

**MINUTES OF THE REGULAR MEETING
OF THE REIDSVILLE CITY COUNCIL
HELD TUESDAY, JUNE 11, 2019 AT 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL**

CITY COUNCIL MEMBERS PRESENT:

Mayor John M. “Jay” Donecker
Mayor Pro Tem Harry L. Brown
Councilman James K. Festerman
Councilman Donald L. Gorham
Councilman William Hairston
Councilwoman Sherri Walker

COUNCIL MEMBERS ABSENT:

Councilmember Terresia Scoble
(*Called in via conference call*)

CITY STAFF PRESENT:

Preston W. Mitchell, City Manager
Cindy Farris, Deputy City Clerk
William F. McLeod, City Attorney
Chris Phillips, Assistant City Manager –
Administration/Finance Director
Haywood Cloud, Assistant City Manager –
Community Services
Robert Hassell, Police Chief
Chuck Smith, Public Works Director
Donna Setliff, Community Development
Manager
Leigh Anne Bassinger, Human Resources
Director
Rhonda Wheeler, IT Director
Missy Matthews, Market Square/Main Street
Manager

INVOCATION

Associate Minister Rosetta Badgett of Jerusalem United Holy Church, 633 Prince William Street, provided the invocation

PLEDGE OF ALLEGIANCE

Council then led those present in the Pledge of Allegiance.

Mayor Donecker noted that Councilmember Terresia Scoble was attending via conference call.

RECOGNITIONS & PROCLAMATIONS:

RECOGNITION OF 34TH ANNUAL REIDSVILLE CHAMBER OF COMMERCE STUDENT ART SHOW WINNERS.

Reidsville Chamber President Diane Sawyer came forward, along with eight of the winners of the recent Student Art Show, which include; Rafael Cruz, Lauren Clifton, Payten Bayne, Raquel Cruz, Makayla Isley, Kristofer Wilson, Hanna Tompkins and Reshad King. Mayor Jay Donecker and members of Council congratulated the youth on their accomplishments.

RECOGNITION OF TRI-STATE STEEL AND THE SCOTT FAMILY, A TRIAD BUSINESS JOURNAL FAMILY BUSINESS AWARD WINNER.

Mayor Donecker asked Jerry and Steve Scott to come forward and stated that “good things happen here in Reidsville.” He said the Scott family, who started Tri-State Steel, has been recognized by the *Triad Business Journal* as one of the leading family-owned businesses in the region. Steve Scott mentioned the Externship and Machinist Programs and Junior Achievement and how beneficial being engaged in the community is for local youth and area businesses. Mr. Scott said Reidsville had been very good to them and that he wanted to continue to do business the way his parents taught him.

RECOGNITION OF INSPECTOR NEIL MCKINNEY FOR ACHIEVING HIS LEVEL III ELECTRICAL CERTIFICATION.

Mayor Donecker asked City Inspector Neil McKinney to come forward and congratulated him on completing his Level III Electrical Certification, which means he has his achieved Level III certifications in all four building trades (Building, Electrical, Plumbing and Mechanical). McKinney said it was a four year-long process. Community Development Manager Donna Setliff stated McKinney had to take 25 exams to reach this certification. The Mayor emphasized how important the City Inspectors are to the growth of the City.

RECOGNITION OF CITY STAFF WHO GRADUATED FROM THE 2018-2019 LEADERSHIP ROCKINGHAM PROGRAM.

Mayor Donecker asked Human Resources Director Leigh Anne Bassinger, Public Works Director Chuck Smith and City Manager Preston Mitchell to come forward and congratulated them on completing the Leadership Rockingham course offered at Rockingham Community College. The Mayor mentioned that he had heard that City Manager Mitchell was the class valedictorian. Manager Mitchell responded that wearing a tie and carrying your book every week made the difference.

APPROVAL OF CONSENT AGENDA.

Councilman Donald Gorham made the motion, seconded by Mayor Pro Tem Harry Brown and unanimously approved by Council in a 6-0 vote, to approve the Consent Agenda.

CONSENT AGENDA ITEM NO. 1 - APPROVAL OF THE MAY 7, 2019 REGULAR MEETING MINUTES.

With the approval of the Consent Agenda in 6-0 vote, the Council approved the May 7, 2019 Regular Meeting Minutes.

**CONSENT AGENDA ITEM NO. 2 - APPROVAL OF BUDGET ORDINANCE
AMENDMENT NO. 20 TO TRANSFER MUNICIPAL SERVICE DISTRICT
HISTORICAL FUND BALANCE TO THE GENERAL FUND.**

With the approval of the Consent Agenda in a 6-0 vote, the Council approved Budget Ordinance Amendment No. 20 as outlined in Assistant City Manager/Finance Director Chris Phillips' memo.

Phillips' memo is below:

DOWNTOWN MUNICIPAL SERVICE DISTRICT – FUND BALANCE

To: Preston Mitchell, City Manager
From: Chris Phillips, Asst. City Manager/Finance Director
Date: May 28, 2019

The City of Reidsville City Council created a Downtown Municipal Service District (MSD) in the early 1970s to cover the cost of a parking lot. A \$.25 rate was taxed to all of the property in the downtown area to reimburse the City for the cost of the lot. As the amount was close to being reimbursed, the decision was made to keep the tax to be used for other downtown projects. The Reidsville Downtown Corporation (RDC) was created in 1978 and became an advisory entity for the City Council.

The tax dollars generated from the MSD tax were accounted for in Fund 15 for many years. This fund is also used as a pass through for activities of the RDC. Over the years since, the taxes collected from the MSD have been used for various endeavors. About ten years ago, the City Council made it clear that the tax funds should be used for improvement grants in the Downtown and not for regular operating expenses. In addition, the annual fall festival is accounted for in this fund along with the revenue and expenditures for other community events, some of which generate no income at all (the tree lighting for example). The festival has been profitable every year since the fall of 2010; but, the DT fund only had profits in half of those years once all of the other activities were accounted for.

In an effort to simplify the budget of the RDC, the MSD tax funds were moved to the City's General Fund in the 2018-2019 budget. The expenditure budget for improvement grants were moved to the General Fund as well. The June 30, 2018 fiscal year closed and the results of the MSD and RDC were reported in the City's financial statements. At the end of that year, the beginning of the current fiscal year, there was a fund balance of \$102,796. This fund balance was built on activity from 2006, when the fund had virtually no fund balance. Over those twelve years, the tax dollars less grants totaled \$194,602; the festival alone generated a total of \$38,280; and the other revenues/expenditures netted a \$132,086 loss. These amounts along with a beginning fund balance of \$2,000 equal the \$102,796 ending fund balance. It is a fair assessment to say the majority of the fund balance is unused tax generated funds. These funds need to be transferred to the General Fund where they will be reported as committed to

the Downtown District. The attached budget ordinance amendment will move the \$97,000 to the General Fund. The balance of \$5,796 will remain in Fund 15 as a reserve for the Festival and the activities of the RDC. That way, this transfer will not wipe out the entire fund balance. The amendment will increase the amount available for grants in the current fiscal year. To date there have been \$27,300.55 issued in grants and another \$13,000 is expected before year end. At the end of the June 30, 2019 fiscal year, any MSD tax revenues not used for the improvement grants shown in the committed fund balance.

In addition, the Downtown District funds are a viable funding source for needs in the overall downtown. These funds were used in the 2013-2014 for the downtown Wi-Fi system. The City's Information Technology Department has reported that the backbone system for the downtown cameras is in need of an overhaul and several cameras need to be replaced. The estimate for this project is \$37,000. This project will need to be completed in the next year to 18 months. The City Council is requested to commit this portion of the overall Downtown District fund balance to this project at this time as well.

In summary, the attached budget ordinance amendment creates a transfer that will move the Fund 15 fund balance to the General Fund where it will be recorded as Committed to the Downtown District at year end; and \$37,000 of the balance is specifically committed to the Downtown District Camera System. (End of Memo)

The Budget Ordinance Amendment as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 20

WHEREAS, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 12, 2018 which established revenues and authorized expenditures for fiscal year 2018-2019; and

WHEREAS, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to transfer historical funds from the Downtown District Fund to the General Fund;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 12, 2018 is hereby amended as follows;

Section 1. That revenue account number 15-3991-0000, Appropriated Fund Balance, be increased by \$97,000.00; that revenue account number 10-33986-1000, Transfer from the Downtown Fund, be increased by \$97,000.00

Section 2. That expense account number 15-4930-9810, Transfer to the General Fund, be increased by \$97,000.00; that expense account number 10-4950-5800, MSD Grant/Incentive Program, be increased by \$97,000.00.

