

**MINUTES OF THE REGULAR MEETING
OF THE REIDSVILLE CITY COUNCIL
HELD TUESDAY, JUNE 12, 2018 AT 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL**

CITY COUNCIL MEMBERS PRESENT: Mayor John M. “Jay” Donecker
Mayor Pro Tem Harry L. Brown
Councilmember Terresia Scoble
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/Finance Director
Haywood Cloud, Assistant City
Manager of Community Services
Robert Hassell, Police Chief
Chuck Smith, Public Works Director
Jeff Garstka, Economic Development
Director
Donna Setliff, Community
Development Manager

Mayor Donecker called the meeting to order.

INVOCATION.

Reverend D. Richard Miles, Pastor of St. Thomas Episcopal Church, 315 Lindsey Street, Reidsville, provided the invocation.

PLEDGE OF ALLEGIANCE.

Council members then led those present in the recitation of the Pledge of Allegiance.

PROCLAMATIONS & RECOGNITIONS:

**RECOGNITION OF KEYSTONE FOODS FOR IMPROVEMENTS TO THE
VETERANS MEMORIAL AT JAYCEE PARK.**

Mayor Donecker asked Louise Hughes, General Manager, and Mike Haywood, Plant Manager, of Keystone Foods to come forward. He then read a proclamation recognizing

the company for its revitalization of a local Veterans Memorial. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) On behalf of the company's 450 employees, Hughes thanked the City for the recognition.

RECOGNITION OF ROCKINGHAM COMMUNITY COLLEGE EAGLES BASEBALL TEAM.

Mayor Donecker asked Head Coach Reece Honeycutt, members of the RCC Baseball team, President Mark Kinlaw, Athletic Director/Director of Student Life Magazine Maggie Murray and Vice-President of Student Development Robert Lowdermilk to come forward while he read the proclamation. (A COPY OF THE CERTIFICATE OF RECOGNITION IS HEREIN INCORORATED AND MADE A PART OF THESE MINUTES.) Members of the City Council congratulated the Eagles on the success of the team. The Mayor asked Maggie Murray to say a few words. Murray thanked the Mayor and City Council for recognizing the team and invited them to come out and enjoy a ballgame.

RECOGNITION OF ASSISTANT CITY MANAGER OF ADMINISTRATION/FINANCE DIRECTOR CHRIS PHILLIPS FOR COMPLETION OF THE MUNICIPAL AND COUNTY ADMINISTRATION COURSE.

Mayor Donecker asked Assistant City Manager/Finance Director Chris Phillips to come forward and be recognized for his completion of the UNC School of Government's seven-week Municipal and County Administration course. Mayor Donecker said Phillips is following in the footsteps of the previous Finance Director, Bernice Phillips, his mother. Phillips thanked Council for the opportunity to go.

Recognition of Mayor Donecker.

Mayor Donecker acknowledged that Councilman Festerman had asked for a few minutes at the beginning of the meeting. Councilman Festerman showed a copy of the most recent copy of NCLM's Southern City magazine, featuring the Mayor's photo on the front cover and included a feature article on the City and its efforts at collaboration. Councilman Festerman then asked the Mayor to autograph his copy.

APPROVAL OF CONSENT AGENDA.

Councilman Gorham made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 7-0 vote, to approve the Consent Agenda.

CONSENT AGENDA ITEM NO. 1 – APPROVAL OF THE MAY 8, 2018 REGULAR MEETING MINUTES AND THE MAY 14, 2018 SPECIAL MEETING (BUDGET WORK SESSION) MINUTES.

With the Consent Agenda approved in a 7-0 vote, the Council approved the May 8, 2018 Regular Meeting Minutes and the May 14, 2018 Special Meeting (Budget Work Session) Minutes.

CONSENT AGENDA ITEM NO. 2 – APPROVAL OF A MUTUAL AID AGREEMENT BETWEEN ROCKINGHAM COUNTY AND THE VARIOUS MUNICIPALITIES FOR DISASTER ASSISTANCE.

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the Mutual Aid Agreement as requested by Rockingham County for disaster assistance. The County approved the agreement at its May 21st meeting. (A COPY OF THE AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

CONSENT AGENDA ITEM NO. 3 – APPROVAL OF A GRANT PROJECT ORDINANCE AMENDMENT FOR THE LANDFILL ASSESSMENT REIMBURSEMENT PROJECT.

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the following Grant Project Ordinance Amendment for the Landfill Assessment Reimbursement Project as outlined in Assistant City Manager of Administration/Finance Director Chris Phillips' May 31st memo.

The memo follows:

MEMORANDUM – LANDFILL ASSESSMENT REIMBURSEMENT PROJECT

To: Preston Mitchell, City Manager
From: Chris Phillips, Asst. City Manager/Finance Director
Date: May 31, 2018

The City of Reidsville Public Works Department is working with the State of North Carolina on a landfill assessment project. The project is multiple phases and will cross several fiscal years. The State will reimburse the City for the full cost of the assessment. Once a phase is completed the State reviews and approves the work. At that time the City is reimbursed the cost of the phase. As each phase is approved the next phase is authorized. The authorization includes a budget for the phase.

Because the project is being funded by a specific source and will cross multiple years, a special revenue grant project fund was set up to account for the costs and revenue.

To date, phases one to four have been completed and the State has already reimbursed the City. The total funds used to date are right at \$223,000.

Attached is a Grant Project Ordinance Amendment to increase the project fund to the amount above.

Please have the City Council consider this amendment for approval.

