

**MINUTES OF THE REGULAR MEETING
OF THE REIDSVILLE CITY COUNCIL
HELD TUESDAY, SEPTEMBER 13, 2016 AT 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL**

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
William F. McLeod Jr., City Attorney
Tom Wiggins, Assistant City Manager
– Community Services
Chris Phillips, Assistant City Manager
– Administration
Kevin Eason, Public Works Director
Robert Hassell, Police Chief
David Bracken, Fire Chief
Donna Setliff, Community
Development Manager

Mayor Donecker called the meeting to order.

INVOCATION.

Reverend Peter Dodge, Reidsville Alliance Church, Reidsville, provided the invocation.

PLEDGE OF ALLEGIANCE.

The Council led the audience in the Pledge of Allegiance.

PROCLAMATIONS:

RECOGNITION OF SEPTEMBER, 2016 AS HUNGER ACTION MONTH IN REIDSVILLE.

Mayor Donecker then presented a proclamation recognizing September as “Hunger Action Month” to Annette Bolden, Director of the Reidsville Outreach Center. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) Bolden acknowledged the Outreach Center and the other non-profit food agencies that partner with the Second Harvest Food Bank, including

the Salvation Army, the American Red Cross, the Rockingham Rescue Mission in Eden, NC, Lot 2540 in Madison, In His Service Christian Services and Men In Christ, to get food to those in need. She thanked the Council for the recognition. "Without your support the daily battle with food insecurity would go unnoticed. We must continue to make others aware of food insecurity and hunger in Rockingham County," she said. "It is our hope that one day food insecurity will just be a household word." Bolden encouraged everyone to promote the month using social media. Again, she thanked the Mayor and Council for the proclamation.

RECOGNITION OF "PINK DAY" FOR BREAST CANCER AWARENESS ON FRIDAY, OCTOBER 21.

Mayor Donecker then read aloud a proclamation recognizing "Pink Day" for Breast Cancer Awareness, an event being held in downtown Reidsville on Friday, October 21. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He presented the proclamation to the event coordinator/downtown merchant Theresa Moore, who noted that everyone here has been touched or knows someone with breast cancer. She encouraged everyone to wear pink that day and attend the event at Mural Park between 6-8 p.m.

RECOGNITION OF "LAW ENFORCEMENT AND EMERGENCY SERVICES APPRECIATION WEEK" THE FIRST WEEK OF OCTOBER.

Mayor Donecker called Police Chief Robert Hassell and Fire Chief David Bracken up, along with several members of their departments, to receive a proclamation recognizing the first week of October as "Law Enforcement and Emergency Services Appreciation Week" recently instituted by the County. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) Chief Bracken thanked the Council for the opportunity to serve. Chief Hassell, noting that while emergency services personnel get into the profession for different reasons, each has a basic desire to protect and serve the public. The officers and firefighters then shook hands with each of the Council members and City Manager.

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 AUGUST 9, 2016 REGULAR MEETING MINUTES.

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the August 9, 2016 regular meeting minutes.

CONSENT AGENDA ITEM NO. 2 – APPROVAL OF A RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION FOR A NON-CONTIGUOUS VOLUNTARY ANNEXATION AND A RESOLUTION FIXING THE PUBLIC HEARING FOR THE CITY COUNCIL MEETING ON OCTOBER 11, 2016, FOR THE FOLLOWING PROPERTIES:

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the following Resolutions related to the following properties whose property owners have requested voluntary annexation:

(A)1038 Willow Street

**RESOLUTION DIRECTING THE CLERK
TO INVESTIGATE A PETITION RECEIVED
UNDER G.S. 160A-58.1
1038 Willow Street**

WHEREAS, a petition requesting annexation of an area described in said petition (see attached description) was received on August 12, 2016, by the City Council of the City of Reidsville; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Reidsville deems it advisable to proceed in response to this request for annexation;

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

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

This the 13th day of September, 2016.

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

ATTEST:

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

A16-01

CERTIFICATE OF SUFFICIENCY

To the City Council of the City of Reidsville, North Carolina:

I, Angela G. Stadler, CMC/NCCMC, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is

signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-58.1.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Reidsville, this 6th day of September, 2016.

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

A16-01

**RESOLUTION FIXING DATE OF PUBLIC HEARING
ON QUESTION OF ANNEXATION
PURSUANT TO G.S. 160A-58.2
1038 Willow Street**

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reidsville, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at Reidsville City Hall, 230 W. Morehead Street, at 6:00 p.m. on Tuesday, October 11, 2016.

Section 2. The area proposed for annexation is described as follows:

Beginning at a stake on the north side of Willow Street Ext., said stake being South 86 deg. 01 min. East 95 feet from the intersection of said Willow Street Ext. and Willow Street; thence along north side of Willow Street Ext., South 86 deg. 01 min. East 95 feet to an iron, corner to Lot No. 6; thence with west line of Lot No. 6, North 7 deg. 34 min. East 58.15 feet to an iron, corner to Lot No. 6 and Harriett Robinson; thence with said Robinson North 11 deg. 47 min. West 2.04 feet to a stake, corner to Lot No. 4; thence with Lot No. 4, North 86 deg. 01 min. West 96.54 feet to a stake, new corner; thence a new line through Lot No. 5, South 5 deg. 27 min. West 60.02 feet to the point of beginning and being the east half of Lot No. 5 of Everrette Gilliam Division as shown on plat of survey by John B. Cobb, May 21, 1955.

Section 3. Notice of the public hearing will be published in the Reidsville Review, a newspaper having general circulation in the City of Reidsville, at least ten (10) days prior to the date of the public hearing.

This the 13th day of September, 2016.

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

ATTEST:

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

(B) 1023 Willow Street

**RESOLUTION DIRECTING THE CLERK
TO INVESTIGATE A PETITION RECEIVED
UNDER G.S. 160A-58.1
1023 Willow Street**

WHEREAS, a petition requesting annexation of an area described in said petition (see attached description) was received on August 12, 2016, by the City Council of the City of Reidsville; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Reidsville deems it advisable to proceed in response to this request for annexation;

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

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

This the 13th day of September, 2016.

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

ATTEST:

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

A16-02

CERTIFICATE OF SUFFICIENCY

To the City Council of the City of Reidsville, North Carolina:

I, Angela G. Stadler, CMC/NCCMC, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-58.1.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Reidsville, this 6th day of September, 2016.

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

A16-02

RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-58.2 1023 Willow Street

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reidsville, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at Reidsville City Hall, 230 W. Morehead Street, at 6:00 p.m. on Tuesday, October 11, 2016.