This the 11th day of June, 2019.

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

ATTEST:

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

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

With the approval of the Consent Agenda in a 6-0 vote, the Council approved the following Grant Project Ordinance Amendment for the Landfill Assessment Reimbursement Project as outlined in Assistant City Manager/Finance Director Chris Phillips' memo.

Phillips' memo follows:

To: Preston Mitchell, City Manager
From: Chris Phillips, Asst. City Manager/Finance Director
Date: May 29, 2019

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

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

To date, phases one to six have been completed and the State has already reimbursed the City for the first 5 phases; the cost of the sixth phase has been sent to the State for reimbursement as well. The total funds used to date are right at \$286,500.

Attached is a Grant Project Ordinance Amendment to increase the project fund to the amount above; an increase in revenue and expenditures of \$63,500.

Please have the City Council consider this amendment for approval.

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

The Grant Project Ordinance Amendment as approved follows:

GRANT PROJECT ORDINANCE AMENDMENT
AUTHORIZING LANDFILL ASSESSMENT SERVICES

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

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

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

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

16-3900-0000	State Grant Funds	\$	63,500
--------------	-------------------	----	--------

Section 2. The following line items of expenditures are hereby amended:

16-7121-1900	Engineering	\$	63,500
--------------	-------------	----	--------

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

This the 11th day of June, 2019.

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

ATTEST:

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

- End of Consent Agenda -

PUBLIC HEARINGS.
CONSIDERATION OF A MODIFICATION TO THE SPECIAL USE PERMIT FOR
THE CREEKSIDE MANUFACTURED HOME PARK OFF PICKRELL ROAD.
(SP 2019-6)

Community Development Manager Donna Setliff came forward to give the staff report regarding the request to modify the Special Use Permit for Creekside Manufactured Home Park located off of Pickrell Road. Setliff reviewed information covered in her May 27, 2019 memo. (A COPY OF THE MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

Prior to Setliff giving the staff report, Deputy City Clerk Cindy Farris swore in Setliff and Mr. Justin Dahl.

She stated the property has changed hands numerous times, and the prospective new owner would like to offer the rent-to-own option for the manufactured home park. Setliff gave a brief history of the property and said the Planning Board had voted in favor of the action in a 5-0 vote on each of the four findings of facts.

Mayor Donecker asked Setliff how many of the current homes are being rented. Setliff said to her knowledge all of the current homes are owner occupied.

The public hearing was opened at 6:22 p.m.

Mr. Justin Dahl, Vice-President of the Vineyards Management Group, came forward detailing at length the desired modifications to the Special Use Permit. He asked that the conditions placed on the original July 9, 1998 City Council approved SUP and the 2007 Modified SUP be revised to permit the manufactured homes to be rented or purchased through the rent-to-own option. Mr. Dahl stated there are 46 developed sites and if the modification of the Special Use Permit is approved, his firm would like to develop the remaining 146 sites.

Mayor Donecker asked Mr. Dahl if the group he works for currently manages property that fits the same profile as the Creekside property? He also asked if they would be placing manufactured homes on each of the remaining 146 sites?

Mr. Dahl stressed if the permit is approved, they do plan to develop the remaining sites and are pleased that the existing infrastructure is relatively new, constructed in the 1990s as opposed to some they have developed that were constructed in the 1960s or 70s. He said the group currently owns 22 properties with about 6,000 sites in the United States with 10 more under contract. He said all of them are similar to this one with none of them being apartments or multi-family dwellings. Mr. Dahl added that they plan to place new manufactured homes on the 146 remaining lots.

Mayor Donecker asked if they would have an on-site property manager and if they had other properties in North Carolina? He also asked where the company's home office is and where Mr. Dahl lives. Mr. Dahl said the intent is to have an on-site property manager, and this will be their first property in North Carolina. However, they do have properties in South Carolina, Florida, Texas, Ohio and Oklahoma as well as others. He said their home office is in Utah, and he lives in California.

Councilwoman Walker asked if there is a plan to have a designated park for the community? Mr. Dahl said the footprint of the development does include a commons area and a park. He said they would not be changing the plan of the original footprint.

Councilman Festerman asked if there is currently an on-site property manager? Mr. Dahl stated the current owner Mr. Tang is also the property manager when he is in town and that there is a designated office on the property. He said his group plans to have a full-time on-site property manager and maintenance staff.

Councilman Festerman said one of his primary concerns with the development is the possible high density of rental property and that it will negatively affect the adjacent property owners. He said he is of the opinion that if there is a large influx of rental units where there are existing homeowners it will devalue those properties. Mr. Dahl said the property was originally designed as a mobile home community 20 years ago and stated he is not an expert on property evaluation next to manufactured home communities.

Councilman Festerman said he was on the City Council at the time the original plan was presented and at that time the homes were primarily intended to be owner occupied and not rental units. Mr. Dahl said the group's long-term strategy goal is to have all of the homes be owner occupied, that they do not want to be in the rental property business. He said out of the necessity of the current lending market, they want to offer this lease-to-own option to encourage people to buy the homes.

Councilman Gorham said he had attended the Planning Board meeting where this matter had been discussed in great detail and that members of that Board posed these same types of in-depth questions. The Councilman assured members of Council that this group is not going to allow just any type of housing to be built on the sites, that they will be top quality homes.

After being sworn in, Mr. Jerry Scott, no address given, asked about the minimum size of homes to be built on these lots. Mr. Dahl said roughly around 940 square feet. Ms. Setliff added that the original permit allowed single-wide and double-wide mobile homes to be placed on the lots within the mobile home park. The Mayor asked if any two-story homes would be allowed? Setliff said the permit does not disallow two-story homes.

After being sworn in, Ms. Toni Deaton of 1822 Pickrell Road, Reidsville, stated her main concern is the devaluation of her property if the park contains 150 rental units and that the properties over time will not be maintained. She said if they charge \$750 to \$800 dollars a month, she fears they will be faced with "walkaways". Ms. Deaton said she had lived just down the road in the neighborhood on Pickrell Road all her life and is fearful if there are numerous rentals down the road.

Mayor Donecker asked Mr. Dahl to come forward and clarify if used mobile homes would be purchased and placed on the lots in the park. Mr. Dahl stated the homes they intend to place in the park will be new mobile homes, but that the permit states five years or newer. He gave the example that if someone wanted to purchase their own home from a dealer and place it in the

park, the home would have to be five years or newer. He also clarified that all of these homes will be required to be inspected by a City inspector and issued a Certificate of Occupancy.

Mayor Donecker asked if the water bills will be issued to the property manager or the individual homeowners? Mr. Dahl stressed that the homeowner will be directly responsible for his or her own utilities. Mayor Donecker and Mayor Pro Tem Brown asked if the City can have inspectors go out and inspect the properties when renters move out and have their water turned off before the new renter moves in. Setliff clarified that at one time City inspectors could do that, but North Carolina General Statutes had changed several years ago. Mr. Dahl said they do require a monthly inspection and then quarterly inspections of the properties to make sure the properties are in good condition.

Mayor Donecker asked if any of the homes will qualify for Section Eight housing. Mr. Dahl said not at this time.

After being sworn in, Mr. Pleas McMichael, no address given, stated he owns property at the end of Pickrell Road. He expressed his concerns regarding the development of the mobile home park. He said his property is adjacent to the site and he hunts on his property. He stated mobile homes depreciate faster than automobiles, and he thinks people won't realize they will not own the land the house sits on.

Mr. Dahl came forward and addressed the concern by stating that it is prevalent in commercial properties and especially mobile home parks that the land is leased. He gave the example of the 100 year leases of airports and commercial properties in cities like New York City, where the buildings are owned but the properties those buildings sit on are leased. Mr. Dahl said that from time to time they will have residents "walk away" but that also happens with homeowners when they lose their jobs or their mortgage rate is high. Mayor Donecker asked if anyone else would like to address the issue. No one came forward.

The public hearing was closed at 6:48 p.m.