Let me know if there are any further questions or information needed. (End of Memo)

The Grant Project Ordinance Amendment as approved follows:

GRANT PROJECT ORDINANCE AMENDMENT

AUTHORIZING LANDFILL ASSESSMENT SERVICES

WHEREAS, North Carolina General Statute 159-13.2 authorizes the establishment of a Grant Project Fund (Special Revenue) to account for expenses and revenues that are likely to extend beyond a single fiscal year; and

WHEREAS, it is the desire of the Mayor and the City Council of the City of Reidsville to establish a grant project fund for landfill assessment services on June 13, 2017;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and the City Council of the City of Reidsville that:

Section 1 That the following revenue account for this project is hereby amended:

16-3900-0000	State Grant Funds	\$	122,000
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Section 2. The following line items of expenditures are hereby amended:

16-7121-1900	Engineering	\$	122,000
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Section 3. The City Manager is hereby granted all necessary authority to carry out this project, including the approval of payment requests as earned under approved contracts, to approve change orders. The Finance Director is authorized to make temporary loans to this grant project from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 12th day of June, 2018.

/s/ _____
John M. "Jay" Donecker
Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC
City Clerk

CONSENT AGENDA ITEM NO. 4 – APPROVAL OF BUDGET ORDINANCE AMENDMENT NO. 13 TO RECEIVE A TRANSFER IN THE GARAGE FROM THE GENERAL FUND AND TO APPROPRIATE FUNDS FOR CAPITAL PURCHASE.

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the following Budget Ordinance Amendment No. 13:

BUDGET ORDINANCE AMENDMENT NO. 13

WHEREAS, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 13, 2017 which established revenues and authorized expenditures for fiscal year 2017-2018; 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 receive a transfer in the garage from the General fund and to appropriate the amount for a capital purchase;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 13, 2017 is hereby amended as follows;

Section 1. That revenue account number 80-3984-0000, Transfer from General Fund, be increased by \$10,000.00.

Section 2. That expense account number 80-4250-5500, Garage Capital Equipment, be increased by \$10,000.00.

This the 12th day of June, 2018.

/s/ _____
John M. "Jay" Donecker
Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC
City Clerk

Assistant City Manager/Finance Director Chris Phillips' accompanying memo dated May 31, 2018 follows:

Memorandum – BOA 13 General Fund Transfer to Garage

To: Preston Mitchell, City Manager
From: Chris Phillips, Asst. City Manager/Finance Director
Date: May 31, 2018

In a recent budget work session, it was shared with the City Council that a few 2018-2019 capital requests were going to be funded with current year resources.

In particular, a scan tool for the City garage is going to be funded from the City Manager's contingency funds. Because the activities in the Garage are maintained in separate fund, this funding will need to be treated as a transfer.

The General Fund portion of the transfer does not require City Council action because the funds are just moving from one expense account to another, a move that the City Manager is authorized to complete. The Garage side of the transfer does require City Council action because the transfer will increase both revenues and expenditures in the fund.

The attached budget ordinance amendment increases the transfer in revenue account in the garage and the offsetting capital equipment expenditure line item.

Please have the City Council consider approving this amendment at the June 2018 meeting. (End of Memo)

CONSENT AGENDA ITEM NO. 5 – APPROVAL OF BUDGET ORDINANCE AMENDMENT NO. 14 TO RECOGNIZE THE CLEANUP OF SMALL BUDGETARY ITEMS THAT HAVE OCCURRED THROUGHOUT THE FISCAL YEAR.

With the approval of the Consent Agenda in a 7-0 vote, the Council approved a cleanup budget ordinance amendment as outlined in Assistant City Manager/Finance Director Chris Phillips' June 1, 2018 memo:

Budget Ordinance Amendment No. 14 as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 14

WHEREAS, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 13, 2017 which established revenues and authorized expenditures for fiscal year 2017-2018; 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 recognize miscellaneous revenues and appropriate related expenditures;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 13, 2017 is hereby amended as follows;

Section 1. That revenue account number 10-3413-1000 Federal Seizure Funds, be increased by \$16,222.00; that revenue account number 10-3413-2000, State

Substance Abuse Funds, be increased by \$8,000.00; that revenue account number 10-3431-7000, Contributions, be increased by \$200.00; that revenue account number 10-3837-2000, ABC Educational Funds, be increased by \$4,800.00; that revenue account number 10-3434-2000, Recycling Revenue, be increased by \$1,043.00; that revenue account number 11-3613-6600, Duck Blind Contributions, be increased by \$1,020.00; that revenue account number 10-3834-7100, Endowment Funds (Penn House), be increased by \$4,630.00; that revenue account number 10-3834-8525, Market Square (Farmers' Market), be increased by \$5,700.00; that revenue account number 11-3610-3501, Senior Fundraising, be increased by \$400.00; that revenue account number 11-3431-8003, SHIP Services, be increased by \$8,050.00.

Section 2. That expense account number 10-4310-2606, Forfeiture Fund Supplies, be increased by \$16,222.00; that expense account number 10-4310-2606, Forfeiture Fund Supplies, be increased by \$8,000.00; that expense account number 10-4314-2600, Supplies, be increased by \$200.00; that expense account number 10-4310-2607, ABC Educational Supplies, be increased by \$4,800.00; that expense account number 10-4340-2605, Supplies, be increased by \$1,043.00; that expense account number 11-6130-3530 M&R - Duck Blind Improvements, be increased by \$1,020.00; that expense account 10-6140-3520, M & R, be increased by \$4,630.00; that expense account number 10-4940-3501, Farmers' Market, be increased by \$5,700.00; that expense account number 11-6124-2611, Supplies, be increased by \$400.00; that expense account number 11-6124-3800, SHIP Expense, be increased by \$8,050.00; that expense account number, 11-6130-5800, Lake Capital Improvements, be increased by \$25,000.00.

This the 12th day of June, 2018.

/s/ _____
John M. "Jay" Donecker
Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC
City Clerk

Assistant City Manager/Finance Director Phillips' accompanying memo follows:

MEMORANDUM – YEAR END BUDGET CLEAN-UP

To: Preston Mitchell, City Manager
From: Chris Phillips, ACM – Admin/Finance Director
Date: June 1, 2018

Near the end of each fiscal year, a clean-up amendment is prepared to pick up smaller budgetary items that have occurred during the year. These items are collected for one adjustment rather than going to City Council time and again for smaller amounts. While some the items seem insignificant, the related departments depend on being able to use the funds for the purpose given.

