AMENDED AGENDA
REGULAR MEETING
CITY COUNCIL, CITY OF ASHEBORO
THURSDAY, DECEMBER 5, 2019, 7:00 PM

Pre-Organizational Phase of the Meeting

1. Call to order.

2. Silent prayer and pledge of allegiance.

3. Public comment period.

4. Mayor Smith will recognize City Manager John Ogburn for receipt of International City/County Management Association Honor of 30 years of service to local government for recognizing his significant contributions and achievements in local government administration.

5. Consent agenda:

   (a) Approval of the meeting minutes for the regular city council meeting on November 7, 2019.

   (b) Acknowledgement of the receipt from the Asheboro ABC Board of the board's meeting minutes for October 7, 2019, including the FY 2018-2019 Annual Audit.

   (c) Approval of an ordinance to amend the General Fund FY 2019-2020.

   (d) Approval of a contract amendment to extend the due date for the 2019 audit to December 31, 2019.

   (e) Reappointment, effective January 1, 2020, of Mr. Ritchie Buffkin to a 5-year term of office on the Asheboro Planning Board.

   (f) Approval of a resolution awarding to Police Master Lieutenant Ronald N. Horrell, Jr., upon his retirement, his service side arm.

   (g) Approval of a resolution expressing concurrence with revisions to the City of Asheboro Employee Policies and Procedures Manual.

   (h) Approval of an ordinance amending Section 31.02 of the Code of Asheboro.

(i) Acknowledgement of the receipt from the Randolph County Board of Elections of the results of the municipal election held on November 5, 2019.

6. City Engineer Michael Leonard, PE will present the following items:

(a) Consideration of a petition requesting the contiguous annexation of approximately 49.228 acres of land at the end of Nottingham Street:

(i) Public hearing; and
(ii) Ordinance to extend the corporate limits of the City of Asheboro.

[The petitioner has requested a continuance.]

(b) Consideration of a petition requesting the contiguous annexation of approximately 2.601 acres of land at 1730 East Salisbury Street:

(i) Public hearing; and
(ii) Ordinance to extend the corporate limits of the City of Asheboro.

(c) Update on Dixieland Acres traffic issues.

Administration of the Oaths of Office

7. Oath of office for Edward Burks

8. Oath of office for Jane Redding

9. Oath of office for Charles Swiers

Organizational Phase of the Meeting

10. Election of Mayor Pro Tempore

11. Committee appointments:

(a) Appointments by Mayor; and
(b) Council concurrence with the list of appointments.

Post-Organizational Phase of the Meeting

12. Mayor Smith will introduce a proposed ordinance setting the Asheboro City Council's schedule for regular meetings during the 2020 calendar year.

13. Mayor Smith will lead a discussion of upcoming events and items not on the agenda.

14. Adjournment.

REGULAR MEETING
ASHEBORO CITY COUNCIL
CITY COUNCIL CHAMBER, MUNICIPAL BUILDING
THURSDAY, NOVEMBER 7, 2019
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
Robert L. Brown, Jr., Assistant Chief of Police
Timothy E. Cockman, Deputy Fire Chief
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
John L. Evans, Assistant Community Development Director
Danny A. Floyd, Jr., Assistant Fire Chief (Safety)
P. Douglas Kemp, Human Resources Director
Kelli King, Senior Adults and Special Populations Program Coordinator
William Preston King, Assistant Fire Chief (Training)
Mark T. Lineberry, Chief of Police
Trevor L. Nuttall, Community Development Director
Deborah P. Reaves, Finance Director
Jeffrey C. Sugg, City Attorney
Willie Summers, Fire Chief
Kristen Terry, Human Resources and Benefits Coordinator

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 recite the pledge of allegiance.

3. Public comment period.

Mayor Smith opened the floor for public comments.

Mr. Barry Stutts and Mr. Doug Williams presented traffic safety concerns within the Dixieland Acres neighborhood/subdivision.

Ms. Linda Hill presented comments and concerns pertaining to code enforcement/quality of life issues in city residential neighborhoods.

There being no further comments from the public, Mayor Smith closed the public comment period.

4. Consent agenda.

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

(a) The meeting minutes for the city council's regular meeting held on October 10, 2019.

The approved meeting 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 acknowledgement of the receipt from the Asheboro ABC Board of its meeting minutes for September 3, 2019.

The minutes of the meeting held by the Asheboro ABC Board on September 3, 2019, have been received by the city clerk, distributed to Mayor Smith and the Council Members for review, and have been filed in the city clerk's office.

(c) Temporary street closure for the Asheboro/Randolph Chamber of Commerce Christmas Parade.

The temporary closure on December 6, 2019, from 7:00 p.m. to 8:30 p.m., of the streets indicated on the parade permit application, including a map, which was distributed to the Council Members in their meeting folders. Copies of these items are on file in the city clerk's office. The temporary street closure was approved as requested in the application.

(d) Temporary street closure for "Christmas on Sunset."

The temporary closure on December 13, 2019, from 6:00 p.m. to 9:00 p.m., of the streets indicated on the parade permit application, including a map, which was distributed to the Council Members in their meeting folders. Copies of these items are on file in the city clerk's office. The temporary street closure was approved as requested in the application.

(e) A budget amendment for the General Fund.

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ORDINANCE TO AMEND THE GENERAL FUND FY 2019-2020

WHEREAS, the City of Asheboro needs to replace an animal control vehicle that was recently in an accident and cannot be repaired, and;

WHEREAS, the City of Asheboro received $37,660 in insurance funds as loss payment on the vehicle to apply toward the $49,000 estimated cost to purchase and equip the animal control vehicle and;

WHEREAS, the City of Asheboro Police Department would like to allocate drug forfeiture assets to fund the purchase of vehicles and equipment estimated to cost approximately $300,000, and;

WHEREAS, the vehicles and equipment purchased are not standardly incorporated into the annual operating budget and will be used specifically to aid the department in the arrest of subjects involved in the drug trade within in our city limits, and;

WHEREAS, the City of Asheboro desires amend the 2019-2020 budget to incorporate this expense and 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:

Line Item	Description	Increase
10-350-0100	US Treasury Funds	190,026
10-350-0200	US Justice Funds	109,974
10-335-0100	Miscellaneous Income	37,660
10-399-0000	Fund Balance Allocation	11,340
		$349,000

That the following Expense line items be increased:

Line Item	Description	Increase
10-510-7400	Capital Outlay	$349,000

Adopted this the 7th day of November 2019.

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

ATTEST:

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

(f) A resolution authorizing the conveyance of a surplus vehicle to the Town of Liberty.

RESOLUTION NUMBER 41 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION APPROVING THE CONVEYANCE OF SURPLUS PROPERTY TO THE TOWN OF LIBERTY PURSUANT TO G.S. 160A-274

WHEREAS, the City of Asheboro owns a 2003 Ford Crown Victoria (VIN 2FAHP71W83X175196) that, in accordance with the city's standard practice for removing aging vehicles from the city's motor fleet, is now deemed to be surplus property; and

WHEREAS, Section 160A-274 of the North Carolina General Statutes authorizes a governmental unit in this state to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration; and

WHEREAS, the Town of Liberty has requested the above-described surplus Crown Victoria for use by the town's fire department in carrying out travel related duties; and

WHEREAS, the Asheboro City Council has determined that it is in the best interest of the City of Asheboro to convey the requested surplus Crown Victoria to the Town of Liberty, and deems it wise to do so for no consideration.

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

Section 1. The City of Asheboro hereby conveys to the Town of Liberty a 2003 Ford Crown Victoria that is identified by Vehicle Identification Number 2FAHP71W83X175196.

Section 2. The surplus Ford Crown Victoria described herein shall be conveyed for no consideration.

Section 3. The city manager for the City of Asheboro is authorized to execute all documents necessary to convey the surplus property in the manner authorized by this Resolution.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

5. Recognition of retired Chief of Police Jody P. Williams for his years of dedicated service to the City of Asheboro.

On behalf of the Asheboro Police Department, Chief Lineberry presented Chief Williams with a plaque that included his badge as a token of gratitude for his dedicated service to the City of Asheboro. In addition to this plaque, Chief Lineberry presented Chief Williams with the service side arm that he carried at the time of his retirement.

Additionally, on behalf of Mayor Smith, the Council Members, and the City Manager's Office, Mr. Ogburn presented Chief Williams with a retirement plaque from the municipal corporation.

6. Presentation of the North Carolina Office of EMS Team Focused CPR Award to the Asheboro Fire Department for 70 CPR saves.

Randolph County Emergency Services Lieutenant David Barr presented the North Carolina Office of EMS Team Focused CPR Award to the Asheboro Fire Department for saving 70 lives by administering CPR.

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

7. Recognition of the recipients of the Audrey and Jim Harriman Employee and Employer Awards.

Senior Adults and Special Populations Program Coordinator Kelli King and Ms. Kathy Vuncannon, who is a member of the Randolph County Advisory Council for Disability Awareness, recognized the 2019 recipients of the Audrey and Jim Harriman Employee and Employer Awards. Ms. Natalie Cottrell and Mr. Calvin Ruggiero were the recipients of these awards for 2019.

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

8. Update on the upcoming library programs and activities.

Randolph County Library Director Ross Holt utilized a visual presentation in order to update the City Council on upcoming library programs and activities. In addition to presenting the preliminary schedule for the 2020 Sunset Signature Series, Mr. Holt unveiled certain library renovations that will be taking place in the future.

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

9. Report on the 2019 City of Asheboro Employee United Way Campaign.

Mr. John Evans and Ms. Kristen Terry briefly reported that the city's 2019 Employee United Way Campaign was a success with a total of 135 city employees contributing to United Way. Approximately $35,000 was pledged by city employees.

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

10. Introduction of the proposed redevelopment of the Acme-McCrary West Senior Housing Project from the City of Asheboro's 2018-2023 Central City Business District Redevelopment Plan.

(a) Presentation regarding the development.

Mr. John Stiltner who is the Director of Construction at Landmark Asset Services presented an overview of the plans for the proposed project. During his presentation, Mr. Stiltner reported on the building plans that include studio apartments along with one and two bedroom apartments for senior adults. The apartment units will have amenities such as ceiling fans, energy star appliances, and high speed internet access.

The estimated cost of the project is approximately $9,000,000.00, which will require financing through federal housing tax credits, federal and state historic tax credits, private equity, and permanent financing. Preliminary applications for financial assistance through the North Carolina Housing Finance Agency are to be submitted by January 24, 2020. The full application for assistance must be submitted by May 15, 2020.

A copy of the visual presentation utilized by Mr. Stiltner is on file in the city clerk's office.

(b) Consideration of a resolution in support of the redevelopment of the Acme McCrary West Senior Housing Project.

Subsequent to Mr. Stiltner's presentation, Community Development Director Trevor Nuttall presented and recommended adoption, by reference, of a resolution of support for and local government participation in the described project.

Upon motion by Council Member Bell and seconded by Council Member Carter, the Council voted unanimously to adopt the following resolution by reference. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes.

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RESOLUTION OF SUPPORT AND LOCAL GOVERNMENT PARTICIPATION FOR THE PROPOSED CHURCH STREET LOFTS REDEVELOPMENT PROJECT

WHEREAS, the Asheboro City Council as a general policy desires to support, with special emphasis, continued investment and development within areas of its territorial boundaries that are blighted due to dilapidated, deteriorated, aged, or obsolete buildings; and

WHEREAS, harmonious downtown redevelopment has been a priority of the City of Asheboro for many years; and

WHEREAS, consistent with these general policies of the Asheboro City Council, on October 2, 2017, the Asheboro Planning Board certified a downtown redevelopment area and requested that the Asheboro Redevelopment Commission prepare a redevelopment plan in accordance with N.C.G.S. 160A-513; and.

WHEREAS, the certified redevelopment area includes the property of the proposed Church Street Lofts Redevelopment Project, formerly known as the Parks Hosiery Mill and McCrary Hosiery Mill No. 2; and

WHEREAS, the City of Asheboro Redevelopment Commission prepared a redevelopment plan and held a public hearing to allow public review and comment on May 7, 2018;

WHEREAS, the Asheboro Planning Board certified its recommendation of approval of the 2018-2023 Central Business District Redevelopment Plan at its regularly scheduled meeting on May 7, 2018; and

WHEREAS, the Asheboro City Council formally adopted the 2018-2023 Central Business District Redevelopment Plan on June 7, 2018, and

WHEREAS, the adopted 2018-2023 Central Business District Redevelopment Plan envisions and specifically identifies the rehabilitation of the property proposed for the Church Street Lofts Redevelopment Project, demonstrating the Asheboro City Council's interest in adaptive reuse of the property for community development purposes including affordable housing, historic preservation, and downtown revitalization.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Asheboro, North Carolina that the City hereby provides official documentation of each required element of local government participation for the adaptive reuse of the former Parks Hosiery Mill and McCrary Hosiery Mill No. 2, as required under section II.B.2(b) of the 2020 Qualified Allocation Plan (QAP) as follows:

Section 1. The site of the proposed redevelopment project contains at least one structure previously used for industrial and manufacturing purposes.

Section 2. The application proposes adaptive re-use with historic rehabilitation credits.

Section 3. The City of Asheboro's understanding is that any required demolition (not including the project buildings) will be completed in 2020.

Section 4. The City of Asheboro initiated the proposed redevelopment project through preparation, adoption and publication of the 2018-2023 Central Business District Redevelopment Plan and by informing both Landmark Asset Services, Inc. the Developer, and Acme-McCrary, the Owner of the mill, of the opportunity for redevelopment and the City's desire to have the mill redeveloped into affordable housing for the elderly.

Section 5. The City of Asheboro has invested significant community development resources in the half-mile area surrounding the proposed redevelopment project within the last ten years as documented in the 2018-2023 Central Business District Redevelopment Plan (page 3).

Section 6. On October 8, 2015 the Asheboro City Council formally adopted an update to the 2020 Land Development Plan reaffirming its policy that resources be allocated for the preservation and revitalization of the Central Business District and further articulating its commitment to an adaptive reuse program that ensures safe, affordable and compatible reuse of existing buildings through the redevelopment process, thereby expressing its pledge to address deterioration within a Half-Mile area of the proposed redevelopment project.

Section 7. The Asheboro City Council further demonstrates its support of the proposed redevelopment project by hereby waiving any impact, tap, or related fees that would normally be charged.

This resolution was duly adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

/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

11. Presentation of the Redevelopment Commission's request to establish the Asheboro Downtown Historic District and request authorization to engage Fearnbach History Services, Inc. to prepare a National Register Nomination for the proposed historic district.

Zoning Administrator Justin Luck reported that the Asheboro Redevelopment Commission has requested that Downtown Asheboro be designated as a historic district. During his presentation, Mr. Luck asked the Council Members to consider authorizing a contract with Fearnbach History Services, Inc. to assist the city with the preparation of a National Register Nomination for the proposed historic district. The contract price proposed by Fearnbach History Services, Inc. is $28,804.75.

Council Member Bell moved to authorize the city's entry into the contract proposed by Fearnbach History Services, Inc. for the preparation of the National Register Nomination. Council Member Swiers seconded the motion. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes.

A copy of the visual presentation utilized by Mr. Luck is on file in the city clerk's office. A copy of the approved contract is on file in the City of Asheboro Community Development Division.

12. Asheboro Regional Airport Items:

(a) Update on the aviation accident on October 4, 2019.

City Engineer Michael Leonard reported on the aviation accident that occurred on October 4, 2019.

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

(b) Consideration of the adoption of a fee schedule for airport hangar leases.

Mr. Leonard presented and recommended adoption, by reference, of a resolution concurring with the hangar fee schedule adopted by the Asheboro Airport Authority for the Asheboro Regional Airport.

Upon motion by Council Member Moffitt and seconded by Council Member Burks, the Council voted unanimously to adopt the following resolution by reference. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes.

RESOLUTION NUMBER 43 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION CONCURRING WITH THE HANGAR FEE SCHEDULE ADOPTED FOR THE ASHEBORO REGIONAL AIRPORT

WHEREAS, in conjunction with the city charter and other laws of this state, Section 63-53(4) of the North Carolina General Statutes authorizes the City of Asheboro to lease any city-owned real or personal property acquired for the Asheboro Regional Airport when such property is not otherwise needed by the city during the term of the lease; and

WHEREAS, with regard to the city setting rental fees in compliance with Article 6 (Public Airports and Related Facilities) in Chapter 63 (Aeronautics) of the North Carolina General Statutes, G.S. 63-53(5) provides, in pertinent part, as follows:

> *In addition to the general powers in this Article conferred, and without limitation thereof, a municipality which has established or may hereafter establish airports . . . is hereby authorized:*
>
> *(5) To determine the charge or rental for the use of any properties under its control . . . and the terms and conditions under which such properties may be used, provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property. Charges shall be reasonable and uniform for the same class of service and established with due regard to the property and improvements used and the expense of the operation to the municipality*; and

WHEREAS, on October 15, 2019, as part of an on-going review of the fees to be charged for hangar space at the airport, the Asheboro Airport Authority adopted a fee schedule labeled as the "ASHEBORO REGIONAL AIRPORT HANGAR FEE SCHEDULE" that is attached to this Resolution as EXHIBIT 1 and is hereby incorporated into this Resolution by reference as if copied fully herein; and

WHEREAS, the Asheboro City Council has concluded that the Asheboro Airport Authority's adoption of the attached fee schedule is appropriate and in the best interest of the City of Asheboro.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that it concurs with the Asheboro Airport Authority and approves, effective immediately, the Asheboro Regional Airport Hangar Fee Schedule.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

EXHIBIT 1

ASHEBORO REGIONAL AIRPORT HANGAR FEE SCHEDULE

Hangar "K" - 80' x 80' Hangar unimproved (City of Asheboro)
$800.00/month
(Lighting, Insulated and Heated)

Hangar "K" 80' x 80' Hangar with improvements (City of Asheboro)
$1,200.00/month
(Lighting, Insulated, Heated with Bathroom, Shower and Office)

"T" Hangars (Cardinal Air)
$125.00/month per space

Hangars "A, B, C, D & F" - 40' x 35' unimproved (under original long term lease)
Lease amount currently under review
(Lighting)

Hangars "A, B, C, D & F" - 40' x 35' with improvements (under original long term lease)
Lease amount currently under review
(Lighting, Insulated, HVAC)

Hangars "E" – 50' x 40' unimproved (under original long term lease)
Lease amount currently under review
(Lighting)

Hangars "E" – 50' x 40' with improvement (under original long term lease)
Lease amount currently under review
(Lighting, Insulated, Heated)

All utilities are the responsibility of the tenant.

Approved by the Asheboro Airport Authority to be effective October 15, 2019.

(c) Final action on a proposed 3-year hangar lease with the Civil Air Patrol.