Section 2. The area proposed for annexation is described as follows:

Beginning at a new iron pipe located in the Southwest intersection of Willow Street Extension with Willow Street; thence, from said beginning point along the South line of Willow Street Extension North 86 deg. 21' 47" East 80.00 feet to a new iron pipe marking the Northwest corner of Lot 31; thence, along the West line of Lot 31 South 4 deg. 00' 20" West 123.94 feet to a new iron pipe marking the Southwest corner of Lot 31; thence, North 85 deg. 07' 21" West 50.01 feet to a new iron pipe; thence, North 86 deg. 01' West 30.00 feet to a new iron pipe; thence, North 04 deg. 55' 32" East 123.08 feet to a new iron pipe, THE POINT OF BEGINNING, and containing 0.23 Acres. This description per Plat of Survey for David F. Barham, III, by Wayne L. Stutts, P.A., R.L.S., dated July 26, 1995.

Section 3. Notice of the public hearing will be published in the Reidsville Review, a newspaper having general circulation in the City of Reidsville, at least ten (10) days prior to the date of the public hearing.

This the 13th day of September, 2016.

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

ATTEST:

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

- End of Consent Agenda -

PUBLIC HEARINGS:

CONSIDERATION OF A STREET CLOSING ORDINANCE FOR SOUTH PARK DRIVE RIGHT OF WAY BETWEEN NORTHUP STREET AND RICHARDSON DRIVE.

In making the staff report, Community Development Manager Donna Setliff asked Council members to reference the first map shown behind the Resolution, which would help them understand about this request. She explained staff had received a request to close or abandon a part of the right of way on South Park Drive. She noted that the right of way from Richardson down to Pennrose is unusually wide at 100 feet. Dr. Adams, owner of the office building shown on the map, has petitioned for the closing, which is in front of his business, along with one of the owners of the two adjoining properties. It is being asked that 50 feet of the 100 feet shown be abandoned, she said. Setliff stressed South Park Drive will not be closed and is located west of the right of way requested to be closed. She also noted that there are no utilities located within the 50 feet proposed to be closed.

Setliff said that Planning, Public Works and Engineering have looked at the proposal, which is supported by 51% of the property owners and 51% of the footage. Staff supports

the closing, she added, and Planning Board unanimously recommended in favor of the closing.

Mayor Donecker asked if the 50 feet will revert back to the adjacent property owners? Setliff replied in the affirmative, noting the footage would be added to the three property owners' front yards. It was pointed out that the right of way ends at the property owners' front doors right now.

The Mayor opened up the public hearing at 6:17 p.m., asking if there was anyone who wished to speak in favor of the Resolution?

Dr. Joe Adams, the owner of the property at 1109 South Park Drive, came forward. He said it was his understanding this right of way is a historical right of way, and the City has no plans for it. For all intent and purposes, he said, it looks right now like the right of way is part of their properties. He said he has always maintained that area in front of his office, as did the previous owner. The limited lot is keeping them from adding the additional parking that they need, Dr. Adams said. He expressed safety concerns for his clients as well as others along Northup and South Park since his patients are parking along those two streets. He talked of purchasing the small house next door to add to his office and enhance the value of the properties as well.

Mayor Donecker then asked if anyone wished to speak against the Resolution?

Harold Jennings said he has had property on Northup Street since 1976 and owns the office building there, which has been flooded twice. He distributed a group of pictures to Council and identified them for the Council members to show storm water and drainage issues in the neighborhood. He expressed concerns that this right of way closing would create more water runoff onto Northup Street, thereby, hurting the neighbors. He talked about the lack of adequate drains on Northup Street and discussed issues with parking, etc.

Mr. Jennings said his recommendation was very simple. He said coming from Main Street, eight out of ten cars come up Northup. He asserted it is the main street in town and the best location in town but no one knows the address. He said he recommended Northup be changed to Main Street, and the drains be upgraded. He compared the drains in this area to those in front of American Tobacco/Commonwealth, which numbers 11 on one side and seven on the other. He said he'd like to see Northup's drains updated like that. He also said the only three people notified of this proposed closing was Dr. Adams and the two nearby houses but not the property owners across the street, who have come before Council before and requested curb and gutter because they have flooding. He noted this is a very busy street, and he'd like to see it developed. Referencing the flooding, he said he appeared before City Council some 35 years ago and was told by the City Manager that wasn't City water, but it was God's water, but it keeps flowing back behind his property and flooding it. You're hurting your neighbor if you do this, don't do it, he told Council. He encouraged Council to get the engineers out there to look at it and find a way to keep the water from flowing from the north side to the south side.

Councilman Festerman asked Setliff had he not read something about this in the Planning Board minutes, but he couldn't find it in their packets. Setliff said it was in the previous month's packets, but the Planning Board did not address the storm water.

Councilman Walker asked if the 50 feet in front of the office and two houses was paved, would it be more likely to make the storm water run down to Northup Street? She said she was getting conflicting information of right of way closing versus storm water runoff. City Manager Preston Mitchell said that Public Works Director Kevin Eason might be able to address that issue since that was one of the things the City Engineer met with Mr. Jennings about.

Public Works Director Eason came forward with a colored map of the area (A COPY OF THE MAP IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He referenced the location of Mr. Jennings' building on the map, describing it as the orange building (in the pink area), and the neighborhood behind it. In this basin, the water runs from right to left, Eason explained, adding that the three mini-basins are colored in blue, yellow and pink.

Eason said one of the things going on is that in the blue area, it is mostly grassy area and paved area. The 50-foot right of way falls mostly within the blue area, he said. The storm water appears to sheet down, hit South Park and spill over across the street into the pink area but primarily runs down the northern side of Northup, he noted. Referencing the white arrows on the map, he said over the years as the street has been paved, the curbing has dropped and the water spills over during heavy rains and goes behind Mr. Jennings' building. Much of the water in the pink area lands up behind Mr. Jennings' property, he explained. The only drainage is pretty much on the far left-hand side of the basin, and the water pretty much jumps the curb. Some improvements would have to be made to handle the water on South Park, but back behind Mr. Jennings' building, Eason added that the prevailing law is that on private property, the flow of storm water is your responsibility.

The bubble-like area in the pink basin is a private storm drain system, Eason pointed out. Back in 2005, City Engineer Steve Moran provided Mr. Jennings with a letter advising him to upgrade the 12-inch pipe to an 18-inch pipe, the Public Works Director said. The City Engineer said last Friday that has never been done. Part of the problem back there is private storm pipe that is undersized and unable to handle the water flow, he continued.

Eason said you have two issues: on the front, the water is sheeting across and then on the back, a private storm sewer system that is too small to convey the water passing through the property. The other part of this is if this right of way is closed and the area is paved, the volume of water will not change, but what will change is some fraction or percentage of the runoff (grass versus paved area) is indeterminate but it may move a little quicker than if it was grass. Ultimately it will not make much of a difference at all to the adjoining properties, he said, but there are some storm water issues going on.

Following a question from the Mayor, Eason discussed where the lines begin in certain areas. The Public Works Director said it would help if the storm system was extended up Northup to pick up some of the water before it gets to where it jumps over the curb. He said that would require somewhere between 300-400 feet of storm sewer to pull it off of the blue and yellow areas and get it out of the street and underneath.