This year the following amounts have been collected and need to be recognized. The corresponding expense accounts are also shown for each item.

Department	Grantor	Grant	Revenue	Expenditures		
Police	Federal Seizure Funds	\$ 16,222	10-3413-1000	\$ 16,222	10-4310-2606	Supplies
Police	State Substance Tax	\$ 8,000	10-3413-2000	\$ 8,000	10-4310-2606	Supplies
Police	Contributions	\$ 200	10-3431-7000	\$ 200	10-4314-2600	Supplies
Police	ABC - Education	\$ 4,800	10-3837-2000	\$ 4,800	10-4310-2607	ABC Supplies
Fire	Recycling Revenue	\$ 1,043	10-3434-2000	\$ 1,043	10-4340-2605	Supplies
Recreation	Duck Blinds	\$ 1,020	11-3613-6600	\$ 1,020	11-6130-3530	Duck Blind Imps
Marketing	Farmers' Market	\$ 5,700	10-3834-8525	\$ 5,700	10-4940-3501	Farmers' Market
Penn House	NC Community Found.	\$ 4,630	10-3834-7100	\$ 4,630	10-6140-3520	M&R
Senior Center	Fundraising	\$ 400	11-3610-3501	\$ 400	11-6124-2611	Supplies
Senior Center	SHIIP	\$ 8,050	11-3431-8003	\$ 8,050	11-6124-3800	SHIIP Expense
Total New Revenues		\$ 50,065		\$ 50,065	Total New Expenditures	

Recognizing these revenues and allocating the funds to be spent will not require any use of unappropriated fund balance.

In addition to these items, near the end of the last fiscal year, Lake Reidsville received a \$25,000 grant that was used to purchase new playground equipment in the current fiscal year. This amount was not brought forward in the annual carryover. The attached budget amendment will recognize the appropriation of the funds but also requires a \$25,000 allocation of fund balance to offset the revenue.

Thank you for your attention to these items. City Council approval of the attached Budget Ordinance Amendment will complete the work needed for this process. (End of Memo)

Clarification on Mutual Aid Agreement.

Following the approval of the Consent Agenda, Mayor Donecker asked for clarification on the Mutual Aid Agreement for Disaster Assistance.

City Manager Preston Mitchell explained that Rockingham County had requested approval from the local municipalities for a Mutual Aid Agreement to include many of the unincorporated areas within the County. He stressed this had come to light with the recent occurrence of disasters resulting from tornados in these areas. Manager Mitchell detailed points within the document, including being reimbursed for the expenses related to aid. Mitchell reiterated that when the City had offered assistance in the past, they had not expected reimbursement.

- End of Consent Agenda -

PUBLIC HEARINGS:
CONSIDERATION OF AN ECONOMIC DEVELOPMENT INCENTIVE
PACKAGE NOT TO EXCEED \$1,260,605 IN FIVE PHASES TO ALBAAD USA,
INC., WHICH PLANS TO INVEST A MINIMUM OF \$45 MILLION IN NET
NEW TAXABLE MACHINERY, EQUIPMENT AND BUILDING

RENOVATIONS AND CREATE 302 NEW FULL-TIME JOBS. – ECONOMIC DEVELOPMENT DIRECTOR JEFF GARSTKA

Economic Development Director Jeff Garstka came forward to brief Council on the proposed incentive agreement with Albaad, USA. He said the agreement is related to the announcement of the major expansion made by Governor Roy Cooper on April 10, 2018. Garstka referenced the memo and agreement included in the Council members' agenda packets. He detailed the investment schedule as noted in the agreement and asked Council to strongly consider voting in favor of the Performance Agreement.

Mayor Donecker opened the public hearing at 6:18 p.m. for anyone who wished to speak in favor or against the incentives agreement. With no one coming forward, the public hearing was closed at 6:19 p.m.

Councilman Hairston made the motion, seconded by Councilwoman Walker and unanimously approved by Council, to approve the economic development incentive package with Albaad USA, Inc. (A COPY OF THE ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

CONSIDERATION OF AN ECONOMIC DEVELOPMENT INCENTIVE NOT TO EXCEED \$543,315 IN FOUR PHASES FOR KEYSTONE FOODS, CORP. (PULLED FROM AGENDA)

Mayor Donecker noted that this item had been pulled from the agenda; therefore, there was no discussion.

CONSIDERATION OF A PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2018-2019 FOR THE ABC BOARD.

ABC Advisory Board members Denise Brady and George Rucker came forward. Brady reported that copies of the proposed ABC budget have been on display at the local ABC store as well as the Reidsville Public Library since May 25. She asked members of the City Council if they had any questions regarding the budget.

Mayor Donecker asked if there were plans for a second ABC store in Reidsville. Brady stated it is not official at this time, but there are hopes to open a second location adjacent to the new Love's Travel Stop.

Councilman Festerman asked for clarification on several items, including the board's travel, the fund balance and construction of the new store, including if they would be borrowing money. Brady responded to the inquiries and referenced the copy Council has is different than the copy she was referring to. She apologized for any confusion and said she would get back to the Councilman regarding his questions. Councilwoman Walker acknowledged the ways in which the ABC store gives back to the Community, especially through education at the local high school and junior high school levels.

Councilmember Scoble asked how many people the store employs and if the new store would be run with the same number of employees? Brady said they currently have three

full-time, three part-time and one administrative position. She added they could have as many as five full-time employees if needed.

Councilman Festerman asked if they had ever done a sales comparison with the Eden store or other area stores? Brady said Reidsville sales have been up about nine percent and Eden's was up about two percent.