Mr. Leonard presented and recommended adoption, by reference, of a resolution approving an agreement to lease airport hangar space to the civil air patrol.

Upon motion by Council Member Moffitt and seconded by Council Member Burks, the Council voted unanimously to adopt the following resolution by reference. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes.

RESOLUTION NUMBER 44 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION APPROVING AN AGREEMENT TO LEASE AIRPORT HANGAR SPACE TO THE CIVIL AIR PATROL

WHEREAS, Section 63-53 of the North Carolina General Statutes authorizes the city to lease property at the Asheboro Regional Airport; and

WHEREAS, Section 160A-272 of the North Carolina General Statutes provides the procedural framework for leasing surplus real property at the city-owned Asheboro Regional Airport; and

WHEREAS, the Asheboro Airport Authority has recommended leasing hangar space at the Asheboro Regional Airport to the Civil Air Patrol for the use and benefit of the Randolph Composite Squadron at a rental rate of One Dollar ($1.00) per year for a 3-year term; and

WHEREAS, the Civil Air Patrol was incorporated under a Special Act of Congress approved July 1, 1946 (Public Law 476, 79th Congress); and

WHEREAS, the property subject to the proposed lease agreement has been continuously used by the Randolph Composite Squadron of the Civil Air Patrol for its operations for a significant number of years; and

WHEREAS, the proposed lease area will not be needed by the city during the requested term of the lease; and

WHEREAS, by means of adopting Resolution Number 38 RES 9-19 on September 12, 2019, the Asheboro City Council expressed its intent to continue to lease the existing hangar space to the Civil Air Patrol for a new lease term of three years at a rental rate of one dollar and no hundredths ($1.00) per year; and

WHEREAS, notice of the governing board's stated intent to authorize the described hangar lease agreement with the Civil Air Patrol during the Asheboro City Council's regular meeting in November 2019 was published in *The Courier-Tribune* on October 4, 2019, in compliance with Section 160A-272 of the North Carolina General Statutes; and

WHEREAS, the proposed hangar lease agreement with the Civil Air Patrol has been attached to this Resolution as ATTACHMENT A and is hereby incorporated into this Resolution by reference as if copied fully herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the lease of hangar space at the Asheboro Regional Airport to the Civil Air Patrol for the use and benefit of the Randolph Composite Squadron in accordance with the terms and conditions specified in ATTACHMENT A is hereby approved; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the mayor and all other city officials necessary for the implementation of this Resolution are hereby authorized and directed to execute lease documents substantially and materially similar in all respects to ATTACHMENT A so as to bring into full force and effect the approved lease agreement.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

ATTACHMENT A

STATE OF NORTH CAROLINA

ASHEBORO REGIONAL AIRPORT
HANGAR SPACE LEASE AGREEMENT

COUNTY OF RANDOLPH

THIS AGREEMENT AND LEASE (the "Agreement") is made and entered into, as of the date of the last signature affixed hereto, by and between the **CITY OF ASHEBORO (the "Lessor")**, a North Carolina municipal corporation, and the **CIVIL AIR PATROL (the "Lessee")**, incorporated under a Special Act of Congress approved July 1, 1946, Public Law 476, 79th Congress, for the use and benefit of the Randolph Composite Squadron.

WITNESSETH:

In consideration of the annual rental fee set forth below and other mutual promises contained herein, the parties agree as follows:

(1) Lessor hereby leases to Lessee and Lessee hereby accepts the following area of rental space at the Asheboro Regional Airport for use during the lease term as an administrative/operational center and for an aircraft owned by the Lessee:

> The area labeled as "C.A.P. Building" on Schedule "C" (as amended through October 2013) for the Asheboro Regional Airport; Schedule "C" is attached as EXHIBIT 1 to this Agreement and is hereby incorporated into this Agreement by reference as if fully copied herein.

(2) The lease period shall be for a 3-year term commencing at 12:01 a.m. on January 1, 2020, and ending at midnight on December 31, 2022.

(3) The rental rate under this Agreement is one and no hundredths dollars ($1.00) per year. Because of the minimal amount charged for the entire 3-year term of this Agreement, and for administrative convenience, the total sum of rental charges due under this Agreement shall be paid in good funds by the Lessee to the Lessor in advance of the commencement of the 3-year lease term specified in the immediately preceding paragraph. Consequently, in advance of January 1, 2020, the Lessee shall pay to the Lessor the sum of three and no hundredths dollars ($3.00), which is the total rental fee due under this Agreement.

(4) Lessee hereby agrees to the following operating procedures and limitations:

(a) Lessee will not operate any aircraft engine inside the hangar and will not run-up any aircraft engine with propeller blast directed toward any hangar door, hangar, or other aircraft;

(b) Lessee will assure proper chocking and securing of aircraft after each usage;

(c) While not required, Lessee may leave hangar and aircraft keys with the Airport Manager for emergency use;

(d) Lessee will provide, install, and maintain a suitable portable fire extinguisher in the hangar; and

(e) Lessee will maintain the interior of the hangar in a clean and neat condition.

(5) Lessee will bear all costs involving utilities to its hangar, *ad valorem* taxes to any extent that the same may in the future be charged in connection with the demised premises, insurance and permits for the demised premises, any cost of improvements to the demised premises, and required repairs to the interior space of the demised premises.

(6) Lessee is prohibited from assigning this lease, and the Lessee is also prohibited from subleasing any portion of its hangar.

(7) Lessor will not be liable for loss arising out of damage to or destruction of the hangar or its contents from any cause, except such loss as may be recoverable under Lessor's standard liability insurance policy.

(8) It is expressly agreed that if the Lessee fails to perform or comply with any of the provision(s) of this Agreement and remains in default thereof for a period of 30 days after written notice from the Lessor calling attention to such default, the Lessor may declare this Agreement terminated and cancelled and take possession of the premises

described herein without prejudice to any other legal remedy the Lessor may have on account of such default. The notice of default may be posted on the demised premises or given to the person at such time in charge of the premises. It is specifically understood and agreed that cancellation of this Agreement by the Lessor for cause can be done at any time during the 3-year lease term specified herein after failure by the Lessee to correct an event of default as aforesaid.

(9) Upon the expiration of the current 3-year lease term, Lessee will have first refusal to rent the hangar at a rate and for a term set in the discretion of the Asheboro City Council.

(10) The Lessee shall not engage in general competition with the fixed base operator or other operations at the Asheboro Regional Airport. This provision is not intended to create a monopoly for the present fixed base operator and is made a part of this Agreement solely on account of the nominal rental rate charged under this Agreement.

(11) It is understood and agreed that the purpose of this lease is to provide a place for the Lessee to conduct operations and training essential to its mission and to store, maintain, repair, and service its aircraft. Any other use to be made of the premises shall be subject to the written approval of the Asheboro Airport Authority; and it is further expressly agreed that the demised property shall not, at any time during the term of this Agreement, be used for such purpose or in such manner that the sight, sound, or traffic into or out of the demised premises could reasonably be considered to be objectionable or hazardous to the facilities and operations of the Asheboro Regional Airport. Parking of the Lessee's emergency medical vehicle in the hangar is permitted.

(12) The Asheboro Airport Authority shall have the right, at reasonable times, to inspect the premises and to enforce reasonably required safety and health regulations affecting the nature of the structure and the operations therein.

(13) The Lessee hereby agrees to conform to and abide by the Rules and Regulations of the Asheboro Airport Authority in effect at the time of the commencement of this Agreement and as the same may be amended in the future.

(14) The Lessee does hereby promise and agree to hold harmless and indemnify the Asheboro Airport Authority and the City of Asheboro for any costs, losses, and/or damages caused by the Lessee and its guests, licensees, successors, assigns, and/or contractors arising out of or in the course of the use of the demised property. The costs and damages that fall within the scope of this hold harmless and indemnification provision include, without limitation, any and all attorneys' fees, court costs, damage awards of any kind, and any other costs or charges arising out of any litigation based, in whole or in part, on the intentional or negligent acts of the Lessee and its guests, licensees, successors, assigns, and/or contractors.

(15) The Lessee shall be responsible for maintaining all insurance, including fire and extended coverage insurance.

(16) E-Verify Compliance Section: Pursuant to Section 143-133.3 of the North Carolina General Statutes, the Asheboro City Council is prohibited from entering into contracts such as this Agreement unless the contractor, which is the Lessee in this case, and the contractor's subcontractors under the contract comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Article 2 of Chapter 64 establishes North Carolina's E-Verify requirements for employers. For the sole and limited purpose of creating a valid contract with the City of Asheboro, the Lessee hereby represents and covenants that the Lessee and its contractors and subcontractors who may perform work on the demised premises are compliant, and will remain compliant throughout the duration of this Agreement, with the cited requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. The Lessee acknowledges and agrees that the City of Asheboro is relying upon this E-Verify compliance section in order to enter into this Agreement. The parties agree to this contractual provision only to the extent authorized by law.

(17) Lessor and Lessee each acknowledge and represent that it is duly organized, validly existing, and in good standing and has the right, power, and authority to enter into this Agreement and bind itself hereto through the official set forth below as signatory for the party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Lessor:

CITY OF ASHEBORO

By: _____
David H. Smith, Mayor
City of Asheboro, North Carolina

ATTEST:

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

STATE OF NORTH CAROLINA
COUNTY OF RANDOLPH

I am a Notary Public of _____ County, North Carolina, and I do hereby certify that Holly H. Doerr, who is personally known to me, voluntarily appeared before me this day and acknowledged that she is the City Clerk for the City of Asheboro, a North Carolina municipal corporation, and that, by authority duly given and on behalf of the municipal corporation, the Mayor of the City of Asheboro executed the foregoing instrument for the purposes stated therein and that Ms. Doerr, as City Clerk, attested and sealed the instrument with the municipal corporation's seal.

WITNESS my hand and official stamp or seal, this the _____ day of _____ _____, 2019.

_____
Signature of Notary Public

_____
Printed or Typed Name of Notary Public

My commission expires:

_____

Lessee:

CIVIL AIR PATROL

By: _____
John Salvador, Chief Operating Officer
Civil Air Patrol

STATE OF _____
COUNTY OF _____

I am a Notary Public of _____ County, State of _ _____, and I do hereby certify that John Salvador personally appeared before me this day and acknowledged that, as Chief Operating Officer of the Civil Air Patrol, he is a corporate officer for the Civil Air Patrol and that, by authority duly given and on behalf of the Civil Air Patrol, he duly executed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and official stamp or seal, this the _____ day of_____ _____, 2019.

_____
Signature of Notary Public

_____
Printed or Typed Name of Notary Public

My commission expires:

_____

[EXHIBIT 1 that is referenced within ATTACHMENT A is on file in the city clerk's office.]

(d) Discussion of aligning the terms of the FBO lease agreement with a potential fuel truck lease agreement.

Mr. Leonard reported that progress has been made with making arrangements to upgrade the fuel truck at the Asheboro Regional Airport. The Asheboro Airport Authority and Cardinal Air, LLC, which is the airport's FBO, have agreed in principle that the FBO will lease an upgraded fuel truck for use at the airport and, in exchange for this investment in a five-year fuel truck lease, the airport authority will recommend a modification of the existing FBO agreement to compensate Cardinal Air for this investment.

Once the airport authority has a detailed recommendation for the City Council, the Council will initiate the statutorily prescribed process for considering a modification of the FBO lease agreement. At this specific meeting, no formal action was requested of the Council on this topic, and none was taken.

13. Annexation items:

(a) Consideration of a petition to annex approximately 49.228 acres of land at the end of Nottingham Street (Randolph County Parcel Identification Numbers 7752547146, 7752640158, and part of 7752655565).

After receiving an overview of the annexation petition from City Engineer Michael Leonard, Council Member Bell moved to adopt the following resolution by reference, and Council Member Swiers seconded the motion. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion and thereby approved the following resolution. There were no dissenting votes.

RESOLUTION NUMBER 45 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION DIRECTING THE CITY CLERK TO INVESTIGATE THE SUFFICIENCY OF THE ANNEXATION PETITION SUBMITTED BY OSOTT, LLC

WHEREAS, OSOTT, LLC, a North Carolina limited liability company, (the "Petitioner") has submitted a petition requesting the annexation into Asheboro of approximately 49.228 acres of land owned by the Petitioner at the end of Nottingham Street; and

WHEREAS, the land for which annexation has been requested (the "Annexation Area") is more specifically identified by Randolph County Parcel Identification Numbers 7752547146 and 7752640158 and as a portion of Randolph County Parcel Identification Number 7752655565; and

WHEREAS, the Annexation Area is contiguous to Asheboro's primary city limits; and

WHEREAS, Section 160A-31 of the North Carolina General Statutes provides that the sufficiency of the petition shall be investigated by the city clerk before further annexation proceedings may take place; and

WHEREAS, the Asheboro City Council has decided to proceed with the statutorily prescribed voluntary annexation process.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the city clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify to the council the results of her investigation.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

In anticipation of the Council's above-stated action, the city clerk prepared the following certification in advance of the council meeting and submitted this certificate for the council's review.

CERTIFICATE OF SUFFICIENCY
(Annexation Petition Received from OSOTT, LLC)

TO: The City Council of the City of Asheboro, North Carolina

I, Holly H. Doerr, am the City Clerk for the City of Asheboro. I hereby certify that, with the assistance of staff members in various city departments, I have investigated the annexation petition submitted by OSOTT, LLC, a North Carolina limited liability company (the "Petitioner"). I further certify that the following paragraphs accurately state the information obtained during the course of my investigation of the annexation petition.

The Petitioner requests the annexation into Asheboro of the company's approximately 49.228 acres of land at the end of Nottingham Street. The land for which the petitioner has requested annexation (the "Annexation Area") is more specifically identified by Randolph County Parcel Identification Numbers 7752547146 and 7752640158 and as a portion of Randolph County Parcel Identification Number 7752655565.

On the basis of my investigation, I have concluded that all of the owners of the real property lying in the Annexation Area have signed the prescribed petition. The petition appears to be sufficient to satisfy the provisions of Section 160A-31 of the North Carolina General Statutes.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Asheboro in order to make this certification effective as of the 7th day of November, 2019.

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

In light of the preceding council action and the submittal of the city clerk's certification document, Mr. Leonard then presented, for the council's consideration, a resolution setting the date for an advertised hearing on the question of the requested annexation. Council Member Moffitt moved to adopt the following resolution by reference, and Council Member Bell seconded the motion. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion and thereby approved the resolution. There were no dissenting votes.

RESOLUTION NUMBER 46 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION SETTING THE DATE FOR A PUBLIC HEARING ON THE QUESTION OF THE REQUESTED ANNEXATION OF LAND OWNED BY OSOTT, LLC

WHEREAS, OSOTT, LLC, a North Carolina limited liability company, (the "Petitioner") properly submitted a petition requesting the annexation into Asheboro of approximately 49.228 acres of the company's land at the end of Nottingham Street; and

WHEREAS, the land for which annexation has been requested is more specifically identified by Randolph County Parcel Identification Numbers 7752547146 and 7752640158 and as a portion of Randolph County Parcel Identification Number 7752655565; and

WHEREAS, pursuant to a previously adopted resolution, the city clerk investigated the sufficiency of the annexation petition; and

WHEREAS, the city clerk certified the sufficiency of the petition for proceeding with setting the date for a public hearing on the question of the requested annexation pursuant to Section 160A-31 of the North Carolina General Statutes.

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

Section 1. A public hearing on the question of annexing the territory described in Section 2 of this Resolution will be held in the council chamber on the second floor of Asheboro City Hall at 146 North Church Street, Asheboro, North Carolina 27203 during a regular meeting of the Asheboro City Council that will begin at 7:00 p.m. on December 5, 2019.

Section 2. The territory proposed for annexation is described by metes and bounds as follows:

Back Creek Township, Randolph County, North Carolina:

BEGINNING on the existing City of Asheboro primary city limits line at a computed point that is located by means of the North Carolina Coordinate System at the coordinates of North 723,051.98 Ground US Survey Feet and East 1,756,300.82 Ground US Survey Feet (NAD 83 (2011)); thence from the beginning point and departing from the existing City of Asheboro

primary city limits line by following the proposed City of Asheboro primary city limits line along the public right-of-way line established by NCDOT Project 8.1579102 on the north side of Vision Drive (North Carolina Secondary Road 2269) that is also the southern boundary line of the OSOTT, LLC property for which annexation has been requested (the area identified for annexation in the OSOTT, LLC annexation petition (this area will be hereinafter referred to as the "Annexation Area") is identified by Randolph County Parcel Identification Numbers 7752547146 and 7752640158 and as a portion of the parcel of land identified by Randolph County Parcel Identification Number 7752655565; this OSOTT, LLC property is more specifically described as Tract 1 and Tract 2 in the North Carolina General Warranty Deed recorded in the Office of the Register of Deeds for Randolph County, North Carolina ("Randolph County Registry") in Deed Book 2637, Page 220 and also in the North Carolina General Warranty Deed recorded in Deed Book 2655, Page 935, Randolph County Registry) the following courses and distances: South 63 degrees 32 minutes 01 second West 389.03 feet to an existing concrete right-of-way monument that is up 8"; thence South 32 degrees 56 minutes 03 seconds East 7.24 feet to an existing concrete right-of-way monument that is up 10"; thence South 66 degrees 37 minutes 24 seconds West 162.30 feet to an existing concrete right-of-way monument that is up 10"; thence continuing to follow the proposed City of Asheboro primary city limits line along the eastern margin of the public right-of-way for the ramp to Interstate Highway 73/74 in a southeasterly direction along the arc of a curve with a radius of 204.31 feet and an arc length of 193.96 feet (delta angle 54 degrees 23 minutes 35 seconds) a chord bearing and distance of South 71 degrees 08 minutes 12 seconds East 186.76 feet to a computed point; thence continuing to follow the proposed City of Asheboro primary city limits in a southeasterly direction along the arc of a curve with a radius of 446.44 feet and an arc length of 147.16 feet (delta angle 18 degrees 53 minutes 13 seconds) a chord bearing and distance of South 34 degrees 37 minutes 36 seconds East 146.50 feet to an existing concrete right-of-way monument that is up 8"; thence continuing to proceed along the eastern margin of the public right-of-way for Interstate Highway 73/74 and the proposed City of Asheboro primary city limits the following courses and distances: North 10 degrees 09 minutes 45 seconds West 355.33 feet to an existing right-of-way concrete monument that is up 6"; thence North 04 degrees 20 minutes 04 seconds West 1,323.52 feet to an existing concrete right-of-way monument that is up 6"; thence North 04 degrees 20 minutes 39 seconds West 831.88 feet to a 1/2" existing iron rod/pipe that is up 6" at the northwest corner of the Annexation Area; thence departing from the eastern margin of the public right-of-way for Interstate Highway 73/74 and following the proposed City of Asheboro primary city limits along the northern boundary line of the Annexation Area, which is contiguous to the Lucy Allred King, Trustee property described in Deed Book 1772, Page 1120, Randolph County Registry, the following courses and distances: South 86 degrees 46 minutes 43 seconds East 425.55 feet to a 1/2" existing iron rod/pipe that is up 6" and is located by means of the North Carolina Coordinate System at the coordinates of North 725,476.27 Ground US Survey Feet and East 1,755,738.82 Ground US Survey Feet (NAD 83 (2011)); thence South 86 degrees 47 minutes 38 seconds East 277.07 feet to a cotton gin spike that is flush with the ground; thence North 84 degrees 13 minutes 51 seconds East 8.67 feet to a 1/2" existing iron rod/pipe that is flush with the ground at the northeast corner of the Annexation Area and on the existing City of Asheboro primary city limits line; thence proceeding along the existing City of Asheboro primary city limits line and the railroad right-of-way South 11 degrees 24 minutes 30 seconds West 12.41 feet to a computed point; thence following the existing City of Asheboro primary city limits line and railroad right-of-way in a southeasterly direction along the arc of a curve with a radius of 1,616.59 feet and an arc length of 360.26 feet (delta angle 12 degrees 46 minutes 06 seconds) a chord bearing and distance of South 03 degrees 19 minutes 23 seconds East 359.51 feet to a 60d nail set at the base of a 1/2" existing iron rod/pipe that is flush with the ground; thence North 88 degrees 23 minutes 40 seconds East 49.63 feet to a computed point; thence continuing to follow the existing City of Asheboro primary city limits along the eastern boundary of the Annexation Area that runs with the western margin of the 100-foot Norfolk Southern Railroad Right-of-Way by proceeding in a southeasterly direction along the arc of a curve with a radius of 1,554.80 feet and an arc length of 192.84 feet (delta angle 07 degrees 06 minutes 23 seconds) a chord bearing and distance of South 13 degrees 18 minutes 21 seconds East 192.72 feet to a computed point; thence continuing along the existing City of Asheboro primary city limits line and the western margin of the 100-foot Norfolk Southern Railroad Right-of-Way the following courses and distances: South 16 degrees 25 minutes 03 seconds East 410.13 feet to a computed point; thence in a southeasterly direction along the arc of a curve with a radius of 2,866.64 feet and an arc length of 659.87 feet (delta angle 13 degrees 11 minutes 20 seconds) a chord bearing and distance of South 09 degrees 58 minutes 01 second East 658.42 feet to a computed point; thence continuing along the existing City of Asheboro primary city limits line and the western

