.

He gave an update on the Community Task Force, including its mission statement, how it is data driven and before and after illustrations of crime after establishment of the task force.

After a question from Councilman Hairston, discussion centered on drug activity and the types of drugs being seen. Chief Hassell noted that police officers are not field testing heroin anymore because of the danger posed to officers with the other drugs mixed with the heroin. The plan to put overdose drugs in police cars was also discussed. Fire Chief David Bracken said such drugs are already used by the Fire Department and EMS.

Chief Hassell reviewed the Task Force activities, new initiatives such as the Straight Talk community meetings, Project Safe call ins and the problem of prescription drugs.

### **Fire Department:**

Fire Chief David Bracken then briefly reviewed his department's 2016 Annual Report. He noted that annual calls for service were 2,464, which is about the same as historically done over the past five years. Total value of property and damage estimates was listed at \$19,728,800. While total fire loss was \$329,520, the total value of property saved at \$19,399,280 means a percent fire loss of 1.67%.

In 2016, the department's average response time was less than five minutes, he said. The department did 338 fire inspections, 204 fire and life safety code violations were found and corrected, he said. Inspections are paying off, he noted, and public safety programs are still a big part of what the department does. He said we are the only entity in Rockingham County designated as a permanent checking station for child safety seats. Chief Bracken explained the Diversion Project Checks where 59 of the overall checks were from a caregiver receiving a ticket for a child restraint violation. He said the department also checked and replaced 73 smoke detectors. The medical program continues to be a big part of what they do with eight return of Spontaneous Circulation and one CPR/AED save, the Fire Chief said, adding that the City's investment in medical training has been well worth it.

Mayor Donecker noted that there was a lot of hue and cry after the Police Department stopped having an officer at the PD at night. He asked in 2016, did anyone use the Police Department's

panic room or come by the Fire Station? The answer was no to both although people did use the phone in the room at the PD to talk to 911.

Councilman Festerman complimented Chief Bracken for getting a female firefighter into the Fire Department. Councilman Gorham said his daughter was traveling in another city and went to have the child safety seat re-attached but was not helped. That city, however, was very interested in Reidsville's program, he said.

## **PARKS & RECREATION SYNOPSIS:**

Following a short break, the retreat resumed, going to Parks & Recreation:

### **Parks and Recreation Overview**

- Lake Hunt Budgetary Operations
  - City Council request proposals from staff regarding the budgetary operations of Lake Hunt.
    - The current revenue format for budget operations of the two City Lakes will not allow a Lake specific conversation.
  - Budget options for Operations and Capital Improvements Presentation.
- Teen Center Endeavors and Initiatives Update
  - Beginning a renewed emphasis of Education and Career Advancement through various activities.
    - Previous programs will still exist as an accompaniment or support to this advancement.
  - Rockingham Community College Career Day
    - Loans/Grants Assistance/Enrollment/Course & Career Options
    - Scheduled March 13<sup>th</sup> or March 20<sup>th</sup> 2017
    - Staff feels our endeavor fits into the enrollment initiative of RCC  
President Mark Kinlaw
      - “RCC is working very closely with Rockingham County School System to increase the number of high school students taking college courses while still in high school and also to increase the percentage of Rockingham County School System high school graduates who enroll at RCC straight out of high school. In fact, RCC and RCS have formed a collaborative team that is working on this initiative. The team has met twice and will be meeting several more times this spring to develop a framework and goals to move this initiative forward. RCC and RCS administrations are both excited about the opportunities this effort can create for students.”
      - The goal is to have 400 high school students in college classes while still in high school (was 112 this past fall) and we would like to see an overall county percentage of 30% to 35% enrolling at

RCC immediately after graduation. Each high school should be at 30% at least.