Before going to the public hearing, George Rucker of the ABC Board thanked the Council for sending Councilwoman Walker to be their liaison. He also added that the City Manager is working very hard to see the reality of a second store here in Reidsville. Rucker stressed if they ever have any issues or questions, they know they can go to City Manager Mitchell.

Mayor Donecker opened the public hearing on the ABC Board budget at 6:28 p.m. by asking if anyone wished to speak for or against the budget. No one came forward, and the public hearing was closed at 6:29 p.m.

With no further action needed, the Council went onto the next item on the agenda.

CONSIDERATION OF A PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2018-2019 FOR THE CITY OF REIDSVILLE.

The Mayor asked City Manager Mitchell to update Council on the proposed budget. Mitchell said the budget had been analyzed, recommended and is now sent to the Council members for their approval. He stressed the budget process actually starts for the next year as soon as the current year's budget is adopted. Mitchell reviewed a few points, including that the tax rate remains the same and the utility rate had been increased by three percent. He said he feels they have done a good job of maintaining and continuing the quality of life for the community and the citizens of Reidsville.

Mayor Donecker opened the public hearing at 6:30 p.m. No one came forward to speak for or against the proposed budget. The public hearing was closed at 6:31 p.m.

- End of Public Hearings -

CONSIDERATION OF THE ADOPTION OF THE BUDGET ORDINANCE FOR FISCAL YEAR 2018-2019 AND THE RESOLUTION OF UNDERSTANDINGS ACCOMPANYING THE BUDGET ADOPTION.

Mayor Pro Tem Brown then made the motion, seconded by Councilman Gorham, to adopt the Budget Ordinance for Fiscal Year 2018-2019 and the Resolution of Understanding Accompanying the Budget Adoption.

Mayor Donecker asked for any comments or questions regarding the adoption. He paused and then stated that, starting with the January retreat, this has been the best process he could remember in covering information, including line items and making sure everyone understood it completely. Mayor Donecker thanked the City Manager and his staff for all their hard work. Manager Mitchell said it was a "team effort".

The motion passed in a 7-0 vote.

The Budget Ordinance for Fiscal Year 2018-2019 as approved follows:

**AN ORDINANCE ESTABLISHING REVENUES
AND AUTHORIZING EXPENDITURES
FOR FISCAL YEAR 2018-2019
FOR THE CITY OF REIDSVILLE**

WHEREAS, the City Council of the City of Reidsville has prepared an operating budget for the City of Reidsville in compliance with Article 3, Chapter 159-7 of the General Statutes of the State of North Carolina, otherwise titled the Local Government Budget and Fiscal Control Act; and

WHEREAS, after a public hearing on said budget at 6:00 p.m. on June 12, 2018, and after receiving public comment, it is now the desire of the Mayor and City Council to adopt said budget;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that:

Section 1. The following revenues are hereby established for the operation of the City of Reidsville and its activities for Fiscal Year 2018-2019:

General Fund Revenues

Property Tax	\$8,530,000
MSD Property Tax	35,000
Sales Tax	3,222,700
Other Tax	110,000
Permits & Fees	126,500
Unrestricted Intergovernmental	1,675,850
Restricted Intergovernmental	652,400
Miscellaneous	62,500
Grants and Donations	163,000
Investment Earnings	25,000
Service Fees	482,000
Payment and Transfers	1,453,700
Proceeds of Debt	0
Fund Balance	<u>49,000</u>
Sub-total	\$16,587,650

Recreation Fund Revenues

Service Fees	\$271,000
Grants and Donations	10,500
Payments and Transfers	<u>1,358,000</u>
Sub-total	\$1,639,500

Reidsville Downtown Corporation Revenues

Fundraisers/Rent	5,000
Festival Income	<u>23,000</u>
Sub-total	\$28,000

Combine Enterprise Fund

Service Fees - Water	\$3,875,250
Service Fees - Sewer	4,979,500
Investment Earnings	40,000
Payment and Transfers	<u>328,650</u>
Sub-total	\$9,223,400

Police Separation Trust Fund

Payment and Transfers	\$157,500
Fund Balance	<u>12,250</u>
Sub-total	\$169,750

Internal Service (Garage) Fund Revenues

Service Fees (Internal)	\$551,300
Miscellaneous	0
Payment and Transfers	<u>20,000</u>
Sub-total	\$571,300

Insurance Reserve Fund

Service Fees (Internal)	\$417,200
Fund Balance	<u>0</u>
Sub-total	\$417,200

Less Interfund Transfers (\$4,268,500)

Total \$24,368,300

Section 2. The following expenditure totals are hereby authorized for the City of Reidsville and its activities for Fiscal Year 2018-2019:

General Fund Expenses

Governing Board		\$211,000
Administration		416,200
Personnel		309,600
Public Works Administration		263,200
Community Appearance		13,500
Finance		820,450
Information Technology		430,150
Public Buildings & Grounds		220,500
Police Department:		
Police Administration	1,177,050	
Police Detective Division	846,200	
Police Patrol Division	2,362,800	
Police Community Policing Division	<u>493,450</u>	
Combined Police Department		4,879,500
Fire		2,229,100
Code Enforcement		283,600
Street		2,142,650
Solid Waste Management		1,468,300
Cemetery		106,750
Planning		321,100
Economic Development		250,300
Community Affairs		1,571,200
Marketing		189,600
Main Street		129,700
Penn House		102,200
Engineering Services		<u>229,050</u>
	Sub-total	\$16,587,650

Recreation Fund Expenses

Administration	\$257,800
Facilities	310,950
Teen Center	75,300
Athletics & Other Programs	334,600
Senior Citizens' Center	409,750
Lake Reidsville	239,700
Lake Hunt	<u>11,400</u>

Sub-total	\$1,639,500
<u>Reidsville Downtown Corporation Fund Expenses</u>	\$28,000

Combined Enterprise Fund

Water Administration	\$979,900
Meter Reading	216,200
Water Plant	2,094,600
Water Distribution System	1,092,650
Park Ranger	79,850
Sewer Administration	852,600
Waste Water Treatment Plant	2,535,250
Sewer Collection System	578,400
Plants Maintenance	<u>793,950</u>
Sub-total	\$9,223,400

<u>Police Separation Trust Fund</u>	\$169,750
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<u>Internal Service (Garage) Fund</u>	\$571,300
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<u>Insurance Reserve Fund</u>	\$417,200
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Less Interfund Transfers	<u>(\$4,238,500)</u>
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Total	<u>\$24,368,300</u>
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Section 3. There is hereby levied a tax at the rate of \$.74 per one hundred dollar (\$100) valuation of property as listed as of January 1, 2018 for the purpose of raising the revenue listed as “2018 Property Taxes” in the General Fund revenues of this ordinance. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,159,808,293 and an estimated collection rate of 98.63%.