margin of the 100-foot Railroad Right-of-Way as shown in Plat Book 47, Page 90, Randolph County Registry by proceeding in a southwesterly direction along the arc of a curve with a radius of 2,866.64 feet and an arc length of 693.72 feet (delta angle 13 degrees 51 minutes 56 seconds) a chord bearing and distance of South 03 degrees 33 minutes 37 seconds West 692.03 feet to a computed point; thence continuing South 10 degrees 38 minutes 28 seconds West 121.93 feet to the point and place of BEGINNING, and containing a total of 49.228 acres of land, more or less, to be annexed.

The above-stated legal description is in accordance with a plat of survey drawn under the supervision of Dan W. Tanner, II, Professional Land Surveyor with License Number L-4787. The plat of survey is titled "ANNEXATION SURVEY FOR: OSOTT LLC" and is identified as Job No. 10719_annex.

Section 3. Notice of the public hearing scheduled by Section 1 of this Resolution shall be published in *The Courier-Tribune*, which is a newspaper having general circulation in the City of Asheboro, at least ten (10) days prior to the date of the public hearing.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

(b) Consideration of a petition to annex approximately 2.4 acres of land at 1730 East Salisbury Street (Randolph County Parcel Identification Number 7761722161).

After receiving an overview of the annexation petition from City Engineer Michael Leonard, Council Member Moffitt moved to adopt the following resolution by reference, and Council Member Bell seconded the motion. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion and thereby approved the following resolution. There were no dissenting votes.

RESOLUTION NUMBER 47 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION DIRECTING THE CITY CLERK TO INVESTIGATE THE SUFFICIENCY OF THE ANNEXATION PETITION SUBMITTED BY J. TRUMAN STOUT, TRUSTEE UNDER THE TRUMAN STOUT LVING TRUST

WHEREAS, J. Truman Stout, Trustee under the Truman Stout Living Trust, has submitted, by and through his Agent, Diane C. Hill, under a General Power of Attorney recorded in the Office of the Register of Deeds for Randolph County, North Carolina in Book of Record 2639, Page 968, a petition requesting the annexation into Asheboro of approximately 2.601 acres (113,281 square feet) of the petitioner's land at 1730 East Salisbury Street, Asheboro, North Carolina 27203; and

WHEREAS, the land for which annexation has been requested (the "Annexation Parcel") is more specifically identified by Randolph County Parcel Identification Number 7761722161; and

WHEREAS, the Annexation Parcel is contiguous to Asheboro's primary city limits; and

WHEREAS, Section 160A-31 of the North Carolina General Statutes provides that the sufficiency of the petition shall be investigated by the city clerk before further annexation proceedings may take place; and

WHEREAS, the Asheboro City Council has decided to proceed with the statutorily prescribed voluntary annexation process.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the city clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify to the council the results of her investigation.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

In anticipation of the Council's above-stated action, the city clerk prepared the following certification in advance of the meeting and submitted this certificate for the Council's review.

CERTIFICATE OF SUFFICIENCY

(Annexation Petition Received from J. Truman Stout, Trustee under the Truman Stout Living Trust)

TO: The City Council of the City of Asheboro, North Carolina

I, Holly H. Doerr, am the City Clerk for the City of Asheboro. I hereby certify that, with the assistance of staff members in various city departments, I have investigated the annexation petition submitted by J. Truman Stout, Trustee under the Truman Stout Living Trust. The annexation petition was submitted on behalf of Mr. Stout by and through his Agent, Diane C. Hill, under a General Power of Attorney recorded in the Office of the Register of Deeds for Randolph County, North Carolina in Book of Record 2639, Page 968.

The petitioner has requested the annexation into Asheboro of approximately 2.601 acres (113,281 square feet) of the petitioner's land at 1730 East Salisbury Street, Asheboro, North Carolina 27203. I further certify that the following paragraphs accurately state the information obtained during the course of my investigation of the annexation petition.

The land for which the petitioner has requested annexation (the "Annexation Parcel") is more specifically identified by Randolph County Parcel Identification Number 7761722161. On the basis of my investigation, I have concluded that all of the owners of the real property lying within the Annexation Parcel have signed the prescribed petition.

The petition appears to be sufficient to satisfy the provisions of Section 160A-31 of the North Carolina General Statutes.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Asheboro in order to make this certification effective as of the 7th day of November, 2019.

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

In light of the preceding Council action and the submittal of the city clerk's certification document, Mr. Leonard then presented, for the Council's consideration, a resolution setting the date for an advertised hearing on the question of the requested annexation. Council Member Moffitt moved to adopt the following resolution by reference, and Council Member Burks seconded the motion. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion and thereby approved the resolution. There were no dissenting votes.

RESOLUTION NUMBER 48 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION SETTING THE DATE FOR A PUBLIC HEARING ON THE QUESTION OF THE REQUESTED ANNEXATION OF LAND OWNED BY J. TRUMAN STOUT, TRUSTEE UNDER THE TRUMAN STOUT LIVING TRUST

WHEREAS, J. Truman Stout, Trustee under the Truman Stout Living Trust, has submitted, by and through his Agent, Diane C. Hill, under a General Power of Attorney recorded in the Office of the Register of Deeds for Randolph County, North Carolina in Book of Record 2639, Page 968, a petition requesting the annexation into Asheboro of approximately 2.601 acres (113,281 square feet) of the petitioner's land at 1730 East Salisbury Street, Asheboro, North Carolina 27203; and

WHEREAS, the land for which annexation has been requested is more specifically identified by Randolph County Parcel Identification Number 7761722161; and

WHEREAS, pursuant to a previously adopted resolution, the city clerk investigated the sufficiency of the annexation petition; and

WHEREAS, the city clerk certified the sufficiency of the petition for proceeding with setting the date for a public hearing on the question of the requested annexation pursuant to Section 160A-31 of the North Carolina General Statutes.

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

Section 1. A public hearing on the question of annexing the territory described in Section 2 of this Resolution will be held in the council chamber on the second floor of Asheboro City Hall at 146 North Church Street, Asheboro, North Carolina 27203 during a regular meeting of the Asheboro City Council that will begin at 7:00 p.m. on December 5, 2019.

Section 2. The territory proposed for annexation is described by metes and bounds as follows:

Asheboro Township, Randolph County, North Carolina:

BEGINNING at a 5/8" existing iron pipe with a cap that is up 4" at the northeast corner of the Truman Stout Living Trust property described in a deed recorded in the Office of the Register of Deeds for Randolph County, North Carolina (the "Randolph County Registry") in Deed Book 1742, Page 2384 (the described Truman Stout Living Trust property is identified by Randolph County Parcel Identification Number 7761722161 and is the property for which annexation has been requested; this property will be hereinafter referred to as the "Annexation Parcel"), the beginning point is on the existing City of Asheboro primary city limits line and is located by means of the North Carolina Coordinate System at the coordinates of North 712,262.707 feet and East 1,767,464.307 feet (NAD 27); thence from the beginning point and following the existing City of Asheboro primary city limits line South 00 degrees 05 minutes 27 second East 331.21 feet along the PERKY II of Asheboro, LLC and Lackey Investments, L.L.C. property described in Deed Book 1950, Page 1696, Randolph County Registry to a 1/2" existing iron pipe that is up 32" at the southeast corner of the Annexation Parcel; thence continuing along the existing City of Asheboro primary city limits line by following the southern boundary of the Annexation Parcel South 80 degrees 37 minutes 00 seconds West 343.03 feet to a 6" steel "I" beam that is up 5"; thence departing from the existing City of

Asheboro primary city limits line and proceeding along the proposed City of Asheboro primary city limits line while continuing to follow the southern boundary of the Annexation Parcel South 80 degrees 37 minutes 00 seconds West 15.97 feet to a computed point at the southwest corner of the Annexation Parcel; thence continuing to follow the proposed City of Asheboro primary city limits line by proceeding North 02 degrees 24 minutes 47 seconds East 324.14 feet along the western boundary of the Annexation Parcel to a 1-1/4" existing iron rod that is down 8" in the southern margin of the 60-foot public right-of-way for East Salisbury Street (North Carolina Secondary road 2237) and at the northwest corner of the Annexation Parcel; thence continuing to follow the proposed City of Asheboro primary city limits line by running along the southern margin of the public right-of-way for East Salisbury Street North 79 degrees 02 minutes 01 second East 346.35 feet to the point and place of BEGINNING, and containing a total of 2.601 acres (113,281 square feet), more or less, of land to be annexed.

The above-stated legal description is in accordance with a plat of survey drawn under the supervision of Thomas Scaramastra, Professional Land Surveyor with License Number L-4421. The plat of survey is titled "Annexation Plat for City of Asheboro Truman Stout Property" and is identified as Job No. 19-022.

Section 3. Notice of the public hearing scheduled by Section 1 of this Resolution shall be published in *The Courier-Tribune*, which is a newspaper having general circulation in the City of Asheboro, at least ten (10) days prior to the date of the public hearing.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

Subsequent to the adoption of the resolution printed above, and in response to written correspondence concerning the water hardship necessitating the preceding annexation request, Mr. Leonard presented and recommended adoption, by reference, of an ordinance to amend Section 50.008 of the Code of Asheboro.

Upon motion by Council Member Moffitt and seconded by Council Member Bell, the Council voted unanimously to adopt a two-part motion. The first part of the motion moved to adopt, by reference, the ordinance proposed by city staff. The second part of the motion entered a finding in the record that the petitioner for annexation would encounter an undue hardship if the petitioner had to cope with a failed water well and could not connect to the municipal water supply until final adoption of an annexation ordinance. Consequently, the seconded motion granted a temporary connection permit authorizing, effective immediately, the connection of the petitioner's dwelling to the municipal water supply in accordance with the newly amended Section 50.008 of the Code of Asheboro.

Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes. The ordinance adopted as part of the approved motion provides as follows:

ORDINANCE NUMBER 31 ORD 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

AN ORDINANCE TO AMEND SECTION 50.008 OF THE CODE OF ASHEBORO

WHEREAS, Section 50.008 of the Code of Asheboro regulates transactions involving requests to connect real property located outside the city limits to the city's water and sanitary sewer infrastructure; and

WHEREAS, the city's professional staff has recommended amending Section 50.008 to correct certain typographical errors and to authorize the issuance of temporary connection permits in certain situations; and

WHEREAS, the Asheboro City Council concurs with this recommendation.

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

Section 1. Section 50.008 of the Code of Asheboro is hereby rewritten to provide as follows:

§ 50.008 CONNECTIONS OUTSIDE CITY LIMITS.

(A) Unless a connection is expressly authorized by the provisions of this section, owner(s) of real property located outside the city limits are not permitted to connect to a city water line and/or sanitary sewer line.

(B) Except as provided by this division, owner(s) of real property located outside the city limits seeking to connect to a city water line or sanitary sewer line must connect to both facilities and shall not have the option of connecting to one facility without the other. If one of the following conditions is satisfied, real property located outside the city limits may be connected to either a city water line or ~~the~~ a city sanitary sewer ~~lines~~ line:

(1) The real property for which connection to either a city water line or city sanitary sewer line is sought consists of one and only one parcel of land that immediately adjoins an existing water or sanitary sewer line that is owned, operated, and maintained by the city; or

(2) The City Council authorizes the connection of the real property to either a city water line or city sanitary sewer line due to severe topographical conditions or other factors peculiar to the site that would cause undue hardship if connection to both lines were to be required. The City Council may grant such an authorization only after it has received a written request from the property owner(s) and entered one or more findings in the Council's meeting minutes specifying the unique hardship(s) warranting such an authorization. The written request is to be submitted to the City Council through the City Manager, who shall act as the Council's agent.

(C) Real property located outside of the city limits and already connected to either a city water line or city sanitary sewer line must be annexed into the city prior to the issuance of a connection permit authorizing the connection of the real property to a previously unavailable or unutilized line. If the real property for which a connection permit is sought can only be annexed into the city by means of satellite annexation by petition, an exemption from this requirement may be granted by the City Council upon written request of the property owner(s) and upon the entry by the City Council in its meeting minutes of findings that the noncontiguous area in question cannot be annexed by petition of the owner(s) due to the area proposed for annexation failing to meet the standards prescribed by G.S. § 160A-58.1(b).

(D) When property owner(s) choose to apply for permission to connect to a city water line and/or sanitary sewer line concurrently with an on-going annexation procedure, permission to make the requested connection(s) may be granted at the following points in the annexation process.

(1) If an annexation process has been initiated by petition of the property owner(s) requesting connection to the city water and/or sanitary sewer line(s), the connection(s) may be approved no sooner than the effective date of the ordinance extending the city limits to include the real property for which a connection permit is sought. Notwithstanding any other provision in this Section, the City Council may authorize, prior to the effective date of the ordinance extending the city limits to include real property for which municipal

water/sewer service is sought, a temporary connection permit allowing the requested connection with the municipal infrastructure so long as, and only so long as, such a permit is issued and maintained in strict compliance with the following conditions:

(a) The annexation petitioner must submit a written request for a temporary connection permit. This written request must state with specificity the factors unique to the temporary connection permit applicant's situation that will cause undue hardship if connection to the municipal infrastructure is prohibited until the effective date of the annexation ordinance for which a petition has been properly submitted. Alleged hardships from the delayed connection that are common to the general public are not a proper basis for an exception to the generally applicable rule that temporary connection to the city's utility infrastructure in advance of the effective date of the applicable annexation ordinance is prohibited.

(b) The written request for a temporary connection permit is to be submitted to the City Manager, who shall act as the City Council's agent for receiving and processing requests for temporary connection permits.

(c) A decision by the City Council to authorize a temporary connection permit must be based upon one or more findings supporting the determination that an undue hardship will be created in the absence of the requested temporary connection permit. The required finding(s) shall be recorded in the City Council's meeting minutes.

(d) The maximum duration of a temporary connection permit shall be either the length of time required for an annexation ordinance to become effective for the real property benefitted by the temporary connection permit or six calendar months measured from the 1st day of the month immediately following the issuance of the requested temporary connection permit, whichever time period is shorter.

(e) Any fees paid under the applicable schedule of fees for the temporary connection permit shall be credited toward the cost of a standard connection permit issued after the effective date of the applicable annexation ordinance.

(2) If the real property for which a connection permit is sought is located within an area subject to a city-initiated annexation process, the requested connection permit(s) may be approved no sooner than 71 days following the date of the adoption of the annexation ordinance or the date of the final resolution of any review proceedings initiated as a consequence of the adoption of the annexation ordinance, whichever is later. This provision is not to be construed as authorizing any customer of the city's Water and Sewer Department to be charged, prior to the effective date of the city-initiated annexation of the area, with the same fees and at the same rates that are accorded to customers located within the city limits.

(E) As used in this section:

(1) ***WATER LINE.*** Any water distribution line built to utility standards.

(2) ***SANITARY SEWER LINE.*** Any sanitary sewer collector, interceptor, and outfall line built to utility standards.

(F) Notwithstanding the provisions of this section, when any real property located outside the city limits is subject to a major subdivision of land plat governed by the Subdivision Ordinance of the city, any application or request for connection to the city water and sewer facilities shall be subject to and reviewed in accordance with the

provisions of the Subdivision Ordinance pertaining to water and sewerage system improvements.

Section 2. All ordinances and clauses of ordinances in conflict with this Ordinance are hereby repealed.

Section 3. This Ordinance shall take effect and be in force from and after the date of its adoption.

This Ordinance was adopted by the Asheboro City Council in open session during a regular meeting held on the 7th day of November, 2019.

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

ATTEST:

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

14. Presentation of the websites that are currently under development for Sunset Theatre and the City of Asheboro.

Mr. Nuttall utilized a visual presentation in order to give the Council Members a glimpse of the websites for the Sunset Theatre and the City of Asheboro. The city's website committee has been working to update these websites in order to make them more user friendly. Once final modifications are made and revisions are completed, city staff will launch these updated websites.

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

15. Discussion of potential changes in the council's meeting schedule for 2020.

Mayor Smith led a discussion of the potential changes in the council's meeting schedule for 2020. Due to the Labor Day holiday, the September 2020 meeting will be scheduled for September the 17th instead of September the 10th. No other scheduling changes were proposed.