Council members then reviewed the four Findings of Fact as follows:

- 1) that the use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved; -- **Approved 6-0**
- 2) that the use meets all required conditions and specifications; -- **Approved 6-0**
- 3) that the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity; and, -- **Approved 5-1 (Councilman Festerman opposing)**
- 4) that the location and the character of the use if developed according to the plan as submitted and approved will be in harmony with the area in which it is to be located and in general conformity with the Comprehensive Plan for Reidsville and its surroundings. -- **Approved 6 -0**

Mayor Pro Tem Brown made the motion, seconded by Mayor Donecker and approved by Council in a 5-1 vote (Councilman Festerman opposing), to approve the conditions placed on the original July 9, 1998 City Council approved Special Use Permit and the 2007 Modified Special Use Permit remain in effect except that the manufactured homes are allowed to be rented or purchased through a rent-to-own option at Creekside Manufactured Home Park off of Pickrell Road.

Mayor Donecker asked if members of Council had any other comments? Councilman Festerman said he was not in support of the action and that he thinks the Special Use Permit modification will substantially injure the value of adjoining property owners. Councilwoman Walker re-read the third Finding of Fact with Councilman Festerman acknowledging that he thought it would injure adjoining property owners. Councilman Hairston said he was concerned about that as well. Mayor Donecker reiterated that the vote had already been taken on the Four Findings of Fact.

City Manager Mitchell clarified that the modification of the Special Use Permit had passed in a 5-1 vote and if Council chooses not to approve the motion, the condition will no longer be in effect. City Attorney McLeod agreed.

Mayor Donecker called for a vote on the conditions of the Special Use Permit, which passed in a 5-1 vote in favor of the condition to allow the rent-to-own option. Councilman Festerman voted against the condition.

The Special Use Permit as approved follows:



SPECIAL USE PERMIT

REIDSVILLE, N. C.

There is hereby granted to Creekside, LLC., a Special Use Permit in accordance with the Reidsville Zoning Ordinance, Article V, Section 3 of the Reidsville Zoning Ordinance.

This permit is to modify the original July 9, 1998 Special Use Permit issued for the Creekside Manufactured Home Park located off Pickrell Road, specifically Rockingham County Tax Nos. 8914-03-43-7249 with the following conditions:

- 1) Conditions placed on the original July 9, 1998 City Council approved Special Use Permit and the 2007 Modified Special Use Permit remain in effect except that the manufactured homes are allowed to be rented or purchased through a rent-to-own option.

Said property is zoned Residential Agricultural-20.

This Permit is granted to the person, firm, or corporation designated above, and for the purpose and under the conditions set forth above. The Special Use Permit will continue to remain valid following transfer of ownership of the property provided that circumstances and conditions remain as described at the time that the Permit is granted. Violations of the conditions set forth will be cause for immediate termination of the Permit.

AUTHORIZED this _____ day of _____,

2019, by the CITY COUNCIL OF REIDSVILLE, N. C.

/s/ _____

CITY CLERK
ANGELA G. STADLER

**CONSIDERATION OF A REZONING REQUEST FOR 973 ROCKY FORD ROAD.
(Z2019-1)**

Community Development Manager Donna Setliff came forward stating that property owners Eddie and Betty Smith, who recently requested voluntary annexation of their property at 973 Rocky Ford Road, are now requesting the property be rezoned to Residential Agricultural (RA-20). Setliff referred to her May 27, 2019 memo that said the Smiths would like to connect to the City's water and sewer line. (A COPY OF THE MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) She said the property is outside the City's ETJ and currently has a Rockingham County zoning classification of Residential Protected (RP). She said the Reidsville Planning Board unanimously recommended the rezoning be approved by City Council and rezoned as Residential Agricultural (RA-20). Setliff stated the NC General Statutes require the property to be rezoned within 60 days of annexation.

Mayor Donecker opened the Public Hearing at 6:55 p.m. With no one coming forward to discuss the matter, the public hearing was closed at 6:56 p.m.

Councilman Festerman made the motion, based on the information provided in the staff report and verbal evidence presented during the public hearing this request is reasonable, in the public interest and consistent with the City's Comprehensive Plan and other adopted land use plans to approve the rezoning request for 973 Rocky Ford Road. The motion was seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote.

**CONSIDERATION OF THE INTENTION OF THE CITY TO APPLY FOR FY 2019
CDBG FUNDING UNDER TITLE 1 OF THE HOUSING AND COMMUNITY
DEVELOPMENT ACT.**

Ms. Amanda Whitaker with WithersRavenel, located at 117 McKennon Drive, Cary, N.C., came forward stating the purpose of this public hearing, which is one of two public hearings required by this program, is to announce the City's intent to apply for a CDBG Housing and Neighborhood Revitalization Grant through the North Carolina Department of Commerce. She stated that in the first public hearing they are required to go over some generic CDBG

information and to also allow Council to hear some other programs that are available through the CDBG program at the State level.

Ms. Whitaker said basic requirements from the State involve the Neighborhood Revitalization Program and said the second public hearing will involve further requirements on the application. She stated the State of North Carolina has two different agencies that handle the CDBG funds, which come from HUD at the federal level: the North Carolina Department of Commerce and the North Carolina Department of Environmental Quality. She stated the North Carolina Department of Commerce handles the CDBG program in two different ways, as a neighborhood and community development program, which includes housing and neighborhood revitalization, and secondly, as economic development and job creation.

Ms. Whitaker said the North Carolina Department of Environmental Quality handles the infrastructure for water and sewer projects inside communities and neighborhoods, and it can also help prevent or eliminate slum or blight conditions. She added the City will need to meet these national objectives in order to qualify. She reiterated that the State is going to have this in every application guideline stating the requirement of the funds be used in an area that is low to moderate income and that the project be looked at from that perspective

Ms. Whitaker stressed that the intent for this particular public hearing is to talk about the CDBG Neighborhood Revitalization Program, which offers up to \$750,000 in a grant and requires no matching funds for this particular program. She stated the monies can be used primarily to rehabilitate homes in low to moderate income neighborhoods throughout the City with a cap of \$44,000 per home for rehabilitation. Ms. Whitaker said there is another interesting component to this revitalization grant, which allows the addition of recreational parks and shelter facilities. However, she said to keep in mind that it is only \$750,000 and that majority of the grant has to go towards housing rehabilitation.

Ms. Whitaker commented that one possible structure City staff has looked into is a shelter that would be placed within the City and will mimic the look of the old railroad depot and would include art on display outside of the shelter. She concluded by adding that the grant is due on July 17 and will require a second public hearing, at which time she will get into the details of the application. Ms. Whitaker offered to answer any questions the Council members have regarding the program or the application. There were no questions.

Mayor Donecker opened the public hearing at 6:59 p.m. for anyone interesting in responding in favor or against the grant project. No one came forward and the public hearing was closed at 7 p.m.

City Manager Mitchell clarified that no action need take place tonight, but that this is the first of two public hearings regarding the matter with the second public hearing taking place on June 19, 2019.

**PRESENTATION ON CDBG-ED UNIFI GRANT CONSTRUCTION CONTRACT INFO
– USE OF SUBCONTRACTOR.**

Public Works Director Chuck Smith came forward along with Ms. Amanda Whitaker from WithersRavenel to report on the recent development regarding the CDBG grant for construction of the Unifi Sewer Service Project. Smith said Yates Construction was the lowest responsive, responsible bidder at the December 20, 2018 bid opening with a bid of \$389,880.75. Smith said the City approved the acceptance of the bid with Yates Construction on January 8, 2019.

Smith stated that, in recent conversations with Yates Construction representatives, it was brought to the City's attention that they would be subcontracting the work to Sam Smith Construction Company. Smith said City Public Works staff spoke with Grant Administrator Amanda Whitaker with WithersRavenel, and it was confirmed that it was acceptable for the prime contractor to subcontract the work. He said City staff met with the Grant Administrator, Yates Construction Company, Sam Smith Construction, and the Project Engineers from McGill Associates on May 21, 2019 to discuss the CDBG grant requirements and confirm what was expected and needed from the prime contractor and the sub-contractor with all parties understanding their obligations and that they will comply with CDBG rules.

Mayor Donecker asked Ms. Whitaker if it is acceptable that Sam Smith Construction do the work? Ms. Whitaker said Yates will remain the primary contractor with Sam Smith being the sub-contractor, but that Sam Smith will also be required to submit plans and follow all of the CDBG guidelines. Mayor Donecker asked whose bond would Sam Smith Construction be operating under? Ms. Whitaker said it would be under Yates Construction, the primary contractor's bond.