- Next step will be addition of private colleges in future career days.
- First Lego League Robotics competition at North Carolina A&T University.
  - STEM partnership with NC A&T
  - Designed to gain interest in Engineering Career/Potential Scholarships.
  - Occurred January 14, 2017
- Reidsville Rotary Club Job Shadow Event.
  - In works with club.
  - Career/Mentoring activities and exposure.
- First Carolina Bank – Banking Skills Annual Overview Course
  - In works with local bank.
- School Principal/Designated Representative Partnership Meetings
  - Scheduled for once to twice per year as agreed to by school availability.
  - In works with School System.
  - Will include:
    - 2 High Schools
    - 2 Middle Schools
    - 5 Elementary Schools
    - 2 Private Schools
- Local Churches Lift Skills/Fellowship/Mentoring Program
  - Potential program that is currently under review/consideration.
  - One Saturday per month/quarterly commitment is envisioned time frame.
- School Guidance Counselors Summer Volunteer/Training/Part Time Hours Initiative.
  - Potential program that is currently under review/consideration.
  - Would be an additional summer program.
- Salvation Army Community Gym
  - Potential partnerships are currently under review/consideration.
  - New staff leadership at Salvation Army.
- Focused Programing by Age Cohorts/Categories
  - Ages 10-12 and 13-16.
  - In works via staff.
- Mountain to Sea Trail Update
  - City has the potential to realign MST Trail through City Limits via lake property.
    - City staff is presently working with DRBA on this endeavor.
  - Trail Phase Development and Regional Map Power Point presentation by Assistant City Manager – Community Services
  - NC State Trails Grant awarded to fund \$85,000 for next two-mile phase to east side of the lake (Water Treatment Plant area).
  - Timeline and Grant Assistance
- Courtland Park Stream
  - Stream runs through the middle of the park and is classified as a “Blue Line Stream.”

- See Attachment.
  - Public Works Director’s Observations of the Stream
    - Appears to have been straightened and has little to no vegetation in the area inspected.
    - Severely entrenched and would currently be classified as “G” stream type under the Rosgen Classification of Natural Rivers.
    - Has now hit bedrock and can no longer cut down in elevation to try and reduce slope, therefore will begin its evolution to an “F” stream type which widens out the channel and begins to create meanders within the stream banks to extend the length and lessen the slope, causing erosion and sedimentation problems.
    - Any work within the stream will require a permit from NCDEQ and ACOE.
    - Stream in Park was examined by Kevin Varnell of Stocks Engineering
  - Stocks Engineering has examined the stream.
    - Anything beyond in-house work would require full blown stream restoration.
    - Provided alternatives to negate need to lose park “play area” property.
    - Estimated cost at approximately \$285,000.
  - In-House Option Costs
    - Revert back to nature with natural growth: \$2,500
    - Plant willows plus above: +\$10,000
    - Hand-trim stream banks: +\$50,000
    - Recommendation of future action if deemed necessary:
      - \$12,500 option.
- Staff will continue to explore cost effective endeavors to undertake capital improvements within Parks & Recreation facilities.

**Senior Center:**

As he began his presentation, Assistant City Manager of Community Development and Parks & Recreation Tom Wiggins first mentioned plans to have a soft opening for the new Reidsville Senior Center at 10 a.m. on Tuesday, February 14. A basic press release is planned, along with word of mouth to seniors about the soft opening. He said they still plan to have a ribbon cutting and building dedication with a tentative April 25<sup>th</sup> date. He said the contractor is down to the punch list which is supposed to be done by Feb. 20, and we are under a lot of pressure to get the seniors in and using the new facility. The adult day care is going through a state review and is looking at the first or second week in March to get the ADTS staff in. Upon a question from the Mayor, Manager Mitchell stressed the day care center delay is due to the state review not the contractor. A full Certificate of Occupancy is expected to be received on Thursday. The February 14<sup>th</sup> soft opening will not include a speaker but there will be handouts about the facility. Wiggins said on February 14<sup>th</sup>, the seniors typically plan a party, so they plan to have it at the new facility. Several ADTS representatives will also be on hand to discuss their part of the facility, he added.

### **Lake Hunt:**

Assistant City Manager Wiggins reminded Council members of the process that had been gone through to find a group to oversee Lake Hunt. That group has since backed out so now it comes down to a budgetary question. A citizen group has provided a proposal for the lake. He directed Council to look at Tab 40, which compares the operating budgets and capital needs of Lake Reidsville and Lake Hunt. He noted that this comparison splits combo pass revenues between the two but noted that Lake Reidsville also generates revenues through the campground. Wiggins said that Lake Hunt does a pretty good idea of almost breaking even. Mayor Donecker said he thinks the combo passes are subsidizing Lake Hunt and asked Wiggins how will you answer that going forward?

Wiggins presented a list of repairs needed at both lakes, starting with \$4,200 to repair the shelter at Lake Hunt and ending with providing sanitary sewer for Lake Reidsville at a cost just under \$700,000 or closer to \$1 million to do gravity sewer that will help develop other opportunities. At some point, the sewer out at Lake Reidsville will fail, he said.