The size of the lines in the area was discussed. The Mayor asked about the size of the lines at Northup and Richardson because he said it appeared to him that the water was coming from the blue area and the top part of the pink, which are City sewer. Eason said part of the water sheets across but in a heavy rain, no doubt it overpowers the street and gets over to the pink area. The Mayor said that instead of putting a bigger drain at the bottom, it is a shame that something can't be done along Northup Street from the blue, thereby taking care of the blue and reducing the amount of water released to the pink. Eason agreed, saying that would be the only way to take the flow off of the blue, but it would have no impact at all on the flow coming out of the pink area. That is always going to come through that parking lot, he said.

Councilman Festerman said it looks like if Council grants the closing request, it would have to impact that water situation. It would, Eason said, but it would be an indeterminate impact. He said this is not a very large area, and it is already a pretty hard packed area, you're not getting 100% absorption of the rain. Certainly if it is paved, there will be more runoff and it will get there quicker but the volume of water will be the same, and he said he isn't sure how much absorption there is into the ground. It would be hard to determine that, Eason said. Again, he said this area is very small compared to the overall area.

Councilwoman Walker asked if the only thing that could help Mr. Jennings' property is if the line there is upgraded from a 12-inch to an 18-inch. Eason said. He indicated that would help, along with better storm drainage on the street to help with the flow going over the curb on Northup.

Councilman Gorham asked what practical thing could be done to alleviate some or most of the flooding that might be caused by the increased pavement. Eason described as possibilities an open grade of pavement that might help absorb more of the water, but he said it is more expensive. Another option, he said, if there is room for it, would be a retention pond, but with this space here, there isn't a lot of room to work with. He said underground retention might work, but again, it would be expensive.

Mr. Peter McKinnon, who leases the building from Dr. Jennings and lives on South Park Drive, noted that he had brought his business here from Winston-Salem and had three other businesses in the basement of the building. He said last winter, he was out at the storm drain, knee deep in water, trying to make sure there were no leaves clogging the drain. He said he did this three times over the rainy season. The water comes everywhere to there, including from the other side of the road to their side of the road. He said he was for the doctor being able to expand and was pro-business, but he also wanted to make sure his business doesn't get washed away. He said you're not just affecting a building, you are affecting four businesses. More drainage would be fantastic he said, adding that

he'd like for everyone to win in this situation, but if any of the water coming down there could be diverted, that would be great.

The public hearing was closed at 6:45 p.m.

Mayor Donecker asked Setliff if there is any way to look at the property and determine an amount that should be pervious and an amount impervious? Setliff said our Zoning Ordinance allows 85%, requiring 15%, along the front parallel to the street there must be a landscaping buffer at least 10 feet wide so it is not a situation where it will be paved all the way to the street. She said this 10-foot wide strip would be required down Northup and down South Park if the parking goes in that area and would capture some of the storm water. The Mayor asked if that is 50 feet, minus the 10 feet subtracted for the landscaping? Setliff said yes. He said it sounded like with the payment there already, the amount to be added would be pretty close to the 15%; therefore, the additional footage would be pervious and allow the water to soak through it, not making the situation any worse. He said he's not saying it doesn't occur because it does but it might make Council feel more comfortable that we're not going to aggravate the situation by approving this Resolution. Setliff said the amount of square footage Adams adds on would affect whether the storm water ordinance would come into effect or not. She said a site plan would have to be submitted and reviewed by staff, adding that they will look at it every way they can.

Councilman Festerman made the motion, seconded by Councilwoman Walker, to deny the Street Closing Ordinance for South Park Drive Right of Way between Northup Street and Richardson Drive.

During the discussion phase, Councilman Festerman said he was pro-business and was concerned for Dr. Adams and his business, but while he had sympathy for the doctor, he felt like it will impact others and make the situation worse. He also said he felt Dr. Jennings had been pretty patient over the years since his issues had never been addressed. And while Eason indicated it might just be a small amount more, Councilwoman Walker indicated any degree was too much.

Councilman Balsley asked Eason if there was any way to have a "win-win" situation in this in terms of the closing and the flooding on Dr. Jennings' property? Eason said it depends. If you don't want any runoff, he said, it would be hard to do that without some type of on-site retention and moderation. Any plans would be reviewed by staff, he noted, but would be reviewed in terms of any rules or regulations we have, adding that you can't require someone to do something if it isn't already included in the ordinance. You can't invent rules as you go along, he said. Eason said it wasn't his decision, but he said there probably would be a little more runoff, but it could be mitigated by making improvements to the streets, which would be expensive, as well as making improvements to the private property itself. Some of the water in the parking lot could be helped by upgrading the pipes as well. He added that there is probably no one thing that can be done to mitigate the situation.

The motion to deny passed in a 6-1 vote with Mayor Donecker voting against it.

Questions arose about what would happen next. Manager Mitchell said the property owner might consider ways to mitigate the situation, including an underground system, but he stressed that the City could not provide a 100% guarantee.

CONSIDERATION OF AN ECONOMIC DEVELOPMENT INCENTIVE NOT TO EXCEED \$13,000 FOR AN ACCESS DRIVE CONNECTING BETA FUELING SYSTEMS AND MERCHANT 1 MANUFACTURING AND ACCOMPANYING BUDGET ORDINANCE AMENDMENT.

In making the staff report, the City's Economic Development Director Jeff Garstka explained he had been working on this economic development opportunity for quite some time between new company Merchant 1 Manufacturing and Beta Fueling Systems, whose properties adjoin each other. Beta Fueling wants to expand and nearby M1M has vacant buildings on its land so the leasing of one of the vacant buildings was suggested and an agreement is being worked out. M1M will also use the building.

Both of these businesses are continuing to grow, he said, with M1M adding four new employees recently to the existing 22 workers. Beta has increased its workforce by 10%, over the last year or so to its existing workforce of 60-some employees and nearly doubling its temporary workforce to 25 and brings the total workforce close to 100.

The Economic Development Director said this project would include designing an access driveway between the two businesses. The cost to construct the 400-foot, 12-foot wide gravel driveway, which would not be a public road, is around \$12,649 as estimated by Loye's Grading. He added that the work could not be done by Public Works employees at any lesser cost.

Again, the cost is expected not to exceed \$13,000, Garstka said. Garstka noted that both Bill Coleman of Beta Fueling and CB Lawrence of Merchant 1 Manufacturing are both here to answer any questions. He also talked of how Coleman and Lawrence had met for the first time recently and had started doing business together. This is an expansion for Beta and somewhat of an expansion as well for M1M.

Mayor Pro Tem Brown, noting he is in favor of the project, asked if there was any discussion of a possible collaboration with the County since this is an economic development project? City Manager Mitchell said they did discuss it with the County and was given their rationale for why they would not participate. Garstka said they did try to share the cost with the County.

Mayor Donecker opened the public hearing at 6:58 p.m. by asking if there was anyone who wished to speak in favor of this economic incentive?