Councilman Festerman asked if Sam Smith originally placed a bid on the project and what that bid was. Public Works Director Smith said Sam Smith had placed a bid at the December bid opening, but he did not recall what the bid was. City Manager Mitchell said he believed Sam Smith to be the third place bid. Councilman Festerman commented that he likes doing business with businesses in Rockingham County. Mayor Donecker said Sam Smith did a good job on the Courtland Park project. The Public Works Director commented the two companies are both reputable and have a good working relationship.

CONSIDERATION OF A RESOLUTION BY THE GOVERNING BOARD ACCEPTING A \$150,000 WATER ASSET INVENTORY AND ASSESSMENT GRANT FROM THE WATER INFRASTRUCTURE FUND AND THE CORRESPONDING BUDGET ORDINANCE AMENDMENT NO. 21.

Public Works Director Chuck Smith came forward and said the City had received an Offer and Acceptance letter from NCDEQ Division of Water Infrastructure to fund the City's water system Asset Inventory and Assessment (AIA) Grant in the amount of \$150,000. Smith said the grant will help in preparing an analysis of the City's infrastructure and in order to receive the grant, the Council must approve the attached Resolution and return it back to NCDEQ by June 30th along with the grant fee of 1.5% of the grant, which is \$2,250. Smith continued that the City is responsible for providing a 5% match of \$7,500, which can be achieved through in-kind services performed by City staff.

Smith said the next step is to issue a Request for Qualifications (RFQ) for engineering services. He detailed additional information and said the City Clerk has advertised for the RFQ, which is

due Monday, June 17, 2019. Smith continued that it should be noted that by undergoing this AIA utility assessment, the City should be able to get 10 additional points on future grant applications. Smith said staff is recommending and requesting the attached resolution be approved along with the \$2,500 grant fee which will be paid from the Water Fund.

Councilman Hairston made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 6-0 vote, to approve the Water AIA Resolution and the request for the \$2,250 grant fee to be paid from the Water Fund.

The Resolution as approved by Council follows:

RESOLUTION BY GOVERNING BODY OF RECIPIENT

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

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

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

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

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

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

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

Adopted this the 11th day of June, 2019, in Reidsville, NC.

/s/ _____

John M. "Jay" Donecker, Mayor

ATTEST:

/s/ _____

Angela G. Stadler, CMC/NCCMC, City Clerk

CONSIDERATION OF LUCKY CITY COOPERATIVE BREWERY'S REQUEST REGARDING PTRC LOAN REQUIREMENTS.

Economic Development Director Jeff Garstka came forward and reminded Council that at last month's Council meeting, he and Eric Smith had updated Council on the Lucky City Brewing project. He said Council had asked some questions and made some requests for additional information. Garstka said there are representatives from Piedmont Triad Regional Council (PTRC) present tonight and that the City attorney had been in recent contact with them regarding the project. He yielded the floor to Eric Smith of Lucky City Brewing Co.

Mr. Smith came forward and said his committee had provided the requested documents, which the Council has in their packets. He asked if there were any questions.

City Manager Mitchell said the Lucky City Brewing Committee had provided a current balance sheet, an action plan and a business plan. Councilman Festerman asked how many members comprise Lucky City Brewing's Board of Directors? Mr. Smith reported their by-laws had changed and that there are nine elected board members, with the Executive Board being appointed by the Board of Directors. Councilman Festerman asked for clarification on several points regarding attendance of Board members and requirements listed in the by-laws, which Mr. Smith detailed. Mr. Smith stressed that the project is in its third year and that board members are active, dedicated and committed to the project.

Mayor Donecker stated he had read through everything and that it is impressive that Tom Rock is the consultant for the project through the Service Corps of Retired Executives (SCORE) program. He stated at this point it comes down to the need for the final \$25,000. He asked what exactly the board is doing to raise those funds, including their sales strategy. He added that if they sold 100 additional memberships, it would put them at that goal of \$25,000. The Mayor stressed the Council would feel more comfortable with the Subordination Agreement if there was a breakdown of a monthly strategy for reaching their sales goals.

Mr. Smith said it would be nice if someone would just come along and write a check for the amount, but that the Action Committee, with help from Tom Rock, have come up with several promotions, incentives and planned events, including the June 29th Beer, Bands and BBQ event at Market Square. Mr. Smith reiterated that this is the third year in a five-year project for the Co-Op and that it took their sister brewery in Burlington 12 years to get this far.

Councilwoman Walker asked about the other products that would be offered at the brewery such as non-alcoholic root beer and Kombucha. Mr. Smith mentioned that the millennial generation is looking for an alternative to craft beers so the Brewery will be offering several other new trending, popular non-alcoholic beverages. He said these will include Kombucha, which is a non-alcoholic fermented beverage, craft sodas and something for everyone. He stressed they want it to be somewhere that people feel comfortable and where they can even bring their kids. Mr. Smith said the North Carolina State ABC laws have changed and now allow several things that were not permitted previously.

Councilmember Scoble via the telephone asked for clarification regarding several figures describing the production of barrels per week, month and year. Mr. Smith said he did not have the document in front of him she was reading from but that the numbers represent production for tap room sales for Lucky City Brewery, and distribution of production brews made for shipment to breweries, bars and restaurants. He said he realizes those numbers are a little confusing.

Mayor Pro Tem Brown thanked Mr. Smith for all he and the Committee are doing to make Lucky City Brewing a reality and said he believes in the project.

City Manager Mitchell asked Piedmont Triad Regional Council Executive Director Matthew Dolge of 1398 Carrollton Crossing Drive, Kernersville to come forward. Mr. Dolge shared information regarding the PTRC's recent funding for local municipalities that is being made available through various sources for economic development within local municipalities. He mentioned that Reben Gonzales, the PTRC Loan Program Manager is also in attendance and runs the PTRC Business Investment Fund.

Mr. Dolge referenced the interest PTRC has in local governments and their downtowns. He said the first loan extended through these available funds was to Burlington Beer Works Co-Op in Burlington, which is open and thriving. He said the PTRC is excited to be able to help with the Lucky City Brewing project and their part in the revitalization of downtown Reidsville.

Mr. Dolge clarified that the time for the application was up, but an extension had been approved so that that can all work on the agreements together. He added that the attorneys had been involved and were trying to reach an agreement if the project did "Go South". Mr. Dolge said the PTRC is committed to the partnership with Lucky City and the City of Reidsville. He commented how pleased the PTRC has been with the success of Burlington Beer Works and feels confident that this project will be successful as well.

City Manager Mitchell interjected that they, the City staff and the PTRC staff are asking Council for an additional 30 days, which means until July to finalize the Subordination Agreement and come up with a way to insure the City taxpayers with a "Claw Back" agreement. The Mayor asked if consensus is okay or do they need a motion? City Attorney Bill McLeod said a consensus will suffice. He added the legality of the agreement is still a work in progress. He said it might be better to wait until July for him to address the matter since there may still be changes to the agreement.

Mr. Dolge added that the PTRC wants to invest in the community and if other businesses are interested in similar ventures, the PTRC has money to lend. He said the City Council members are the “eyes and ears” of Reidsville and to send anyone interested their way.

Mr. Smith came forward again saying the member owners who are present would like to hear from Attorney McLeod regarding the subordination agreement. Attorney McLeod stated that he and the PTRC attorneys had come up with a “hybrid” agreement, which is in the Council packets and covers the City’s Claw Back provision in case of failure to comply with the loan. City Manager Mitchell added that there will need to be two agreements in place, a Subordination Agreement and a separate agreement protecting the City with regard to the property and the PTRC as the lender.

CONSIDERATION OF ROCKINGHAM COUNTY AND THE NC WILDLIFE COMMISSION UTILIZING RPD TRAINING CENTER FOR YOUTH OUTDOOR & HUNTING SAFETY DAY.

Police Chief Robert Hassell came forward to ask for the Council’s consideration to utilize the RPD Training Center for a Youth Outdoor & Hunting Safety Day, which is being sponsored by Rockingham County and the North Carolina Wildlife Commission. He stated the County Commissioners, including Craig Travis, think the facility is perfect for the activity.