Section 4. There is hereby levied a special tax on the property in the downtown tax district of \$.25 per one hundred dollar (\$100) valuation for the purposes of revenue listed as “MSD Property Taxes” in the General Fund revenues of this ordinance.

Section 5. The water rates charged will be increased by 3% effective July 1, 2018.

Section 6. The sewer rates charged will be increased by 3% effective July 1, 2018.

Section 7. The monthly landfill tipping fee will increase by 4.67% (\$.25 for monthly residential bills) to offset an anticipated increase by the Rockingham County Landfill.

Section 8. The City Manager, as chief administrative officer and as budget officer, shall be authorized to carry out the activities as approved in this adopted annual budget in accordance with all applicable state and local laws, ordinances and regulations.

Adopted this the 12th day of June, 2018.

/s/ _____
John M. "Jay" Donecker
Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC
City Clerk

The Resolution of Understandings as approved follows:

**RESOLUTION OF UNDERSTANDINGS
ACCOMPANYING THE BUDGET ADOPTION
FOR FISCAL YEAR 2018-2019**

WHEREAS, the City Council of the City of Reidsville has adopted an annual operating budget for Fiscal Year 2018-2019, which raises revenues and authorizes expenditures for the operation of the City; and,

WHEREAS, during deliberations on said budget, certain understandings were reached concerning the operation of the City, and it is the intention of the Mayor and City Council to outline those understandings;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Reidsville that the following understandings are hereby defined:

Unfunded Needs – It is recognized that this budget, while responsible and appropriate, may not be adequate to fund all the needs of the fiscal year. Several variables could result in the need to request the use of fund balance during the year. Any large, unexpected maintenance and repair issue would likewise cause the need to use fund balance or reserves in the utility funds.

City Employment – City employment is established at a level of 193 full-time positions.

Employee Benefits – Benefits currently existing for full-time employees and retirees will remain unchanged. Group health and dental insurance has been secured through the Municipal Insurance Trust administered by the NC League of Municipalities. Premiums will increase by 5.6% for the 15-month insurance year, May 1 2017 to June 30, 2018, for both employees/retirees and dependents. An increase of no more than 8% was part of the negotiations for this coverage. Annual wellness visits are required by primary insured and covered spouse participating in the fund or a 10% penalty will be assessed.

Wellness Program – The City Council has agreed to continue providing a wellness program for City employees, retirees and covered dependents. Participation in the Wellness Plan allows participants to lower their deductible by \$250 a year.

Cost of Living Adjustment – The City’s COLA for Fiscal Year 2018-2019 will provide a 1% increase in full-time employee salaries. Performance appraisals will continue without being tied to performance pay. In addition, salary increases resulting from a promotion and those resulting by the accomplishment of steps in the career ladder will be honored.

Pay and Classification Study – There are funds included in the budget of approximately \$90,000 to implement the results of the Pay and Classification Study conducted for the “Public Works” category during fiscal year 2017-2018. This is the second year of a three-year cycle to study every City Position. In addition, there are funds included in this budget to perform a pay and classification study for all of our full-time positions in the “all other” category to complete the three-year cycle. The all other group is everyone not covered by Police or Public Works, this includes Fire, Parks and Recreation, General Government employees and administrative staff.

Fee Schedule – There are a few minor changes to fees as noted on the fee schedule presented with the budget.

Lease Purchase – There are no new lease purchases included in the 2018-2019 fiscal year budget.

This the 12th day of June, 2018.

/s/ _____
John M. “Jay” Donecker, Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC, City Clerk

CONSIDERATION OF RESOLUTION ACCEPTING \$150,000 ASSET INVENTORY AND ASSESSMENT GRANT FROM THE STATE WATER INFRASTRUCTURE FUND. – ASSISTANT CITY MANAGER CHRIS PHILLIPS AND PUBLIC WORKS DIRECTOR CHUCK SMITH

Assistant City Manager Chris Phillips came forward and reported the City was able to apply for a \$150,000 State Grant from the NCDEQ Division of Water Infrastructure and had been awarded the grant for analysis of the City's sewer infrastructure. He said in order to receive the grant, the attached Resolution must be approved by City Council and turned in by June 17, 2018, along with the \$2,250 closing fee. Phillips added the City is also responsible for providing a 5% match of \$7,500, which is done through in-kind service, such as documented staff time.

Councilman Gorham made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 7-0 vote, to approve the Resolution accepting the Inventory and Assessment State Grant from NCDEQ Division of Water Infrastructure in the amount of \$150,000.

The Resolution as approved follows:

**RESOLUTION BY GOVERNING BODY OF
RECIPIENT**

WHEREAS, the North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to assist eligible units of government with meeting their water infrastructure needs, and,

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Reserve Grant in the amount of \$150,000 to perform asset inventory and assessment work; and,

WHEREAS, the Reidsville City Council intends to perform said project in accordance with the agreed scope of work; and,

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF REIDSVILLE:**

That the Reidsville City Council does hereby accept the State Reserve Grant offer of \$150,000.

