

SPECIAL MEETING NOTICE
CITY COUNCIL OF THE CITY OF ASHEBORO

MEETING DATE: THURSDAY, MAY 2, 2024

MEETING TIME: 7:00 P.M.

LOCATION: COUNCIL CHAMBER ON THE 2ND FLOOR OF
ASHEBORO CITY HALL,
146 NORTH CHURCH STREET,
ASHEBORO, NORTH CAROLINA 27203

At 7:00 p.m. on Thursday, May 2, 2024, the Asheboro City Council will convene for a special meeting in the council chamber located on the 2nd floor of Asheboro City Hall, 146 N. Church Street, Asheboro, North Carolina 27203. A special meeting has been called to address the topics listed below.

1. The city’s elected officials will engage with the city manager and finance director in a budget workshop focused on the city’s water and sewer fund.
2. In addition to near-term budgeting issues, long-term planning for both the water supply and distribution system and the wastewater collection and treatment system will be discussed. The potential for interlocal cooperation and regionalization of these public enterprise systems will be points of focus.
3. The special meeting will provide an opportunity for updates and any action items that may be needed in advance of the grand opening of the ZooCity Sportsplex on May 4, 2024.
4. During the special meeting, the city council may also enter into closed session to consult with the city attorney about matters that fall within the attorney-client privilege.

This special city council meeting will be primarily conducted in open session, and anyone who wishes to attend the meeting is welcome. This meeting notice was issued on the 26th day of April, 2024.

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

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SPECIAL MEETING
ASHEBORO CITY COUNCIL
CITY COUNCIL CHAMBER, ASHEBORO CITY HALL
THURSDAY, MAY 2, 2024
7:00 P.M.

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

Walker B. Moffitt) – Mayor Pro Tempore Presiding

Clark R. Bell)

Edward J. Burks)

Kelly L. Heath) – Council Members Present

William N. McCaskill)

Charles A. Swiers)

David H. Smith) – Mayor Absent

W. Joseph Trogdon, Jr.) – Council Member Absent

John N. Ogburn, III, City Manager
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
Trevor L. Nuttall, Community Development Director
Deborah P. Reaves, Finance Director
Michael D. Rhoney, PE, Water Resources Director
Jonathan M. Sermon, Recreation Services Director
Jeffrey C. Sugg, City Attorney

1. Call to Order

Mayor Pro Tempore Moffitt called the meeting to order for the transaction of business, and business was transacted as follows.

2. Water and Sewer Fund Discussion

(a) Update on Near Term and Long-Term Issues for Both the Water Supply and Distribution System and the Wastewater and Collection and Treatment System

Water Resources Director Michael Rhoney, PE utilized a slide show presentation and gave an overview of the regionalization project that is underway pursuant to Session Law 2023-134. The regional water and wastewater infrastructure concept plan began on May 1, 2024, and involves the Highway 421 Corridor. The regionalization of the water and wastewater infrastructure which would involve extensive collaboration between the Piedmont Triad Regional Water Authority and local governments such as the City of Asheboro, would ensure that the area is equipped to manage the current economic development.

Additionally, Mr. Rhoney gave an overview of the Wolfspeed project. A water line would be extended from Meadowbrook to U.S. 64 in order to meet the needs of the Eastern Randolph Water District and Wolfspeed. The City of Asheboro will sell water to the Eastern Randolph Water District, and the Eastern Randolph Water District will sell water to Siler City. Wolfspeed will be Siler City's customer.

No formal action was taken during this portion of the meeting.

(b) Presentation of the Proposed FY 2024-2025 Water and Wastewater Enterprise Fund Budget

Finance Director Deborah Reaves utilized a slide show to present details and highlights of the proposed water and wastewater enterprise fund budget for fiscal year 2024-2025. The proposed budget is balanced at \$24,843,717.