An ordinance setting the schedule for regular meetings during the 2020 calendar year will be presented for adoption during the City Council's next regular meeting on December 5, 2019.

16. Items not on the agenda and upcoming events.

Before discussing upcoming events, Mayor Smith asked the Council to take action on a matter of great importance to the community, namely maintaining access to local healthcare. The requested action was to adopt a resolution expressing support for a potential application by the Randolph County Board of Commissioners under the Rural Health Stabilization Act.

The Council Members were in full agreement with this request. Accordingly, Council Member Moffitt moved, and Council Member Swiers seconded the motion, to adopt the following resolution by reference. Council Members Bell, Burks, Carter, Moffitt, Redding, and Swiers voted aye. There were no dissenting votes.

The adopted resolution provided as follows:

RESOLUTION NUMBER 49 RES 11-19

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION SUPPORTING THE RANDOLPH COUNTY BOARD OF COMMISSIONERS' APPLICATION FOR THE RURAL HEALTH STABILIZATION ACT

WHEREAS, the City of Asheboro recognizes access to nearby healthcare is an essential service to have in order to sustain and grow jobs, and for the health of our citizens; and

WHEREAS, access to local healthcare has been identified by the City of Asheboro Strategic Plan and The Randolph County Strategic Plan as key assets in our community's ability to grow and thrive; and

WHEREAS, local hospital healthcare and its services in Randolph County employ 800 local residents with an annual payroll of $55 million and an overall economic impact to Randolph County of $209 million annually; and

WHEREAS, local hospital services treat 38,000 emergency patients annually, hundreds of whom would not survive transport to an out-of-county emergency department; and

WHEREAS, the loss of local hospital healthcare and services would severely impact the public health and safety operations of the City of Asheboro Fire and Police Departments; and

WHEREAS, local hospital-owned physician practices treat 125,000 patients annually, and the local hospital-owned Cancer Center treats 10,000 patients close-to-home; and

WHEREAS, loss of those jobs would have an immediate, negative and long-term impact on the overall local economy and on Randolph County's ability to attract new business and industry; and

WHEREAS, loss of those services would have an immediate and negative impact on Randolph County citizens as they would have to travel away from home for basic and essential healthcare, and hundreds of lives will be lost due to lack of nearby emergency services and care; and

WHEREAS, the North Carolina legislature has adopted a Rural Health Stabilization Act that would allow Randolph County to apply for loan funds that would sustain local, essential healthcare services while a healthcare successor constructs a new replacement facility; and

WHEREAS, these loan funds would allow for the continuation of local jobs, local payroll spending, and local healthcare services for Randolph County citizens.

THEREFORE, BE IT RESOLVED, that the City Council of the City of Asheboro fully supports the Randolph County Board of Commissioners' application for the Rural Health Stabilization Act.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting on November 7, 2019.

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

ATTEST:

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

After the adoption of the resolution printed above, Mayor Smith led a brief discussion of upcoming events occurring within the city government and the community in general. No action was taken by the City Council as a result of this discussion of upcoming events.

There being no further business, the meeting was adjourned at 9:22 p.m.

_____ _____

Holly H. Doerr, CMC, NCCMC, City Clerk **David H. Smith, Mayor**

Minutes of the meeting of the Asheboro Alcoholic Beverage Control Board held on October 7, 2019

The Asheboro ABC Board met on Monday, October 7, 2019, at 5:30 PM, in the Board office, 700 South Fayetteville Street, Asheboro, NC.

Present were Chair Brooke Schmidly, Board Member Steve Knight, and General Manager Rodney Johnson (GM). A quorum being present, the Chair called the meeting to order for the transaction of business and business transacted as follows:

The Chair inquired as to any known conflict of interest, appearance of a conflict of interest, or objections concerning agenda items before the Board; after Board member(s) voiced having no conflict, and there being no objection, the agenda was adopted.

The Board reviewed and there being no objection, approved the minutes of the September 3, 2019, Board meeting.

Steve Knight and the GM reviewed Board finances and reported all finances remain consistent (sales and expenses). Payments made by EFT during the month of October were reviewed by the Board.

The FY 2018-19 Annual Audit, prepared by Lewis & Lewis CPAs, PLLC, was presented to and received by the Board (a copy of which is attached hereto and incorporated herein by reference). Total sales increased over the prior fiscal year by 7.84%.

The approved FY 2019-20 Asheboro ABC Board Budget included funding merit pay increases up to 4.5%. The GM is eligible for a merit increase during the month of October. After discussion, the Chair moved the GM be given a 4.5% increase and the motion was approved.

A review of Grant Applications was continued until the Board's November 4, 2019, meeting.

The GM discussed his meeting with the NC ABC Chairman and other GMs from across the state on September 11 and 25 and also discussed that the NC ABC Association has inquired about the Asheboro ABC Board joining the association.

The Board heard reports from the General Manager concerning the following issues:

1. Asheboro ABC sales statistics comparing:

    - September 2019 sales with the previous month indicate:
        - An overall -16.6% change (all sales and tax collections)

    - September 2019 sales with sales from the same month last year indicate:
        - Retail Sales -3.1%
        - Mixed Beverage Sales: +3.2%
        - Sales Tax Collections: +3.3%
        - Overall Collections: -2.44%

- September 2019 bottle sales with bottle sales from the same month last year indicate:
  - Retail Bottle Sales: +2.4%
  - Mixed Beverage Bottle Sales: +8.8%
  - Overall Bottle Sales: +2.8%

The next regular Asheboro ABC Board meeting will be held Monday, November 4, 2019, at 5:30 p.m.

There being no further business, the meeting was adjourned.

Prepared by Rodney Johnson, GM, and Approved by the Board 10-7-19
GM

ASHEBORO BOARD
OF ALCOHOLIC BEVERAGE CONTROL
ASHEBORO, NORTH CAROLINA

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2019 and 2018

Board of Directors

Chairman
Brooke Schmidly

Board Member
Stephen Knight

Board Member
Robert Morrison

Finance Officer
Rodney Johnson

Prepared By
LEWIS & LEWIS CPAs, PLLC
ROCKINGHAM, NORTH CAROLINA
LUMBERTON, NORTH CAROLINA

Asheboro Board of Alcoholic Beverage Control

(A component unit of The City of Asheboro)

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Henry G. Lewis, CPA
Durham E. Lewis, CPA

Henry "Hank" Lewis, Jr., CPA

Lewis & Lewis CPAs, PLLC
Member AICPA • Member NCACPA

Independent Auditor's Report

Board of Directors
Asheboro Board of Alcoholic Beverage Control
Asheboro, NC

Report on the Financial Statements

We have audited the accompanying financial statements of the Asheboro Board of Alcoholic Beverage Control, a component unit of the City of Asheboro, which comprise the Statements of Net Position as of June 30, 2019 and 2018, and the related Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

105 Farmbrook Drive, Lumberton, NC 28358 • Tel: (910) 618-9797 • Fax: (910) 618-1004
230 South Lawrence Street, Rockingham, NC 28379 • Tel: (910) 997-3195 • Fax: (910) 997-3199

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Asheboro Board of Alcoholic Beverage Control as of June 30, 2019 and 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

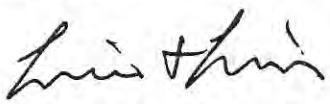
Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Board Contributions to Retirement Plan for the last six years as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The Schedules of Store Expenses, Administrative Expenses, Warehouse Expenses, Distributions of Profits, and Schedule of Revenues and Expenditures – Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Store Expenses, Administrative Expenses, Warehouse Expenses, Distributions of Profits, and Schedule of Revenues and Expenditures – Budget and Actual are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Lewis & Lewis CPAs, PLLC
Rockingham, North Carolina
August 29, 2019

Management's Discussion and Analysis

This section of the Asheboro Board of Alcoholic Beverage Control *(the Board)* financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2019. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Working capital was approximately $662,374.
- A total of $354,000 in distributions was made by the Board to the City of Asheboro during the year.

Overview of the Financial Statements

The audited financial statements of the Board consist of 3 components. They are as follows:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Additional Information Required by the ABC Commission*

The *Basic Financial Statements* are prepared using the full accrual basis of accounting. They consist of three statements. The first statement is the **Statement of Net Position.** Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement.

The next statement is the **Statement of Revenues, Expenses, and Changes in Net Position**. This statement is used in evaluating whether the Board has recovered all of its costs through sales. Its information is used in determining credit worthiness.

The final required statement is the **Statement of Cash Flows**. This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash, and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC Commission requires some schedules in addition to the information required by generally accepted accounting principles. They include the **Schedule of Store Expenses**, **Schedule of Administrative Expenses**, **Schedule of Warehouse Expenses, Schedule of Distributions of Profits,** and the **Schedule of Revenues and Expenditures – Budget and Actual**.

Financial Analysis of the Board

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by $656,905 in 2019. The largest components of net position were cash and inventory. Together they totaled in excess of 100% of the total net position.

Following is a summary of the Statement of Net Position:

Table 1
Condensed Statements of Net Position

	2019	2018	2017	$ Change	% Change
Current assets	$ 970,316	$ 743,470	$ 728,381	$ 226,846	31%
Non-current assets	27,475	41,794	68,937	(14,319)	-34%
Total assets	$ 997,791	$ 785,264	$ 797,318	$ 212,527	27%
Deferred outflows of resources	$ 20,337	$ 24,437	$ 47,563	$ 4,100	17%
Current liabilities	$ 300,703	$ 114,882	$ 107,645	$ 185,821	162%
Non-current liabilities	56,925	39,464	44,770	17,461	44%
Total liabilities	$ 357,628	$ 154,346	$ 152,415	$ 203,282	132%
Deferred inflows of resources	$ 3,595	$ 3,595	$ 4,020	$ -	0%
Net invested in capital assets	$ 27,365	$ 41,794	$ 68,937	$ (14,429)	-35%
Restricted net position	107,447	99,595	89,125	7,852	8%
Reserved for capital improvement	204,384	162,087	121,191	42,297	26%
Unrestricted net position	317,709	348,284	409,193	(30,575)	-9%
Total net position	$ 656,905	$ 651,760	$ 688,446	$ 5,145	1%

Net position remained materially constant with an increase of 1% from the prior year.
Income from operations increased by 24% from the prior year due to an increase in gross sales while operating expenses remained level.
Following is a summary of the changes in net position.

Table 2
Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2019	2018	2017	$ Change	% Change
Operating revenues	$ 3,641,626	$ 3,376,600	$ 3,450,816	$ 265,026	8%
Less: Taxes on gross sales	840,527	776,826	792,218	63,701	8%
Net sales	$ 2,801,099	$ 2,599,774	$ 2,658,598	$ 201,325	8%
Cost of sales	1,873,868	1,746,670	1,771,585	127,198	7%
Gross profit	$ 927,231	$ 853,104	$ 887,013	$ 74,127	9%
Less: Operating expenses	534,913	535,869	496,982	(956)	0%
Income from operations	$ 392,318	$ 317,235	$ 390,031	$ 75,083	24%
Non-operating revenue and expences	2,297	1,246	1,017	1,051	84%
Loss on disposale of assets	(598)	-	-	(598)	0%
Change in net position before distributions	$ 394,017	$ 318,481	$ 391,048	$ 75,536	24%
Distributions	388,872	355,167	332,121	33,705	9%
Change in net position	$ 5,145	$ (36,686)	$ 58,927	$ 41,831	-114%
Net position, beginning	651,760	688,446	629,519	(36,686)	-5%
Net position, ending	$ 656,905	$ 651,760	$ 688,446	$ 5,145	1%

	2019	2018	2017	$ Change	% Change
Retail Liquor Sales	$ 3,197,438	$ 3,012,692	$ 3,108,628	$ 184,746	6%
Mixed Beverage Sales	435,952	352,703	330,190	83,249	24%
Retail Wine Sales	8,236	11,205	11,998	(2,969)	-26%
Total Sales	$ 3,641,626	$ 3,376,600	$ 3,450,816	$ 265,026	8%

Capital Asset and Debt Administration

Capital Assets

Investment in capital assets as of June 30, 2019 totals $27,365 (net of accumulated depreciation).

Table 3
Summary of Changes in Capital Assets (net of depreciation)

	2019	2018	2017	$ Change	% Change
Leasehold Improvement	$ -	$ 26	$ 75	(26)	-100.00%
Equipment	27,365	41,658	68,751	(14,293)	-34.31%
Total	$ 27,365	$ 41,684	$ 68,826	$ (14,319)	-34.31%

Economic Factors

Good economic conditions in Randolph County accounted for the increase in sales.

Requests for Information

This report is intended to provide a summary of the financial condition of the Board. Questions or requests for additional information should be addressed to:

Rodney Johnson, Finance Officer
Asheboro Board of Alcoholic Beverage Control
700 S. Fayetteville Street
Asheboro, NC 27203

Asheboro Board of Alcoholic Beverage Control
(A component unit of the City of Asheboro)
Statements of Net Position
as of June 30, 2019
and June 30, 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	$ 395,441	$ 254,182
Investments	204,384	162,087
Inventories	363,251	320,045
Prepaid Expenses	7,240	7,156
Total Current Assets	$ 970,316	$ 743,470
NON-CURRENT ASSETS		
Property Plant and Equipment (net of accumulated depreciation)	$ 27,365	$ 41,684
Utility Deposits	110	110
Total Non-Current Assets	$ 27,475	$ 41,794
TOTAL ASSETS	$ 997,791	$ 785,264
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Pension Plan Resources	$ 20,337	$ 24,437
Total Deferred Outflows of Resources	$ 20,337	$ 24,437
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 251,905	$ 72,845
Payroll Taxes Payable	-	933
Accrued Liabilities	38,505	35,066
Distributions Payable	10,293	6,038
Total Current Liabilities	$ 300,703	$ 114,882
NON-CURRENT LIABILITIES		
Net Pension Liability	$ 56,925	$ 39,464
Total Liabilities	$ 357,628	$ 154,346
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Pension Resources	$ 3,595	$ 3,595
Total Deferred Inflows of Resources	$ 3,595	$ 3,595
NET POSITION		
Net Investment in Capital Assets	$ 27,365	$ 41,794
Restricted for Working Capital	107,447	99,595
Reserve for Capital Improvement	204,384	162,087
Unrestricted	317,709	348,284
Total Net Position	$ 656,905	$ 651,760

The accompanying notes are an integral part of the financial statements.

Asheboro Board of Alcoholic Beverage Control
(A component unit of the City of Asheboro)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2019
and June 30, 2018

	2019	2018
OPERATING REVENUE		
Liquor Sales - Regular	$ 3,197,438	$ 3,012,692
Mixed Beverage Sales	435,952	352,703
Wine Sales	8,236	11,205
Total Gross Sales	$ 3,641,626	$ 3,376,600
DEDUCT TAXES ON GROSS SALES		
State Excise Tax	$ 786,531	$ 730,001
Mixed Beverage Tax - NCDOR	37,973	31,870
Mixed Beverage Tax - NCDHHS	3,797	3,180
Rehabilitation Tax (Bottle)	11,456	10,950
Sales & Use Tax Wine	770	825
Total Taxes	$ 840,527	$ 776,826
NET SALES	$ 2,801,099	$ 2,599,774
DEDUCT COST OF SALES		
Cost of Liquor Sold	$ 1,865,432	$ 1,737,586
Cost of Wine Sold	8,436	9,084
Total Cost of Sales	$ 1,873,868	$ 1,746,670
GROSS PROFIT ON SALES	$ 927,231	$ 853,104
DEDUCT OPERATING EXPENSES		
Store Expenses	$ 463,384	$ 453,466
Warehouse & Delivery Expenses	35,271	35,255
Administrative Expenses	17,384	20,004
Depreciation Expense	18,874	27,144
Total Operating Expenses	$ 534,913	$ 535,869
INCOME FROM OPERATIONS	$ 392,318	$ 317,235
Non-operating Revenues (Expenses)		
Interest Income	$ 2,297	$ 1,246
Loss on Disposal of Fixed Assets	(598)	-
Total non-operating revenue (expenses)	$ 1,699	$ 1,246
CHANGE IN NET POSITION BEFORE DISTRIBUTIONS	$ 394,017	$ 318,481
DEDUCT DISTRIBUTIONS		
Law Enforcement	$ 14,530	$ 11,111
Alcohol Education & Rehab	20,342	15,556
Change in Net Position Before Profit Distributions	$ 359,145	$ 291,814
Profit Distributions - City of Asheboro	354,000	328,500
CHANGE IN NET POSITION	$ 5,145	$ (36,686)
NET POSITION - JULY 01	651,760	688,446
NET POSITION - JUNE 30	$ 656,905	$ 651,760

The accompanying notes are an integral part of the financial statements.

Asheboro Board of Alcoholic Beverage Control
(A component unit of the City of Asheboro)
Statements of Cash Flows
For the Years Ended June 30, 2019
and June 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 3,641,626	$ 3,376,600
Cash payments to suppliers for goods & services	(1,738,574)	(1,745,810)
Cash payments to employees for services	(300,584)	(296,639)
Cash payments for operating expenses	(190,385)	(185,625)
Cash payments for taxes	(841,054)	(772,834)
Net Cash Provided By Operating Activities	$ 571,029	$ 375,692
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	$ (5,153)	$ -
Net Cash (Used) by Capital and Related Financing Activities	$ (5,153)	$ -
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Law enforcement & alcohol education distributions	$ (30,617)	$ (32,350)
Profit distributions to City of Asheboro	(354,000)	(328,500)
Net Cash (Used) by Non-Capital Financing Activities	$ (384,617)	$ (360,850)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on investments	$ 2,297	$ 1,246
Net Cash Provided by Investing Activities	$ 2,297	$ 1,246
NET INCREASE IN CASH	$ 183,556	$ 16,088
CASH - Beginning of Year	416,269	400,181
CASH - End of Year	$ 599,825	$ 416,269
Reconciliation of Net Income from Operations to Net Cash Provided by Operating Activities		
Net Income from Operations	$ 392,318	$ 317,235
Adjustments to reconcile income from operations to net cash provided by operating activities		
Depreciation	18,874	27,144
Pension expense	21,561	17,395
Changes in Assets and Liabilities		
(Increase) Decrease in inventory	(43,206)	860
(Increase) Decrease in prepaid expenses	(60)	116
Increase (Decrease) in accounts payable	179,037	5,943
Increase (Decrease) in payroll taxes payable	(933)	34
Increase (Decrease) in accrued liabilities	3,438	5,988
Increase (Decrease) in liquor sales taxes payable	-	977
Net Cash Provided by Operating Activities	$ 571,029	$ 375,692

The accompanying notes are an integral part of the financial statements.

Asheboro Board of Alcoholic Beverage Control
(A component unit of the City of Asheboro)
Notes to the Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies

A. Principles Used in Determining the Scope of the Entity for Financial Reporting

The Asheboro Board of Alcoholic Beverage Control (the Board), a component unit of the City of Asheboro, is a corporate body with powers outlined by General Statutes [Chapter 18B-701]. The governing body of the City of Asheboro appoints the members of the Board.

