

**REGULAR MEETING
ASHEBORO CITY COUNCIL
CITY COUNCIL CHAMBER, MUNICIPAL BUILDING
THURSDAY, MARCH 9, 2017
7:00 p.m.**

This being the time and place for a regular meeting of the Asheboro City Council, a meeting was held with the following elected officials and city management team members present:

David H. Smith) – Mayor Presiding

Clark R. Bell)
Edward J. Burks)
Linda H. Carter) – Council Members Present
Walker B. Moffitt)
Jane H. Redding)
Charles A. Swiers)

Katie L. Snuggs) – Council Member Absent

John N. Ogburn, III, City Manager
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
Michael L. Leonard, PE, City Engineer
Mark T. Lineberry, Police Major
Trevor L. Nuttall, Community Development Director
Deborah P. Reaves, Finance Director
Michael D. Rhoney, PE, Water Resources Director
Jeffrey C. Sugg, City Attorney

1. Call to order.

A quorum thus being present, Mayor Smith called the meeting to order for the transaction of business, and business was transacted as follows.

2. Moment of silent prayer and pledge of allegiance.

After a moment of silence was observed in order to allow for private prayer and meditation, Mayor Smith asked everyone to stand and repeat the pledge of allegiance.

3. Appearance and recognition of guests and citizens.

Mayor Smith welcomed everyone in attendance.

4. Consent agenda.

Upon motion by Ms. Carter and seconded by Mr. Bell, Council voted unanimously to approve/adopt each of the following consent agenda items. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

(a) The meeting minutes of the city council’s regular meeting on February 9, 2017.

The approved minutes are on file in the city clerk’s office, and an electronic copy of the approved minutes is posted on the city’s website.

(b) The general account of the closed session held during the city council’s regular meeting on February 9, 2017.

A copy of the approved general account is on file in the city clerk’s office, and an electronic copy of the approved general account is posted on the city’s website.

(c) Acknowledgement of the receipt from the Asheboro ABC Board of its meeting minutes for February 6, 2017.

A copy of the Asheboro ABC Board’s meeting minutes for February 6, 2017, is on file in the city clerk’s office.

- (d) **Acknowledgment and announcement of the 15-day notice of a construction project to be undertaken by the city's water/sewer maintenance department.**

In compliance with the applicable laws, the water/sewer maintenance department superintendent provided written notice, via e-mail, of a continuing project to enhance the city's sewer maintenance program by installing sewer service line clean-outs along the following streets: Parkside Drive, Saddlewood Court, N. Elm Street, Dover Street, Virginia Avenue, E. Central Avenue, Old Liberty Road, N. Fayetteville Street, and W. Bailey Street.

- (e) **Acknowledgement of the receipt of a letter dated March 2, 2017, from the supervisor of inspections in the North Carolina Department of Insurance's Office of State Fire Marshal stating that, during a recent inspection, the Asheboro Fire Department met the requirements for a rated and certified department.**

A copy of the above-referenced letter is on file in the city clerk's office.

- (f) **A resolution awarding a service side arm to a retiring officer of the Asheboro Police Department.**

RESOLUTION NUMBER 05 RES 3-17

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

**AWARD OF THE SERVICE SIDE ARM TO A RETIRING OFFICER
OF THE ASHEBORO POLICE DEPARTMENT**

WHEREAS, after rendering honorable and valuable service to the City of Asheboro and its citizens since the date of his initial employment with the Asheboro Police Department on February 1, 1992, Lieutenant Colonel James O. Smith, who is currently the Assistant Chief of Police for the City of Asheboro, will begin his retirement from employment with the city effective April 1, 2017; and

WHEREAS, pursuant to and in accordance with Section 20-187.2 of the North Carolina General Statutes, the Asheboro City Council wishes to recognize and honor the Assistant Chief of Police for his dedicated service to the city by awarding to him, at a minimal monetary cost, the service side arm issued to Lt. Col. Smith at the time of his retirement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that, effective April 1, 2017, in consideration of the combination of his dedicated service to the City of Asheboro and the payment to the city of \$1.00, James O. Smith is to be awarded ownership of his city-issued service side arm (a Glock 23 Generation 4 with serial no. SFS986 and three magazines) upon a determination by the Chief of Police that Mr. Smith is not ineligible to own, possess, or receive a firearm under the provisions of federal or North Carolina law.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting that was held on the 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor
City of Asheboro, North Carolina

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk
City of Asheboro, North Carolina

- (g) **A petty cash fund and cash change fund ordinance.**

05 ORD 3-17

**Ordinance Authorizing Creation of and Establishing Policies for the
Petty Cash and Cash Change Funds**

WHEREAS, it is the desire of the city council that all public funds of the City of Asheboro (hereafter the "City") be maintained in a secure, efficient and effective manner;

WHEREAS, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the City Council, to supervise the receipt, custody and disbursement of all public funds of the City;