Chief Hassell stated this program offers youth and opportunity to experience a day of hunting and trapping demonstrations, fishing instructions, archery, and safe gun handling procedures. He said they expect 100 or more youth to participate in the event.

Ms. Leigh Anne Bassinger, the City’s Human Resources Director, shared her findings regarding insurance coverage with the North Carolina League of Municipalities. She reported the event could be covered at a cost of \$680 a year.

Councilman Festerman and Mayor Donecker asked for clarification regarding the liability coverage and the duration of the coverage. City Manager Mitchell stated the sponsors have agreed to cover the cost of the event and the cost of the liability insurance for the event. He stressed the City would not be interested in opening the facility for general public use, but if the County would like to host an additional event during the year, that could be considered.

Mayor Donecker said he was pleased and wanted to thank the County Commissioners for considering the use of the facility for a joint event. City Manager Mitchell commented that the State Highway Patrol, other County Municipal law enforcement and the Sheriff’s office, County Probation and Parole have used the facility for training purposes.

Councilwoman Walker made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 6-0 vote, to approve the request from Reidsville Police Chief Robert Hassell to utilize the RPD Training Center for a Youth Outdoor & Hunting Safety Day, sponsored by the North Carolina Wildlife Commission and the Rockingham County Commissioners.

Chief Hassell expressed his gratitude for the Council's approval and for another opportunity for the Reidsville Police Department to develop stronger relationships with not only the youth in Reidsville but also the whole County. Mayor Donecker said they welcome and look for opportunities to work with the County.

UPDATE ON RECYCLING.

Public Works Director Chuck Smith came forward and said since the May meeting he has been in communication with three companies regarding recycling. He said they made it very clear that they were not interested in subscription curbside recycling service. He said he has an additional company scheduled to meet with but that he doesn't think they will offer the service and that the market for recycling isn't present currently.

Smith reported that of the three he had contacted, two have submitted proposals. He mentioned that the subject of glass came up and that there is no market for glass at this time and that it actually has a negative value because of the cost of processing. He said they would charge by the ton, and it would not be in the best interest of the City to accept glass. Smith did mention that all of the companies are hopeful that the market will rebound in the near future. He said they would be interested in a long-term relationship with Reidsville if that happens.

Mayor Donecker stated the citizens he has talked to regarding the matter want to recycle and that it is an emotional subject with them and that they want to do their part for the environment. He stressed the City Council does not want to create a sham to make people feel good, when in actuality materials collected end up in the landfill. Smith agreed with the Mayor and reiterated that glass does breakdown to sand-like material and does help to fill in the voids within the landfill. He concluded by saying at this time subscription curbside recycling is not an option in Reidsville but that when the market rebounds, the service will be offered in Reidsville.

CONSIDERATION OF BUDGET ORDINANCE AMENDMENT NO. 22 TO RECOGNIZE THE CLEANUP OF SMALL BUDGETARY ITEMS THAT HAVE OCCURRED THROUGHOUT THE FISCAL YEAR.

Assistant City Manager Chris Phillips came forward and stated near the end of each fiscal year, a clean-up amendment is needed to pick up smaller budgetary items that have occurred during the year. He said these items are collected for one adjustment rather than going to City Council time and again for smaller amounts. The detailed information related to BOA No.22 is included in Phillips May 31, 2019 memo, which follows:

MEMORANDUM – YEAR END BUDGET CLEAN-UP

To: Preston Mitchell, City Manager

From: Chris Phillips, ACM – Admin/Finance Director

Date: May 31, 2019

Near the end of each fiscal year, a clean-up amendment is prepared to pick up smaller budgetary items that have occurred during the year. These items are collected for one adjustment rather than going to City Council time and again for smaller amounts. While some the items seem insignificant, the related departments depend on being able to use the funds for the purpose given. In addition, some budgeted line items, like Occupancy Tax and Sale of Assets, exceeded budget and those funds are being utilized for current needs.

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

Department	Source/Grantor	Amount	Revenue Acct.		Expenditures	
Police	Federal Seizure Funds	\$ 23,300	10-3413-1000	\$ 23,300	10-4310-2606	Supplies
Police	State Substance Tax	\$ 16,800	10-3413-2000	\$ 16,800	10-4310-2606	Supplies
Police	Contributions	\$ 2,500	10-3431-7000	\$ 2,500	10-4314-2600	Supplies
Police	ABC - Education	\$ 7,300	10-3837-2000	\$ 7,300	10-4310-2607	ABC Supplies
Police	Fed Overtime Grant	\$ 10,000	10-3431-8000	\$ 10,000	10-4311-1202	Det. OT
Police	NCLM - Bullet Proof Vest	\$ 750	10-3431-8002	\$ 750	10-4312-2120	Patrol Uniform
Police	NC Crime Commission	\$ 16,700	10-3431-9002	\$ 16,700	10-4310-5800	Train Center Imps
Police	Sale of Surplus Equip	\$ 58,000	10-3835-8200	\$ 58,000	10-4310-5500	Capital Equip
Fire	Recycling Revenue	\$ 1,280	10-3434-2000	\$ 1,280	10-4340-2605	Supplies
Community	SKAT Bus	\$ 7,000	10-3441-1000	\$ 7,000	10-4930-7600	SKAT Bus
Community	HRC CommUNITY Day	\$ 1,575	10-3834-8600	\$ 1,575	10-4930-6997	HRC Expense
Marketing	Occupancy Tax	\$ 30,000	10-3235-0000	\$ 30,000	10-4920-3600	TDA
Marketing	TDA Distribution	\$ 30,000	10-3490-0000	\$ 30,000	10-4940-3500	Marketing
Marketing	TDA Grant	\$ 3,000	10-3441-0000	\$ 3,000	10-4940-3500	Marketing
Penn House	NC Community Found.	\$ 1,650	10-3834-7100	\$ 1,650	10-6140-3520	M&R
Recreation	Get Fit	\$ 5,800	11-3613-7700	\$ 5,800	11-6123-2609	Athletic Supplies
Recreation	Rville Area Foundation	\$ 14,000	11-3613-7700	\$ 14,000	11-6122-4400	Teen Center Cont
Recreation	Duck Blinds	\$ 1,320	11-3613-6600	\$ 1,320	11-6130-3530	Duck Blind Imps
Senior Center	Fundraising	\$ 2,275	11-3610-3501	\$ 2,275	11-6124-2611	Supplies
Senior Center	Silver Sneakers	\$ 4,400	11-3610-3502	\$ 4,400	11-6124-2610	Programing
Senior Center	SHIIP	\$ 4,840	11-3431-8003	\$ 4,840	11-6124-3800	SHIIP Expense
Total New Revenues		<u>\$ 242,490</u>		<u>\$ 242,490</u>	Total New Expenditures	

In addition, the RDC received festival funds and fundraising/donations in excess of their adopted budget by \$16,770. This amount has been allocated to various RDC expenditure line items.

Thank you for your attention to these items. Recognizing these revenues and allocating the funds to be spent will not require any use of unappropriated fund balance. City Council approval of the attached Budget Ordinance Amendment will complete the work needed for this process. (End of Memo)

Phillips requested the City Council approval of Budget Ordinance Amendment No. 22.

Councilman Gorham made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote, to approve Budget Ordinance Amendment No. 22 to recognize the cleanup of small budgetary items that have occurred throughout the fiscal year.