That the Reidsville City Council does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That John M. “Jay” Donecker, Mayor, successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the 12th day of June, 2018, in Reidsville, NC.

/s/ _____
John M. “Jay” Donecker, Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC, City Clerk

Phillips then introduced the City’s new Public Works Director Chuck Smith, who has been on the job for about 3½ weeks. He said he thought the City Manager was going to introduce Smith, and new Assistant City Manager of Community Services Haywood Cloud, who came to work yesterday, during his Manager’s Report.

**CONSIDERATION OF AN AMENDMENT TO CITY’S CODE OF ORDINANCE
CHAPTER 3, ANIMAL AND FOWLS, ARTICLE II, ANIMALS CHANGING
THE WORDING FROM “RESIDENCE” TO “PRINCIPAL STRUCTURE”. –
POLICE CHIEF ROBERT HASSELL AND COMMUNITY DEVELOPMENT
MANAGER DONNA SETLIFF**

Police Chief Robert Hassell and Community Development Director Donna Setliff came forward. Chief Hassell stated the City’s Community Development Department, along with the Police Department, had been made aware of some concerns regarding the rules governing the location of animal enclosures in the City’s Code of Ordinances. The current Ordinance states that animal enclosures must be located 100 feet away from any residence located on adjacent property. Chief Hassell stated that after looking at the Ordinance and doing some research, the departments had jointly decided to recommend to Council that the wording of the Ordinance be amended to reflect the change from “residence” to “principal structure.” Chief Hassell referenced several examples of principal structures, such as restaurants, churches and daycares.

Mayor Donecker asked if this issue has cropped up around the City? City Manager Mitchell said it had come to their attention after complaints from the Masonic Lodge on Vance Street regarding a neighboring property, but in looking at it, staff felt it needed to be addressed. Noting that commercial properties would also be affected by such enclosures, he said staff felt it would be best to change the wording to principal structure. The Mayor asked if this would bring us in line with other communities? Chief Hassell said they had looked at multiple cities and the 100-foot footage is definitely in line with cities our size and larger. Councilmember Scoble asked if fenced-in areas would be

considered an enclosure? Chief Hassell said yes, if it was for the actual containment of the animal.

As the Mayor asked for a motion, several members of the audience asked if they would be allowed to speak on this item but were informed this was not a public hearing.

Councilman Festerman made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 7-0 vote, to approve as recommended.

The Code of Ordinance Amendment as approved follows:

**AMENDING THE CITY OF REIDSVILLE CODE OF ORDINANCES
AN ORDINANCE AMENDING
CHAPTER 3, ANIMAL AND FOWLS
ARTICLE II, ANIMALS**

SECTION 3-6, ANIMAL ENCLOSURES

BE IT ORDAINED by the City Council of the City of Reidsville, North Carolina, that the City of Reidsville Code of Ordinances be amended to read as follows:

Part I. That Chapter 3, Article II, Section 3-6, Animal Enclosures

(d) No person shall erect, locate, or maintain upon any lot within the city any animal enclosure or shelter or maintain any animal nearer that one hundred (100) feet to any principal structure residence located on adjacent property.

Part II. This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

ADOPTED this the _____ day of _____, 2018 by the City Council of the City of Reidsville, North Carolina.

/s/ _____
JOHN M. "JAY" DONECKER, MAYOR, REIDSVILLE, N.C.

ATTEST:

/s/ _____
Angela G. Stadler, City Clerk

CONSIDERATION OF AMENDMENT TO INTERLOCAL AGREEMENT WITH COUNTY TO ADD NUISANCE ABATEMENT FEES TO TAX BILL. – ASSISTANT CITY MANAGER CHRIS PHILLIPS

Assistant City Manager Phillips came forward and explained the City has to perform numerous nuisance abatements on properties each year. (A COPY OF PHILLIPS’

MEMO DATED JUNE 1, 2018 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He added the work includes having lawns mowed as well as demolitions. Phillips detailed how difficult it is at times to collect these fees from the property owners. He said, in actuality, the cost to perform this work is a lien on the property. Phillips said in an attempt to help combat the problem, Rockingham County has researched the possibly of adding these fees to the annual tax bill and by doing so, the collection remedies used for taxes will be an option for the nuisance fees as well.

Phillips reported that the attached amendment to our interlocal agreement with the County is the first step to be able to get these fees on the tax bill. He said the County will be able to collect current nuisance fees but will not be able to go after the older charges. Phillips asked that Council consider the approval of the amended interlocal agreement so the City can work with the County to add these fees on the tax bills.

Councilmember Scoble asked if automobiles would be included in this process? Community Development Manager Donna Setliff clarified that at this time, the City has an agreement with a local towing company that if they tow the nuisance vehicles, they can claim them as salvage at no cost to the City. Again it was noted that this would cover costs for demolition and other nuisances. City Manager Mitchell did note that if the City didn't have its current policy for hauling off vehicles for salvage, the costs could be included as would anything that was part of the nuisance abatement process.

In response to a question from Councilman Festerman, Phillips responded that the City probably posts about 400 properties for nuisance violations. Of those, the City probably has to clean up about 25% or 100, he added. Costs range from \$100-200 for lot cleanings to \$5,000-\$10,000 for demolitions, especially since many of our older houses have asbestos, an added cost. He said we have a ton of money out there to be collected, and it would be easier to collect through this.

Councilman Festerman asked if the General Statutes had changed or had we always had the ability to do this? Phillips said he didn't know that there had been any statute changes, but he felt that by being included in the tax bill, it would be clearer about the amounts owed. It will be clearer that foreclosure is a real option, he said, adding that some of these fees could be higher than the actual tax value of the home.

Councilman Hairston made the motion, seconded by Councilwoman Walker, to amend the interlocal agreement with Rockingham County to add nuisance abatement fees to the tax bill. The motion passed in a 7-0 vote.