WHEREAS, the Finance Officer has prepared and presented to the City Council detailed Operating procedures establishing the limits, internal controls, and procedures for the payment of bills, invoices, and other claims under \$50.00 by cash from an imprest fund to be known as the "Petty Cash Fund"; and

WHEREAS, "Petty Cash Funds" are authorized in the following areas

WHEREAS, the Finance Officer has prepared and presented to the City Council detailed Operating Procedures establishing the limits, internal controls, and procedures for providing change from an imprest fund to be known as the "Cash Change Fund" to citizens and customers paying in cash for taxes and services.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Asheboro that:

Section 1. The imprest fund to be known as the "Petty Cash Fund" is hereby established in an amount not to exceed \$250. The official custodian's name will maintained in the Finance Office and will be available for reference as needed. The Finance Officer shall be and is hereby authorized and directed to name a replacement "Official Custodian" when necessary.

Section 2. The imprest fund to be known as the "Cash Change Fund" is hereby established in an amount not to exceed \$2,000 for the General Fund Operations and \$2,000 for the Water and Sewer Fund Operations. A list of the official custodians and location of each of the Cash Change funds will be maintained in the Finance office and be available for reference as needed. The Finance Officer shall be and is hereby authorized and directed to name a replacement "Official Custodian" when necessary.

Section 3. The "Petty Cash Fund and Cash Change Fund Operating Procedures" (the "Operating Procedures") established by the Finance Officer, a copy of which is attached to this ordinance, is hereby approved. The Finance Officer shall be and is hereby authorized to revise the Operating Procedures from time to time and provide a copy as revised to the designated Official Custodians of the Petty Cash Fund and Cash Change Fund and to the City Council as requested.

Section 4. It shall be the policy of the City that no payments may be made from the Petty Cash Fund unless in compliance with all procurement laws and policies; that all payments made from the Petty Cash Fund be supported by proper documentation and receipts as required by the Operating Procedures established by the Finance Officer; that no loans or advances be made to employees or City Council members from the Petty Cash Fund or the Cash Change Fund; and that no amount that may be categorized as employee compensation or as travel advances may be paid in cash. Payment through the Accounts Payable system is always preferable to payment using the Petty Cash Fund.

Section 5. The Finance Officer or other designated official shall review each reconciliation and reimbursement of the Petty Cash Fund and shall approve the supporting journal entries. The Petty Cash Fund shall be reconciled no less frequently than monthly.

Section 6. Any shortage in the Petty Cash Fund shall be reported to the Finance Officer. Any shortage in the Cash Change Fund shall be reported to the Finance Officer.

Section 7. This ordinance shall take effect immediately upon its' passage.

Adopted this the 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Holly H. Doerr
Holly H Doerr, CMC, NCCMC, City Clerk

[Note: The petty cash fund and cash change fund operating procedures referenced in section 3 of the immediately preceding ordinance are stated in the immediately following section of these minutes.]

Petty Cash Fund and Cash Change Fund Operating Procedures

The City of Asheboro by Ordinance, dated March 9, 2017, authorized the Petty Cash Fund and certain Cash Change Funds and established policies related to the use of those funds.

This statement is subject to and consistent with the City Council established policies. It provides guidance relating to purchasing items and receiving reimbursement for such purchases from the Petty Cash Fund and direction relating to the use of Cash Change Funds for providing change to citizens and customers paying for services. This procedure describes the authorized use of and restrictions on use of the Petty Cash Fund and any Cash Change Funds.

Cash Change Funds

Cash Change funds are authorized only for the purpose of providing change to citizens and customers when they are paying for services and specifically are not authorized for use by the City of Asheboro to reimburse employees for small dollar purchases or for personal check cashing and loans to employees.

The Cash Change Funds must be counted and balanced daily. The billing & collection department's cash change back-up fund used to replenish individual billing clerk's cash change funds must be counted and balanced weekly.

Petty Cash Fund

All money in the Petty Cash Fund must always be kept separate from all other cash receipts and from all Cash Change Funds. The Petty Cash Fund must be in the control of the custodian who is responsible for the cash. Only the custodian should be allowed access to the fund. The cash must be safeguarded and kept in the custodian's locked drawer, file cabinet, or other secure area.

Allowable Transactions

Allowable transactions from the Petty Cash fund are those reimbursing employees for small dollar purchases for which the goods were received at the time of purchase. No single Petty Cash Fund transaction should exceed \$50.00. Reimbursement exceeding \$50.00 must be made through the City of Asheboro's Accounts Payable system.

The following transactions are **not allowed** to be processed from the Petty Cash Fund:

- Items covered by City of Asheboro purchasing contracts and procedures;
- Personal check cashing and loans;
- Entertainment;
- Travel reimbursements (meals, lodging, taxi, airfare);
- Per diem and fees and other service payments, gifts, awards, prizes which must be made through Accounts Payable to facilitate Form W-2 or Form 1099 reporting of taxable income;
- Memberships;
- Food, beverages, catering; and
- Any items that are unallowable through the City of Asheboro's Purchasing Policy are also not allowed to be purchased using the Petty Cash Fund.