Wiggins presented three options for Lake Hunt to the Council and asked which they would feel more comfortable with so that staff can use that as it prepares for budget work sessions. Option #1 would keep Lake Hunt a rustic, primary fishing facility; Option #2 would make it a “status quo” facility; and Option #3 would make it into an expanded amenities facility as outlined in “Lake Hunt Options City Council Retreat Framework Outline.” (A COPY OF THE OUTLINE IS HEREIN INCORPORATED AND MADE INTO THESE MINUTES.) Mayor Pro Tem Brown noted that a needs assessment hasn’t been done since 2005. He said he would consider Option #1 right now until we get that information. Councilman Balsley also agreed with Option #1, adding that those in the citizens group told him they just want a place to fish. He said they could consider other things as we go forward. Councilman Gorham said he agreed with the first option but said he would like to consider Option #3 for the future. Councilman Balsley said he would rather put money into Lake Reidsville with it being family recreation and Lake Hunt being the fishing lake. The Mayor said he’d like to see a split pass to get an idea of how many people are actually using Lake Hunt. Wiggins said all three options could be done with a split pass. Mayor Donecker said he’d like to see where we are with the split passes beginning March 1<sup>st</sup>. Councilwoman Walker asked about Option #1 with a fee increase, saying she didn’t think it would be a hardship for our senior citizens. The Mayor said he heard more than once during this process about raising the fees, along with the split passes. Councilman Festerman, noting that he fishes, said these are some of the lowest fees to fish.

Manager Mitchell said staff had been seeking direction for March of 2018 but could get it ready for March of this year. Lake Hunt, he noted, is key access while Lake Reidsville is a lake and

public park. Option #3 would turn Lake Hunt into a public park. Wiggins said he would put something together based on Council feedback.

### **Teen Center:**

Wiggins noted that attendance has been down at the Teen Center. The center has been put under Athletics Supervisor Quintin Robertson. Staff wants to get the center more active and has been looking at more educational endeavors for the facility, including life skills. Conversations with Rockingham Community College about possibilities have been very positive, he said, including plans for college career days at the Center. They are planning such a day in March and want to get parent feedback. Mayor Donecker suggested workshops to help parents and students fill out FASA forms, which is not an easy process. RCC is very receptive because they want to get local students enrolled there.

Wiggins discussed other planned activities as outlined in the synopsis, adding that Quintin has taken a group to the LegoRobotics competition to encourage interest in science and technology. Mayor Donecker suggested that they meet with Jeff Garstka and his industry group to help the youth establish realistic expectations about their futures. He also talked of the need to keep young people in Reidsville. Wiggins said they have met with representatives from the school system to have a dialogue, have received interest from churches about mentoring, volunteering possibilities with guidance counselors, partnering with the Salvation Army on gym activities, etc. The Mayor suggested collaboration with Junior Achievement. Wiggins said he is meeting with the JA rep tomorrow. Various areas of interest were suggested by Council members.

Councilman Festerman asked about the change in programming in Parks & Recreation from traditional sports programs. Discussion ensued with Mayor Pro Tem Brown, former Parks & Recreation Director for the City, noting that they had done similar type programming in the past based on a needs assessment. It was noted that there are those youth who were not athletic and whose needs were not being met. Manager Mitchell stated that now kids play their sports online. It was also pointed out that the Teen Center had not been built for athletics but some of the activities once available there, can now be done at home with gaming systems, etc. The indirect benefits to the community were discussed, including helping kids with social skills, etc. and adapting the Teen Center to fit the current needs of today's youth.

### **Mountain to the Sea Trail:**

Assistant City Manager Wiggins then discussed the Mountains to the Sea Trail map shown behind Tab 40. He noted that Community Development Manager Donna Setliff had prepared the map via GPS. He said more signage is needed, and plans to have City Marketer Judy Yarbrough help with marketing. He talked of the need to connect between Phase 1 and Phase 2 of the project, adding that the only cost the City has put into these two phases are "in kind" services. Phase 3 is a small quarter of a mile trail. The trail may have to encroach a little on the lake, he

said. DRBA has applied for a permit, which they hope to have it done by May. He said they also plan to do a ribbon cutting event to tie all of these trails in, which total three miles. Phase 4 is approximately two miles of trail. DRBA has applied for an \$85,000 grant to get this done, including working with property owners to get access or creating a boardwalk over the lake if necessary. He said the danger is having the trail people move the trail, which follows the Haw River, to Guilford County, which has been more aggressive. He said we need the County to work with us and discussed various partnerships that are needed. Manager Mitchell noted that there is a way to get down to Lake Reidsville from the City proper if Council wants it to happen.