The Budget Ordinance Amendment as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 22

WHEREAS, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 12, 2018 which established revenues and authorized expenditures for fiscal year 2018-2019; and

WHEREAS, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to recognize miscellaneous revenue items and to appropriate the related expenditures;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 12, 2018 is hereby amended as follows;

Section 1. That revenue account number 10-3413-1000, Federal Seizure Funds, be increased by \$23,300.00; that revenue account number 10-3413-2000, State Substance Tax, be increased by \$16,800.00; that revenue account number 10-3431-7000, RPD Contributions, be increased by \$2,500.00; that revenue account number 10-3837-2000, ABC Educational Funds, be increased by \$7,300.00; that revenue account number 10-3431-8000, DOJ Grant, be increased by \$10,000.00; that revenue account number 10-3431-8002, NCLM BVP Grant, be increased by \$750.00; that revenue account number 10-3431-9002, NC Crime Commission Grant, be increased by \$16,700.00; that revenue account number 10-3835-8200, Sale of Fixed Assets, be increased by \$58,000.00; that revenue account number 10-3434-2000, RFD Recycling, be increased by \$1,280.00; that revenue account number 10-3441-1000, SKAT Bus Grant, be increased by \$7,000.00; that revenue account number 10-3834-8600, HRC CommUNITY Day, be increased by \$1,575.00; that revenue account number 10-3235-0000, Occupancy Tax, be increased by \$30,000.00; that revenue account number 10-3490-0000, TDA Distribution, be increased by \$30,000.00; that revenue account number 10-3441-0000, TDA Grant, be increased by \$3,000.00; that revenue account number 10-3834-7100, NC Community Foundation, be increased by \$1,650.00; that revenue account number 11-3613-7700, Recreation Donations, be increased by \$19,800.00; that revenue account number 11-3613-6600, Duck Blinds, be increased by \$1,320.00; that revenue account number 11-3610-3501, Senior Fundraising, be increased by \$2,275.00; that revenue account number 11-3610-3502, Silver Sneakers, be increased by \$4,400.00; that revenue account number 11-3431-8003, SHIIP Grant, be increased by \$4,840.00; that revenue account number 15-3493-1000, Festival, be increased by \$6,300.00; that revenue account number 15-3493-7500, Fundraising, be increased by \$9,000.00; that revenue account number 15-3493-7600, Bench Sponsorships, be increased by \$1,470.00;

Section 2. That expense account number 10-4310-2606, Supplies, be increased by \$23,300.00; that expense account number 10-4310-2606, Supplies ,be increased by \$16,800.00; that expense account number 10-4314-2600, COPS Supplies, be increased by \$2,500.00; that expense account number 10-4310-2607, ABC Educational Supplies ,be increased by \$7,300.00; that expense account number 10-4311-1202, Detective Overtime, be increased by \$10,000.00; that expense account number 10-4312-2120, Patrol Uniforms, be increased by \$750.00; that expense account number 10-4310-5800, Capital Improvements, be increased by \$16,700.00; that expense account number 10-4310-5500, RPD Capital Equip, be increased by \$58,000.00; that expense account number 10-4340-2605, RFD Supplies, be increased by \$1,280.00; that expense account number 10-4930-7600, SKAT Bus, be increased by \$7,000.00; that expense account number 10-4930-6997, HRC, be increased by \$1,575.00; that expense account number 10-4920-3600, TDA Distribution, be increased by \$30,000.00; that expense account number 10-4940-

3500, Marketing, be increased by \$33,000.00; that expense account number 10-6140-3520, Penn House M&R, be increased by \$1,650.00; that expense account number 11-6123-2609, Athletic Supplies, be increased by \$5,800.00; that expense account number 11-6122-4400, Teen Center Contracted Services, be increased by \$14,000.00; that expense account number 11-6130-3530, Duck Blinds, be increased by \$1,320.00; that expense account number 11-6124-2611, Supplies, be increased by \$2,275.00; that expense account number 11-6124-2610, Senior Programs, be increased by \$4,400.00; that expense account number 11-6124-3800, SHIP Program Expense, be increased by \$4,840.00; that expense account number 15-4930-3705, RDC Events, be increased by \$10,770.00; that expense account number 15-4930-4920, Organization, be increased by \$1,000.00; that expense account number 15-4930-4930, Design, be increased by \$1,000.00; that expense account number 15-4930-4940, Promotions, be increased by \$3,000.00; that expense account number 15-4930-4950, Economic Vitality, be increased by \$1,000.00.

This the 11th day of June, 2019.

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

ATTEST:

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

**UPDATE ON PLANNED SESQUICENTENNIAL CELEBRATION AND
CONSIDERATION OF CORRESPONDING BUDGET ORDINANCE NO. 23.**

Assistant City Manager Phillips said the 150th Reidsville Sesquicentennial Celebration would be taking place in 2023 and that plans for the celebration were under way. He continued that the Sesquicentennial committee is considering a Southside entranceway into the downtown area of Reidsville with the purchase of land across from Fire Station #1 on Scales Street and the addition of a clock tower. Phillips referenced his May 31, 2019 memo. (A COPY OF THE MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He said there is a rendering of examples in the agenda packets. Phillips mentioned the tower would resemble the one in Thomasville and would be similar in color to that of Market Square. He said the cost would be right at \$195,000, which includes the clock and the property located across from the fire station on Scales Street.

Phillips said today's request is for consideration of Budget Ordinance Amendment No. 23 in the amount of \$25,000 to purchase the corner of the lot at Williams and Scales Street to place the clock. City Manager Mitchell stated the Council has discussed this for the last two years and tonight they are just asking for approval of the purchase of the site. He said if Council decides not to place a clock there at least the property has been secured for whatever is decided upon.

Phillips said it is not a small undertaking and that the process would take about a year to construct the clock. He said Mr. Stacey Dickerson from the Verdin Clock Company is here to answer any questions Council members may have.

Phillips reiterated that they do want community involvement with the project and are considering making bricks available for purchase that will be placed at the base of the clock and can contain memorable inscriptions or dates. City Manager Mitchell said someone locally has already shown interest in constructing the base of the clock. Phillips added that cost would be approximately \$30,000 and would be considered as a donation to the project.

City Manager Mitchell asked Mr. Dickerson why a clock like this is so expensive? Mr. Dickerson responded that a clock of this quality requires a great deal of manhours, including drafting time and engineering time to build, and that the structure will be in Reidsville for generations. He stated the clock would be custom designed and would be constructed of welded steel. Mr. Dickerson detailed numerous components that would go into the construction of the clock and noted the Verdin Clock Company has been in business for 176 years. Phillips commented that the clock at Mural Park is a Verdin clock. Councilwoman Walker said she likes the fact that the rendering offers a four-face clock that can be seen from any direction. Mr. Dickerson gave examples of numerous clocks throughout the State of North Carolina.

Councilman Gorham made the motion, seconded by Councilwoman Walker and approved by Council in a 5-1 vote, to approve the purchase of the parcel of land at the corner of Williams and Scales Streets for the sum of \$25,000 with the intent of an addition to celebrate the City of Reidsville’s Sesquicentennial. Councilman Festerman voted against the purchase.

Councilman Festerman said with the vote for this site purchase the Council is basically “locking themselves into” the purchase of a clock. He stressed he would like to hear from the community what their opinions are. He said he would like to involve some of the members of the art community and get their suggestions. Mayor Donecker stressed this is not an either/or proposition, that the citizens will have input into the celebration, in addition to what the Council is voting on at this time. Councilman Gorham stated this site will be the location of whatever is decided upon. The Mayor stated that 150 years only comes around one time and that there will be lots of community involvement in the planning of the celebration. Councilman Festerman stressed that he feels if they vote tonight in favor of the property purchase, there will be a clock placed at the location, and he is not in favor.

The Budget Ordinance Amendment as approved follows:

BUDGET ORDINANCE AMENDMENT NO. 23

WHEREAS, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 12, 2018 which established revenues and authorized expenditures for fiscal year 2018-2019; and

WHEREAS, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to recognize the purchase of a partial lot across from Fire Station No. 1 to house the proposed Sesquicentennial Clock;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 12, 2018 is hereby amended as follows;

Section 1. That revenue account number 10-3991-0000, Appropriated Fund Balance, be increased by \$25,000.00.

Section 2. That expense account number 10-4110-2609, Council - Special Projects, be increased by \$25,000.00.

This the 11th day of June, 2019.

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

ATTEST:

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

**CONSIDERATION OF AN ORDINANCE TO REPEAL THE ANNEXATION
ORDINANCE FOR 2726 REID SCHOOL ROAD.**

Community Development Manager Donna Setliff came forward and said an incorrect legal description was provided to the City by the property owner for the annexation of the rear portion of 2726 Reid School Road. She explained the property owner purchased two parcels on Reid School Road at the same time and provided the description for the parcel that was already inside the City limits. Setliff commented the mistake was not discovered until after the adoption of the Annexation Ordinance on February 19, 2019, so staff is requesting the Annexation Ordinance be repealed. (No.A2018-06)

Councilman Gorham made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote, to approve the Ordinance to Repeal the Annexation Ordinance A2018-6 for 2726 Reid School Road.