It is the duty of the custodian to verify that each disbursement is appropriate and is an allowable expense. Request for the custodian to disburse amounts from the Petty Cash Funds must proceed according to the following guidelines. All requests for reimbursement must include original receipts: copies are not adequate. Receipts must include complete documentation including the vendor name, date of purchase, item purchased, business purpose, and total amount requested. Receipts should be signed by the individual reimbursed to indicate receipt of the reimbursement.

Reconciling, Replenishing, and Managing the Petty Cash Fund

The Petty Cash Fund is to be reconciled and reimbursed monthly (unless established for seasonal usage only). The expenditures logged are totaled and the cash on hand is also recorded. **The total expenditures and cash on hand should always equal the total authorized Petty Cash Fund amount.** If there is an overage or shortage, the overage or shortage amount must be properly recorded. Any shortage should be included in the amount replenished and reported to the Finance Officer. Any overage should be deposited in the City of Asheboro's General Fund bank account or Water & Sewer Fund bank account and may not be used to increase the size of the Petty Cash Fund. Frequent overages or shortages indicate that the Petty Cash Fund is not properly managed and should be investigated by the Finance Officer.

The Finance Officer should review and sign the Petty Cash Reimbursement Request. After reviewing all expenditures and account coding, a Payment Request is then approved with the payee as the named Petty Cash fund custodian with "Petty Cash Reimbursement" as the description. A separate account should be used for payments to the custodian so that the payments may not be identified as payments that may be reportable of Form 1099 or included as compensation. The Payment Request is sent to Accounts Payable for processing a check.

If the Petty Cash Fund requires replenishing more frequently than monthly, the Finance Officer should review the activity to determine if there are payments that should have been made through Accounts Payable. The Finance Officer should also review transactions to identify opportunities to consolidate purchases to achieve cost savings or to discover other possible operating efficiencies. If the fund is reimbursed less frequently than quarterly, the Finance Officer should consider the need for the fund or reducing the size of the fund. Repeated violations of petty cash procedures can result in termination of the fund.

5. Presentation of a Retail Sales Report for 2016.

Ms. Linda Brown, President of the Asheboro/Randolph Chamber of Commerce, reported on taxable sales in Randolph County through 2016. A chart quantifying taxable sales in the county

from 2012 through 2016 was distributed, and a copy of this chart is on file in the city clerk's office. No action items were presented for the council's consideration, and, thus, no action was taken.

6. Consideration of an Economic Development Project with Randolph County and SOUTHCORR L.L.C.

Mayor Smith opened a public hearing on the question of engaging in an economic development project with Randolph County and SOUTHCORR, L.L.C. ("SouthCorr"), which is considering expanding its operations at the company's Asheboro facility. During this hearing, two speakers, Kevin Franklin and Jeff McNeill, presented information about the proposed project to the mayor and council.

Kevin Franklin is the vice president of the Randolph County Economic Development Corporation, and Jeff McNeill is the operations manager at the SouthCorr facility in Asheboro. Both of these speakers provided comments in support of the proposed project. No one spoke in opposition.

SouthCorr's facility in Asheboro is a manufacturing operation with corrugated sheets as the facility's primary product. SouthCorr's parent company, Interstate Resources, is looking at different sites for increased operations, and the Asheboro facility is one of the candidates for such an expansion.

If the proposed expansion occurs in Asheboro, the projection is that a total investment of \$8,554,304 in real and tangible personal property will occur over a 5-year period. In addition to the job retention associated with expanded operations, the projection is that 22 new jobs would be created if the company's contemplated expansion is implemented.

In support of the contemplated expansion of SouthCorr's Asheboro facility, the council has been asked to (a) authorize an appropriation of \$89,375 that would be paid to or on behalf of SouthCorr pursuant to a performance-based incentive contract and (b) authorize the submission by the city of an application for a North Carolina Rural Building Reuse Grant for the benefit of the company, including a local match of \$11,250 that will be split evenly with the county. After considering the information provided during the public hearing, two resolutions were adopted by the city council.

