

**MOUNT AIRY, NORTH CAROLINA
REGULAR MEETING MINUTES
January 21, 2021**

MEMBERS PRESENT: Mayor Pro Tempore Ron Niland, Commissioners Tom Koch, Marie Wood, and Steve Yokeley

APPROVAL OF AGENDA:

Commissioner Wood made a motion to approve the agenda, which passed unanimously.

CONSENT AGENDA: On motion by Commissioner Koch and approved unanimously, the following items were approved by way of the consent agenda:

- **APPROVAL OF MINUTES:**
 - January 7, 2021 Regular Meeting Minutes

- **RESOLUTION 2021-041 MAKING HOUSING AUTHORITY APPOINTMENT:**

RESOLUTION NUMBER 2021-041

**CERTIFICATE OF APPOINTMENT OF COMMISSIONER OF THE
HOUSING AUTHORITY OF THE TOWN OF MOUNT AIRY, NORTH CAROLINA**

WHEREAS, the Housing Authority of the Town of Mount Airy has heretofore been duly organized pursuant to the North Carolina Housing Authorities Law, as amended; and

WHEREAS, the term of Sammy Gray Parker as a Commissioner will expire February 16, 2021:

NOW, THEREFORE, pursuant to the North Carolina Housing Authorities Law, as amended, by virtue of my office as Mayor Pro Tempore, I hereby reappoint Sammy Gray Parker to serve as Commissioner for the five-year term ending February 16, 2026.

IN WITNESS WHEREOF, I have hereunto signed my name as Mayor Pro Tempore of the Town of Mount Airy, and caused the official seal of the Town of Mount Airy to be affixed hereto this 21st day of January, 2021.

- **RESOLUTION 2021-042 APPROVING EXTENSION OF AUDIT:**

**Resolution Extending Independent Audit Contract
with Martin Starnes & Associates, CPAs P.A.**

WHEREAS North Carolina General Statutes (G.S. 159.34) requires an annual audit of the City’s financial statements by an independent accounting firm. The existing five year audit contract with Martin Starnes & Associates, CPAs, P.A ended with their recently completed audit for the fiscal year ending June 30, 2020.

WHEREAS the Finance Director, is recommending that the existing audit contract with Martin Starnes & Associates, CPAs, P.A be extended for five years to include auditing services for the fiscal years ending June 30, 2021-2025. The fee proposal is as follows:

	<u>Audit</u>	<u>Single Audit</u>	<u>Total</u>
2021	\$ 32,000	\$ 2,950	\$ 34,950
2022	32,950	3,040	35,990
2023	32,950	3,040	35,990
2024	34,000	3,130	37,130
2025	34,000	3,130	37,130

NOW, THEREFORE BE IT RESOLVED that the contract for auditing services with Martin Starnes & Associates, CPAs, P.A be extended for five years to include fiscal years ending June 30, 2021-2025.

Adopted this 21st day of January, 2021

- **RESOLUTION 2021-043 ADOPTING UPDATED CITIZEN PARTICIPATION PLAN:**

RESOLUTION NUMBER 2021-043

RESOLUTION TO ADOPT UPDATED CITIZEN PARTICIPATION PLAN

WHEREAS, the City received a \$1,731,600 Community Development Block Grant (CDBG) to replace sewer lines in the Maple/Merritt/Porter/Pippen/Willow Streets Project Area; and

WHEREAS, CDBG grants are funded with Federal monies; therefore, the City is required to adopt policies that comply with Federal regulations; and

WHEREAS, the City adopted a Citizen Participation Plan on September 6, 2018 with the purpose to provide all citizens in the community adequate opportunity to participate in an advisory role in the planning, implementation, and assessment of the CDBG program; and

WHEREAS, the Citizen Participation Plan's template did not anticipate changes that would be required by the COVID-19 pandemic; and

WHEREAS, it is necessary to update the Citizen Participation Plan to allow for input and involvement by the community through virtual participation:

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

Section 1. The Board of Commissioners does hereby approve and adopt the updated Citizen Participation Plan.