The Board is required by State Statute to distribute its surpluses to the general fund of Asheboro, which represents a benefit to the City. Therefore, the Board is reported as a discretely presented component unit in the City's financial statements.

B. Organizational History

The Board was organized after a city-wide election held July 29, 2008. The Asheboro City Council appointed three individuals to serve on the Board with terms of three years, two years, and one year. The Asheboro ABC Store opened for business November 18, 2008.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or the change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. All sales are made for cash (or bank card) and recorded at the time of sale; revenues are recorded when earned, expenses are recognized when incurred. As permitted, the Board has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989, in its proprietary operation, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the Statement of Net Position date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

F. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan and member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

G. Assets, Liabilities, and Net Position

(1) Deposits

All deposits of the Board are made in board-designated official depositories and are collateralized as required by State law [G.S. 159-31]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish Time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Board's agent in the Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the Board agent in the Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering

uninsured deposits. The State Treasurer does not confirm this information with the Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2019 and 2018, the Board's deposits had carrying amounts of $595,103 and $411,547 and bank balances of $554,529 and $375,667 respectively. The bank balance was covered by federal depository insurance on the first $250,000 with the remainder covered by the Pooling Method.

(2) Investments

State law [G.S. 159-30(c)] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered (2a-7) money market mutual fund.

The Board's money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

(3) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(4) Accounts Receivable

All retail transactions are point of sale and the Board does not sell any items on credit. Claims receivable is the amount of breakage incurred by the store but still unreimbursed by the distiller.

(5) Inventories

Inventories are valued at the lower of cost (FIFO) or market.

(6) Property Plant and Equipment

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated				
Leasehold Improvements	$ 620	$ -	$ -	$ 620
Equipment	223,154	5,153	1,380	226,927
Total capital assets being depreciated	$ 223,774	$ 5,153	$ 1,380	$ 227,547
Less accumulated depreciation for:				
Leasehold Improvements	$ 594	$ 26	$ -	$ 620
Equipment	181,496	18,848	782	199,561
Total accumulated depreciation	$ 182,090	$ 18,874	$ 782	$ 200,181
Capital Assets, net	$ 41,684			$ 27,365

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

(7) Net Position

Net position consists of the following:

a. Restricted for law enforcement – this applies only when the Board employs its own ABC officer.
b. Restricted for capital improvements – State law [G.S. 18B-805 (d)] requires approval of the appointing authority to establish this account. The Board has received approval from the Asheboro City Council to establish an account to accumulate funds for future capital projects. At June 30, 2019, this account had a balance of $204,384.
c. Restricted for working capital – North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments, and inventory less all unsecured liabilities. An ABC Board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year nor greater than three months' average gross sales of the last fiscal year. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State law [G.S. 18B-805 (b) (2), (3) and (4)].

d. Net Invested in capital assets – this component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in net capital assets. Rather, that portion of the debt is included in the same assets component as the unspent proceeds.

e. Unrestricted net position – this component of net position consists of net position which does not meet the definition of restricted or net investment in capital assets debt.

Note 2. Stewardship, Compliance and Accountability

Compliance with N.C. General Statutes

A. The Asheboro ABC Board was in compliance with the General Statutes of North Carolina at June 30, 2019.

Note 3. Detail Notes on All Funds

Pension Plan Obligations

A. Local Government Employees' Retirement System

Plan Description. Local Government Employees' Retirement System. The Board contributes to the statewide Local Government Employees' Retirement System (LGERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the state of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing the office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service,

at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate benefit for life or a return of the member's contributions.

The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2019, was 7.75% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were $20,283 for the year ended June 30, 2019.

Refunds of Contributions. Board employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of creditable service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Board reported a liability of $85,938 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension asset was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Board's proportion was .223%, which was a decrease of .01% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Board recognized pension expense of $41,845. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,162	$ 274
Changes of assumptions	14,038	-
Net difference between projected and actual earnings on pension plan investments	7,262	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,674	-
The Board's contributions subsequent to the measurement date	20,283	-
Total	$ 63,419	$ 274

$20,283 reported as deferred outflows or resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2019	$ 18,971
	2020	13,139
	2021	5,103
	2022	5,649
	2023	-
Thereafter		-
Total		$ 42,862

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officers) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long - Term Expected Real Rate of Return
Fixed Income	29.00%	1.40%
Global Equity	42.00%	5.30%
Real Estate	8.00%	4.30%
Alternatives	8.00%	8.90%
Credit	7.00%	6.00%
Inflation protection	6.00%	4.00%
Total	100.00%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.00%)	1% Increase (8.00%)
The Board's proportionate share of the net pension liability (asset)	$ 127,078	$ 52,903	$ (9,078)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Note 4. Leases

The Board has an operating lease for its single facility at 700 South Fayetteville Street, Asheboro, NC. The lease is a 10-year lease expiring December 30, 2023.

Lease Payment Schedule:	
FYE June 30, 2020	$ 64,800
FYE June 30, 2021	$ 64,800
FYE June 30, 2022	$ 64,800
FYE June 30, 2023	$ 64,800
FYE June 30, 2024	$ 32,400
Thereafter	$ -

The Lessor is responsible for building insurance and property taxes. The table above is a summary of the lease obligations of the Board according to the lease that was in place on June 30, 2019.

Note 5. Related Party Transactions

There were no related party transactions for the fiscal year ended June 30, 2019.

Note 6. Vacation and Sick Leave Compensation

The Board's policy is to give full-time employees paid vacation days ranging from six days per year to twenty one days per year depending on length of employment. The amount of accrued vacation at year end was $26,856.

Employees are not limited in the amount of sick leave that can be accumulated. Sick leave does not vest but unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulation of sick leave until it is actually taken, no accrual for sick leave has been made.

Note 7. Debt

The Board had no debt as of June 30, 2019.

Note 8. Distributions of Income

NC General Statute 18B-805 (e) requires that the entire net income, after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the appropriate local government entity. The distributions paid and accrued by the Asheboro ABC Board for the year ended June 30, 2019 totaled $354,000. Profit distributions of $2,467,500 have been made since the Board's inception.

Note 9. Law Enforcement and Alcohol Education Expenses

The Board is required by law to expend at least 5% of its profits for law enforcement and 7% of its profits for the treatment of alcoholism or substance abuse, or for research or education on alcohol or substance abuse. Profits are defined by law for these calculations as income before law enforcement and education expenses, less 3 ½% markup provided in G.S. 18B-804 (b) (5) and the bottle charge provided for in G.S. 18B-804 (b) (6b). The following schedule summarizes the Board's expenditures for these items during 2019:

Income before required distributions	$	394,017
Less 3 1/2% tax & bottle charge		103,413
Profit subject to expense percentages	$	290,604
Law Enforcement Expenditures	$	14,530
Actual % of Profit		5%
Provision for Alcoholic Education & Rehabilitation	$	20,342
Actual % of Profit		7%

Note 10. Disbursement of Taxes Included in Selling Price

A state excise tax, at the rate of 30% on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales).

Transactions for this account for the years are summarized as follows:

	2019	2018
Taxes payable – beginning of year	$ 61,410	$ 58,925
Taxes collected during the year	786,530	730,001
Taxes remitted to the Department of Revenue	785,535	727,516
Taxes payable – end of year	$ 62,405	$ 61,410

The excise tax is computed in accordance with G.S. 18B-805 (i).

The accrued North Carolina excise tax at June 30, 2019 was remitted to the North Carolina Department of Revenue on July 15, 2019.

A bottle charge of one cent on each bottle containing 50 milliliters or less and five cents on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the year ended June 30, 2019, payments to the county were based on the following bottle sales:

Regular Bottles	186,640	@.05	$ 9,332
Mixed Beverage Bottles	19,282	@.05	964
Miniature Bottles	115,946	@.01	1,159
Total payment for the year ended June 30, 2019			$ 11,456

A "mixed beverage tax" at the rate of $20.00 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the North Carolina Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the NC Department of Human Services.

The mixed beverage taxes for the years ended June 30, 2019 and 2018 was:

	2019	2018
NC Department of Revenue (50%)	$ 37,968	$ 31,870
NC Department of Human Services (5%)	3,797	3,180
Profit Retained (45%)	34,172	28,621
Total	$ 75,937	$ 63,671

At June 30, taxes payable were:

	2019	2018
NC Department of Revenue - Excise Tax	$ 62,382	$ 61,386
NC Department of Revenue - Mixed Beverage Tax	3,209	2,938
NC Department of Human Resources - Mixed Beverage Tax	320	294
Randolph County - Bottle Tax	930	921
Total	$ 66,841	$ 65,539

Note 11. Surcharge Collected

The total amount of surcharge collected for the fiscal year was $27,039. The bailment surcharge rate was $1.40 cents per case July through October and decreased to $1.15 per case November 1, 2018.

Note 12. Liquor Sales Tax

The total amount of sales tax collected by the Board and remitted to the Department of Revenue for the fiscal year was $223,248. The current sales tax rate is 7%.

Note 13. Retail Outlets

The Asheboro Board of Alcoholic Beverage Control operated with one retail outlet:

Asheboro, North Carolina	
Gross Sales	$3,641,626
Change in Net Position	$ 5,145

Note 14. Working Capital

The Board is required by the Alcoholic Beverage Control Commission rule [.0902] to set its working capital requirements at not less than two weeks average gross sales of the last fiscal year. (Gross sales are gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4)).

The Board's position on this requirement is as follows:

Minimum Amount	$	107,448
Maximum Amount	$	698,410
Actual Amount	$	662,374

The Board has met the minimum amount of working capital.

Note 15. Breakage Expense

Breakage expense absorbed by the Board for the year was $0.

Note 16. Subsequent Events

Subsequent events have been evaluated through August 29, 2019, which is the date the financial statements were available to be issued.

Note 17. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has property, general liability, liquor legal liability insurance and worker's compensation coverage and employee health coverage.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each Board member is bonded in the amount of $50,000 secured by a corporate surety.

In accordance with G.S. 18B-803(b) and (c), the store manager(s) is bonded for $50,000. All other employees who have access to funds are bonded under a blanket bond for $50,000.

SUPPLEMENTARY INFORMATION

Asheboro Board of Alcoholic Beverage Control
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
For the Last Six Years*

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)(%)	0.00223%	0.00232%	0.00192%	0.00227%	0.03000%	0.02980%
Board's proportion of the net pension liability (asset)($)	$ 52,903	$ 35,443	$ 40,749	$ 10,188	$ (12,680)	$ 20,492
Board's covered - employee payroll	$261,712	$ 252,102	$ 238,323	$ 198,556	$ 186,305	$ 170,640
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.21%	14.06%	17.10%	5.13%	-6.81%	12.01%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

Asheboro Board of Alcoholic Beverage Control
Schedule of Boards Contribution to Retirement Plan
Required Supplementary Information
For the Last Six Years

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 20,283	$ 18,908	$ 17,248	$ 13,153	$ 13,172	$ 12,064
Contributions in relation to the contractually required contribution	$ 20,283	$ 18,908	$ 17,248	$ 13,153	$ 13,172	$ 12,064
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Board's covered - employee payroll	$ 261,712	$ 252,102	$ 238,323	$ 198,556	$ 186,305	$ 170,640
Contributions as a percentage of covered-employee payroll	7.75%	7.50%	7.24%	6.62%	7.07%	7.07%

Asheboro Board of Alcoholic Beverage Control
Schedule of Store Expenses
For the Years Ended June 30, 2019
and June 30, 2018

	2019	2018
Salaries & Wages	$ 304,022	$ 302,626
Payroll Tax	23,269	23,132
Group Insurance	1,716	1,989
Retirement	41,845	36,302
Data Processing	2,305	855
Utilities	2,871	2,855
Repairs & Maint - Bldg	-	2,003
Repairs & Maint - Equip	31	86
Janitorial Service	520	270
Store Supplies	6,063	4,599
Insurance - General	12,453	13,007
Bank Card Fees	35,228	32,838
Rent	32,400	32,400
Drug Testing Expense	530	200
Training	131	304
Total Store Expenses	$ 463,384	$ 453,466

Asheboro Board of Alcoholic Beverage Control
Schedule of Administrative Expenses
For the Years Ended June 30, 2019
and June 30, 2018

	2019	2018
Telephone	$ 1,633	$ 2,054
Board Members' Fees	3,400	3,500
Office Supplies	741	1,489
Dues & Subscriptions	316	264
Internet Services	2,781	3,084
Postage	260	607
Maintenance Agreements	1,423	1,377
Bank Service Charges	854	27
Professional Fees	4,600	4,440
Alarm Service	1,376	3,162
Total Administrative Expenses	$ 17,384	$ 20,004

Asheboro Board of Alcoholic Beverage Control
Schedule of Warehouse Expenses
For the Years Ended June 30, 2019
and June 30, 2018

	2019	2018
Utilities	$ 2,871	$ 2,855
Rent	32,400	32,400
Total Warehouse Expenses	$ 35,271	$ 35,255

Asheboro Board of Alcoholic Beverage Control
Schedule of Distributions of Profits
For the Year Ended June 30, 2019

Distribution	Recipient		Amount	Date of Distribution	Restrictions on Use
Law Enforcement					
	City of Asheboro	$	2,300	09/20/18	None
	City of Asheboro		1,200	12/03/18	None
	City of Asheboro		9,275	05/13/19	None
Total paid during year		$	12,775		
Alcohol Education					
	Family Crisis Center	$	2,084	07/03/18	Funds are to be spent on qualified alcohol education programs
	Family Crisis Center		4,334	08/16/18	Funds are to be spent on qualified alcohol education programs
	Randolph Community College		200	08/16/18	Funds are to be spent on qualified alcohol education programs
	Asheboro Shelter of Hope		1,000	10/01/18	Funds are to be spent on qualified alcohol education programs
	Randolph Community College		2,725	10/01/18	Funds are to be spent on qualified alcohol education programs
	Randolph Community College		4,275	03/28/19	Funds are to be spent on qualified alcohol education programs
	Family Crisis Center		475	05/13/19	Funds are to be spent on qualified alcohol education programs
	Eastern Randolph High School		550	05/13/19	Funds are to be spent on qualified alcohol education programs
	Randleman High School		550	05/13/19	Funds are to be spent on qualified alcohol education programs
	Trinity High School		550	05/13/19	Funds are to be spent on qualified alcohol education programs
	Wheatmoor High School		550	05/13/19	Funds are to be spent on qualified alcohol education programs
	Southeastern Randolph High School		550	05/13/19	Funds are to be spent on qualified alcohol education programs
Total paid during year		$	17,843		
Distributions to the City Of Asheboro					
	City of Asheboro	$	17,000	07/02/18	None
	City of Asheboro		17,000	08/02/18	None
	City of Asheboro		17,000	09/04/18	None
	City of Asheboro		17,000	10/01/18	None
	City of Asheboro		17,000	11/01/18	None
	City of Asheboro		17,000	12/03/18	None
	City of Asheboro		25,000	12/12/18	None
	City of Asheboro		17,000	01/07/19	None
	City of Asheboro		17,000	02/04/19	None
	City of Asheboro		17,000	03/04/19	None
	City of Asheboro		17,000	04/01/19	None
	City of Asheboro		17,000	05/01/19	None
	City of Asheboro		17,000	06/03/19	None
	City of Asheboro		125,000	06/18/19	None
Total paid during year		$	354,000		
Total Distributions Paid		$	384,618		

Reconciliation of amounts paid to amounts shown on Statement of Revenues, Expenses, and Changes in Net Position	Law Enforcement	Alcohol Education	Profit Distribution to Primary Government
Beginning overpayment (payable)	$ (2,304)	$ (3,735)	$ -
Paid during year	12,775	17,843	354,000
Total payments	$ 10,471	$ 14,108	$ 354,000
Required distribution for the year	14,530	20,342	-
Ending overpayment (payable)	$ (4,059)	$ (6,234)	$ -

Asheboro Board of Alcoholic Beverage Control
Schedule of Revenues and Expenditures – Budget and Actual
Year Ended June 30, 2019

	2019 Original Budget	2019 Amended Budget	2019 Actual	Variance Positive (Negative)
Revenues				
Operating Revenues:				
Sales	$ 3,350,250	$ 3,370,000	$ 3,641,626	$ 271,626
Non-operating Revenues:				
Interest	250	50	2,297	2,247
Total Revenues	$ 3,350,500	$ 3,370,050	$ 3,643,923	$ 273,873
Expenditures				
Taxes based on revenue	$ 768,940	$ 775,112	$ 840,527	(65,415)
Cost of Goods Sold	1,755,460	1,765,905	1,873,868	(107,963)
Operating Expenses:				
Salaries and benefits	325,000	318,000	327,706	(9,706)
Payroll taxes	26,000	25,440	23,269	2,171
Rent	64,800	64,800	64,800	-
Utilities	16,000	15,000	13,837	1,163
Repairs & maintenance	6,250	5,000	1,974	3,026
Office and store supplies	9,500	8,980	7,064	1,916
Insurance - general & bonds	17,000	12,000	14,169	(2,169)
Travel and training	3,000	2,500	131	2,369
Professional fees	10,000	11,000	5,130	5,870
Dues and subscriptions	1,200	550	316	234
Bank fees and charges	35,500	39,000	36,082	2,918
Contingencies	9,470	4,000	-	4,000
Capital Outlay	24,617	20,000	5,153	14,847
Total Expenditures	$ 3,072,737	$ 3,067,287	$ 3,214,026	$ (146,739)
Distributions				
Law enforcement	$ 14,266	$ 14,264	$ 14,530	$ (266)
Alcohol education & rehab	19,497	19,499	20,342	(843)
City of Asheboro	204,000	229,000	354,000	(125,000)
Reserve for future facilities	40,000	40,000	40,000	-
Total	$ 277,763	$ 302,763	$ 428,872	$ (126,109)
Total Expenditures & Distributions	$ 3,350,500	$ 3,370,050	$ 3,642,898	$ (272,848)
Revenues over Expenditures and other Financing (Uses)	$ -	$ -	$ 1,025	$ 1,025
Reconciliation from budgetary basis (modified accrual) to full accrual				
Reconciling items:				
Reserve for capital improvement			40,000	
Capital outlay			5,153	
Loss on disposal of fixed assets			(598)	
Depreciation			(18,874)	
Retirement Expense			(21,561)	
Change in net position			$ 5,145	

ORDINANCE TO AMEND THE GENERAL FUND
FY 2019-2020

WHEREAS, the City Council approved a budget ordinance in November setting aside US Treasury and US DEA funds to purchase equipment and vehicles, and;

WHEREAS, an incorrect amount of funding for this purpose had already been set aside by a prior action and thus needs to be reversed, and;

WHEREAS, the City of Asheboro Fire Department was awarded a $5000 grant from Georgia Pacific to purchase rugged portable radio microphones for firefighting conditions, and;

WHEREAS, the City of Asheboro needs 1) to purchase a Kuboto mower for specific use at the Asheboro Regional Airport at an estimated cost of $27,500 and 2) to contract drainage mitigation work at the Asheboro Regional Airport at an estimated cost of $6,200, and;

WHEREAS, the City of Asheboro desires amend the 2019-2020 budget to incorporate these changes 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:

Line Item	Description	Change
10-350-0100	US Treasury Funds	(53,000)
10-350-0200	US Justice Funds	(222,000)
10-349-0300	Local Grants	5,000
10-399-0000	Fund Balance Allocation	33,700
		(236,300)

That the following Expense line items be increased:

Line Item	Description	Change
10-510-7400	Capital Outlay	(275,000)
10-530-3400	Other Supplies and Materials	5,000
10-650-4500	Contracted Services	6,200
10-650-7400	Capital Outlay	27,500
		($236,300)

Adopted this the 5th day of December 2019.