- (a) Upon motion by Mr. Bell, and seconded by Mr. Burks, the council voted unanimously to approve the following resolution. Council members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

RESOLUTION NUMBER 06 RES 3-17

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION AUTHORIZING THE CITY'S ENTRY INTO AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT

WHEREAS, Section 158-7.1 of the North Carolina General Statutes authorizes the City of Asheboro (the "City") to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the city; and

WHEREAS, on March 9, 2017, the Asheboro City Council held a public hearing to consider whether to participate in an economic development project that would result in the City, the County of Randolph (the "County"), and SOUTHCORR, L.L.C., and its related business associations, ("SouthCorr") agreeing to an economic development incentives package whereby the City and the County each contribute up to \$95,000 for a total expenditure of up to \$190,000 to or on behalf of SouthCorr to offset the costs of the company's expansion in the City of Asheboro, Randolph County, North Carolina, the said incentives are to be paid pursuant to the local match requirements of a One NC Fund Grant, a North Carolina Rural Building Reuse Grant, and an economic development incentives contract entered into pursuant to Section 3 of this Resolution; and

WHEREAS, upon the completion by the company of this expansion project, SouthCorr will have generated new value/investment in real and personal property, specifically including machinery and equipment, associated with the project in an amount equal to or in excess of \$8,554,304 and created a minimum of 22 new full-time jobs in the City and County; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the City and County, and result in the creation of a significant number of jobs in the City and County; and

WHEREAS, the City has in its General Fund available revenues sufficient to fund this economic development project;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro as follows:

Section 1. The City is authorized to expend up to \$95,000 of City funds for the SouthCorr economic development project.

Section 2. The City is authorized to serve as the grant applicant for a North Carolina Rural Building Reuse Grant. Of the appropriation outlined in Section 1 above, \$5,625 will be expended as one-half of the required local match. The City will combine the expenditure specified in the immediately preceding sentence with a contribution in an equal amount from the County in order to provide, for the benefit of SouthCorr, the total required local match of \$11,250 for the requested grant amount of \$225,000 from the North Carolina Rural Building Reuse Grant.

Section 3. The remaining \$89,375 of the appropriation outlined in Section 1 of this Resolution will be paid to or on behalf of SouthCorr pursuant to a performance-based incentive contract, inclusive of \$12,500 that will constitute the City's required local match contribution under the One NC Fund Grant. In addition to the standard terms found in contracts that the City routinely executes in the ordinary course of business, the economic development incentives contract entered by and between the City, the County, and SouthCorr must contain the following essential terms and conditions:

- a. The total payment made to or on behalf of SouthCorr under this contract shall not exceed \$178,750.
- b. 50% of the contract amount will be paid by the City, and the other 50% of the contract amount will be paid by the County.
- c. The contract amount will be paid over a period of five years to coincide with SouthCorr's satisfactory completion of certain performance requirements. The said performance requirements include, but are not limited to, the following:
 - i. SouthCorr must deliver to the City and the County written certification that the actual value of new investment by the company in real and personal property in connection with this project equals or exceeds \$8,554,304. The written certification of the actual value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro; and
 - ii. SouthCorr must provide Employment Security Reports to the City and the County evidencing the creation of 22 new full-time jobs.
- d. The contract must provide the City and the County with a means of recouping a portion of the contract amount if SouthCorr's facilities, as expanded, do not remain in full operation, maintaining the newly created jobs referenced above, for a period of five years immediately following the date on which the final installment of the contract amount is paid to SouthCorr.
- e. If SouthCorr does not remain in full operation during this 5-year period, a portion of the incentive money must be returned. The amount to be returned shall decrease by a pro-rated amount for each year of said period that the company remains in full operation in the City and County. Any amounts returned by the company in this manner shall be divided equally between the County and the City.

Section 4. The Mayor is hereby authorized to execute on behalf of the City of Asheboro a contract drafted in accordance with Section 3 of this Resolution and any other documents necessary for the implementation of this economic development project.

Section 5. Participation by the City in this economic development project is expressly contingent upon equal participation by the County of Randolph.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor
City of Asheboro, North Carolina

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk
City of Asheboro, North Carolina

- (b) Upon motion by Mr. Bell, and seconded by Mr. Swiers, the council voted unanimously to approve the following resolution. Council members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

RESOLUTION NUMBER 07 RES 3-17

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION AUTHORIZING AND SUPPORTING THE SUBMISSION OF A RURAL BUILDING REUSE APPLICATION AS PART OF THE SOUTHCORR, L.L.C. ECONOMIC DEVELOPMENT PROJECT

WHEREAS, within the North Carolina Department of Commerce, the Rural Economic Development Division, in accordance with Section 143B-472.127 of the North Carolina General Statutes, provides grants and loans to units of local government such as the City of Asheboro (the "City") to support economic development activity that will lead to the creation of new, full-time jobs; and

WHEREAS, SOUTHCORR, L.L.C. ("SouthCorr") is the owner of a manufacturing facility located at 3021 Taylor Drive, Asheboro, North Carolina 27203; and

WHEREAS, SouthCorr's parent company, Interstate Resources, is considering expanding the Asheboro facility with an addition of approximately 50,000 square feet; and

WHEREAS, according to company estimates, if implemented, the expansion under consideration would lead, over a 5-year period, to a total investment of \$8,554,304, including \$2,217,316 in real property and \$6,336,988 in machinery and equipment; and

WHEREAS, SouthCorr also projects that the expansion will create 22 full-time jobs; and