During her presentation, Ms. Reaves highlighted the following expenditures:

- 2.5% COLA effective January 1, 2025
- \$7,833,771 in salaries and fringe benefits
- \$151,173 for workers compensation and property insurance
- \$706,466 for debt service
- \$548,000 in capital outlay that qualifies for financing
- \$60,000 in capital outlay equipment that will not be financed
- \$1,158,500 for utilities
- \$1,168,800 in maintenance and repair of equipment
- \$1,452,000 for chemicals
- \$175,000 for meter replacement

- \$56,950 in permits, fees, and certifications
- \$191,200 in professional service for compliance assistance with changing regulations
- \$6,682,000 in contracted services
- \$500,000 for Lake Bunch intake
- \$350,000 for Lake Reese Generator
- \$500,000 to replace valves in NIT pump station
- \$200,000 to replace soft start for AB blowers
- \$500,000 Lift Station #14 – Uwharrie Schools and JB Davis Development
- \$500,000 Lift Station #6 – gravity lines for 2- 400 unit developments
- \$50,000 Lift Station # 17 – wet well rehab
- \$20,000 Lift Station #15 – pump repair to improve capacity
- \$2.7M Lift Station #3
- \$150,000 Lift Station #27
- \$150,000 Lift Station #7 replacement
- \$280,000 Lift Station for the agriculture center

During her presentation, Ms. Reaves initiated a discussion for possible rate changes. These rate changes would provide the resources for operations and needed maintenance and repairs in the water and sewer operating and treatment systems.

During the April 7, 2022 city council meeting, the council received a final report and findings from Freese & Nichols, Inc. who performed an asset inventory of the City of Asheboro Water and Sewer operation. This report details upcoming plant and equipment maintenance and repair issues costing approximately \$150,000,000. Some of these items include, but are not limited to, the following:

- \$300,000 to Rehab Clarifier #3
- \$305,000 to add/upgrade/rehab lift stations to address safety issues and capacity issues
- \$2,140,000 to add a lift station on Presnell Street to support economic development along the Highway 64 corridor and support the Randolph County Agricultural Center
- \$500,000 to replace the force main at Lift Station #23 due to leachate being pumped to this location and growing demand for sewer in the area

A special meeting will be held on May 16, 2024 in order to discuss the proposed general fund for fiscal year 2024-2025. A public hearing on the proposed budget will be held on June 6, 2024 during the regular city council meeting. A copy of the proposed annual budget for fiscal year 2024-2025, as well as the slide show utilized by Ms. Reaves during this special meeting, is on file in the city clerk's office.

No action on the proposed budget for the water and sewer fund was requested of the council during this special meeting, and none was taken.

3. Motion to go into Closed Session

Council Member Bell moved, and Council Member Burks seconded the motion, to go into closed session pursuant to Section 143-318.11(a)(3) of the North Carolina General Statutes, in order to discuss with the city attorney a matter that falls within the attorney-client privilege. Council Members Bell, Burks, Heath, McCaskill, Moffitt, and Swiers voted aye. There were no dissenting votes.

4. Return to Open Session

At approximately 8:56 p.m., the council returned to open session. City Manager John Ogburn announced that the grand opening for the Zoo City Sportsplex is scheduled for May 4, 2024, at 11:00 a.m.

In preparation for the grand opening of the sportsplex, the city council was asked to take action on a proposed exclusive naming rights agreement by and between the City

of Asheboro and The Moses H. Cone Memorial Hospital Operating Corporation. A hard copy of the proposed agreement had been provided to the governing board members for their review.

After considering the obligations and benefits of the proposed naming rights agreement, Council Member Bell moved, and Council Member Burks seconded the motion, to approve the proposed agreement and to authorize the execution of the legal instrument by city officials on behalf of the municipal corporation. Council Members Bell, Burks, Heath, McCaskill, Moffitt, and Swiers voted aye. There were no dissenting votes.

[A copy of the approved agreement is on file in the city clerk's office.]

There being no further business, the meeting was adjourned at 9:03 p.m.

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

/s/David H. Smith
David H. Smith