Section 2. The Board of Commissioners does hereby authorize the Mayor Pro Tempore to execute said Plan per review and approval by the City Attorney.

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 21st day of January, 2021.

• **RESOLUTION 2021-046 EXTENDING THE UTILITY DONATION FUND AGREEMENT:**

RESOLUTION NUMBER 2021-046

RESOLUTION TO APPROVE TEMPORARY AMENDMENT TO THE UTILITY DONATION FUND AGREEMENT

WHEREAS, on June 5, 2008, the City of Mount Airy entered into a Utility Donation Fund Agreement with the Salvation Army to assist citizens with paying their utility bills; and

WHEREAS, the Board approved a temporary amendment on June 18, 2020 to extend the agreement through December 31, 2020 and to return to the original agreement on January 1, 2021; and

WHEREAS, it is staff recommendation to approve another temporary amendment to extend the agreement through December 31, 2021:

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

Section 1. The Board of Commissioners does hereby approve the temporary amendment to extend the Utility Donation Fund Agreement through December 31, 2021.

Section 2. The Board of Commissioners does hereby authorize the Mayor Pro Tempore to execute said temporary amendment per review and approval by the City Attorney.

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 21st day of January, 2021.

(end of consent agenda)

SPECIAL PRESENTATION:

2020 Annual Fire Department Report

Prior to beginning the presentation, Fire Chief Zane Poindexter spoke regarding the passing of John Shelton, stating that he was a larger than life presence and an important person in his life for 30 years. He provided exceptional service to the City and our staff and he will be missed. Chief Poindexter distributed the 2020 annual Fire Department report to the Board. The call volume for 2020 was 1,113 calls with an average response time of two minutes and forty-six seconds. Medical calls numbered 630 which about 50% less than the previous year. These numbers were down due to the Covid-19 pandemic. Public education programs and routine fire inspections have also been impacted by the pandemic. In-house and local training efforts increased over the past year although many statewide training events were canceled. Chief Poindexter is available for follow-up with any questions and comments from the Board on this report.

PUBLIC HEARINGS

a) Board to Hear Public Comments Regarding Request to Close Unused Portion of Woodridge Drive

Ben Barcroft explained that this is a partial closing with a cul-de-sac left at the end of Woodbridge Drive. There will be a 25' easement left for water and sewer lines as shown on the map.

Mayor Pro Tem Niland declared the public hearing open.

Revel Young, 110 Ridgecrest Drive: He is in favor of the request but asked that lighting be provided at the end of the cul-de-sac due to how dark it is in that area.

Ed Keck, 119 Woodridge Drive: Street is currently quiet and he doesn't prefer additional traffic. He stated safety concerns due to people not stopping at the stop sign as well as saplings that grow along the golf course block visibility when turning left onto Woodbridge from Cross Creek. In favor of seeing the street closed as it is.

With no one wishing to speak, Mayor Pro Tem Niland declared the public hearing closed.

PUBLIC FORUM:

Mayor Pro Tempore Niland declared the public forum open.

Deputy Clerk Carolyn Hegler read comment(s) on behalf of:

John Pritchard, 128 Ridgecrest Dr (city resident): Cautioned the Board about approving a formal 5-year spending plan. He believes having a formal plan creates pressure to approve projects and spending. Believes the City has not neglected capital expenditures citing an average of \$2 million per year for the last ten years. Requested that citizens be advised in advance of any new fees or taxes.

(end of submitted comments)

Jodi Wilson, 148 Rosecrest Drive, Surry County resident, member of Concerned Citizens of Surry County: Grateful for the service of the City's board members. Expressed her concerns and experience with how the mask mandate and lockdown has affected her family and friends. Stated that social and emotional connections that people need have been lost due to fear.