The Ordinance to Repeal as approved follows:

**AN ORDINANCE REPEALING
AN ORDINANCE TO EXTEND THE
CORPORATE LIMITS OF THE
CITY OF REIDSVILLE, NORTH CAROLINA**

2726 Reid School Road

WHEREAS, the Reidsville City Council is being asked to repeal the Ordinance as approved below on February 19, 2019, following the discovery that the property owner seeking the voluntary annexation erroneously provided the wrong legal description to the City for the property in question; and,

WHEREAS, while the correct procedures were followed for this voluntary contiguous annexation, staff believes the best solution to correct the erroneous information would be to reinitiate the process and start again following the repeal of the following Ordinance.

This the 11th day of June, 2019.

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

ATTEST:

APPROVED AS TO FORM:

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

/s/ _____
William F. McLeod Jr.
City Attorney

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF REIDSVILLE, NORTH CAROLINA 2726 Reid School Road

A2018-06

WHEREAS, the City Council has been petitioned under G.S. 160A-31 to annex the area described below; and

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

WHEREAS, the City Clerk has certified the sufficiency of the petition and a public hearing on the question of this annexation was held at City Council Chambers, 230 West Morehead Street, at 6:00 P.M. on Tuesday, February 19, 2019, after due notice by publication on Sunday, February 3, 2019; and

WHEREAS, the City Council finds that the petition meets the requirements of G.S. 160A-31;

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

Section 1. By virtue of the authority granted by G.S. 160A-31, the following described territory is hereby annexed and made part of the City of Reidsville as of April 30, 2019:

Beginning at an iron in the southern line of Esther Boyd (DB 907-658), said iron being located S 80°43'58" W 225.00 feet from an iron in the southwesterly right-of-way of Reid School Road and more specifically, said beginning iron being the northwest corner of lot 4 of the Johnny Hoover property recorded in plat book 65, page 17 of the County Registry; thence with the line of Boyd, N 80°43'58" E 25.00 feet to a point in the city limits line of the City of Reidsville; thence along the city limits line S 80°36'36" E 153.27 feet to a point in the northerly line of lot 3 and southerly line of lot 4 and being in the center of a 20 foot utility easement; thence with the common line of lots 3 and 4, S 64°43'16" W 43.00 feet to an iron in the line of Hoover and being the northwesterly corner of lot 3; thence with Hoover and the westerly line of lot 4, N 23°34'49" W 159.57 feet to an iron, the point and place of beginning containing 5,214 square feet or 0.120 acres, more or less. The above described being the westerly rear portion of lot 4 of the aforementioned plat book 65, page 17, of the County Registry.

Section 2. Upon and after April 30, 2019, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Reidsville and shall be entitled to the same privileges and benefits as other parts of the City of Reidsville. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Reidsville shall cause to be recorded in the office of the Register of Deeds of Rockingham County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Rockingham County Board of Elections, as required by G.S. 163-288.1.

Adopted this 19th day of February, 2019.

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

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

APPROVED AS TO FORM:
/s/ _____
William F. McLeod Jr.
City Attorney

Setliff stated staff is re-initiating the voluntary annexation process for 2726 Reid School Road using the corrected legal description with the agreement of City Council. She added the matter will require a public hearing, which will take place at the July 9, 2019 City Council meeting.

Councilman Hairston made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 6-0 vote, to approve the Resolutions for voluntary annexation of a portion of 2726 Reid School Road.

The Resolutions as approved follow:

A2019-03

**RESOLUTION DIRECTING THE CLERK
TO INVESTIGATE A PETITION RECEIVED
UNDER G.S. 160A-31
At Rear of 2726 Reid School Road**

WHEREAS, a petition requesting annexation of an area described in said petition (see attached description) was received on November 19, 2018, by the City Council of the City of Reidsville; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

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

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

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

This the 11th day of June, 2019.

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

ATTEST:

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

**RESOLUTION FIXING DATE OF PUBLIC HEARING
ON QUESTION OF ANNEXATION
PURSUANT TO G.S. 160A-31
At Rear of 2726 Reid School Road**

A2019-03

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

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

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

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

Section 1. A public hearing on the question of annexation of the area described herein will be held at Reidsville City Hall, 230 W. Morehead Street, at 6:00 p.m. on Tuesday, July 9, 2019.

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

Being all of Lot 1 and containing 0.576 acres, more or less, as shown on a plat entitled "Property of Johnny R. Hoover," dated September 23, 2008 prepared by Obie M. Chambers and Associates, as recorded in Plat Book 65, Page 17, on October 14, 2008 in the Rockingham County, North Carolina Registry. Reference to said Plat is hereby made for a further and more complete description.

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

This the 11th day of June, 2019.

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

ATTEST:

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

PUBLIC COMMENTS.

"More Than Yoga" Studio

Ms. Lynn Dyer, owner of *More Than Yoga*, 222 Southwest Market Street in Reidsville, came forward to voice her concerns regarding the addition of free yoga classes offered twice a week by the City at Market Square. She said she had been in business for five years in Reidsville with summer being her slowest season. She said the free classes are not only taking away from her business but that the current teacher is a former teacher at her studio and was contracted by the Main Street/Market Square Manager Missy Matthews. Ms. Dyer detailed conversations she had with the Economic Development Director, the City Manager and the City Attorney regarding the

matter. She said her business in May dropped 27 percent, which equates to her rent and her water bill. She would like the City to offer another low impact type of class like tai chi instead of yoga.

Ms. Brenda Sutton of 180 Fogwood Drive, Reidsville, said she and her husband live eight miles outside the City and come into town each week to take classes at Ms. Dyer's studio. She stressed while downtown they frequent other shops and businesses and would hate to see the studio close or move. She said if that did happen, she and her husband would take their business and dollars elsewhere. Ms. Sutton said suggestions had been made to City staff members Missy Matthews and Jeff Garstka to offer a different class at Market Square.

Mr. Tony Lovell of Eden came forward and stated he had been taking classes from Ms. Dyer for ten years and if she was forced to move her business he would follow.

Curbside Recycling

Ms. Tracy Schranfnagel of 417 Pinedale Drive, Reidsville, shared her concerns regarding the decision to discontinue curbside recycling in Reidsville. She said she moved to Reidsville about 20 years and loves it here. She said she has been recycling for 20 years either at the Marcellus Street location or curbside and encourages Council to consider instituting the same service the entire County has. She stressed she would be willing to pay the added cost. She mentioned the update given by Public Works Director Chuck Smith and said she appreciates that the issue is being addressed and researched. She said she hopes curbside recycling will be reinstated and if not, at least that the recycling drop-off site will be reopened.

Mayor Donecker said he appreciated Ms. Schranfnagel staying and voicing her opinion. He reviewed the current situation and stressed that the Public Works Director is researching options and that he doesn't want to be part of a "sham" or collecting money under a false pretense that collected recycling materials are being recycled while in all actuality they are going into the landfill.

Continued "More Than Yoga" Studio

Councilman Festerman asked the City Manager how they had decided to choose yoga as one of the exercises offered at Market Square? City Manager Mitchell said he would allow City staff to answer that question, but he did want to state that the City does offer other free activities at Market Square. He said they offer free movies and there is a movie theatre, they offer free concerts and there are event centers downtown. He said he did offer Ms. Dyer the opportunity to teach the yoga class and at first she said she would and then later she declined. He reiterated that he is sympathetic to the situation.

Missy Matthews, Market Square/Main Street Manager, came forward and said the City had offered for several years free aerobic exercise classes at Market Square two evenings during the summer. She said it had been decided that it would be nice to offer low impact classes also. Matthews added that she had been approached by Shannon Blackburn to see if it would be possible to offer a special "Yoga under the Full Moon" for several nights last fall at Market Square, and they had allowed her to do that. She said so when the opportunity came up for the free yoga classes she called Shannon to see if she was interested in teaching the class, not knowing that she taught at Ms. Dyer's studio. She said she only knew that Ms. Blackburn was a

certified yoga instructor and a cook at the Celtic Fringe. Matthews clarified that there have been five students at the yoga classes at Market Square, and none of them have previously attended Ms. Dyers studio.

City Manager Mitchell said he had offered to cancel the contract with the current teacher and extend the offer to Ms. Dyer with no success. He said he did try to reach a compromise. Mayor Donecker added that exercise classes are offered at the Reidsville Senior Center and the Reidsville Parks and Recreation Department and that the YMCA offers classes also that could be considered competition. He said the offer stills stands if Ms. Dyer would like to teach the Market Square class because the City tries it's best to work with the private sector.