Manager Mitchell complimented Phillips, explaining that this had come together rather quickly and had to be done by July. The Assistant City Manager was very quick and very aggressive, in a good way, to make sure the City didn't have to wait another year for this.

The motion then passed in a 7-0 vote. (A COPY OF THE APPROVED AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

**CONSIDERATION OF RECOMMENDED CHANGES TO THE CITY'S
BOARDS & COMMISSIONS' RESIDENCY REQUIREMENTS FOR OUTSIDE-
CITY POSITIONS. – CITY CLERK ANGELA STADLER**

City Clerk Angela Stadler noted that the Mayor had asked staff to review two items related to the City's Boards and Commissions. The City Attorney is currently reviewing one issue, which is the disbandment of the Reidsville Community Pool Association, as suggested by the Mayor. Hopefully, he will have something on that for the next meeting, she said.

The second issue deals with eligibility requirements for outside City vacancies on the City's boards and commissions, primarily the Appearance Commission, the Human Relations Commission and the Parks & Recreation Advisory Commission. The Planning Board also has outside positions but those requirements fall under General Statutes, Stadler noted.

Staff is recommending that the wording be changed on these three boards/commissions to state that the City should seek to consist primarily of City residents but can have 1-2 non-City members who reside within Rockingham County no further than three miles from the primary Reidsville City Limits, the City Clerk explained. This would not apply to the Youth positions on the Human Relations Commission, she added.

No action was taken, but it was agreed that Stadler would include Code of Ordinance amendments for the RAC, HRC and PRAC on the July Consent Agenda for Council's approval.

PUBLIC COMMENTS.

Discussion about Animal Enclosures Amendment.

Ms. Dovel Ober of 608 Vance Street, Reidsville, came forward, stating she feels the reason for tonight's issue with the amendment to the City Code stems from complaints from the Lodge next door to her and involves her chickens. She said she has had numerous discussions with members of the Lodge over her fence and wonders why someone didn't just come to her and discuss the matter. Ms. Ober gave a detailed history of her property and proposed the City grandfather the property and consider returning the property back to its agricultural zoning due to its history and historical value. Ms. Ober reiterated that in a time when cities like Raleigh are embracing urban farming, shouldn't Reidsville, a City whose history is steeped in farming, embrace them also? She asked members of Council for the hard numbers of how many residents this change of wording will affect. Ms. Ober handed out information, photos and maps to members of Council and stressed that the change probably could be deemed as illegal due to its negative impact on the poor and elderly. She closed by stating there are dozens of properties in her neighborhood alone that would be in violation of this Ordinance if the changed wording.

Mountain Valley Pipeline.

Ms. Anne Lane of 536 Park Lane, Reidsville, came forward representing the Pipeline Committee of the Good Stewards of Rockingham County. She said they would like to

make a presentation before Council at the next City Council meeting. Lane asked if members of the Council planned on attending the Mountain Valley Pipeline, LLC meeting on June 26th from 5:30-7:30 p.m. at the Reidsville Event Center? She said she is adamantly opposed to this pipeline and asked that members of Council oppose any permits pertaining to it coming through Reidsville. Lane stressed Little Troublesome Creek is across from her house and she has a well that could be affected.

Mayor Donecker said Council members would put the June 26th meeting date on their calendars. He also stated that the Council will put the Good Stewards on the next meeting agenda.

More Discussion on Animal Enclosures' Amendment.

Ms. Barbara Zierle, of 317 North Washington Avenue, Reidsville, came forward, noting she had moved to Reidsville recently because it had been described as a retirement bedroom community. Nothing that she and most of her neighbors have fenced in enclosures for their pets, she said she thought only her property could meet the 100-foot requirement because most of the lots are long and narrow. She talked of the impact on many people and what would the City do about that. The Mayor said if that arises, the first thing to do would be to contact our Community Development Manager. Manager Mitchell interjected that it is not 100 feet from the line but from the principal structure. The Mayor explained that under the previous ordinance what she described would have been out of compliance. He explained that this new ordinance amendment only adds commercial properties in case there are nuisances that affect them as well. The bottom line, he said, is to be good stewards with your neighbors. Mayor Donecker stressed that this ordinance is in the complaint driven category. If neighbors have an altercation, that is when the ordinance is brought into it. He finished by thanking Ms. Zierle for moving to Reidsville. She said she loves it here.

Ms. Cynthia Sebeste of 311 Irvin Street, Reidsville, asked how can they not be grandfathered in because if you change the wording, it affects current properties. The Mayor explained the Council conducted itself the way it did is because for public hearings with comments allowed, they have to be advertised and can't be decided the day of the meeting. Secondly, he stressed that they don't change ordinances just for one situation, but he said that situations can show us there is a gap in how our ordinance has been written. Manager Mitchell explained that grandfathering only applies in zoning, not in administrative codes such as the Code of Ordinances. She asked if there was no public forum available to change this since it appeared the Council had approved the change. The Mayor said yes, the ordinance amendment had been adopted but he encouraged her to speak with her neighbors to make sure no problem occurs. Councilmember Scoble stressed that the ordinance was already in place for residence to residence and that this just changed the wording.

After Ms. Sebeste sat down, Ms. Ober said that her problem was that her neighbors (at the Masonic Lodge) never let her know they had a problem with it.

Jeff Crisp of 1862 Amos Street, Reidsville, came forward. Stressing that he was not speaking as a spokesman for the Lodge but was here for the integrity of the Lodge, he discussed the organization's structure and listed his title and the areas he covers. He said they are currently under new leadership. He said they did not complain by any means to obstruct anyone's lifestyle because that is against their principles as Free Masons. Five organizations use that building, he explained. He said that they had received several complaints from those using the building. The new Lodge Master may have not known he needed to get back with Ms. Ober, Crisp said.

CITY MANAGER'S REPORT.