Larry Johnson, 159 Samuel Trail, Surry County Commissioner, Mount Airy District: Expressed his thoughts regarding the loss of John Shelton. Noted that three people had been assigned to fill his role for a temporary time. Noted that the Board would be considering the Pilot Mountain Interlocal agreement tonight and wanted to pass along that the County Commissioners voted unanimously to approve this agreement. Encouraged Board to consider voted in favor of this agreement, which will benefit all of Surry County. Surry County was surprised at the amount of sales tax revenue received during the pandemic and appreciates the citizens of Surry County spending their money here. Good to see businesses opening. Glad to live in Surry County. Thanked this Board for what they do because he knows it's not easy.

Kate Sparks, 1339 Westfield Road, Concerned Citizens of Surry County: The mask mandate has her feeling sad and depressed. People have approached her in public for not wearing a mask and friends are having to wear a mask to participate in sports. Believes children are being affected by the lockdowns and mask mandates more than adults.

With no one else wishing to speak, Mayor Pro Tempore Niland declared the public forum closed.

Mayor Pro Tempore Niland complimented the Surry County Board of Commissioners for their outstanding leadership and partnership.

OLD BUSINESS

Commissioner Yokeley made a motion to have a special meeting for Thursday, January 28, 2021 at 2:00 p.m. to hear the report from the technical review of the RFP that has been received for the Spencer's property. City Attorney Hugh Campbell suggested that today's meeting be recessed at the close of business to the aforementioned date and time for this purpose, to which the Board agreed by consensus.

NEW BUSINESS

RESOLUTION 2021-044 APPROVING AMENDED INTERLOCAL AGREEMENT BETWEEN CITY OF MOUNT AIRY AND TOWN OF PILOT MOUNTAIN FOR REGIONAL WATER PRODUCTION AND DISTRIBUTION:

Interim Public Works Director Mitch Williams explained that original agreement required an annual payment of \$32,500 each by Pilot Mountain, Surry County, and Mount Airy over 20 years. Now the bids have come in to Pilot Mountain for this project above their estimates, which leaves the three parties involved needing to agree to pay \$56,584 annually over 20 years.

On motion by Commission Koch, and approved unanimously, the following resolution was adopted:

RESOLUTION NUMBER 2021-044

RESOLUTION TO APPROVE AMENDED INTERLOCAL AGREEMENT BETWEEN CITY OF MOUNT AIRY AND TOWN OF PILOT MOUNTAIN FOR REGIONAL WATER PRODUCTION AND DISTRIBUTION

WHEREAS, in 2019, the City of Mount Airy (City) and Town of Pilot Mountain (Town) entered into an Interlocal Agreement for an interconnection water project; and

WHEREAS, bids received for said project were higher than the engineers estimate; therefore, it is the intention of the Town to ask the State of N.C. for approximately \$1.4 million in additional funding; and

WHEREAS, money is available in the form of a twenty-year, 0% interest loan, which would increase the original estimated annual payment amount by the City to \$56,584.00 and the maximum daily draw of water will increase from one million gallons/day to two million gallons/day; and

WHEREAS, it is necessary to amend the Interlocal Agreement between the City and Town to reflect these changes:

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

Section 1. The Board of Commissioners does hereby approve the amended Interlocal Agreement Between the City of Mount Airy and Town of Pilot Mountain for Regional Water Production and Distribution.

Section 2. The Board of Commissioners does hereby authorize the Mayor Pro Tempore to execute said agreement and any other documents necessary per review and approval by the City Attorney.

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 21st day of January, 2021.

RESOLUTION 2021-045 ACCEPTING ONE NC FUND GRANT FOR ILLINOIS TOOL WORKS, INC D/B/A ITW TEXWIPE:

Todd Tucker explained that this grant was applied for in order for Texwipe to assist them in the purchase the Hanes building, invest two million dollars and hire approximately 33 people. We were awarded this grant and have also been awarded the building reuse grant and are waiting on that paperwork. He recommended that the Board sign the paperwork to activate the grant.