_____
David H. Smith, Mayor

ATTEST:

_____
Holly H. Doerr, CMC, NCCMC, City Clerk

LGC-205 Amendment **AMENDMENT TO CONTRACT TO AUDIT ACCOUNTS** Rev. 7/2019

Whereas	Primary Government Unit: City of Asheboro
and	Discretely Presented Component Unit (DPCU) (if applicable): N/A
and	Auditor: William R. Huneycutt, CPA, PLLC

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for Fiscal Year Ending: 06/30/19 and originally due on Audit Report Due Date: 10/31/19

hereby agree that it is now necessary that the contract be modified as follows.

☑ Modification to due date:

☐ Modification to fee:

Original due date	Modified due date
10/31/19	12/31/19
Original fee	**Modified fee**

EXPLANATION OF MODIFIED CONTRACT TERMS

Please provide an explanation for the modification to due date and/or fees.

CAFR not able to be completed and submitted timely due to OPEB valuation report received in late November.

If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.

Every effort will be made in future to ensure receipt of OPEB valuation report in time to complete and submit a timely CAFR.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* William R. Huneycutt, CPA, PLLC	
Authorized Firm Representative* (typed or printed) William R. Huneycutt	Signature*
Date* 11/18/19	Email Address steve@wrhuneycuttcpa.com

GOVERNMENTAL UNIT

Governmental Unit* City of Asheboro	
Date Primary Government Unit Governing Board Approved Amended Audit Contract* (If required by governing board policy)	
Mayor/Chairperson* (typed or printed) David Smith, Mayor	Signature*
Date	Email Address dreaves@ci.asheboro.nc.us

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* Deborah Reaves	Signature*
Date of Pre-Audit Certificate*	Email Address* dreaves@ci.asheboro.nc.us

RESOLUTION NUMBER _____

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION AWARDING TO RONALD N. HORRELL, JR. HIS SERVICE SIDE ARM UPON RETIREMENT FROM THE ASHEBORO POLICE DEPARTMENT

WHEREAS, after rendering honorable and valuable service to the City of Asheboro and its citizens throughout the course of his Asheboro Police Department career, Master Lieutenant Ronald N. Horrell, Jr. will begin his retirement from employment with the city effective January 1, 2020; 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 Ronald N. Horrell, Jr. for his dedicated service to the city by awarding to him, at a minimal monetary cost, the service side arm that he carried at the time of his retirement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that, effective January 1, 2020, in consideration of the combination of his dedicated service to the City of Asheboro and the payment to the city of one and no hundredths dollars ($1.00), Ronald N. Horrell, Jr. is to be awarded ownership of his city-issued service side arm (a Glock 45, Generation 5 with serial no. BLKC030 and three magazines) upon a determination by the police department command staff that Mr. Horrell is eligible under the applicable federal and state laws to receive, own, or possess a firearm.

This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 5th day of December, 2019.

_____

David H. Smith, Mayor

ATTEST:

_____

Holly H. Doerr, CMC, NCCMC, City Clerk

RESOLUTION NUMBER _____

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION EXPRESSING CONCURRENCE WITH REVISIONS TO THE EMPLOYEE POLICIES AND PROCEDURES MANUAL

WHEREAS, the City of Asheboro Employee Policies and Procedures Manual (formerly known as the City of Asheboro Personnel Policies and Procedures Manual and hereinafter referred to as the "Manual"), which was originally promulgated by the city manager and approved by resolution of the Asheboro City Council on March 4, 2004, has to be updated on a regular basis; and

WHEREAS, subsequent to the last revision of the Manual, the city manager has acted on recommendations from the human resources director and other members of the city's management team to update the Manual to reflect regulatory changes and to reflect the management team's evaluation of the current best employment practices for the city's workforce; and

WHEREAS, the revised policies are specified in the following sections of this Resolution; and

WHEREAS, the Asheboro City Council has concluded that the city manager's decision to update the Manual as stated herein is supportive of the governing board's goal to create a positive work environment for municipal employees and thereby facilitate excellence in the provision of municipal services to the citizens of Asheboro.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that it concurs with the city manager's decision to amend the City of Asheboro Employee Policies and Procedures Manual as follows:

Section 1. Effective January 1, 2020, Section 7 in Article I of the Manual is rewritten to provide as stated in the following highlighted text:

ARTICLE I. UNIFIED HUMAN RESOURCES SYSTEM

SECTION 7. WORKPLACE HARASSMENT PREVENTION POLICY

Harassment of any employee in the workplace by management (including elected and appointed public officials as well as division and department heads), supervisory personnel, co-workers, or nonemployees (including contractors, vendors, or customers) on the basis of race, color, religion, sex (including pregnancy, gender identity, transgender status, and sexual orientation), national origin, age, disability, genetic

information, veteran status, or other characteristic protected by applicable law is a form of discrimination that violates the law and city policy. Such harassment is prohibited and will not be tolerated. No employee is immune from this policy.

If you believe that you are being or have been subjected to such harassment, you must immediately report the perceived harassment according to the reporting procedure described below. All reports of perceived unlawful harassment will be investigated, and, if it is found to have occurred, appropriate disciplinary action up to and including termination of employment will be taken. Consideration will also be given to remedial action necessary to eliminate unlawful harassment and to remove any detriment suffered by the aggrieved employee as a result of unlawful harassment.

Retaliation against employees who report perceived unlawful harassment, or who participate in investigations as witnesses or in other capacities, also violates the law and city policy. Such retaliation is prohibited and will not be tolerated and must be reported immediately according to the reporting procedure below.

Workplace Harassment Defined

The purpose of this policy is not to regulate the personal morality of employees. It is to ensure that, in the workplace, employees are not subjected to harassment based on characteristics protected by law and to ensure that employees do not inadvertently engage in behaviors that may be perceived as such harassment.

Unlawful harassment may include:

(1) Verbal, nonverbal, or physical conduct that shows aversion, denigration, or hostility because of race, color, religion, national origin, sex (including pregnancy, gender identity, transgender status, and sexual orientation), age, disability, veteran status, or other protected characteristic when it:

(A) Creates an intimidating, hostile, or offensive working environment;
(B) Unreasonably interferes with an individual's work; or
(C) Adversely affects an individual's employment opportunities.

(2) Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

(A) Submission to the conduct is made either explicitly or implicitly a term or condition of an individual's employment;
(B) Submission to or rejection of the conduct is used as the basis for employment decisions; or

(C) The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Examples of Types of Behavior That May Violate This Policy Include:

Verbal/Written Actions:

- *Offensive comments, including slurs or ridicule of another's culture, accent, or appearance;*
- *Humor, jokes, teasing, or asking unwelcome questions about protected class characteristics, including comments about the individual's body;*
- *Computer transmissions/email/social media or online postings/texts;*
- *Intentional or persistent failure to respect an individual's gender identity (e.g., intentionally referring to the individual by a name or pronoun that does not correspond to the individual's gender identity);*
- *Threatening, intimidating, or abusive words or acts;*
- *Rumors about other employees; or*
- *Whistling.*

Sexual Harassment Also Includes:

- *Offering or implying an employment-related reward such as a promotion or raise in exchange for sexual favors or submission to sexual conduct, or threatening or carrying out negative actions such as termination, demotion, or denial of a raise or leave due to the rejection of such advances;*
- *Comments about sexual activities, prowess, or deficiencies;*
- *Propositions, innuendo, flirtation, suggestive or sexist comments, or gifts; or*
- *Continued advances or other unwelcome conduct after the conclusion of a consensual relationship.*

Sexual Harassment Can Include: *Conduct between members of the same sex.*

Visual/Graphic/Non-Verbal: *Pictures, posters, signs, cartoons; display of objects or images; graffiti; vandalism; staring; or exclusion.*

Physical Actions: *Touching, pinching, patting, brushing against the body, hugging, assault, impeding access, or vandalism.*

Scope of the Policy

Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.

Rude, uncivil, disrespectful, or otherwise unacceptable conduct that is not based on legally protected characteristics is not covered by this policy. However, it is covered by other city policies.

Reporting Procedure

If you experience unwelcome conduct in violation of this policy, or believe that you are being unlawfully harassed or retaliated against, or you observe or otherwise become aware of such conduct in the workplace, you are encouraged (if you are comfortable doing so), but not required, to promptly tell the person that the conduct is unwelcome and ask them to stop the conduct. Anyone who receives such a request is expected to comply with the request and not retaliate against the person making the request.

If this action does not put a stop to the unwelcomed conduct or perceived harassment or retaliation, or if you do not want to confront the individual, then you must immediately report the conduct to one of the following individuals: (a) the city manager, (b) the human resources director, or (c) the human resources ~~specialist~~ manager, who, as of the date of the ~~adoption~~ most recent amendment of this policy, is Lesia H. Cox.

Regardless of which approach you take, the city encourages prompt reporting of unwelcome conduct before it becomes severe or pervasive. Early reporting and intervention have proven to be the most effective method of resolving actual or perceived harassment.

This procedure does not require reports to be made to your supervisor or to anyone who you believe is participating in the conduct. Instead, you may choose from the above-listed individuals the person with whom you would be most comfortable speaking.

Supervisors and managers who become aware of perceived harassment or retaliation must immediately report such matters to the following individuals: (a) the city manager, (b) the human resources director, or (c) the city attorney.

Disciplinary action, up to and including termination of employment, may result against supervisors and managers who fail to respond immediately and appropriately to the allegations.

All reports of alleged harassment or retaliation will be investigated. Under no condition will the investigation be conducted by or under the direction of the person reported to have engaged in the alleged harassment or retaliation. Confidentiality will be maintained to the extent consistent with adequate investigation and appropriate corrective action.

Section 2. Effective January 6, 2020, Section 8 in Article I of the Manual is rewritten to provide as stated in the following highlighted text:

ARTICLE I. UNIFIED HUMAN RESOURCES SYSTEM

Section 8. Substance Abuse Prevention Policy

8.01 The following rules represent the City of Asheboro's policy concerning the prevention of substance abuse. These rules will be enforced uniformly for all employees. The purposes of the policy are as follows:

(A) The establishment and maintenance of a safe and healthy working environment for all employees;

(B) Compliance with United States and North Carolina Department of Transportation regulations pertaining to holders of a Commercial Driver's License ("CDL");

(C) The establishment and maintenance of a drug-free workplace for the City of Asheboro;

(D) The establishment and maintenance of a positive, good government reputation for the City of Asheboro and its employees within the community so as to foster confidence in the ability of the municipal corporation to safely and effectively deliver public services;

(E) The reduction and prevention of accidental injuries, absenteeism, tardiness, and other work-related problems that negatively impact the city's employees and the public that it serves; and

(F) The creation and facilitation of an opportunity for rehabilitative assistance to be made available for employees who seek such help.

8.02 Employees with substance abuse problems are encouraged to seek help from counselors and other medical professionals and, where appropriate, in treatment facilities. Participation in a treatment or rehabilitation program for substance abuse will not be grounds for dismissal provided the employee voluntarily enters such a program prior to identification as a substance abuser by means of the implementation of one of the regulations/testing procedures established by this policy.

8.03 For the purpose of interpreting and implementing the substance abuse prevention policy, the following bold and italicized words or terms shall be defined and implemented as specified in this subsection.

*(A) An **alcohol test** means a test for the presence of alcohol in the body. This presence must be determined by the use of a breath alcohol test or other device approved by the United States Department of Transportation. Alcohol testing shall be conducted in compliance with 49 CFR Part 40 (hereinafter referred to as "Part 40"). By way of illustration and not limitation, such compliance shall include strict adherence to Part 40 as to how alcohol testing is conducted, who is authorized to participate in the alcohol testing program, and what employees must do before they may return-to-duty following an alcohol violation.*

*(B) A **drug test** means a test for the presence of drugs listed in the drug testing panel established by the United States Department of Transportation. Drug testing shall be conducted in compliance with Part 40. By way of illustration and not limitation, such compliance shall include strict adherence to Part 40 as to how drug testing is conducted, who is authorized to participate in the drug testing program, and what employees must do before they may return-to-duty following a drug violation.*

*(C) A **negative drug test** means a drug test that does not show the presence of drugs and/or drug metabolite(s) at a level specified to be a positive test.*

*(D) A **positive drug test** means a drug test that does indicate the presence of a drug and/or drug metabolite(s) in the urine or blood at the level specified to be positive by the Substance Abuse and Mental Health Services Administration ("SAMHSA"). All positive test results will be confirmed using a different technology than the first test, such as the Gas Chromatography Mass Spectrometry ("GC-MS") process.*

*(E) A **negative alcohol test** means an alcohol test that indicates a breath alcohol concentration of less than 0.02.*

*(F) A **positive alcohol test** means an alcohol test that indicates a breath alcohol concentration of 0.04 or greater.*

*(G) The term **refusal to submit** means an occurrence when an employee does any one of the following:*

(1) Fails to provide an adequate amount of urine for a drug test without a valid medical explanation after he/she has received notice of the test;

(2) Fails to provide an adequate amount of breath for an alcohol test without a valid medical explanation after he/she has received notice of the test; or

(3) Engages in conduct that clearly indicates he/she is failing to follow through with the testing process or engages in conduct that interferes with the ability to obtain an adequate specimen.

(H) With the exception of fire department employees who operate emergency equipment and are therefore exempt from the CDL requirement, the term ***employees required to have a CDL*** *means employees who perform one or more of the following functions:*

(1) Drivers of commercial motor vehicles with a gross vehicle weight rating of 26,001 pounds or more;

(2) Drivers of commercial motor vehicles with a gross combination weight rating of 26,001 pounds or more, including a towed vehicle with a gross vehicle weight rating of 10,000 pounds or more;

(3) Drivers of motor vehicles designed to transport 16 or more passengers, including the driver; and

(4) Drivers of motor vehicles of any size transporting hazardous materials in amounts that require placarding.

(I) Based on definitions utilized by the United States Department of Transportation, and with the explicit notation that the following definition is not meant to serve as an exhaustive or exclusive listing of safety-sensitive functions because other job activities/requirements may also be considered safety-sensitive, the term ***safety-sensitive function*** *shall be deemed to include the following activities:*

(1) Driving a commercial motor vehicle;

(2) Inspecting, servicing, or conditioning any commercial motor vehicle;

(3) All time at a city facility or other public property waiting to operate a commercial motor vehicle;

(4) Performing all or other functions in or upon any commercial motor vehicle except resting in a sleeper berth;

(5) Loading or unloading a commercial motor vehicle, supervising or assisting in the loading or unloading of a commercial motor vehicle, attending a commercial motor vehicle being loaded or unloaded, or remaining in readiness to operate the commercial motor vehicle;

(6) All time spent performing the driver requirements associated with an accident involving a commercial motor vehicle; and

(7) Repairing, obtaining assistance, or remaining in attendance with a disabled commercial motor vehicle.

8.04 The substance abuse prevention policy is applicable to all of the types/categories of city employees listed in this subsection.

(A) All full-time, part-time, temporary, and seasonal employees.

(B) All employees required as part of their job duties to obtain and maintain a CDL.

(C) All applicants for employment with the City of Asheboro.

8.05 Under the city's substance abuse prevention policy, the drug and alcohol testing practices described in this subsection will be implemented in a manner that conforms to all applicable federal and state laws and administrative regulations.

(A) Pre-Employment Testing

Drug testing shall be conducted prior to employment. This testing must be conducted on external applicants as well as current employees transferring into jobs that require a CDL. The test results must indicate a negative drug test in order to enter into employment with the city or to transfer to a job that requires a CDL.

(B) Post-Accident Testing

A drug test and/or an alcohol test may be used by the city as a tool, in appropriate circumstances, to evaluate the root causes of incidents that result in work-related injuries or illnesses requiring medical treatment other than first aid for city employees or others. When evaluating whether to utilize post-accident testing of one or more employees, the central inquiry will be whether a reasonable basis exists to believe that drug or alcohol use by one or more employees could have contributed to the injury or illness. The highest ranking supervisor of the employee(s) involved in an incident that results in injury or illness, in consultation with the city's safety ~~coordinator~~ manager or any other designee of the human resources director, must evaluate the totality of the evidence, including whether the hazardousness of the work being performed creates a heightened concern as to whether drug or alcohol use was involved, and decide whether a reasonable basis exists to order drug and/or alcohol testing because of the potential role these substances could have played in the work-related illness or injury. If a reasonable basis is found to

exist for testing one or more employees, then the drug and/or alcohol test(s) indicated by the facts surrounding the work-related injury or illness shall be conducted as soon as practicable.

(C) *Post-Accident Testing for Employees Required to Have a CDL*

For employees required to have a CDL, post-accident testing for drugs and alcohol must be conducted on any surviving driver who was performing safety-sensitive functions with respect to the vehicle if:

(1) *The accident involved a fatality; or*
(2) *The driver received a citation under state or local law for a moving traffic violation arising from the accident and either the vehicle is towed from the scene or someone is medically evacuated from the scene.*

Testing for drugs and alcohol in employees required to have a CDL is to occur, if at all practicable, within 2 hours of the accident. If the employee is unable to be tested within 2 hours, the reasons for the delay must be documented. If an alcohol test required by this division of subsection 8.05 is not administered within 8 hours of the accident, attempts to conduct the alcohol test shall cease and the reason for the inability to conduct the test shall be documented. If a drug test required by this division of subsection 8.05 is not administered within 32 hours of the accident, attempts to conduct the drug test shall cease and the reason for the inability to conduct the drug test shall be documented.

(D) *Random Testing*

This type of testing must be conducted on a random, unannounced basis throughout the year on all employees required to have a CDL. Random testing for drugs and alcohol in all employees required to have a CDL shall be conducted in a manner and at a rate that is fully compliant with all of the applicable federal and state laws and administrative regulations.