### **Courtland Park Ditch:**

Staff discussed that the stream at Courtland Park, as a blue line stream, can't have any work done on it with mechanical equipment. Estimated costs to restore the area is \$285,000, Public Works Director Kevin Eason said. Manager Mitchell said Eason's cheaper option is to let the ditch revert back to nature at a cost of \$12,500. Some will say if we let it grow naturally that we aren't maintaining it, they noted. Councilman Festerman said it looks horrible but that he hasn't received any complaints about it. Mayor Donecker suggested the City let the vegetation grow, but trim it with a nice sharp border. Eason said he only has a few people to maintain the parks and what the Mayor was suggesting sounds like landscaping. He again said staff could mow it but let it revert back to nature. The Mayor said he wanted to show that it is planned. Fencing using either black or green construction fencing was discussed for the site.

### **POLICY REVIEW & SUGGESTIONS:**

Discussion then turned to various topics for Council feedback.

### **City Seal Use Policy Update:**

Manager Mitchell referenced the City Clerk's memo behind Tab 42 suggesting that the City Seal Use Policy be changed to let the City Manager allow other governmental agencies to use the City Seal as long as he reports it to Council.

**Mayor Pro Tem Brown made the motion, seconded by Councilman Festerman and unanimously approved by Council in a 7-0 vote to approve the change.**

Manager Mitchell said that branding logos would be left at the discretion of staff since they were not included in the policy.

### **Sanitation-C&D/Bulk/Yard Waste Policy Update:**

Public Works Director Kevin Eason gave a PowerPoint presentation on Solid Waste services. (A COPY OF THE PRESENTATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) The presentation showed abuse of the pickup policy, especially at rental properties. He showed comparisons of what the City does along with the policies of the City of

Eden and Waste Management. Staff is proposing to change the standard weekly pickup volume to 5 cubic yards with extra pickup volume at a cost of \$40 per hour or portion thereof. An example of logs was discussed for brush collection pickup. Since the City has no rules on them, someone can roll a log to the curb for pickup, and then the City has to chop it up instead of requiring the property owner to do it. The disposal cost is not the issue, City Manager Mitchell explained, but we need to clarify the volume. Also, another policy change impact is that we now have less acreage to move brush to, meaning we need to be more selective.

**It was the consensus of Council for staff to bring some ordinances at a regular meeting.**

Eason noted at the Brush Collections by Month slide that staff thought we might have to ask for additional money to get rid of the brush collected during the storm last year. However, the State has said that we have been so diligent on the brush site that we can take longer to remove the brush, he said.

**Broad Street Composting Facility:**

Eason said that we will have some limits on that, but the State has given us permission to move forward and deal with it in July. He said it allows us to resume giving away mulch to the public. He said diameter and length for brush collection will be included in the ordinance amendment to make it more manageable. Manager Mitchell said this change will not impact 80% of our citizenry.

**Sidewalk Construction Policy:**

Assistant City Manager Tom Wiggins noted that our subdivision regulations that require the dedication of a portion of land to be used as a public park typically gives us unusable land a majority of the time. We would like to remove that stipulation, he said. In reviewing those regulations, we would like to require developers of major subdivisions to construct sidewalks on at least one side of the street on all the streets of their development, or in lieu and where feasible, construct a paved greenway to connect to an existing greenway trail and that developers of new commercial and industrial properties be required to construct a public sidewalk parallel to the street in front of their property or at an agreed upon location.

**It was the consensus of Council that ordinance changes be brought back to them.**

**Interstate Overlay:**

Manager Mitchell said we don't have details on this yet but needed to make sure Council was okay with bringing an ordinance about it in the future.

**It was the consensus of Council that they were okay with it.**

### **Enterprise Fund Capital Reserve Excess Annual Revenue Proposed Policy:**

Manager Mitchell noted that it will take a while to process the numbers after the annual audit is done to bring Council members a budget ordinance amendment and put it towards utility related projects. He said we won't build reserves just to have a huge fund.

Assistant City Manager/Finance Director Chris Phillips referenced his memo found behind Tab 46. (A COPY OF PHILLIPS' MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He said the same thought has gone into the Enterprise Fund like we did with the General Fund Balance. He explained that the rule of thumb is to have 50% of your revenues in reserves, which is around \$4 million for us. He talked of the need to be able to cover 4-6 months of operating expenses if we were to lose one of our largest utility customers.

Manager Mitchell explained staff is not talking about digging into any reserves now but to take that extra \$250,000, for example, and do some slip lining. Phillips discussed instances where the Enterprise Fund reserves could be used for projects that qualify, such as a road project with sewer in it. Mitchell said it would be driven solely by how much water Greensboro purchases.