On motion by Commissioner Wood, and approved unanimously, the following resolution was approved:

RESOLUTION NUMBER 2021-045

RESOLUTION ACCEPTING ONE NC FUND GRANT FOR ILLINOIS TOOL WORKS, INC. D/B/A ITW TEXWIPE

WHEREAS, on October 15, 2020, the City of Mount Airy Board of Commissioners approved an incentive agreement with Texwipe; and

WHEREAS, Texwipe manufactures contamination control supplies and announced it would open a facility in the former Hanes Brands building located on West Pine Street investing \$4.5 million as well as create 33 new jobs; and

WHEREAS, the City has been awarded a \$75,000 One NC Grant to assist Texwipe with the costs associated with the installation or purchase of necessary equipment and repairs/renovations to the building required to begin manufacturing;

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

Section 1. The Board of Commissioner does hereby accept the One NC Grant in the amount of \$75,000 to assist Texwipe with the costs associated with the installation or purchase of necessary equipment, repairs and renovations necessary to begin manufacturing their products.

Section 2. The Board of Commissioners does hereby authorize the Mayor Pro Tempore to execute all documents relating to said grant funds per review and approval by the City Attorney.

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 21st day of January, 2021.

BOARD TO DISCUSS FUNDING STRATEGY FOR FIVE-YEAR CAPITAL IMPROVEMENTS PLAN:

Financial Advisor Doug Carter of DEC Associates discussed the latest updates on the proposed capital improvement plan (CIP) via a report distributed to the members of the Board. He noted that he was here in January of 2020 to begin discussion of reorienting the CIP process. Many cities and counties have CIP's, but not everyone is funded. They are funded based on affordability and priorities. It was decided to separate our assets between operating and capital. Once the Covid pandemic hit, this created a lot of economic uncertainties and many state entities made the choice to hold off to see what the impacts of the pandemic would be.

The City has broken down their plan between Operational and Visionary CIPs. This will be helpful with how the City decides to move forward. Today's focus is primarily on the operational plan. Any City investment in economic development projects are not included; City assets only. The CIP should be looked at as part of the annual budget review process. He discussed the amount of assets the City has broken down in the General Government Fund (\$55,810,869) and the Water and Sewer Fund (\$83,696,827). Investments totaling \$12,523,552 were obtained in the last ten years (2011-2020), with the highest year being 2016 (\$2,331,640) and the lowest year being 2011 (\$210,258). Much of this came through grants that were awarded to the City.

Mr. Carter broke down the proposed five year CIP for years 2022 through 2026 by department, including known sources.

Purpose	Operational	Visionary
Police/Fire	\$1,551,000	\$120,000
Public Services	7,033,000	3,412,000
Parks and Recreation	2,625,000	2,797,000
All Other	<u>373,000</u>	<u>504,000</u>
Total	\$11,582,000	\$6,833,000
Sources		
Powell Bill	\$1,722,000	-
Grants	325,000	477,000
To Be Funded	<u>9,535,000</u>	<u>6,356,000</u>
Total	\$11,582,000	\$6,833,000

He further broke down the funding options for the operational fund, suggesting that a sound plan has a pay go amount of 20-25%, with a borrowed amount of 75-80%. A pay go only plan is usually not doable without significant tax and other increases. The combined sourcing spreads cost to the users. In last year's discussion, financial policies were discussed along with the CIP, particularly minimum fund balance levels. This Board agreed then to a policy to retain a minimum of \$6 million in unassigned fund balance. The 2020 audited unassigned balance is \$8,250,000, which leaves the amount of \$1,500,000 to \$2,000,000 for potential use in the CIP. This would leave a potential borrow of \$7.5 million to \$8 million over a 5-year time period. He noted that our General Fund debt service is currently \$36,000 per year. He further explained the proposed affordability model which notes the full proposed CIP spending of \$9,535,000 over the next five years, and how it could be accomplished through pay-go and borrowing.