Bill Coleman of Beta Fueling System came forward, giving a brief history of the company which has been in Reidsville since 1972 and provides equipment to the aviation industry, including the military. He said they had looked at other options, but this would

allow the company to expand locally using the M1M building. He discussed the kind of assembly operations they would be able to do in the new building. He said that this incentive would not only help them expand but would also help keep the company in Rockingham County. He said the company planned to hire an additional 8-10 employees as well.

CB Lawrence of Merchant1 Manufacturing came forward to speak in favor of the project because it will help Beta Fueling Systems, which does contract work for the military. He added that he would like to do anything he could to help the military. He said he would like for his company to expand, and M1M and Beta were looking at ways they could co-mingle their businesses and grow. He said at the immediate moment, it is to help Beta do work for the military.

With no one wishing to speak against, Mayor Donecker closed the public hearing at 7:03 p.m.

Councilman Hairston made the motion for the City to pay up to \$13,000 for the driveway between Beta Fueling and Merchant 1 Manufacturing. Councilman Gorham seconded the motion, adding “along with the jobs.” The motion was approved in a 7-0 vote by Council.

The Budget Ordinance Amendment as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 1

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 appropriate funds for an economic development project;

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 10-3991-0000, Appropriated Fund Balance, be increased by \$13,000.00.

Section 2. That expense account number 10-4920-5805, Economic Development Reserve, be increased by \$13,000.00.

This the 13th day of September, 2016.

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

ATTEST:

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

The Mayor called for a five-minute break.

- End of Public Hearings -

CONSIDERATION OF A RESOLUTION AS THE CITY APPLIES FOR A CLEAN WATER STATE RESERVE GRANT.

In making the staff report, Assistant City Manager/Finance Director Chris Phillips explained he was doing the report in the absence of Bill Cowan of Martin-McGill, Inc., who was unable to attend tonight due to a previous commitment.

Phillips explained that the City was preparing an application for a grant, which is due by the end of September. As Council is aware, there have been a lot of improvements at the Water Treatment and Wastewater Treatment Plants, and we have been exploring grant opportunities, he said. We may be able to qualify for a 50% grant/50% loan, he added, and we are asking Council to authorize the Mayor and City Manager to apply. In order to do that, the City must commit to several things upfront, which are outlined in the Resolution as follows: arranging financing for the remaining costs of the project; adopting and placing into effect a fee schedule for operation and maintenance, which is our normal rate structure for utilities, having already made the obligation to raise the revenues; repaying the loan and if we don't, allowing the State to keep any money due the City. Phillips said it would be highly unlikely that we would default on a loan to the state. He said we must also provide efficient operation and maintenance, which is the job of Public Works and the commitment of staff at the plants.

Phillips noted again, that we are seeking Council's authorization of the Mayor and City Manager to sign on the City's behalf in applying for the grant and giving the State any information it should want. He stressed that this is an application, and if we are accepted, we would come back to the Council. This is just the first step, he said.

City Manager Mitchell noted that staff is seeking opportunities as they become available, and 50% loan is still better than 100% loan.

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

The Resolution as approved follows:

RESOLUTION BY THE REIDSVILLE CITY COUNCIL

- WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, and
- WHEREAS, The City of Reidsville has need for and intends to construct a wastewater treatment works project described as modifications to the treatment process to meet nitrogen and phosphorus nutrient removal requirements, and
- WHEREAS, The City of Reidsville intends to request state grant and loan assistance for the project,

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

That the City of Reidsville, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State grant award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Reidsville to make scheduled repayment of the loan, to withhold from the City of Reidsville any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That John M. "Jay" Donecker, Mayor of the City of Reidsville, and Preston Mitchell, City Manager, the **Authorized Officials**, and successors so titled, are hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a grant and loan to aid in the construction of the project described above.

That the **Authorized Officials**, and successors so titled, are 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 in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 13th of September, 2016 at Reidsville, North Carolina.

/s/ _____
(Signature of Chief Executive Officer)

Mayor

(Title)

PRESENTATION BY CITY STAFF ON LEASING OF LAKE HUNT BY CENTRAL PIEDMONT WILDLIFE CLUB (POTENTIAL VOTE ON LEASE AGREEMENT TO BE CONDUCTED AT COUNCIL'S OCTOBER PUBLIC HEARING, AT WHICH TIME PUBLIC COMMENTS CAN BE MADE).

In making the staff report, Assistant City Manager of Community Services Tom Wiggins updated Council members on the progress of the Lake Hunt lease based on his memo. (A COPY OF WIGGINS' MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He said the process started about 1½ years ago and that he and the former Parks & Recreation Superintendent had some conversations with this group. While Lake Reidsville is staff's priority, some concerns had been raised that the facilities at Lake Hunt might get in a deteriorated state, Wiggins said. Other concerns were budget dollars and the lack of staff coverage at Lake Hunt.

Lake Hunt was last leased 2008-2011, Wiggins said. He stated that he discussed this potential proposal with the Parks & Recreation Advisory Commission in August of last year. Staff then published a public advertisement in the *News & Record* and the *Reidsville Review*, and two proposals were received, including this one with Central Piedmont Wildlife Club. Central Piedmont's was far superior, and he was impressed with their history with Lake Jeannette, adding that these are enthusiastic fishermen and conservationists.

He referenced in his memo, bulleted highlights from the lease. He said staff was impressed that the group would make capital improvements. Wiggins said prices would go up for City and non-City residents with the proposed fees \$100 a year for City residents and \$50 a year for Senior City residents; however, the first year it would only be \$50 per year for City residents and \$25 for Senior City residents. Outside-City residents will pay higher rates, which is what currently happens, he noted.

If the City moves forward on this after the October meeting, nothing will change for current pass holders until the renewal in March of 2017, Wiggins explained. City employees will continue to enjoy free membership as a perk, he said. He added that the group did put a cap in the lease of 300 passes to the community with City residents getting first chance to purchase passes. No combo passes would be sold going forward. The cost of Lake Reidsville passes will not change, he said.

Reviewing the page of his memo discussing budget and revenues, Wiggins noted that the City should realize a net savings of \$7,000. Again, he stated that the Club will make a minimum investment of \$5,000 in capital improvements and will tell the City what improvements it is making. The Assistant City Manager stated that staff went to the June PRAC meeting with this proposal, which voted 3-0 to recommend Council's approval. The PRAC did want to get the information out so a non-emergency CodeRED or robo call was done, with City Clerk Stadler's assistance, to City residents and Lake Hunt and Lake Reidsville passholders. The information is also on the City website and Facebook pages (City, Lake Reidsville and Parks & Rec), he added.

Wiggins emphasized that this is an update on where we are at in the process and to see if Council had any questions for him. Members of the Central Piedmont Wildlife Club are here, but the full lease agreement will be considered at a public hearing in October, he said. The President of the Club would like to introduce himself, he added.

The Mayor asked Wiggins how is the lease terminated if it is not comfortable for either party? Wiggins said in the lease agreement is an option that with a 60-day written letter, either the City or Club can opt out of the lease.