WHEREAS, the City's professional staff has recommended to the Asheboro City Council (the "City Council") undertaking an economic development project that includes submitting a Rural Building Reuse application seeking a grant in the amount of \$225,000; and

WHEREAS, on March 9, 2017, the City Council conducted a public hearing on the question of whether to enter into the proposed economic development project and concurred with the professional staff's recommendation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the City Council supports the job creation associated with the above-described expansion of the SouthCorr facility in Asheboro, and, therefore, the City is fully supportive of undertaking an economic development project with SouthCorr that includes the submission of a Rural Building Reuse application seeking a grant in the amount of \$225,000; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the City hereby commits to provide a cash match of \$11,250, which is equal to 5% of \$225,000, toward the project; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the mayor and the City's appointed officials are hereby authorized to execute the legal instruments necessary to successfully complete the application process for the above-described Rural Building Reuse grant application with SouthCorr.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 9th day of March 2017.

/s/ David H. Smith
David H. Smith, Mayor
City of Asheboro, North Carolina

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk
City of Asheboro, North Carolina

7. Consideration of an Application for a Pawnbroker's License.

Mayor Smith opened a quasi-judicial hearing to consider the application filed by Daniel Kim for a pawnbroker license. Mr. Kim plans to open a business, Asheboro Gold and Pawn, at 378 N. Fayetteville Street, Asheboro, North Carolina 27203. In order to open this pawnshop, Mr. Kim is required under the North Carolina General Statutes and the Code of Asheboro to obtain a pawnbroker license from the city.

In addition to reviewing the pawnbroker license application that was properly completed by Mr. Kim, the council received sworn testimony from Community Resources Division Director Trevor Nuttall, Asheboro Police Major Mark Lineberry, and Mr. Kim himself. Mr. Nuttall testified that city inspectors in his division completed the required inspections of the premises at 378 N. Fayetteville Street on Tuesday, March 7, 2017. The site of the proposed pawnshop is compliant with all applicable zoning, building code, and fire prevention code regulations.

Major Lineberry testified that he had reviewed the application submitted by Mr. Kim and had conducted additional record checks. The police department review found no misstatements in the application itself. The police major's review of the available records confirmed that Mr. Kim does not have any felony convictions in his background. Major Lineberry also testified that the police department has no objection to the issuance of the requested pawnbroker license.

During his testimony, Daniel Kim indicated that he has worked in the pawnshop business since 2001 and has positive on-line reviews from consumers of his current business. Mr. Kim currently owns a pawnshop in Kernersville and wants to open this store in Asheboro.

After considering the evidence received during this hearing, Mr. Bell moved to enter into the record the council's conclusion that the applicant, Daniel Kim, met the prescribed standards for the issuance of a pawnbroker license and that, upon providing the bond required by Section 66-399 of the North Carolina General Statutes, the city clerk is to issue a pawnbroker license to Mr. Kim for his business, Asheboro Gold and Pawn, at 378 N. Fayetteville Street. Ms. Carter seconded the motion, and the motion was adopted unanimously. Council members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

8. Public comment period.

Mayor Smith opened the floor for public comments, and none were offered.

In the absence of any comments, Mayor Smith closed the public comment period.

9. Community Development Division Items.

(a) An extension of time between the review of the preliminary and final subdivision plats for Springwood Townhomes.

On March 10, 2016, the council granted a 12-month extension to the developer of the Springwood Townhomes development for the time period allowed between preliminary and final plat reviews. The developer's authorized representative, Larry McKenzie, has submitted a written request for an additional extension. A copy of the written request from Mr. McKenzie is on file in the city clerk's office.

As of March 2, 2017, a zoning compliance permit has been issued for all 22 dwelling units. Building permits have been issued for construction of 12 dwelling units, and construction is currently underway on these 12 units.

The Community Development Division staff asked, if the developer's request for an extension is approved, that the extension be valid through March 2018. Upon motion by Mr. Swiers and seconded by Mr. Burks, the council members voted unanimously to approve the extension of time between the review of the preliminary and final plats for the Springwood Townhomes development to March 2018. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

(b) Reappointment of Two Redevelopment Commission Members to 5-Year Terms of Office.

Community Development Director Nuttall presented a request to reappoint both Cynthia Bailey and Katie Snuggs to 5-year terms of office on the City of Asheboro Redevelopment Commission. The new terms of office for the respective appointees would begin on April 1, 2017.

Upon motion by Mr. Bell and seconded by Mr. Burks, the council members voted unanimously to approve the immediately preceding request without any modification. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

10. Budget Items.

Prior to the consideration of the following budget items, the city council considered excusing Council Member Moffitt from voting on agenda items 10(c) and 11(a). This request was made because of Mr. Moffitt's employment relationship with a contractor involved with the project referenced by the said agenda items. While no direct benefit for the council member or his family members has been or will be received in connection with the project at issue, the council member wants to avoid any appearance of a conflict of interest.