The Mayor asked City Manager Mitchell to tell everyone the name of his new baby daughter, which the City Manager replied, Anna Leigh Mitchell, drawing a round of applause from the audience. He thanked everyone for their well wishes and prayers. He thanked Council for having policies in place, such as federally mandated FMLA, to help during such times. He noted he planned to be back in the office officially next week and thanked Council and staff for keeping things going in his absence.

He officially introduced both new Public Works Director Chuck Smith and Assistant City Manager of Community Services Haywood Cloud to Council. He said we are lucky to get someone of their quality and character in these positions. Each expressed their thanks to Council and staff for the warm welcome, etc. Council members then shook each of the new employees' hands.

BOARD & COMMISSION APPOINTMENTS:

City Manager Mitchell distributed the ballots for the board and commission appointments.

COUNCIL MEMBERS' REPORTS:

Mayor Pro Tem Brown -- Mayor Pro Tem Brown said he had the opportunity to attend the YMCA Board meeting on May 15 as well as the Annie Penn Advisory Board meeting; the McLaurin Community Watch meeting and the Wentworth Street Community Watch meeting, both on June 4; and the ribbon cutting for the Farm Ministry on June 6. Mayor Pro Tem Brown also congratulated RCARE Director Cindy Baynes for completion of the recent State Certification of Excellence.

Councilman Hairston -- Councilman Hairston said it was his honor to attend the 20th Anniversary celebration for the Free Clinic on May 10; the NAACP meeting on May 15; the Greensboro Grasshoppers game on June 1; and the McLaurin Park Community Watch meeting on June 5.

Councilwoman Walker -- Councilwoman Walker said she had attended the "Art Rocks" event held at Market Square on May 11; and the Keystone Foods' Veteran Memorial Service held at Jaycee Park on May 22. She thanked Councilmember Terresia Scoble for the donation of the beautiful wreath for the Memorial holiday. Councilwoman Walker said she had also attended the ABC Advisory Board meeting on May 24 as well as the events hosted by the Reidsville Chamber of Commerce. She said it seems the Chamber

never sleeps and added the Free Clinic Anniversary Celebration; the Walmart Ribbon Cutting; the PSL Ministries; Tiger Force Martial Arts at Family Fitness; and the June 8 Reidsville Downtown Cruise In.

Councilwoman Walker voiced her concerns about the complaints she has received regarding the closing of Richardson Drive due to the bridge construction. She stressed citizens do not appreciate all the traffic being diverted into their residential neighborhoods. Mayor asked if most of the complaints were regarding one street in particular? She stated that Oakcrest was one of the ones with the most complaints. City Manager Preston Mitchell stressed he understands there are concerns regarding the inconvenience of the closing. He reiterated that more signs warning of the closure have been posted and police radar has been added to the area. No outlet signs might also be possible. He also explained that another project is planned for Courtland Avenue, but that project will not be started until the Richardson Drive project is complete.

Councilmember Scoble -- Councilmember Scoble said she had attended the 20th Anniversary Celebration of the Free Clinic on May 11. She shared her appreciation to Judy Yarbrough for a great job planning the visit with the reporter from *Our State* magazine on May 11. She also said she attended the NCDOT event held in conjunction with the northern loop of 785 between Greensboro and Reidsville on May 17; the Keystone Veterans Memorial Service held at Jaycee Park on May 22 and expressed her thanks to Fred Thompson for his hard work; the Chamber Board meeting on May 23, along with the retirement party for HR Director Terri Rivers; and the Greensboro Grasshoppers baseball game held on June 1, where they did experience a little rain but in the long run, the Hoppers won.

Councilman Gorham -- Councilman Gorham said he had attended the ribbon cutting for Nikki's Creations on May 9; the Downtown Cruise In on May 11; the dance recital at Dance Elite on May 12; the NAACP meeting on May 15; graduation at WSSU on May 18; the partnership meeting between Moss Street and UNCG on May 21; the RDC meeting on May 22; the Men's Fellowship meeting on May 22; the Community Watch meeting at Baptist Temple on May 24; the Ribbon Cutting for Walmart on June 5; the McLaurin Park Community Watch meeting on June 5; the PSL Farm Ribbon Cutting on June 6; the Cruise In on June 8; and today, the swearing in of three new officers at the Police Department.

Councilman Festerman -- Councilman Festerman said he would like to share a photo he had recently taken of a "parking meter" which had been used to collect change for the homeless in the municipality he was visiting. He said he thought it was a great idea to encourage citizens to give their loose change to benefit the homeless or our area Soup Kitchen or the Free Clinic. The Councilman also shared a photo of a bike rack he had seen while traveling and thought it would add a lot to the downtown and Market Square.

Mayor Donecker -- Mayor Donecker asked Diane Sawyer from the Chamber to share any comments regarding upcoming events she might have, which she did.

The Mayor then thanked Rhonda Wheeler, Chris Phillips and Angela Stadler for their help in putting together his PowerPoint presentation to his fellow Mayors.

Councilman Gorham thanked Mayor Pro Tem Brown and Councilman Hairston for attending his brother-in-law's funeral, adding it meant a lot to them.

ANNOUNCEMENT OF BOARD & COMMISSION APPOINTMENTS.

City Clerk Stadler announced that Alexander Williams of 912 Walters Street, Reidsville, had been unanimously re-appointed to the Human Relations Commission. (A COPY OF THE BALLOTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

MOVE TO THE FIRST-FLOOR CONFERENCE ROOM FOR A CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT PURSUANT TO NCGS 143-318.11(A)(4).

Councilman Hairston then made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote, to go into closed session to discuss economic development.

RETURN FROM CLOSED SESSION.

Upon return from closed session, Councilman Gorham made the motion, seconded by Mayor Pro Tem Brown and unanimously approved by Council in a 7-0 vote, to adjourn at approximately 8:36 p.m.

John M. "Jay" Donecker, Mayor

ATTEST:

Angela G. Stadler, CMC/NCCMC, City Clerk