(E) *For Cause Testing*

This type of testing can occur in two types of situations that are described as follows:

(1) *This testing, whether the testing consists of a drug test and/or an alcohol test will depend on the facts of each case, is required of any employee who has been arrested or has had his/her driver's license*

suspended for any alcohol or drug related charge prior to the employee's return to work. Such an employee must notify his/her supervisor prior to returning to work after the said arrest and/or suspension has occurred. An employee's failure to report this information to a supervisor in a timely manner serves as a stand-alone basis for dismissing the employee from his/her position of employment with the city.

(2) *In appropriate circumstances and in consultation with the human resources department, specifically including the safety ~~coordinator~~ manager or any other official designated by the human resources director, a supervisor may order "for cause" testing of an employee as a tool to determine why actions are occurring that have the potential to be injurious to the employee himself or herself, other city employees, or third parties. The final decision as to whether "for cause" testing is to be ordered will be based on a case-by-case evaluation of the totality of the evidence to determine whether observations of the employee and his/her actions during the relevant time period lead to a reasonable suspicion that impairment due to drug and/or alcohol use is creating the potential for injury. An additional factor to be weighed as part of the decision making process is whether the degree of hazardousness of the work being performed and the potential for harmful consequences heightens the city's interest in quickly determining whether drug or alcohol use is impairing the ability of an employee to safely perform his/her duties. If the responsible city officials conclude that a reasonable suspicion exists to believe that alcohol or drug use by one or more employees is creating an unsafe situation, then the drug and/or alcohol test indicated by the observable facts shall be conducted as soon as practicable.*

(F) *Return-to-Duty Testing*

In cases where an employee is seeking to return to work after a positive drug test and/or a positive alcohol test, return-to-duty testing focused on the same type of testing that previously produced a positive test result must be successfully completed by the employee before approval can be granted for the employee to return to work. More specifically, an employee who has had a positive drug test and/or a positive alcohol test will not be allowed to return to work until he or she has been evaluated by a substance abuse professional and has tested negative on the designated return-to-duty test.

(G) *Follow-Up Testing*

After an employee has successfully completed the above-described return-to-duty testing, the employee will be subject to follow-up testing during the 12-calendar month time period immediately following the date of the employee's return to duty. During the said 12-month time period, a minimum of 6 follow-up tests will be administered without advance notice of the date and time when testing will occur. Due to regulatory concerns pertaining to measuring impairment at a relevant point in time, a follow-up drug test may be administered any time the employee is at work, but a follow-up alcohol test will only be administered immediately before, during, or immediately after the performance of a safety-sensitive function. The type of test to be administered will depend on which type of positive test result necessitated the return-to-duty testing and the subsequent follow-up testing. No sentence or clause within this division of subsection 8.05 shall be construed or interpreted in any manner that precludes the administration of a drug or alcohol test that would otherwise be authorized by a separate division of subsection 8.05.

8.06 The following list of prohibitions, inclusive of the corresponding consequences for acting in contravention of the stated prohibitions, is hereby adopted as a component of the city's substance abuse prevention policy.

(A) No employee shall report for duty or remain on duty while having alcohol and/or drug concentrations in his or her system in amounts that would constitute a positive test for either substance. An employee who produces a confirmed positive test result will be removed from duty without regular pay; provided, however, such an employee may use accrued leave time while relieved of his or her duties so long as such leave is used in a manner that is compliant with all other sections of the City of Asheboro Employee Policies and Procedures Manual. The employee must immediately schedule an evaluation with a substance abuse professional and must cooperate with any and all recommendations made by the substance abuse professional. Refusal to cooperate with the substance abuse professional will subject the employee to dismissal from his or her employment with the city. The employee must have a negative test result before he or she will be allowed to return to duty.

(B) The City of Asheboro expressly prohibits the possession, use, sale, distribution, dispensation, manufacture, purchase, or storage of controlled substances (i.e. illegal drugs) and related paraphernalia as well as alcoholic beverages by city employees while at the workplace or while performing work duties. By way of illustration and not limitation, no employee shall be on-duty while in the possession of one or more

alcoholic beverages and/or controlled substances. Any action taken in violation of this prohibition will subject the offending employee to dismissal from his or her employment with the city. Notwithstanding the foregoing prohibition, the following actions by city employees will not be deemed to be a violation of a workplace rule:

(1) The possession and use of medication(s) in strict compliance with prescriptions and instructions, include work limitations, issued by a properly licensed health care provider;

(2) The inadvertent discovery and subsequent securing of abandoned controlled substances and associated paraphernalia as well as alcoholic beverages during the course of performing an employee's job duties so long as such abandoned items are immediately surrendered to a law enforcement officer or destroyed in a manner consistent with instructions received from the Asheboro Police Department; and

(3) The interaction of sworn law enforcement officers with controlled substances and paraphernalia as well as alcoholic beverages so long as such interaction is conducted in furtherance of assigned job duties and is conducted in a manner that is compliant with all applicable laws, ordinances, administrative regulations, and agency policies and procedures.

(C) No employee who is required to take a post-accident alcohol test shall use alcohol until the earlier of either of the following events: 8 hours following the accident, or until he or she fully completes the required post-accident alcohol test. A violation of this requirement will subject the non-compliant employee to dismissal from his or her employment with the city.

(D) A refusal by an employee to submit to and fully cooperate with an alcohol test and/or drug test required by this policy shall be deemed to be a direct and intentional act of insubordination that will result in the termination of the non-compliant employee's employment with the city.

(E) Except when the use is pursuant to the instructions of a properly licensed health care professional who has informed the employee that the prescribed use of the controlled substance will not adversely affect the employee's ability to safely perform assigned work duties, employees are prohibited from reporting for duty or remaining on duty while the employee is subject to the effects of any controlled substance.

(F) A second occurrence of a positive drug test and/or alcohol test will result in the dismissal of an individual from his or her employment with the city.

(G) An employee who has a confirmed breath alcohol test result of 0.02 – 0.039 will not be allowed to continue to perform any safety-sensitive functions. In furtherance of this prohibition, such an employee will be relieved of his or her job duties for 24 hours subsequent to the confirmed test result. During this 24-hour period, the employee will not be paid by the city; provided, however, the employee may use accrued leave time while relieved of his or her duties so long as such leave is used in a manner that is compliant with all other sections of the City of Asheboro Employee Policies and Procedures Manual. The occurrence of this confirmed breath alcohol test result will be documented, and the employee will be counseled about the importance of reporting to work without the presence of alcohol in his or her system. Such an employee will be subject to a return-to-duty alcohol test prior to returning to a job position that requires the performance of a safety-sensitive function.

(H) No applicant will be offered employment if a confirmed positive pre-employment drug test result is produced.

8.07 This subsection lists supplemental provisions/requirements that are hereby incorporated into the city's substance abuse prevention policy.

(A) The Omnibus Transportation Employee Testing Act of 1991 (final rules implemented February 15, 1994) requires, in part, that any commercial motor vehicle operator who is subject to the CDL requirements in the State of North Carolina shall be tested for alcohol and controlled substances.

(B) Compliance with the Department of Health and Human Services mandatory guidelines for controlled substances testing shall be maintained by only using a laboratory certified by the Substance Abuse and Mental Health Services Administration.

(C) Federally mandated alcohol testing must be conducted by a Breath Alcohol Technician ("BAT") trained to a level of proficiency that is demonstrated by successful completion of a generally recognized and accepted course of instruction. Alcohol testing shall be conducted using an Evidential Breath Testing ("EBT") device.

(D) Consistent with the federal Drug-Free Workplace Act, if an employee is convicted of a violation of a criminal drug statute and the violation

occurred while the employee was at work, the employee must notify his or her department head of the conviction within 5 days after the conviction. An employee's failure to comply with this requirement will subject the employee to dismissal from his or her employment with the city.

(E) All drug test results shall be reviewed and interpreted by a Medical Review Officer ("MRO"). The MRO must be a licensed physician with specific training in substance abuse. If the laboratory reports a positive test result, the MRO or the MRO's designee will contact the employee, typically by telephone, and discuss the results with the employee. The MRO will then attempt to determine if there is a verifiable medical explanation for the employee to have the detected drug in his or her system. If there is none, the test result is to be reported as positive. If there is a verifiable medical explanation for the use of the drug, the result is to be reported as negative.

(F) An employee who does not pass a drug and/or alcohol test and is terminated, or an applicant who does not pass the pre-employment drug test, will not be considered for re-employment for a 2-year period following the date of the failed test and then will be considered only when he or she provides documentation suitable to management that he or she has successfully completed an alcohol and/or drug rehabilitation program and passes a pre-employment drug and/or alcohol test.

~~*(G) Any questions regarding this policy should be directed to the Human Resources Director at (336) 629-2037.*~~

(G) On January 6, 2020, the United States Department of Transportation's Federal Motor Carrier Safety Administration Drug and Alcohol Clearinghouse (the "Clearinghouse") became operational. As an employer regulated by the Federal Motor Carrier Safety Administration, the city is a registered user of the Clearinghouse with certain reporting obligations. CDL holders and applicants for jobs requiring a CDL are hereby notified that the following information will be reported to the Clearinghouse:

(1) A verified positive, adulterated, or substituted drug test result;
(2) An alcohol confirmation test with a concentration of 0.04 or higher;
(3) A refusal to submit to a drug or alcohol test;
(4) An employer's report of actual knowledge, as defined in 49 CFR § 382.107;
(5) On-duty alcohol use pursuant to 49 CFR § 382.205;
(6) Pre-duty alcohol use pursuant to 49 CFR § 382.207;

(7) Alcohol use following an accident pursuant to 49 CFR § 382.209;
(8) Drug use pursuant to 49 CFR § 382.213;
(9) A substance abuse professional's report of successful completion of the return-to-duty process;
(10) A negative return-to-duty test; and
(11) An employer's report of completion of follow-up testing.

(H) Any questions regarding this policy should be directed to the Human Resources Director at (336) 629-2037.

Section 3. Effective January 1, 2020, the following new Section 7 in Article II of the Manual is enacted:

ARTICLE II. RECRUITMENT AND EMPLOYMENT

SECTION 7. FIRE RECRUIT PROGRAM

The Asheboro Fire Department has implemented a recruit program focused on recruiting future firefighters who reflect the diversity of the population served by the department, specifically including the cultural and socio-economic composition of the City. The recruitment program enables the fire department to pay qualified individuals to attend a properly credentialed fire recruit training program with the intent of providing an avenue for someone to pursue a career in firefighting with the City of Asheboro. Due to the complex and evolving nature of the issues encountered when recruiting and retaining individuals who are working to become firefighters by means of a paid training period that is unique within the city's human resources system, the human resources director and the fire chief are hereby authorized to jointly monitor the training program and to implement changes, including exempting program participants on an as-needed basis from the coverage of the articles, sections, or provisions of this policies and procedures manual during the fire recruit training period. The requirements/expectations, benefits, and provisions of the employee policies and procedures manual applicable to an individual will be specified in documentation provided to training program participants by the human resources department and the fire department.

Section 4. Effective January 1, 2020, Section 2 in Article III of the Manual is rewritten to provide as stated in the following highlighted text:

[The remainder of this page was intentionally left blank.
The text for Article III, Section 2 of the Manual begins on the next page.]

ARTICLE III. PAYROLL CLASSIFICATION AND PAYROLL ADMINISTRATION

SECTION 2. THE PAY PLAN

The pay plan includes the basic salary schedule adopted and amended by the City Council. The salary schedule shall consist of minimum and maximum rates of pay with developmental pay and performance based pay components for all classes of positions included in the position classification plan.

Definitions

Developmental Pay: *The developmental pay period is the period where employees are on an accelerated learning curve to learn the duties of their job and the culture of the City. Developmental increases are pre-determined amounts added to based pay which stop when an employee reaches job rate. Developmental increases are automatic, unless there is a clear, documented trail of performance issues and corrective action has risen to the level of the employee file retained in the Human Resources office. Developmental increases occur on the anniversary date of the last pay action.*

Job Rate: ~~*12.5%*~~ *17.5% above range minimum and the rate at which an employee has met their developmental pay period and becomes* ***eligible*** *for budgeted performance based pay.*

Market/Pay Study: *Salary market study of the compensation system to ensure the City's compensation is in line and competitive with other similarly situated organizations.*

Market Pay Adjustments: *The result of a market/pay study. This adjustment is based solely on the job, not the individual and has nothing to do with quality or quantity of work as is 100% market driven data.*

Performance Based Pay (PBP): *Pay reserved for the City's best performers. Longevity does not make someone a candidate for performance based pay. These increases may be in the form of a percentage increase to base pay, flat dollar amounts added to base pay, one-time bonus amounts– it depends on the economic situation at the time and the budget of the City. In what form they are dispersed will be the decision of the City Manager. An employee cannot receive a developmental increase and a performance based pay increase in the same fiscal year. Unlike Market Adjustments, PBP is based on the individual, not the job. These increases will occur at a set time(s) of the year.*

Salary Grade: *The salary grade is the actual number used to refer to the position such as "This position is in grade 64, 65, 106, etc."*

***Salary Range**: The salary range is the total spread of potential pay for the position. For example, $25,000 minimum pay to $50,000 maximum pay means an employee in that position would be paid no less than $25,000 annually for performing the duties of the position and no more than $50,000 annually for performing the duties of the position.*

***Years of Service (Longevity) Increases:** Years of Service (YOS) increases given at 5, 10, 15, 20, and 25 years of service at a value of 2.5% for each YOS anniversary. These increases shall be effective on the nearest payroll date to which the qualifying event occurs.*

Maintenance of Pay Plan

The human resources department under the direction of the city manager shall be responsible for the maintenance and administration of the pay plan. The pay plan is intended to provide equitable compensation for all positions when considered in relation to each other, to general rates of pay for similar employment in the private sector and in other public jurisdictions in the area, to changes in cost of living, to financial conditions of the area and other factors. The human resources department will periodically make comparative studies of all factors affecting the level of salary ranges and will recommend to the city manager such changes in salary ranges as appear to be pertinent. Adjustments to the assigned salary level for the class of employees affected will be subject to approval by the city manager.

Transition to a New Pay Plan

The following provisions shall govern the transition to a new pay plan.

a) No employee shall receive a salary reduction as a result of the transition to a new pay plan.

b) An employee being paid at a rate lower than the minimum rate established for such employee's class shall be raised to a salary at or above the new minimum for the class.

c) An employee being paid at a rate above the maximum rate established for such employee's class shall remain at such rate until their salary falls within the established salary range for the classification.

Use of Salary Ranges

Salary ranges are intended to furnish administrative flexibility in recognizing individual differences among positions allocated to the same class, in providing employee incentive and in rewarding employees for meritorious service. All employees

covered by the pay plan shall be paid at a listed rate within the salary ranges established for their perspective job classes except for employees in a trainee status.

Hiring Rate/Starting Salaries

Hiring rates are determined using multiple factors, including, but not limited to, education and experience required for the position, market conditions, internal equity where applicable, and budget constraints. When an applicant meets the minimum requirements, the hiring rate will be the minimum of the pay grade. When an applicant exceeds the minimum requirements and those requirements are needed for the position, concessions may be allowed to hire that applicant at a higher starting salary than range minimum. Above-the-minimum appointments will be based on such factors as the applicant's qualifications where they exceed the minimum experience requirements for the position and market recruitment conditions such as job market competitiveness, talent pool, etc. Department heads wishing to hire above range minimum must complete the New Hire Worksheet for Hiring Managers prior to consulting with the human resources director to determine hiring rates above the range minimum. The human resources director may approve hiring rates up to 15% above range minimum and will refer anything above that to the city manager for approval.

Promotion, Demotion, or Transfer

Promotions: *It shall be the policy of the city to seek qualified applicants for vacant positions giving first consideration to promoting from within and across departmental lines. In the absence of qualified candidates for promotion, vacancies shall be filled by recruiting from the outside. Employees shall be considered for promotion on the basis of job-related experience, skill knowledge and ability; and on a review of the quality of past performance and general suitability for the higher level position. Factors shall not be considered in judging eligibility for promotion that are not job related, such as age, sex, race, color, religion, non-job related handicap, national origin or political affiliation. A department head's recommendation to promote an employee shall be reviewed by the human resources department and the city manager.*

When a promotion occurs, if the employee's salary is below the new minimum, it shall be at least increased to the minimum rate of the salary range assigned to the class to which he is promoted. If an employee's current salary is already above the new minimum salary rate, his salary may be increased in accordance with the new responsibilities being assigned to and required of that employee.

a) *Employees receiving a one grade promotion will receive a one-time promotional 5% increase to base pay.*

b) *Employees receiving a multi-grade promotion will receive a one-time promotional increase to base pay equal to two developmental pay increases in the employee's current range or will be placed at the range minimum of their new salary range, whichever is higher.*

When an employee is promoted, all compensatory time accrued up to the date of promotion will be paid out at the current rate of pay and compensatory accruals will begin on the date of the promotion for the employee at his/her new rate of pay and compensatory accrual rate (exempt v. non-exempt).

Transfers: *It is the policy of the city to transfer employees temporarily or permanently from one department to another when doing so will be in the best interest of the city. A transfer to an authorized vacancy may be arranged upon mutual agreement of all interested administrative officials and the employee.*

1) *When an employee is transferred from the position of one class to the position of another class of the same level, the employee will continue to be paid at the same rate.*

2) *Subject to the following requirements, the pay of an employee transferred to a position of lower classification shall be adjusted within the grade to which the employee is assigned:*

   a) *When the transfer is the result of a mutual decision by the employee and the city that such a transfer is in the best interest of both parties, the employee shall remain at the same rate of pay in the lower grade.*

   b) *When the transfer is at the sole request of the employee, the employee's pay will be adjusted to the appropriate level of pay within the lower grade. Such an adjustment may result in a decrease in pay.*

Unlike when an employee is promoted, there is no accrued compensatory time payout when someone is transferred to another position.

Demotions: *The pay of an employee demoted to a position of lower classification shall be adjusted to the new pay grade to which the employee is assigned. This action may result in a decrease in pay.*

Section 5. Effective January 14, 2020, Section 4 in Article III of the Manual is rewritten to provide as stated in the following highlighted text:

ARTICLE III. PAYROLL CLASSIFICATION AND PAYROLL ADMINISTRATION

SECTION 4. OVERTIME AND SPECIAL DUTY ASSIGNMENT

4.01 For the purpose of calculating compensatory time-off and overtime pay, the standard workweek for city employees is 12:01 a.m. Sunday – 12:00 Midnight Saturday. This standard workweek may not be altered without the permission of the city manager.