On the basis of these considerations, Mr. Burks moved to excuse Mr. Moffitt from voting on agenda items 10(c) and 11(a). Ms. Carter seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

(a) and (b) General Fund and Water and Sewer Fund Amendments (FY 2016-2017)

Under agenda items 10(a) and 10(b), Finance Director Reaves presented jointly two ordinances that she recommended for adoption to account for changes in planned expenditures, including among other things increases in the required contributions to the local governmental employees retirement system. One ordinance was proposed to amend the General Fund for fiscal year 2016-2017, and the other ordinance was proposed to amend the Water and Sewer Fund for fiscal year 2016-2017.

Ms. Reaves recommended adoption of both ordinances by reference. Upon motion by Mr. Bell and seconded by Mr. Swiers, Council voted unanimously to adopt the following respective ordinances. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

06 ORD 3-17

ORDINANCE TO AMEND THE GENERAL FUND FY 2016-2017

WHEREAS, The City Council of the City of Asheboro desires to amend the budget as required by law to adjust for changes in expenditures in comparison to the current fiscal year adopted budget, and;

WHEREAS, the City Council of the City of Asheboro wants to be in compliance with all generally accepted accounting principles, and;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA:

Section 1: That the following revenue line item be increased:

<u>Account #</u>	<u>Expense Description</u>	<u>increase / (decrease)</u>
10-399-0000	Fund balance allocation	71,138
	Increase / (Decrease)	0

Section 2: That the following Expense line item be increased / decreased:

<u>Account #</u>	<u>Expense Description</u>	<u>increase / (decrease)</u>
10-420-0705	Fringe: Retirement	227
10-440-0705	Fringe: Retirement	166
10-450-0705	Fringe: Retirement	212
10-480-0705	Fringe: Retirement	130
10-490-0705	Fringe: Retirement	503
10-530-0705	Fringe: Retirement	4,615
10-540-0705	Fringe: Retirement	203
10-545-0705	Fringe: Retirement	220
10-550-0705	Fringe: Retirement	645
10-555-0705	Fringe: Retirement	1,268
10-565-0705	Fringe: Retirement	1,112
10-575-0705	Fringe: Retirement	186
10-580-0705	Fringe: Retirement	1,013
10-585-0705	Fringe: Retirement	75
10-590-0705	Fringe: Retirement	276
10-615-0705	Fringe: Retirement	167
10-620-0705	Fringe: Retirement	578
10-625-0705	Fringe: Retirement	135
10-640-0705	Fringe: Retirement	1,507
10-495-0200	Salaries & Wages	(41,973)
10-495-0702	Fringe: FICA / Medicare	(3,211)
10-495-0704	Fringe: Insurance	(9,000)
10-495-0705	Fringe: Retirement	(2,967)
10-495-1100	Telephone	(660)
10-495-1200	Print & Publishing	41,973
10-495-1401	All America City Award	21,838

10-630-1500	Library Maintenance & Repair -Bldg	7,200
10-500-7400	Capital Outlay	32,000
10-565-4503	Contr. Svcs. Sidewalks	12,700
10-585-0200	Salaries	(12,790)
10-490-0200	Salaries	12,790
10-585-0201	Overtime	302
10-585-5700	Miscellaneous	(302)
10-585-0702	Fringe: FICA / Medicare	(1,030)
10-490-0702	Fringe: FICA / Medicare	1,030
10-585-0704	Fringe: Insurance	(5,693)
10-490-0704	Fringe: Insurance	5,693
10-585-0705	Fringe: Retirement	(803)
10-490-0705	Fringe: Retirement	803
10-585-1100	Telephone	(237)
10-490-1100	Telephone	237
10-585-1400	Travel Schools Conference	(550)
10-490-1400	Travel Schools Conference	550
10-585-5800	Workers compensation	(1,215)
10-490-5800	Workers compensation	1,215
	Increase / (Decrease)	71,138

Adopted this 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk

07 ORD 3-17

ORDINANCE TO AMEND THE WATER & SEWER FUND FY 2016-2017

WHEREAS, The City Council of the City of Asheboro desires to amend the budget as required by law to adjust for changes in revenues and expenditures in comparison to the current fiscal year adopted budget, and;

WHEREAS, the City Council of the City of Asheboro wants to be in compliance with all generally accepted accounting principles, and;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA:

Section 1: That the following Revenue line item be increased:

<u>Account #</u>	<u>Expense Description</u>	<u>increase / (decrease)</u>
30-399-0000	Fund Balance allocation	6,700

Section 2: That the following Expense line item be increased (decreased):

<u>Account #</u>	<u>Expense Description</u>	<u>increase / (decrease)</u>
30-720-0705	Fringe: Retirement	246
30-810-0705	Fringe: Retirement	691
30-820-0705	Fringe: Retirement	941
30-830-0705	Fringe: Retirement	1,236
30-840-0705	Fringe: Retirement	1,068
30-850-0705	Fringe: Retirement	953
30-860-0705	Fringe: Retirement	219
30-870-0705	Fringe: Retirement	850
30-880-0705	Fringe: Retirement	496
	Increase / Decrease	6,700

Adopted this 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk

(c) General Fund (FY 2016-2017) and Airport Improvements Fund (#66) Amendments Connected with the Asheboro Regional Airport Ramp Rehabilitation Project.