Mayor Donecker asked how many are on the Club's board of directors? It was noted it is a 12-member board, but six members were lost to attrition. They would like the six added to be City residents, according to the Club President. The Mayor asked if that could be included in the lease agreement. Wiggins said it wasn't but could be. City Manager Mitchell asked for Council to let staff know of anything they'd like included in the lease.

J.D. Blake, president of the Central Piedmont Wildlife Club, then introduced himself to answer questions. Councilwoman Walker asked what the Club has in the back of its mind for the \$5,000 in improvements? Mr. Blake said the board is suggesting all kinds of things, such as putting a new roof on the picnic shelter on the left and fixing the fishing ramps, which he said are on the verge of being dangerous and don't have enough grade on it. Third, he said the club house is currently not usable, and they want to make it something to be proud of. Also, he said the \$5,000 was a minimum when the Councilwoman indicated it wouldn't go far.

Mayor Pro Tem Brown asked about the first priority being given to City residents. Mr. Blake said there will be a 30-day period where passes are open to City residents, then after that to Rockingham County and then "come one, come all."

Assistant City Manager Wiggins said the lease agreement did not include the membership drive process, but the City would have to agree to the process used, including the window of how many weeks for City residents only, then the rest of the pass holders, etc. He said the City and Club would have to be in agreement of how the membership drive would be done.

Councilman Festerman said questions had been raised about why the Club lost the agreement to operate Lake Jeannette. Mr. Blake said it came down to money after Lake officials went up astronomically on the lease. He said the Lake's association also decided it would become more of a pleasure boating, tennis club, etc. facility and wanted the Club to share in the cost of the total thing. He said no matter how much he wanted to do it, his board voted him down.

Councilman Festerman said he heard the Club had about \$60,000 in its treasury? Mr. Blake said now it's about \$75,000-\$80,000. At Lake Jeannette the family club membership was \$100, he continued, adding that the 300 memberships does not apply to Council or City employees, who get in free.

Mayor Donecker asked about Club membership. Mr. Blake said the Club has 12 members, and he would like the next new member to be a City of Reidsville person, perhaps all of them from the City.

Councilman Hairston said the answers to Councilman Festerman's questions answered his as well.

Mayor Pro Tem, looking at the fee schedule, said the fee was for a family, not an individual, right? Mr. Blake confirmed that, adding that one visitor is allowed as well. The by-laws state that includes children 18 years and younger, a spouse and three visits by a visitor.

Councilman Festerman asked if in the Club's proposal, City employees will continue to include, as in the past, City retirees? He received an affirmative answer. He questioned whether as a City retiree, he would be able to vote on this? City Attorney Bill McLeod said he could because he has no direct pecuniary value, he can vote on it.

Councilman Gorham asked Mr. Blake to "paint us a picture" of why they should even consider turning over our lake over to you? Mr. Blake indicated it was not so much as the City turning the lake over but why should we be allowed to set up a Club? He said it is going to be a "win win" situation, which will mean improvement, a better place to fish, a family atmosphere, boat safety/education courses, why wouldn't you want us?

Councilman Gorham asked Mr. Blake to confirm that there would be six City residents on the board. Mr. Blake said he can confirm six and would like to have more.

City Manager Mitchell asked Council what specifics they would like to see included in the lease? He said they had heard that six members of the 12-member board be from the City, for example. He stressed now is the time to tell City staff. The Mayor said there is already a 300-member cap, at least six City seats on the board, etc. He said Council members will have other conversations around the community and that Council should get back in touch with staff after having those conversations.

Councilwoman Walker asked about the initial three-year lease term and automatic three-year renewal. Wiggins said if both parties agree, the lease would automatically renew. If the City is not satisfied, we have to notify the Club with a 60-day written notice, and they have the same option, he said.

Councilman Gorham said he'd like to have the understanding that there may be some calls to us with concerns that haven't been addressed tonight that we might need to present to you for consideration. The Mayor added, with attorney review.

CONSIDERATION OF A REVISED INTERLOCAL MUNICIPAL AGREEMENT WITH THE CITY OF GREENSBORO FOR PURCHASE OF WATER.

In making the staff report, Public Works Director Kevin Eason said there is a three-fold purpose: 1) to formalize the take or pay quantity of water from Reidsville to Greensboro

and adjust the term limit; 2) to make provision for compensation, including that water can flow from Greensboro to Reidsville; and 3) to provide the design and construction of a high level pump station to meet Greensboro's service needs.

Eason explained the history behind the City's agreement to provide water to Greensboro as outlined in his memo. (A COPY OF EASON'S MEMO DATED AUGUST 31, 2016 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He noted that the City entered into an agreement in 1999 with terms and conditions to provide water to Greensboro. Since then, the agreement has been revised and extended with the terms of the current agreement, dated July 1, 2014, ending June 30, 2019. Midway through this term, the relationship is proving overall beneficial to both Reidsville and Greensboro, he said. With the return of operational control to the City, Greensboro is more confident of quality control as the City seems to have the discolored water and other issues under control, Eason continued. While the contract only requires Greensboro to purchase a half-million gallons daily, they average one million gallons per day, he noted. When Greensboro is doing maintenance work at Lake Townsend, the City offers get flow from Reidsville due to the proximity. In 2016, water flowed from Greensboro to Reidsville, which was extremely valuable to have, he said.

The first thing to change under the new contract will be Greensboro will either take or pay for one million gallons per day. The contract will be extended to add an additional five years, changing the expiration date to June 30, 2024. The increase in the water guarantee will mean the current \$3.3 million commitment will increase to a \$4.1 million commitment over the next eight years, Eason said. With the bi-directional meter, they should be able to cover every possible situation, he added.

Reidsville is supplying water to Greensboro at a rate of \$1.79 per thousand gallons, the Public Works Director explained. If we request water from Greensboro due to a plant shutdown or disaster at the plant, we will pay \$8.82 per 1,000 gallons. Eason acknowledged that was fairly expensive, but he stressed that most don't have the ability to do that. If we give Greensboro water for a mutually beneficial purpose, we will credit Greensboro, he said, adding that every now and then if Greensboro wants to get rid of some water, we will take it for free. Greensboro also wants a high level pump station so that they can receive its one million gallons over the course of an entire day, Eason said, which is an investment of \$1-1.5 million.

Eason noted that the amendment to the contract is attached. The City Clerk has the agreement ratified by the City of Greensboro, he said. He asked that the Council allow the Mayor to execute the contract on the City's behalf.

City Manager Mitchell added that the City Attorney has reviewed the amendment. Mayor Donecker noted that on page 3 of the agreement, Item #5, the last sentence is a unique clause. He added that Greensboro has been a very good client of ours since that time.

Manager Mitchell said that he had discussed with Eason and Finance Director Phillips that only one time in our history have we gotten water from the City of Greensboro. He

said he had talked with the Public Works Director, noting that we should only need water if we are doing another plant upgrade, which shouldn't be needed for another 40 years, or unless something really bad happens. He has shared with the Public Works director that it has to be really bad.