4.02 The city abides by all applicable sections of the Fair Labor Standards Act, the Fair Labor Standards Amendments of 1986, and all subsequent amendments. On the basis of time sheets or time cards submitted by the employees, the city will properly record all applicable overtime accrued for each covered employee.

4.03 With the exception of subsection 4.12, this overtime and special duty assignment policy is applicable only to city employees who are nonexempt under the Fair Labor Standards Act ("FLSA").

4.04 Employees are expected to work during all assigned periods exclusive of breaks or mealtimes. Except in cases of emergency, employees are prohibited from performing work during any time that they are not scheduled to work unless they receive prior approval from their immediate supervisor. An emergency exists if a condition arises that could reasonably result in injury or harm to a person, damage to property, or that requires the immediate attention of the employee. Employees who work excess hours because of an emergency shall advise their immediate supervisor of the unscheduled work as soon as practical following completion of the work.

4.05 It is the policy of the city, in agreement with its employees, that nonexempt employees receive compensatory time-off at a rate of one-and-one-half hours for each hour of overtime worked. Except for law enforcement and fire protection employees, nonexempt employees receive compensatory time-off at the rate of one-and-one-half hours for every hour worked over 40 hours in a standard 7-day workweek. Pursuant to Section 207(k) of the FLSA and 29 CFR Part 553, nonexempt law enforcement employees are entitled to this overtime rate only for hours worked in excess of 92 hours in a 15-day ~~cycle~~ work period, and

nonexempt fire protection employees are entitled to this overtime rate only for hours worked in excess of ~~114~~ 159 hours in a ~~15-day cycle~~ 21-day work period.

4.06 "Gap" time refers to the hours that fall between a nonexempt employee's regularly scheduled hours and, in the case of an employee who is not subject to the Section 207(k) exemption, the 40 hours that the employee must work before becoming entitled to the overtime premium rate for pay or compensatory time-off. The hourly or salaried pay established in the pay plan for a nonexempt employee who is not paid under the Section 207(k) exemption is the entirety of the pay to be received by the employee for the hours worked during the standard workweek so long as the hours actually worked do not exceed the 40-hour maximum. No additional compensation will be paid or granted for "gap" hours that do not cause the employee to exceed the 40-hour maximum.

4.07 The applicability of this section of the city employee policies and procedures manual is limited to nonexempt law enforcement and fire protection personnel paid under the Section 207(k) exemption.

(A) The salary established in the pay plan for a nonexempt law enforcement employee or fire protection employee paid under the Section 207(k) exemption is the only compensation that will be paid to the employee for all of the regularly scheduled hours worked by the employee. For "gap" hours in a non-overtime work ~~cycle~~ period that do not cause a law enforcement employee to exceed 92 hours in a 15-day ~~cycle~~ work period or a fire protection employee to exceed ~~114~~ 159 hours in a ~~15-day cycle~~ 21-day work period, such an employee will receive bonus compensatory time-off on an hour-for-hour basis, not the overtime premium rate of one-and-one-half hours, for each hour actually worked in excess of the total number of hours that the employee was scheduled to work during the ~~15-day cycle~~ applicable 15-day or 21-day work period.

(B) During an overtime work ~~cycle~~ period, such an employee will be paid in cash on a straight time basis for all "gap" time worked and paid in cash on an overtime premium basis (one-and-one-half hours) for every hour worked by a law enforcement employee in excess of 92 hours in a 15-day ~~cycle~~ work period and every hour worked by a fire protection employee in excess of ~~114~~ 159 hours in a ~~15-day cycle~~ 21-day work period.

(C) None of the foregoing provisions are to be interpreted or implemented in a manner that impedes the utilization by management officials of special duty assignments that are compensated with bonus cash payments that are calculated by using the overtime premium rate of one-and-one-half hours. Such bonuses are to be calculated as a separate and distinct form of compensation.

4.08 With the exception of holiday leave, when an employee takes leave from work, the compensatory leave time bank must be exhausted prior to using any accrued vacation or sick leave. Because accrued holiday leave expires if not used within a designated timeframe, if an employee has accrued holiday leave, the employee may exhaust the holiday leave bank first and then use any compensatory leave time prior to utilizing vacation or sick time for time away from work. The only exception to using compensatory time-off before accrued vacation and/or sick leave applies to retiring employees leaving in good standing per Article VII's Resignation in Good Standing Policy. During the 12-month period immediately preceding retirement, a retiring employee may work with his or her supervisor to exhaust any accrued vacation leave over the 240 maximum prior to working his or her last day with the city.

4.09 In a situation where a nonexempt employee performs work that fails to qualify as overtime work because the employee did not actually work over 40 hours during the standard 7-day workweek, or for a law enforcement employee or a fire protection employee subject to the Section 207(k) exemption who did not work in excess of the threshold amount set for overtime work during the ~~prescribed 15-day cycle~~ applicable 15-day or 21-day work period, such an employee may receive a bonus in the form of one-and-one-half hours of compensatory time-off for every hour worked in furtherance of the assigned task if the work is designated as a special duty assignment by the employee's division director or department head on the employee's time sheet or time card. Alternatively, a nonexempt employee may receive a bonus in the form of a monetary payment rather than compensatory time-off for work on a special assignment if such work is designated for special duty pay by the employee's division director or department head on the employee's time sheet or time card. Such a bonus shall be calculated on the basis of one-and-one-half times the employee's regular rate of pay for each hour worked on a special duty assignment.

4.10 When a nonexempt employee is called back to work outside regularly scheduled working hours, the employee's division director or department head is to evaluate the totality of the circumstances and make a determination as to which of the following options will be utilized:

(A) The call-back event can be designated as a special duty assignment with the granting of either bonus compensatory time-off or the payment of a monetary bonus as described above in subsection 4.09, and a guarantee that the employee will receive, under this option, credit for no less than 2 hours of special duty assignment work; or

(B) The call-back event can be integrated into flexible, alternative scheduling of the employee's work time during the workweek.

4.11 Nonexempt law enforcement employees and fire protection employees subject to the Section 207(k) exemption may accrue not more than 480 hours of compensatory time-off. All other nonexempt employees may accrue not more than 240 hours of compensatory time-off. When the thresholds specified in this subsection are reached, the nonexempt employee will receive a monetary payment of one-and-one-half times the employee's regular rate of pay for each hour in excess of the limits specified in this subsection.

4.12 Employees wishing to use accrued compensatory time-off must make a written request to their immediate supervisor. Use of such time will be allowed within a reasonable period following the request as long as the use does not unduly disrupt the operations of the city. Additionally, in order to reduce the amount of accrued compensatory time-off, an employee who has not asked to use accrued compensatory time-off may, nonetheless, be required by his or her supervisor to use that accrued time at the convenience of the city.

4.13 Accrued compensatory time-off will be paid upon termination of employment and shall be calculated at the average regular rate of pay for the final three years of employment, or the final regular rate received by the employee, whichever is higher.

4.14 Subject to the conditions specified in this subsection, an exempt employee may be granted bonus compensatory time-off or pay to the same extent that such a bonus would be granted to a nonexempt employee for work designated and approved as special duty assignment work by the management official with approval authority for the exempt employee's time sheet or time card. The receipt of bonus compensatory time-off or pay by an exempt employee is subject to the following conditions:

(A) The amount of compensatory time-off or pay shall be calculated on an hour-for-hour basis, not at the rate used for nonexempt employees of one-and-one-half hours for each hour of special duty assignment. The maximum amount of time that can be accrued by exempt employees is dependent on whether the employee is subject to the Section 207(k) exemption. If the Section 207(k) exemption is not applicable, the maximum accrual of special duty compensatory time-off allowed by this policy is 240 hours. If the Section 207(k) exemption is applicable to the employee, the maximum accrual of special duty compensatory time-off allowed by this policy is 480 hours. Any special duty compensatory time-off listed on a time record that would cause a leave balance to exceed the

above stated amounts shall be disregarded as non-approved special duty compensatory time-off.

(B) As with nonexempt employees, exempt employees wishing to use accrued compensatory time-off must make a written request to their immediate supervisor. Use of such time will be allowed within a reasonable period following the request as long as the use does not unduly disrupt the operations of the city. Additionally, in order to reduce the amount of accrued compensatory time-off, an employee who has not asked to use accrued compensatory time-off may, nonetheless, be required by his or her supervisor to use that accrued time at the convenience of the city. When unusual work scheduling needs arise, the employee and the employee's supervisor should make every effort to fluctuate the schedule to avoid the accrual of compensatory time-off.

(C) Exempt employees who have been allowed to accumulate compensatory time-off, rather than receiving payment for overtime work, will not be paid for any portion of the accumulated compensatory time-off until the exempt employee is promoted or terminates his or her employment with the city.

(D) In the event an exempt employee separating from employment with the city is to receive a payment for some or all of the accumulated compensatory time-off, such terminal pay is to be calculated at the employee's final regular rate of pay. While exempt employees can generally accrue up to 240 hours and those subject to the Section 207(k) exemption can accrue up to 480 hours, the maximum terminal pay cannot exceed 120 hours for exempt employees who do not qualify for the Section 207(k) exemption or 240 hours for law enforcement and fire protection employees who qualify for the Section 207(k) exemption. When an exempt employee terminates his or her employment with the city, the balance of any accumulated compensatory time-off that has not been used by the employee prior to the separation from employment or included in the employee's terminal pay in strict accordance with the limits set within this subsection shall be deemed to be forfeited.

Section 6. Effective January 1, 2020, Article IV, Part B, Section 4 of the Manual is reformatted and the requirement to use donated leave in 4-hour increments is eliminated by rewriting this section of the Manual as follows:

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The rewritten text for the above-cited section begins on the next page.]

ARTICLE IV. LEAVES OF ABSENCE

PART B. TYPES OF LEAVE

Section 4. Voluntary Shared Leave

The purpose of voluntary shared leave is to provide economic relief for full-time regular employees who are likely to suffer financial hardship due to an absence.

Eligibility

Only full-time regular employees who have exhausted all accumulated leave are eligible to receive donated leave.

In order to receive voluntary shared leave, an employee must have complied with existing leave rules and:

- *Have a medical condition; or have an immediate family member as defined under the FMLA policy whose medical care will require the employee's absence for a period of time;*
- *Apply to become a recipient of a specified amount of leave time;*
- *Produce medical evidence to support the need for the requested amount of leave time beyond the available accumulated leave, and;*
- *Upon the recommendation of the human resources director, be approved by the city manager to participate in the program.*

Application for Donated Leave

An employee who, due to a serious medical condition of self or of his/her immediate family, faces an absence from work may apply for donated leave by completing a "Voluntary Shared Leave Application" and submitting it to the human resources director. Application may also be made by someone acting on the employee's behalf if the employee is unable to make application.

Before action can be taken by human resources, the application must include a doctor's statement regarding the medical condition of the recipient or FMLA defined family member of the recipient and verification of the need for additional leave. Human resources will edit out all protected health information and forward the request, along with the human resources recommendation for approval or denial, to city manager for final approval/denial.

Human resources will give written acknowledgement to both the recipient and the donor(s) of his/her request to participate in the program.

Donation of Vacation Leave

Any eligible employee in the city may donate vacation leave to any approved employee. In order to donate leave an employee must complete a "Voluntary Shared Leave Authorization of Donation of Leave" form and submit it to the human resources director. The donation of leave is subject to the following restrictions:

1) *All leave donations must be to a designated employee approved by the city manager for receipt of donated leave.*
2) *All donations must be in writing and signed by the donating employee. The employee to receive the donation of leave shall be named and the amount of vacation leave donated shall be specified.*
3) *Any eligible employee may donate vacation leave to any approved employee.*
4) *The maximum donation amount of vacation leave cannot reduce the donor's accrued vacation bank to less than 96 hours.*
5) *For the purposes of voluntary shared leave, all leave donated will be credited to the recipient's sick leave account.*
6) *The minimum amount of leave donated is 4 hours.*
7) *The amount of leave donated to an employee may not exceed the amount of leave requested. Donated leave will be taken in the order received by the human resources department.*

Use of Donated Leave

Holidays occurring while the employee is using donated leave will be paid.

Vacation and sick leave will continue to be earned by the employee while he/she is using donated leave.

Available earned leave accrued during this period must be used by the employee prior to continued use of any voluntary shared leave.

Unused Leave

When the recipient returns to work or separates employment due to resignation, death, retirement, or termination, any remaining donated leave balance will be returned to the donors. In calculating the return of donated leave, priority shall be given to the most recent donor(s) in reverse chronological order.

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This Resolution was adopted by the Asheboro City Council in open session during a regular meeting held on the 5th day of December, 2019.

David H. Smith, Mayor

ATTEST:

Holly H. Doerr, CMC, NCCMC, City Clerk

ORDINANCE NUMBER _____

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

AN ORDINANCE AMENDING SECTION 31.02 OF THE CODE OF ASHEBORO

WHEREAS, Section 31.02 of the Code of Asheboro specifies the procedure to be followed for the appointment of members to various committees of the City Council; and

WHEREAS, in order to allow a committee of the Asheboro City Council to meet without raising questions as to whether a quorum of the City Council is present, the recent practice of the Mayor and Council Members has been to appoint no more than three Council Members to any specific City Council committee; and

WHEREAS, the City Council has concluded that Section 31.02 of the Code of Asheboro should be updated to reflect the practice utilized by the City Council to efficiently and properly fulfill its duties and responsibilities as a governing board.

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

Section 1. Section 31.02 of the Code of Asheboro is hereby rewritten to provide as follows:

§ 31.02 APPOINTMENT OF COMMITTEES.

Subsequent to the initial establishment of a committee and the appointment of members to serve on the committee, the Mayor shall appoint, during the organizational meeting of the City Council following its election, the number of Council Members prescribed by this Section or by the adopted resolution creating the committee in those cases where the committee is not specifically listed in this Section. All committee appointments by the Mayor are subject to the approval of the City Council. The committees for which appointments are to be made are as follows:

(A) Finance and Public Safety Committee, which shall be chaired by the Mayor and consists of three Council Members;

(B) Public Works Committee, which shall be chaired by the Mayor Pro Tempore and consists of ~~three~~ two additional Council Members;

(C) Personnel Evaluation Committee, which shall be chaired by the Mayor and consists of two Council Members;

(D) Tourism and Marketing Committee, which shall be chaired by the Mayor and consists of two Council Members;

(E) Identity Theft Prevention Program Committee, which shall be chaired by the Mayor and consists of two Council Members; and

(F) Such other committees as may be established by resolution of the City Council.

Section 2. All ordinances and clauses of ordinances in conflict with this Ordinance are hereby repealed.

Section 3. This Ordinance shall be in full force and effect upon and after the 5th day of December, 2019.

This Ordinance was adopted by the Asheboro City Council in open session during a regular meeting held on the 5th day of December, 2019.

_____

David H. Smith, Mayor

ATTEST:

_____

Holly H. Doerr, CMC, NCCMC, City Clerk

RESOLUTION NUMBER _____

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION OF CONCURRENCE WITH THE COMMITTEE APPOINTMENTS MADE BY MAYOR DAVID H. SMITH

WHEREAS, the Code of Asheboro (the "Code") authorizes the Mayor to appoint Council Members to the various committees listed in Section 31.02 of the Code as well as to other committees established by and organized in accordance with resolutions adopted by the Asheboro City Council (the "Council") independent of the committee framework established in the Code; and

WHEREAS, the appointment of individuals to such committees is to take place during the organizational meeting that follows the municipal general election; and

WHEREAS, Section 31.02 of the Code provides that the above-referenced committee appointments are subject to the approval of the Council; and

WHEREAS, during the organizational meeting held on December 5, 2019, Mayor David H. Smith made the following committee appointments:

Finance and Public Safety Committee

1. Mayor, Chair (Designated as Chair by the Code)
2. Clark R. Bell
3. Jane H. Redding
4. Charles A. Swiers

Public Works Committee

1. Mayor Pro Tempore, Chair (Designated as Chair by the Code)
2. Edward J. Burks
3. Katie L. Snuggs

Personnel Evaluation Committee

1. Mayor, Chair (Designated as Chair by the Code)
2. Mayor Pro Tempore
3. Linda H. Carter

Tourism and Marketing Committee

1. Mayor, Chair (Designated as Chair by the Code)
2. Edward J. Burks
3. Katie L. Snuggs

Identity Theft Prevention Program Committee

1. Mayor, Chair (Designated as Chair by the Code)
2. Linda H. Carter
3. Charles A. Swiers

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that, without exception, the committee appointments specified in the preceding recitals are hereby approved.

This Resolution was adopted in open session during a regular meeting of the Asheboro City Council that was held on the 5th day of December, 2019.

_____

David H. Smith, Mayor

ATTEST:

_____

Holly H. Doerr, CMC, NCCMC, City Clerk

ORDINANCE NUMBER _____

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

AN ORDINANCE SETTING THE DATES FOR REGULAR MEETINGS OF THE ASHEBORO CITY COUNCIL DURING THE 2020 CALENDAR YEAR

WHEREAS, Section 31.04(A) of the Code of Asheboro provides that the "City Council shall hold a regular meeting on Thursday after the first Monday of each month;" and

WHEREAS, in an effort to avoid reasonably foreseeable scheduling conflicts with the Labor Day holiday, the Asheboro City Council has decided to reschedule its regular meeting in September 2020.

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

Section 1. During the 2020 calendar year, and subject to any notices to the contrary issued in accordance with the applicable laws and ordinances, regular meetings of the Asheboro City Council will begin at 7:00 p.m. on the dates listed herein and will be held in the Council Chamber on the second floor of Asheboro City Hall, 146 North Church Street, Asheboro, North Carolina 27203.

Section 2. Due to the Labor Day holiday, the regular meeting of the Asheboro City Council in September 2020 shall be held in the Council Chamber on the second floor of Asheboro City Hall, with a beginning time of 7:00 p.m., on the 17th day of September, 2020.

Section 3. For purposes of clarity, the schedule is as follows for regular meetings of the Asheboro City Council during the 2020 calendar year:

Month	Meeting Date
January	9th
February	6th
March	5th
April	9th

May	7th
June	4th
July	9th
August	6th
September	17th
October	8th
November	5th
December	10th

Section 4. All ordinances and clauses of ordinances in conflict with this Ordinance are hereby repealed to the extent that such ordinances conflict with the intent of the Asheboro City Council to hold its regular meetings in accordance with the schedule found in Section 3 of this Ordinance. With the exception of rescheduling the Asheboro City Council's regular meeting in September 2020, the provisions of Section 31.04 of the Code of Asheboro remain in full force and effect.

Section 5. This Ordinance shall become effective upon adoption and shall sunset at midnight on December 31, 2020.

This Ordinance was adopted in open session during a regular meeting of the Asheboro City Council held on the 5th day of December, 2019.

_____

David H. Smith, Mayor

ATTEST:

_____

Holly H. Doerr, CMC, NCCMC, City Clerk