In anticipation of a request from City Engineer Michael Leonard, PE for council approval of contract changes with Sharpe Brothers because of additional work performed on the Asheboro Regional Airport Ramp Rehabilitation Project, Ms. Reaves is proposing two amendments. One amendment would allocate fund balance from the General Fund to the Airport Improvements Fund for the additional contracted work. The second amendment would amend the Airport Improvements Fund to account for this additional revenue and expenditure in the capital project.

For the reasons stated in the immediately preceding paragraph, Ms. Reaves recommended adoption of both ordinances by reference. Upon motion by Mr. Bell and seconded by Ms. Carter, Council voted unanimously to adopt the following respective ordinances. Council Members Bell, Burks, Carter, Redding, and Swiers voted in favor of the motion.

08 ORD 3-17

ORDINANCE TO AMEND THE GENERAL FUND FY 2016-2017

WHEREAS, the contract between the City of Asheboro and Sharpe Brothers needs to be amended from \$589,748 to \$609,248 to account for some additional work performed on the Asheboro Regional Airport Rapp Rehabilitation Project including full depth rebuild and paving of the area located between Apron 1 and Apron 2 and the auto parking lot and the fuel farm due to failure of the asphalt in this area, and;

WHEREAS, the scope of work does not qualify for Non Primary Entitlement Funding (State project #36244.32.5.1), and;

WHEREAS, the City Council of the City of Asheboro desires to amend the budget as required by law to allocate an additional \$19,500 to be transferred to the Airport Project, and;

WHEREAS, the City Council wishes to adjust for changes in expenditures in comparison to the current fiscal year adopted budget, and;

WHEREAS, the City Council of the City of Asheboro wants to be in compliance with all generally accepted accounting principles, and;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA:

That the following revenue line items be increased:

<u>Account #</u>	<u>Expense Description</u>	<u>Amount</u>
10-399-0000	Fund Balance Allocation	19,500

That the following expenditure line items be increased:

<u>Account #</u>	<u>Expense Description</u>	<u>Amount</u>
10-650-6600	Transfer to Airport Project	19,500

Adopted this 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk

09 ORD 3-17

**ORDINANCE TO AMEND THE AIRPORT IMPROVEMENTS FUND (#66)
FY 2016-2017**

WHEREAS, the contract between the City of Asheboro and Sharpe Brothers needs to be amended from \$589,748 to \$609,248 to account for some additional work performed on the Asheboro Regional Airport Rapp Rehabilitation Project including full depth rebuild and paving of the area located between Apron 1 and Apron 2 and the auto parking lot and the fuel farm due to failure of the asphalt in this area, and;

WHEREAS, the scope of work does not qualify for Non Primary Entitlement Funding (State project #36244.32.5.1), and;

WHEREAS, the City Council of the City of Asheboro desires to amend the budget as required by law to allocate an additional \$19,500 to be transferred from the General Fund of the City of Asheboro to the Airport Project, and;

WHEREAS, the revenues and expenditure budget in the Airports Improvement Fund have changed as a result of the above, and;

WHEREAS, the City of Asheboro desires to be in compliance with all generally accepted accounting principles.

THEREFORE, BE IT ORDAINED by the City Council of the City of Asheboro, North Carolina

Section 1: That the following revenue line items are increased:

<u>Account</u>	<u>Description</u>	<u>Increase / (Decrease)</u>
66-367-1025	GF Contribution (16-17)	19,500

Section 1: That the following expense line items are increased:

<u>Account</u>	<u>Description</u>	<u>Increase / (Decrease)</u>
66-982-4500	Construction	19,500

Adopted this the 9th day of March, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk

11. Contract Approvals Requested and Recommended by the City Engineer.

- (a) Because of the performance of additional work by the contractor, Sharpe Brothers, on the Asheboro Regional Airport Ramp Rehabilitation Project, City Engineer Michael Leonard, PE recommended a \$19,352.60 increase in the contract price. This adjustment, which is recommended by the city engineer, will increase the contract price from \$589,748.00 to \$609,100.60.

Based on the staff recommendation, Ms. Carter moved to approve, without modification, the increase in the contract price as stated in the immediately preceding paragraph. Mr. Burks seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Redding, and Swiers voted in favor of the motion.

- (b) In order to comply with FAA recommendations for grant assurances, the city engineer recommended approving Work Authorization # 2 between the city and WK Dickson for the purpose of updating the Airport Layout Plan ("ALP") at the Asheboro Regional Airport. The requested work authorization includes, without limitation, the creation of the required "electronic document" as part of the ALP update. The last updates, which were performed in 2004-2005, were performed with pen and ink.