Councilman Hairston then made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote, to authorize the Mayor to execute this agreement between the City of Reidsville and Greensboro. (A COPY OF THE WATER SALE AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

CONSIDERATION TO APPROVE AN ENGINEERING SERVICES CONTRACT WITH ARCADIS FOR THE DESIGN OF THE NEW GREENSBORO HIGH-LEVEL PUMP STATION AND A CORRESPONDING CAPITAL PROJECT ORDINANCE AMENDMENT.

In making the staff report, Public Works Director Kevin Eason stated that, following upon the approval of the interlocal water agreement, Reidsville plans to construct a high level pump station, for which it will be reimbursed by the City of Greensboro. (A COPY OF EASON'S MEMO DATED AUGUST 31, 2016, IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) Following a request for qualifications, a selection team selected Arcadis, which is knowledgeable of both cities' systems. The cost will be \$265,000, he said, adding that an amendment to the contract will be required at a later time. The target date of January 1, 2018 has been set for the City of Greensboro to be able to start using the station, he said. Invoices for reimbursement will be done on a monthly basis, he added.

Eason said he was asking Council to authorize the City Manager to enter into a contract with Arcadis for the high level pump station.

Councilman Gorham then made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 7-0 vote, to grant the City Manager the authorization to enter into this agreement with Arcadis to complete this agreement with Greensboro. (A COPY OF THE AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

The Capital Project Ordinance as approved follows:

CAPITAL PROJECT ORDINANCE AMENDMENT

**AUTHORIZING CAPITAL IMPROVEMENTS
TO THE CITY'S WATER TREATMENT PLANT**

WHEREAS, North Carolina General Statute 159-13.2 authorizes the establishment of a Capital Project Fund 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 amend the capital project fund established for water treatment plant improvements on October 9, 2013;

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

Section 1. The following line item of revenue is hereby amended:

55-3911-0000 Greensboro Contribution \$ 265,000

Section 2. The following line item of expenditures is hereby amended:

55-7120-5801 Construction – Greensboro Pump \$ 265,000

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 in each contract as long as said change orders amount to less than \$50,000 each, to transfer funds from the established Contingency Fund to cover such change orders and cost overruns, to acquire rights-of-way, and to pay for debt issuance costs. The Finance Director is authorized to make temporary loans to this capital project from the Combined Enterprise Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 13th day of September, 2016.

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

ATTEST:

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

CONSIDERATION TO APPROVE AN ENGINEERING SERVICES CONTRACT WITH SCHNABEL ENGINEERING FOR PERMITTING THE BROAD STREET FACILITY AS A YARD WASTE RECOVERY CENTER AND A CORRESPONDING BUDGET ORDINANCE AMENDMENT TO TRANSFER MONIES FROM THE GENERAL FUND RESERVE TO SOLID WASTE.

In making the staff report, Public Works Director Kevin Eason said this situation was a little more complicated. Back in July, NCDENR required the closure and remediation of the old landfill on Freeway Drive including our mulching and recovery operation. With the Notice of Violation (NOV), certain actions had to occur. There were expenses related to the closure not included in the current budget, along with much more debris left over from recent storms, which created extraordinary expenses for the Solid Waste Division. Now, the Broad Street facility’s operational area has to support several functions such as

solid waste, leaf mulching, etc., as outlined in Eason's memo. (A COPY OF EASON'S MEMO DATED SEPTEMBER 1, 2016 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

The Broad Street facility currently operates under a Yard Waste Notification permit, which is very restrictive, only allowing debris to be on site for less than six months. Rules require the area to be less than two acres and the material volume to be less than 6,000 cubic yards. It has been determined that the facility needs to be permitted as a Yard Waste Recovery Center, and the City has solicited the help of Schnabel Engineering to assist in the permitting of the site. Eason explained the City went with Schnabel for two reasons: 1) the company has a good track record with the City having helped with the new Lake Reidsville dam; and 2) was the engineer of record for the landfill remediation, which is a separate process. Schnabel's proposal for the work is \$42,000, including a 5% contingency. Eason noted that there may be \$12,000 in roadway improvements that may not have to be done, but he was requesting additional funding from the General Fund Reserves to mitigate this.

Eason then read aloud his recommendation that additional funding be allocated from the General Fund Reserve to reimburse the Solid Waste fund for the costs associated with efforts made to mitigate the NOV from the State as well as fund the design contract with Schnabel Engineering to properly permit the Broad Street facility.

Eason noted that this would be fully remediated so that the City would no longer be under the threat from the State on the NOV. Again, the unexpected costs that need to be reimbursed to the Solid Waste fund totals \$65,360, Eason said.

Councilman Festerman questioned whether FEMA doesn't reimburse some costs from a major storm, but staff noted that the total costs must be at least 1% of the City's entire budget. We didn't come close to the threshold amount required, Eason said. Manager Mitchell also noted that the storm Reidsville experienced back in July was specific to the region.

Councilman Festerman asked if the City still picks up white goods? Eason replied in the affirmative, but he noted that there might have been a delay in the pickup of white goods while employees were picking up storm debris.

Mayor Pro Tem Brown made the motion to the transfer of the \$65,360 from the General Fund Reserve to the Solid Waste fund. The motion was seconded by Councilman Hairston and unanimously approved by Council in a 7-0 vote.

The Budget Ordinance Amendment as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 2

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 appropriate funds for solid waste disposal site needs;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 9, 2015 is hereby amended as follows;

Section 1. That revenue account number 10-3991-0000, Appropriated Fund Balance, be increased by \$65,360.00.

Section 2. That expense account number 10-4710-4400, Contracted Services, be increased by \$65,360.00.

This the 13th day of September, 2016.

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

ATTEST:

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

Councilman Gorham then made the motion to authorize the City Manager to enter into a professional services agreement with Schnabel Engineering for work related to the permitting of the Broad Street facility. The motion was seconded by Councilman Festerman and unanimously approved by Council in a 7-0 vote.

Mayor Donecker then called for a five-minute break.

CONSIDERATION OF SENIOR CENTER USDA DEBT PAYMENTS.

In making the staff report, Assistant City Manager of Administration/Finance Director Chris Phillips referenced his memo in the agenda packets. (A COPY OF PHILLIPS' MEMO DATED SEPTEMBER 6 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He noted that if you drive by the new Senior Center, you will see it is entering into its final phase. The USDA loan financing will assume the debt once the construction is complete, he said, taking over the BB&T construction loan. Phillips said it was also planned to use some of the City's Undesignated Fund Balance on the project, and it is still part of the plan. The Finance Director said that we think sometime next month, the City will be getting the USDA loan, and we want to get the payments at a

position with which we are comfortable. That is what his memo is all about, he explained, setting up that contribution. The first page of his memo is primarily historical, he continued, while the second page is a summary of the fundraising efforts, which were able to exceed the \$150,000 matching grant by the Reidsville Area Foundation.