The Mayor thanked Ms. Matthews and Ms. Dyer for all they do for the City of Reidsville. He said he hoped the matter could be resolved. City Manager Mitchell said the funding for the classes came from Annie Penn/Moses Cone and that if they decline the funding, Moses Cone may offer the class on their own campus because they would like the classes to be visible.

CITY MANAGER'S REPORT.

City Manager Mitchell referenced his June 11, 2019 City Manager's Report. (A COPY OF THE CITY MANAGER'S REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He cited the Annual Independence Day Celebration, which will be held at Lake Reidsville on July 6, 2019. He mentioned that the City is pursuing a CDBG grant related to replacement/repairs of sewer lines in qualifying neighborhoods and that the City will be conducting door-to-door surveys. He added that CGI Communications will be in town filming to update the video tourbook on the City website; the special called meeting of the City Council on June 19, 2019 at 7 p.m.; and numerous events taking place within the City throughout June.

Educator Externship Program.

City Manager Mitchell called Economic Development Jeff Garstka and Steve Scott of Tri-State Steel to come forward and discuss the Educator Externship program. Garstka said he presented this concept a few months ago and had met today with several high school teachers, who toured several companies, including Tri-State Steel, Unifi, Global Textile Alliance and others and heard nothing but excitement regarding the program. He said the City Human Resources Staff and Public Works Director and staff had led a discussion regarding employment opportunities within the City. He said they wrapped up the day at GP Manufacturing, which helped fund the project.

Steve Scott said he tends to represent industry in Reidsville and is impressed with the externship program and saw "light bulbs going off" with these educators today. He said these teachers were able to meet some of the employees at Tri-State Steel, one who had been on the football team at Reidsville High School, and ask him questions regarding leadership qualities on the football field translating to leadership qualities in the workplace. He said it is nice to be a part of "Team Reidsville". City Manager Mitchell said it is nice to have believers in the program, like GP Manufacturing, which is donating to year two of the program before year one has wrapped up.

Water Lantern Festival.

City Marketer Judy Yarbrough came forward and gave a brief description of an event she is extremely excited about. She stated she had contacted a company regarding a Water Lantern

Festival and was told that High Point Lake had scheduled a similar event but through extenuating circumstances, they had to cancel and that the event could be held at Lake Reidsville. She shared a video regarding the festival and said it is scheduled to take place at Lake Reidsville on August 31, 2019. She said the video can be viewed at www.waterlanternfestival.com. City Manager Mitchell thanked Garstka and Yarbrough for their efforts in scheduling the event and mentioned that that is Labor Day weekend and that they should have a good turnout. He said if Council approves, they will move forward and sign the contract and start promoting the event. He also thanked Chief Hassell and Chief Bracken for their consideration and support of the festival. Members of City Council said they thought it was a great idea.

COUNCIL MEMBERS' REPORTS.

Mayor Pro Tem Brown – Mayor Pro Tem Brown said he had attended the ribbon cutting at the Mattress Outlet on May 16; the Team Reidsville CommUNITY Celebration at Market Square on May 18; the Ribbon Cutting at the “Big R” on Freeway Drive on May 27; the budget meeting at City Hall on May 30; the benefit concert at Lake Reidsville for former Reidsville Police Officer Tyrone Chestnut on June 1; and the Wentworth Street Community Watch meeting on June 3.

Councilman Hairston – Councilman Hairston said he had attended the Ribbon Cutting at the Ole Corner Store on May 14; the Pastor Book Reading on May 16; the S&K Preemie Love Scholarship Banquet and the CommUNITY Celebration on May 18. He said he was unable to attend the Mattress Outlet Ribbon Cutting but had gone and purchased a mattress on May 17. He also attended the Highland Heights Community Watch meeting and the Ribbon Cutting at the Big R on May 21; the Lone Star Masonic Lodge meeting on May 25; the budget meeting on May 30; the McLaurin Park Community Watch meeting; and the Jerusalem United Holy Church outside Tent Revival on June 4, 2019.

Councilwoman Walker – Councilwoman Walker said she had attended the Ribbon Cutting at the Ole Corner Store on May 14; the State City Vision Conference in Hickory May 14-17 along with Councilmember Terresia Scoble; the cookout at Lake Reidsville for the Reidsville Police Department and their families, hosted by the Wives of the Blue Line, on May 18; the Memorial Service for Fallen Officers on May 19; the Highland Heights Community Watch meeting and also the Ribbon Cutting of the “Big R” on May 21; the Appearance Commission meeting on May 23; the breakfast celebration at the Penn House for the 50th Anniversary of the Piedmont Triad Regional Council on June 5; and the Ribbon Cutting at Lake Reidsville on June 11, 2019 for the new Fishing Trail, which was spearheaded as an Eagle Scout Project by Eagle Scout Hunter Martin.

Councilman Gorham – Councilman Gorham reported he had attended the Dance Elite Recital practice at Reidsville High School on May 9; the Second Downtown Friday on May 10; the Dance Elite Recital on May 11; the NAACP Education Community meeting at First Baptist Church on Hubbard Street on May 13; the Ribbon Cutting at the Ole Corner Store on May 14; the Planning Board meeting on May 15; the Ribbon Cutting at the Mattress Store Outlet on May 16; the GIPHC, Inc. Women’s Convention in Martinsville, VA May 16-18; the Highland Heights Community Watch meeting and the Ribbon Cutting for the “Big R” on May 21; the RDC meeting, the Men’s Fellowship meeting at Golden Corral and the Revival at Shiloh Baptist Church on May 28; the 2019-2020 Budget meeting at City Hall on May 30; fifth grade

graduation at Monroeton Elementary on May 31; the benefit for Tyrone Chestnut at Lake Reidsville on June 1; the Wentworth Community Watch meeting on June 3; the McLaurin Park Community Watch meeting on June 4; meeting on Medicate Expedition on June 5; the Tent Revival at Jerusalem United Holy Church on June 6; The Door to Door Grant Survey and the Ribbon Cutting at Lake Reidsville for the Fishing Trail on June 11 , 2019.

Councilmember Scoble – Councilmember Scoble was not in attendance but reported she had attended the City Vision Conference May 15-17 in Hickory NC; the Team Reidsville CommUNITY Celebration held at Market Square on May 18; the Memorial for Fallen Officers at Lake Reidsville on May 19; the Rural Policy Luncheon at RCC on May 21; the Chamber Board meeting on May 22; the Council Board Session on June 3; the funeral for downtown merchant Bob Tudor’s father on June 3; the Rockingham County PTRC 50th Anniversary at the Penn House on June 5; and the Industrial Alliance meeting held on June 6, 2019.

Councilmen Festerman – Councilman Festerman said he had been saddened by the recent shooting at Virginia Beach, which resulted in the death of 11 City employees.

Mayor Donecker – Mayor Donecker asked Chamber President Diane Sawyer to give her report. Sawyer reminded City Council members and those present of the 2nd Downtown Friday on June 14 and that there would be family activities, the beer garden, appearances from Toymakerz and the movie *Mary Poppins Returns* at Market Square; the Summer Music Series featuring Southern Rock Band, Nantucket, on June 22; the Chamber Ice Cream Social/Meet & Greet on July 18; and the Chamber Golf Tournament on August 21 at the Plantation Golf Course. Sawyer mentioned that Chamber membership is growing and now includes the Danville Braves and many other out-of-town members.

Sawyer said she would like to add a few points regarding Lucky City Brewing and the Chamber’s involvement. She stressed there is a plan in place and that they know they have to sell 100 memberships to start construction. Sawyer said a promotional ad will be going out on social media very soon. She said Steve Scott sold five shares tonight and that others need to encourage co-workers, friends and family to join in and get it done. She referenced advice given by former owner of Omega Sports Tom Rock to emphasize that it isn’t a club it is a business. She said there are some kinks that need to be worked out but that they need to get it to the next phase.

He announced the next meeting of Council would take place on June 19, 2019 at 7 p.m. to discuss the budget.

MOTION TO ADJOURN.

Councilman Gorham made the motion to adjourn at 9:19 p.m. The motion was seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote.

John M. “Jay” Donecker, Mayor

ATTEST:

Cindy Farris, Deputy City Clerk