Based on the staff recommendation, Mr. Bell moved to approve, without modification, the request to proceed with Work Authorization # 2 as stated in the immediately preceding paragraph. Ms. Carter seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

- (c) The city engineer reported that bids have been received for a project to improve the three-tier parking lot located on South Church Street at the water tower. The project includes installing storm water infrastructure, installing curb and gutter, setting stone, and paving the lot.

Mr. Leonard recommended that the contract for the work be awarded to the lowest responsive, responsible bidder, Waugh Asphalt, Inc., which submitted a bid of \$109,419.56. Based on the staff recommendation, Mr. Bell moved to award the contract to Waugh Asphalt, Inc. and to authorize the city manager to execute a contract with the contractor for the work stated in the immediately preceding paragraph. Mr. Swiers seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

- (d) The city engineer also reported that bids have been received to rehabilitate the metal roofing for the entire main building at the public works facility. The work for which bids were solicited included removing skylights and replacing them with new metal roofing along with providing adequate warranties for the contractors' workmanship as well as for the roof system.

Mr. Leonard recommended that the contract for the work be awarded to the lowest responsive, responsible bidder, McRae Roofing, which submitted a bid of \$116,720. Based on the staff recommendation, Ms. Carter moved to award the contract to McRae Roofing and to authorize the city manager to execute a contract with the contractor for the work stated in the immediately preceding paragraph. Ms. Redding seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

12. Water Resources Division Items.

- (a) Water Resources Director Michael Rhoney, PE discussed the testing during the time period ending December 30, 2016 that showed the contaminant concentration from one or more sampling locations in the water system as exceeding the standard, or maximum contaminant level (MCL), for Haloacetic Acids (HAA). There is no immediate risk, and the water treatment plant has made operational changes both in the plant and in the distribution system to reduce the levels of HAA's by adjusting the chemical feed and with additional flushing.

These changes appear to be having a positive effect. The water treatment plant manager, Bryan Lanier, is available to provide additional information as needed or desired. No action is requested from the council, and none was taken on this agenda item.

- (b) Water Resources Director Michael Rhoney, PE reported that, in compliance with the professional design services procurement laws, he had received a proposal from Sturgill Engineering, PA to provide arc flash studies for City of Asheboro Lift Stations Nos. 12-17. The work can begin on the project by the end of March 2017 and should be completed by the end of June 2017. The proposal from Sturgill Engineering, PA lists the professional fees for this work at \$15,000.

Mr. Rhoney recommended acceptance of the proposal by the city. Based on the staff recommendation, Mr. Burks moved to accept the above-described proposal and to authorize the city manager to execute a contract with Sturgill Engineering, PA for the work stated in the immediately preceding paragraph. Ms. Carter seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

- (c) Water Resources Director Michael Rhoney, PE reported that, in compliance with the professional design services procurement laws, he had received a proposal from Hiram J. Marziano, PE to provide engineering study services for the area served by City of Asheboro Wastewater Lift Station No. 3. The study is needed because of the rapid growth in the area served by the lift station. Additionally, due to age and the absence of recent upgrades, a question has arisen as to the continuing reliability of lift station no. 3.

Under the current proposal, the engineer can present a final study for approval by the city within 45 days of obtaining either a purchase order or formal notice to proceed. The

professional fees for this work are set not to exceed \$15,000, unless authorized in writing between the city and the engineer.

Mr. Rhoney recommended acceptance of the proposal by the city. Based on the staff recommendation, Mr. Bell moved to accept the above-described proposal and to authorize the city manager to execute a contract with Hiram Marziano, PE for the work stated in the immediately preceding paragraph. Mr. Burks seconded the motion, and the motion was adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion.

13. Announcements of Upcoming Events and Entry into Closed Session.

Mayor Smith led a discussion of upcoming events such as Town Hall Day, which is organized by the North Carolina League of Municipalities, on March 29, 2017, and other events occurring with the city government and the community in general. No action was requested of the council during the discussion of upcoming events, and no action was taken.

After concluding the discussion about upcoming events, Mayor Smith opened the floor for a motion to go into closed session pursuant to Section 143-318.11(a)(4) of the North Carolina General Statutes in order to discuss matters relating to the location or expansion of industries or other businesses in the area served by the City of Asheboro, including agreement on a tentative list of economic development incentives that may be offered by the city in negotiations. Ms. Carter made the requested motion to go into closed session, and Mr. Burks seconded the motion. The motion was then adopted unanimously. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of going into closed session for the stated purpose.

14. Return to Open Session.

After returning to open session, there were no further items to discuss or act upon.

There being no further business, the meeting was adjourned at 8:27 p.m.

/s/Holly H. Doerr
Holly H. Doerr, CMC, NCCMC, City Clerk

/s/David H. Smith
David H. Smith, Mayor