The final paragraph of his memo, Phillips said, is about the use of the Fund Balance, which is affected by pledges. Reidsville Area Foundation's pledge is \$30,000 a year over five years. He noted that the City will pay towards the loan the full amount of the pledges, but we want to restrict our Fund Balance to cover any pledges that don't come in. Secondly, the State will require us to restrict the Fund Balance for one year's debt service. One of the stipulations of the loan is that we set aside one year's payment, he explained. He discussed the annual debt service payments and that the City will restrict our Fund Balance for that item as well. The third use of Fund Balance is what we will put towards the loan, he said.

Phillips discussed the Fund Balance, which is set on the June 30th picture but at this point in September, we don't have the complete snapshot for the entire year. He said he was pretty sure we will add to the Fund Balance. He noted that he and Interim City Manager David Bracken put together a flat budget for the 2015-16 year, knowing that there was growth in part of the year that wasn't recognized. Departments were conservative, and we are in pretty good shape, he said. The Finance Director said he feels comfortable making a recommendation of \$250,000 towards the loan to bring down the balance owed and the payments. Phillips cited other new information in the memo, noting that the interest rate for the 40-year loan was set at 3.5% but could drop if the rate dropped before closing. By the end of September, the rate will drop to 2.75%, and if closing goes into October, it could drop to 2.5%. A 1% interest rate is substantial savings, he added.

Councilman Festerman asked do we gamble on the interest rate? Phillips replied that we can't lose before October 1st. A USDA inspector has to come in here and inspect the facility. We will let the City Manager know if the rate drops further, he said.

Phillips again noted that staff is recommending that Council authorize the use of \$250,000 of the Fund Balance toward the debt at loan closing.

Councilman Hairston then made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote, that \$250,000 of the Fund Balance be used toward the debt of the Senior Center.

The corresponding Budget Ordinance Amendment follows:

BUDGET ORDINANCE AMENDMENT NO. 3

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 appropriate funds for a “down-payment” on the Senior Center USDA loan;

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 11-3991-0000, Appropriated Fund Balance, be increased by \$250,000.00.

Section 2. That expense account number 11-6124-5400, Debt Service, be increased by \$250,000.00.

This the 13th day of September, 2016.

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

ATTEST:

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

CONSIDERATION OF STUDENT SEATS ON THE HUMAN RELATIONS COMMISSION.

In making the staff report, City Clerk Angela Stadler referenced the memo in Council members’ packets. (A COPY OF THE CITY CLERK’S MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) She noted that the Mayor had asked for research on including youth seats on the Human Relations Commission. The Clerk and City Attorney reviewed the current ordinance and agreed that there are no age restrictions currently, but if Council wanted to designate one or two youth seats, it would require a change in the ordinance. Also, Council could designate two youth seats, but make it so the second seat could after three months of advertisement without being filled, revert back to a regular seat, she said. She also noted that an application had been received from a Reidsville High School student who lives outside the City so Council could word the ordinance so that the person attends a high school in Rockingham County. The HRC currently has two outside-City seats, but both are currently filled, the Clerk said.

Included in the memo is the wording to change the ordinance, she noted, which could be formalized and then would be sent off to be codified. City Manager Mitchell noted that the City Clerk and City Attorney were recommending that the two positions be students of a high school located in Rockingham County since we have multiple public and private high schools located here.

The City Clerk noted that Council would be considering an application later tonight from a Reidsville High School student, who lives inside the City. The Mayor also noted the application from the student living outside the City.

Councilman Gorham said he felt the two seats needed to be for youth because it would be nice for those selected to have a peer on the board, thereby helping with their confidence level. It was clarified that the second seat would remain a youth seat and not be open to adult members after three months of advertisement.

Councilman Balsley made the motion, seconded by Councilman Gorham and unanimously approved in a 7-0 vote, to consider two seats on the Human Relations Commission for two citizens of a high school in Rockingham County. (A COPY OF THE ORDINANCE AMENDMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

CONSIDERATION OF THE CITY'S PUBLIC COMMENTS POLICY.

In making the staff report, City Manager Mitchell referenced the City Clerk's memo giving the history of the City's Public Comments Policy, showing major dates and timeframes together. (A COPY OF THE MEMO DATED SEPTEMBER 1 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) The policy came about in 1998 with more rules developed in 2006. In 2007, the Council revised the policy per the State deleting the stipulation that no personal attacks or profanity would be allowed. Also attached are highlighted relevant minutes, he said.

Councilman Balsley said he would make a motion to keep the Public Comments section where it is on the agenda and to limit comments to two minutes. Mayor Donecker seconded the motion.

The City Manager said that meant all other parts of the policy would remain the same.

During the discussion phase, Councilman Festerman said he would respectfully disagree, saying he did not feel two minutes is an adequate amount of time for speakers. He noted two versus three minutes, at 25-30 speakers a year only adds 30 minutes to Council's meetings. He said he is a strong advocate of public comment because it is in the interest of good government.

Councilman Balsley agreed to amend his motion back to three minutes, which Mayor Donecker also agreed to.

Mayor Donecker noted that with no changes planned, no vote on the motion is needed and the policy will stay as it is. He thanked staff for the clarification.

Therefore, no vote was taken.

PUBLIC COMMENTS.

Change in HB2 Vote Sought.

Mr. Ron Price of 218 Cedar Lane, Reidsville, came forward. He asked the Council reconsider its vote done back in July and support HB2. No action was taken by Council.

Proposed Lake Hunt Lease.

Mr. George W. "Butch" Trent Jr. of 2623 Reid School Road, Reidsville, came forward. He expressed his appreciation to Councilman Festerman that public comments were kept at three minutes rather than two minutes.

Mr. Trent, noting he was speaking on behalf of a growing group of residents in Reidsville and Rockingham County who pay City and/or County taxes who have passes to Lake Hunt, said they were very concerned about a club coming in and taking over Lake Hunt. He thanked the Mayor on short notice for pulling together a meeting this morning between the Mayor, the City Manager, Assistant City Manager Wiggins, himself, David Slayton and Jim Neal. He said it is always better to speak to each other rather than about one another. In the coming weeks, this group will be speaking to all of you individually to air their concerns, he said. Their main concern is they don't want to disenfranchise the pass holding, taxpaying Reidsville residents and Rockingham County residents, he noted.

Freeway Drive Improvements.

Mr. Dan Bailey, a businessman on Freeway Drive, spoke on the progress of improvements on Freeway Drive, adding that he was glad to see the recent informative article about the work. He distributed some information to Council as he began speaking. He asked Mayor Donecker about a quote of his in the newspaper where the Mayor was quoted as saying businesses could be compensated by the NC Department of Transportation for lost business due to road construction. Mr. Bailey said he was really excited about that until he met with Secretary Tennyson from NCDOT on August 31, who told him he had never heard of that before. Mr. Bailey asked the Mayor where he got that information. Mayor Donecker noted that those remarks were not in quotes because he did not say that. What he said was that if you had a business that was impacted by the Department of Transportation, there would be compensation, much like what happened with Reidsville Veterinary Hospital, the Mayor explained. Mr. Bailey said he would like to be compensated for what he estimated was an \$18,000 loss in business. The Mayor said he understood the process, and that was not a quote but was inaccurate paraphrasing. Mr. Bailey said he then was overboard in his criticism.