### **2017 General Assembly Session:**

Manager Mitchell discussed plans to hopefully do a Town Hall Day, including Chamber and industry officials. He also recommended a breakfast or dinner with legislators. He said they would get some dates set.

### **Richardson Drive Water Tank Refurbishment:**

No longer used, the Richardson Drive water tank is beginning to show wear and tear. It would cost \$53,500 to demo the tank or it could be repainted with the All-America City logo. Two coats would probably last about 10-15 years, Public Works Director Kevin Eason said.

**It was the consensus of Council that two coats be used to touch up the All-America logo on the Richardson Drive, which the City Manager said would be worked into next year's budget.**

Following a short break, discussion turned to Wayfinding Signs in the downtown area.

### **Wayfinding Signs:**

The history behind the project was discussed, combining use of QR Codes and wayfinding signs in the downtown area. It was decided to build on the downtown walking trail and make it interactive with people being able to zap the QR Codes on the signs and hearing a history of the building/site in front of them. The most expensive part of the project is the signage. Assistant City Manager Chris Phillips explained that a \$10,000 budget should be enough for the first phase with the RDC putting \$2,500 towards it, the Manager finding \$2,500, the Reidsville Area Foundation providing \$2,500 and Council providing \$2,500, he said. Staff doesn't have the

resources to do it in house, Phillips noted, so the school system was approached about participating. Teachers at Reidsville High School were interested, and one of the teachers has incorporated into her lesson plan for the upcoming semester. It could also be a Senior project for a student, he noted. The school wants this to be a legacy project, passing on those skills to the next class. The school has an audio visual booth where they can do the interviews, he stated. Phillips said we would like to get community leaders involved, including the Council and five living Mayors to take part in an oral history project. He also noted that the City's 150<sup>th</sup> anniversary is coming up in 2023.

Councilman Hairston suggested adding the Booker T. Washington High School site to the list. It was noted that first, the downtown sites listed were going to be highlighted, but the plan includes adding a second phase where businesses could be included and the tour expanded to include other sites throughout the City. City Clerk Angela Stadler said the sculpture committee had discussed doing a tour involving the sites on the Budding Future sculpture. Economic Development Director Jeff Garstka said the RDC expressed its support for the Wayfinding Signs at its retreat.

**Council agreed this was a good interesting project and agreed to give \$2,500 of its funds for the project.**

#### **Weekly Robo Dialing:**

Referencing the City Clerk's memo, Manager Mitchell noted that no one realized the expense of weekly CodeRED messages about weekly events. He added that the County is talking about changing to another vendor as well. The gist is we can't afford the weekly calls, but we could do weekly texts or emails if Council desires to do so. IT Director Rhonda Wheeler said she did get a call from CodeRED saying they have added a service where you can send out a text and get a response back if you sent out a survey, etc. The Mayor said we need to find a way to make people aware of what we are doing. He said he is still shocked at how many people still don't know about Reidsville Connect.

**It was decided staff will look into text and email options.**

#### **Downtown Trees:**

Assistant City Manager Tom Wiggins said this all started when OK Cleaners complained that the tree in front of his property had gone into his gutters. Public Works is interested in having a long term policy on how to handle the trees. The RDC was approached first at its November meeting, but the members were supportive of the City taking the lead and coming up with a plan or policy. Economic Development Director Jeff Garstka explained that a committee had met and Hugh Sandoe had pulled together information about trees and species they liked. The ultimate recommendation was for the committee to meet with an Arborist and establish a long term plan

for tree replacement. Among the suggestions being considered are planters or a more expensive option of lattice work.

Discussion ensued about the different options, but the City Manager noted that we need to have a game plan. It was also noted that everything didn't have to be done at once but could be done over time.

**Market Square Sign:**

It was noted that the sign hasn't worked consistently in three weeks. Manager Mitchell said there are no guarantees that the cheapest option will work. The cost would be \$31,000 for a brand new sign; \$20,000 for a retrofit; and the third option was to spend \$9,000 for onsite repair. IT Director Rhonda Wheeler and City Marketer Judy Yarbrough have talked with the company to secure a new sign for the rehab price of \$20,000. Council members agreed on the \$20,000 option.

**It was the consensus of Council that the City Manager could bring a Budget Ordinance Amendment for the \$20,000 at the Council's February meeting.**

**Councilman Festerman made the motion, seconded by Mayor Pro Tem Brown and unanimously approved by Council in a 7-0 vote, to adjourn at 9:19 p.m.**

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John M. "Jay" Donecker, Mayor

ATTEST:

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Angela G. Stadler, CMC/NCCMC, City Clerk