	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	Total
CIP	\$2,360,000	\$2,086,000	\$2,187,000	\$1,401,000	\$1,501,000	\$9,535,000
Pay-go	\$758,000	\$750,000	\$0	\$0	\$0	\$1,508,000
To be funded	\$1,602,000	\$1,336,000	\$2,187,000	\$1,401,000	\$1,501,000	\$8,027,000
Borrowing	\$1,650,000	\$3,600,000		\$3,000,00		\$8,250,000
Annual D/S	\$23,000	\$212,000	\$207,000	\$202,000	\$197,000	
Annual D/S		\$51,000	\$462,000	\$452,000	\$441,000	
Annual D/S				\$43,000	\$385,000	
Total D/S	\$23,000	\$263,000	\$669,000	\$697,000	\$1,023,000	\$2,675,000
Potential Funding Sources – Examples						
GF/S.W. savings	\$23,000	\$212,000	\$207,000	\$202,000	\$197,000	\$845,000
Revaluation	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000	\$1,800,000
Remaining	\$360,000	\$309,000	(\$102,000)	(\$135,000)	(\$466,000)	(\$34,000)

D/S=Debt Service

Mr. Carter noted that this mode assumes 10-year level principal amortization with a 3% interest rate. This plan is largely compiled of equipment, and you cannot borrow beyond the useful life of an asset. He commended Barbara Jones and Pam Stone for being prompt, knowledgeable, helpful, and accessible during this process.

Mr. Carter went on to explain that we believe that we can cover the \$1.65 million funding, primarily for the fire truck and the solid waste equipment through the General Fund. It is estimated that the revaluation will bring in an additional annual amount of \$360,000, based on the current tax rate, and suggested putting this amount into the CIP fund. The Board will have to make a decision on how to fund the remaining amount of \$1,023,000, such as General Fund operating budget savings/adjustments, new/increased user fees, tax rate changes. He noted that a once-cent tax increase has an annual effect on the budget of \$120,000. He offered in a future meeting to look at these numbers in more detail allowing the Board to look at interactive options of funding the CIP. Further work also needs to be done on the Visionary CIP. We will need feedback from the Board on priorities, timing, and importance of the proposed projects. CIP funding decisions cannot be made alone; they must be made together with operating decisions during the budget process. He commended the Board for looking into this process and showing interest in establishing a capital improvement plan.

Commissioner Koch noted that the Board has been looking at the savings for automated garbage pickup, and a possible garbage fee, which could generate funds for the CIP. He thinks that having a CIP is an excellent idea, but it doesn't mean that we will spend all of it every year. Some expenses are potential but may not need to be spent. The most urgent needs are the ones we need to find funding for.

Commissioner Yokeley believes their priority should be to go ahead with the purchase of the fire truck and the needed equipment for sanitation automation. Commissioner Wood believes this is just the start of the process of determining how we will we will look at the entire thing over the next five years. We still have the operating budget and the visionary plan to look at as well. She believes that this is a plan, but it can be adjusted. It doesn't mean we are going to spend the money just because it is listed in the plan, but when department heads come up with the things they need in a five-year plan, she feels it is in there because there is a need for it and it is not up to her to second guess their needs. She believes that the staff knows what they need, and it is the Board's responsibility to find out how to pay for it. She questioned whether it is time now to order the Fire and Sanitation equipment. Commissioner Koch believes it is the time to do it. City Manager Barbara Jones informed the Board that she and Pam Stone have talked with Doug with their funding options for these vehicles. She stated if the Board wants to go ahead and order these vehicles, we can go ahead and prepare a project ordinance to make these purchases without tying up the fund balance. However, this amount will become part of the budget and we will be obligated to pay for it. She also recommended if the Board is considering the fire truck and automated sanitation vehicles, that they also include the leaf truck for the safety of our sanitation workers.

Mayor Pro Tem Niland questioned if the Board would like to have staff to bring back a project ordinance for the purchase of these vehicles. He is not in favor of including the brush carts as part of this purchase. Commissioner Koch suggested that we need to figure out at a later date whether citizens would need or want a brush cart. He is in favor of proceeding

with this capital purchase. He also noted that he will always question the needs that are presented to him. Commissioner Yokeley stated that we also need to include the leaf truck in this purchase. After discussion, Barbara summarized that the purchase of one fire truck, one leaf/dump truck, and two automated garbage trucks totals \$1.6 million.