Mr. Bailey then discussed the progress report he had distributed to Council, which shows the project is nine days overdue its extension with 8.72% in cost overruns and \$4.87 million over budget. (A COPY OF THE CONSTRUCTION PROGRESS REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He also noted that Secretary Tennyson had told him this was a very poorly done job. Mr. Bailey expressed his frustration about his attempts to try and get the Council to do something. After showing the video to Council, he noted work moved quicker and the bridge opened soon after. He also stressed that he presented facts, not speculation, and he resents the implication that he had gone overboard.

More Comments on Lake Hunt.

Mr. David Slayton of 1812 Fairway Drive, Reidsville, invited Council members to go out with him on his boat to look at Lake Hunt. He had taken one Council member and got him back. He said Council needs to see how small this lake is when you talk about fishing. He said 6-8 trailers can be accommodated. He asked Council members to take him up on his offer.

(At this time, Councilman Festerman asked to be excused for about three minutes. He later returned.)

Mr. Lewis Wyatt of 1113 Sherwood Drive, Reidsville, said he felt it was ironic that earlier in the meeting we're applying for a clean water grant and now inviting 300 people into our water supply.

CITY MANAGER'S REPORT.

In making his City Manager's Report, Manager Mitchell cited his written report. (A COPY OF THE WRITTEN REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He cited those items listed in his report, including the preliminary 2015 Municipal Population Estimates; the Quarterly Finance Report provided by the Finance Director, not including sales tax which doesn't come in until later; and a citizen complaint about two issues of water quality, which is caused by privately owned laterals and does not involve water quality caused the City's line.

Manager Mitchell also noted that the FY 2015-2016 Carry Forward Report is also included behind the Miscellaneous section of the agenda packets. He also said he and the City Clerk wanted to make Council aware of an action by the General Assembly to change the City's election filing period to coincide with the rest of the County. He asked the City Clerk if an ordinance would be needed. She said she had spoken with the School of Government, and the City only has to send a copy of the bill to our codifier, and they can change the Charter based on that. The City Manager concluded by noting events being held throughout the City in September.

BOARD & COMMISSION APPOINTMENTS:

City Manager Mitchell distributed the ballots for the Board and Commission appointments.

Mayor Donecker also submitted for Council's consideration the application of Mr. Samuel Thorn, a student at Reidsville High School. His application was mentioned earlier as an outside-City resident. Mr. Thorn lives at 308 Mark Road, works at the YMCA of Greensboro, is in the National Honor Society and a member of the NAACP. He anticipates no conflict of interest by serving on the Human Relations Commission, the Mayor added.

The City Attorney said he could be appointed on a voice vote, which the Mayor then called for, and the vote was unanimous. (A COPY OF THORN'S APPLICATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

COUNCIL MEMBERS' REPORTS.

Mayor Pro Tem Brown – Noting the time, the Mayor Pro Tem decided to forgo his report. He only mentioned that he attended a 9/11 Memorial Service sponsored by First Christian Church at the Galilee Church, which he attended with Councilmen Gorham and Hairston and Councilwoman Walker and heard the main speech by Police Chief Robert Hassell. The Chief did a really good job, the Mayor Pro Tem said.

Councilman Hairston – The Councilman noted he attended a meeting at the West End Church about how to improve relations with the police and City government, etc. with speakers from all of the different branches. He and the Mayor were among the speakers. He said he also attended the Fire Department's 9/11 service Sunday at Market Square, where he was honored to be the keynote speaker.

Councilwoman Walker – Due to the lateness of the hour, the Councilwoman said she would turn in her list of activities she attended to the City Clerk, but she did want to make two points. She said she had received in passing a compliment about Judy Yarbrough and the diversity of music and entertainment at Market Square. She said she and the City Manager had attended the ABC Board meeting, and we are on the "plus" side, she said. The City Manager said they continue to grow and fund several organizations, including a contribution to the City.

Councilman Gorham – The Councilman, referencing the opening of PaPa's daycare, said he had attended the grand opening of Unifi's Repreve Bottle Processing Center, the West End Unity Service, the City's 9/11 service and the 9/11 Celebration by First Christian Church.

Councilman Balsley – The Councilman added to Councilwoman Walker's comments. He also said he had received positive compliments on the programs Judy Yarbrough puts on at Market Square. He asked Kayla Bullins of the Reidsville Chamber to give a brief report. Ms. Bullins talked of the upcoming Chamber Coffee Sept. 29th at the Rockingham County Governmental Center at 8 a.m., the October Coffee at the Edward Jones office of Kaylynn Roland; a Lunch 'N Learn on the new labor laws planned for Tuesday, October 11, and the upcoming Business Showcase, sponsored by Unifi, on Oct. 19-20, which will include a Career Fair for local high school students. They hope to double the students' participation this year, she noted.

Councilman Festerman – The Councilman said that, due to the lateness of the hour, he would forgo his lengthy report.

Councilman Hairston also reminded everyone of the Old School Block Party this Saturday from 12 noon to 3 p.m., which is in its fourth year. Councilman Gorham said he didn't attend the ribbon cutting at Marco's Pizza, but it is "something special."

Mayor Donecker – The Mayor noted that he had sent Council members information on the formation of Lucky City Brewing Company organized on Sept. 6th with Eric Smith as President. One of the board members was instrumental in designing the Sierra Nevada Brewery in Asheville. These are not “pie in the sky” people, he stressed.

ANNOUNCEMENT OF BOARD & COMMISSION APPOINTMENTS.

City Clerk Angela Stadler then announced the following board and commission appointments, in addition to that of Samuel Thorn,: Mr. Jerry Davis III of 1612 Courtland Avenue, Reidsville, to serve one of the two Youth seats on the Human Relations Commission and the re-appointment of Ms. Carolyn Pillar of 1113 Barnes Street, Reidsville, to the Reidsville Planning Board/Board of Adjustment. Both were unanimous appointments. (THE BALLOTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

By a unanimous voice vote, Mr. Thorn was appointed to serve, taking the second youth seat on the Human Relations Commission.

MOVE TO THE FIRST-FLOOR CONFERENCE ROOM FOR A CLOSED SESSION TO DISCUSS PERSONNEL PURSUANT TO G.S. 143-318.11(A)(6).

Councilman Gorham then made the motion, seconded by Councilman Festerman and unanimously approved by Council in a 7-0 vote, to go into closed session under G.S. 143-318.11(a)(6) to discuss a personnel issue.

Upon return from closed session, Councilman Festerman made the motion, seconded by Councilman Gorham and approved by Council in a 7-0 vote, to adjourn.

John M. “Jay” Donecker, Mayor

ATTEST:

Angela G. Stadler, CMC/NCCMC
City Clerk