Commissioner Koch made a motion for the City Manager to bring back to them a project ordinance at their next meeting for one fire truck, the dump/leaf truck, and two automated garbage trucks. With no further discussion, the Board voted unanimously in favor of this request.

Commissioner Yokeley would like to see a general schedule of how to proceed with the CIP process. Commissioner Wood added that she would like to see it include actual dates, including a date set for a workshop. Barbara stated that a work session for the visionary is a good idea. She believes discussion of the capital, along with discussion of personnel, operating costs, and economic development, will fall in with our budget discussion and would be included in the calendar for the budget. We also need more time to see how are revenues are coming in and look at all of this together. Commissioner Yokeley clarified that his request is to see what steps will be necessary and when to make sure it is in place by the end of June when the budget has to be adopted. Barbara confirmed that we will be working on the budget calendar to accomplish these goals. Mayor Pro Tem Niland suggested that we may need to start earlier than usual due to the inclusion of reviewing and making decisions on this plan in addition to budget review and approval. He suggested mid-February for getting started.

Mayor Pro Tem Niland allowed Surry County Commissioner Larry Johnson to ask for clarification on the City's reevaluation estimates. He noted that residential is expected to increase by 7% with business property increase around 8.5%. He added that Doug and his staff can provide valuable assistance with showing how the different options can affect the budget. He stated that Surry County loves the Carters.

REMARKS BY OFFICIALS:

Commissioner Wood: Pleasure to hear from Doug Carter tonight. Hopes we can move forward and looking forward to studying the proposal and see how it all comes out during our budgeting. Thanks to Larry Johnson for coming tonight.

Commissioner Yokeley: Thanks to Doug for being here. Looking forward to a capital improvement plan along with a method of funding it. This has been lacking for many years and we need to do it. Thanks also to Larry Johnson for being here. Congratulations to Barbara Jones for completing the School of Government budgeting course. I think that will serve the city very well this year. Condolences to the family of Johnny Shelton. It is a tragedy and a loss and he will be missed.

Commissioner Koch: Thanks to Doug for being here tonight and for this information. Prayers are with Johnny Shelton's friends and family. Excited to be getting close to ordering the new fire truck and automated garbage trucks.

Mayor Pro Tem Niland: Thanks to all who spoke tonight. A lot of good things are going to happen for the City going forward. Noted an issue that has been brought to his attention regarding a garbage situation behind our downtown businesses that he would like to see addressed and solved. This has been going on for some time and he would like to ask Public Works to work on a solution and report back.

Commissioner Yokeley: Also wanted to ask if stoplights can be synchronized better in the downtown area. Police Chief Dale Watson answered no, that the technology is old and it would be very expensive to synchronize and update that equipment, at the City's expense. Commissioner Yokeley would like to see that discussed in the future.

Barbara Jones: Wanted to state that Doug and his organization have been invaluable. They are an asset to the City and to our staff. He has great expertise as a consultant and he is very knowledgeable and great to work with. Prayers and condolences to the Shelton family. Johnny has been a huge help to her and the City over the years. This is a great loss to our community.

CLARIFICATION/REBUTTAL BY MAYOR AND CITY COUNCIL:

CLOSED SESSION:

Commissioner Yokeley made a motion to enter into closed session pursuant to NCGS 143-318.11(a)(3) Attorney Client Privilege and it was approved unanimously.

OPEN SESSION:

On motion by Commissioner Koch and approved unanimously, the board entered back in to open session.

Barbara Jones pointed out that the monthly financials had been distributed for review by the Board.

RECESS:

On motion by Commissioner Wood and approved unanimously, the meeting was recessed until Thursday January 28, 2021 at 2:00 p.m.

Approved and adopted this the 18th day of February, 2021.

Ronald M. Niland, Mayor Pro Tempore

ATTEST:

Carolyn Hegler, Deputy Clerk