

**MOUNT AIRY, NORTH CAROLINA  
REGULAR MEETING MINUTES  
May 20, 2021**

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

**Mayor Pro Tempore Niland made the following announcement: Due to the Governor's newest Executive Order, we are open back up to the public and therefore, we will no longer be accepting written comments for the public forum or a public hearing after this meeting.**

**APPROVAL OF AMENDED AGENDA:**

**Commissioner Koch made a motion to approve the amended agenda with the additions of items 2c-Resolution #2021-075 and 2d-Resolution #2021-076 and it was approved unanimously.**

**CONSENT AGENDA:**

**On motion by Commissioner Wood and approved unanimously, the following Consent Agenda items were approved:**

- **RESOLUTION 2021-070-SETTING PUBLIC HEARING FOR PROPOSED FY 2021-2022 BUDGET:**
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**RESOLUTION NUMBER 2021-070**

**RESOLUTION SETTING PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2021-2022 BUDGET**

WHEREAS, the proposed fiscal year 2021-2022 budget for the City of Mount Airy has been presented to the Board of Commissioners (Presented May 20, 2021) and the public is encouraged to visit the City of Mount Airy's website ([www.mountairy.org](http://www.mountairy.org)) for public inspection; and

WHEREAS, North Carolina General Statute 159-12 states that before adopting the budget ordinance, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may make comments:

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

- Section 1. The Mayor and Board of Commissioners of the City of Mount Airy does hereby set a public hearing on the proposed fiscal year 2021-2022 budget for Thursday, June 3, 2021 at 6:00 pm and further authorizes the City Clerk to advertise said hearing.
- Section 2. Mayor and City Clerk are authorized to execute all related documents.
- Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

• **RESOLUTION 2021-074-MAKING ABC BOARD REAPPOINTMENTS:**

**RESOLUTION NUMBER 2021-074**

**RESOLUTION MAKING ABC BOARD REAPPOINTMENTS**

WHEREAS, Mr. Tommy Brannock's appointment to the ABC Board has expired and he has expressed interest in being reappointed; and

WHEREAS, Dr. Hugh Sutphin's appointment to the ABC Board has expired and he has expressed interest in being reappointed:

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

Section 1. Tommy Brannock is hereby reappointed to the ABC Board for another three-year term expiring March 31, 2024.

Section 2. Dr. Hugh Sutphin is hereby reappointed to the ABC Board for another three-year term expiring October 31, 2023.

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

• **RESOLUTION 2021-075-ACCEPT AND RECEIVE AMERICAN RECOVERY PLAN FUNDS:**

**RESOLUTION NUMBER 2021-075**

**RESOLUTION TO ACCEPT AND RECEIVE AMERICAN RECOVERY PLAN FUNDS**

WHEREAS, the State of North Carolina will be appropriating funding from the Federal American Rescue Plan Act (ARPA) to fund necessary Coronavirus State and Local Fiscal Recovery Funds; and

WHEREAS, the North Carolina General Assembly will provide for the distribution of funds to eligible municipal corporations and townships, including the City of Mount Airy; and

WHEREAS, ARPA will help speed up the recovery from the economic and health effects from the COVID-19 pandemic and ongoing recession; and

WHEREAS, Whereas, these funds for municipalities may be used to respond to public health emergencies with respect to COVID-19, provide premium pay to essential workers and investment in water and sewer infrastructure:

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 authorize the acceptance of funds through the American Rescue Plan Act and acknowledges funds will be issued via the State of North Carolina.

Section 2. The Board of Commissioners will comply with all laws, rules, and regulations pertaining thereto.

Section 3. The Board of Commissioners does hereby authorize the Mayor Pro Tempore to execute any documentation relating to the American Rescue Plan Act following review and approval by the City Attorney.

Section 4. This resolution shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

• **RESOLUTION 2021-076-APPROVING BENCHMARK CMR, INC. AGREEMENT:**

**RESOLUTION NUMBER 2021-076**

**RESOLUTION AUTHORIZING APPROVAL OF CONTRACT WITH BENCHMARK CMR, INC.**

WHEREAS, Benchmark CMR, Inc. provides services in the areas of land use planning, development ordinance preparation, master planning, urban design, outsourced local government staffing, downtown revitalization, planning and zoning administration, and much more; and

WHEREAS, Benchmark's experienced professionals provide planning services to the City of Mount Airy five days a week; and

WHEREAS, the proposed contract between the city and Benchmark CMR, Inc. is in the amount of \$145,000 annually to go into effect July 1, 2021 through June 30, 2024:

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 contract for planning services with Benchmark CMR, Inc. for the amount of \$145,000 annually, which will go into effect July 1, 2021 and expiring June 30, 2024.

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

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

• **ORDINANCE 2021-030-PROJECT ORDINANCE FOR SPENCER'S DEVELOPMENT PHASE II PROJECT:**

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**ORDINANCE # 2021-030  
PROJECT ORDINANCE  
FOR  
SPENCER'S DEVELOPMENT PHASE II PROJECT**

BE IT ORDAINED by the Board of Commissioners of the City of Mount Airy, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted:

Section 1

The project authorized is for the improvements for Phase II of the Spencer's Property in downtown Mount Airy.

Section 2

The officers of this unit are hereby directed to proceed with the project within the terms of the budget contained herein.

Section 3

The following amounts are appropriated for the project:

Economic and physical development	\$ 50,000
	<u>\$ 50,000</u>

Section 4

The following revenues are anticipated to be available to complete this project:

Transfer from General Fund	\$ 50,000
	<u>\$ 50,000</u>

Section 5

The Finance Officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to satisfy applicable accounting and reporting requirements.

Section 6

Funds may be advanced from other funds for the purpose of making payments as due. Drawdowns of debt proceeds and/or other funding sources should be made in an orderly and timely manner.

Section 7

Copies of this project ordinance shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 20<sup>th</sup> day of May, 2021

• **ORDINANCE 2021-031-BUDGET ORDINANCE AMENDMENT FOR SPENCER'S DEVELOPMENT PHASE II PROJECT:**

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**ORDINANCE NUMBER 2021-031  
BUDGET ORDINANCE AMENDMENT**

WHEREAS the City of Mount Airy adopted the 2020-21 budget on June 11, 2020;  
AND WHEREAS it is necessary to amend the budget ordinance in order to provide funding for Spencer's Development Phase II;

AND WHEREAS General Statute 159-15 of the North Carolina Government Fiscal Control Act provides authority to amend a current municipal budget;

NOW, THEREFORE, be it ordained that authorization is hereby given to make the following adjustments:

	Increase (Decrease)
Section 1. <u>General Fund Appropriations</u>	
Transfer to Capital Projects Fund	50,000
	<u>50,000</u>
Section 2. <u>General Fund Revenue Estimates</u>	
Appropriation of Fund Balance	50,000
	<u>50,000</u>

Adopted this 20<sup>th</sup> day of May, 2021

(end of consent agenda)

**PUBLIC HEARINGS:**

**a) Board to Hear Public Comment Regarding Rezoning of Multiple Properties Located at 758 Bluemont Road, 760 Bluemont Road, 768 E. Bluemont Road, 214 Crestview Street, and 215 Crestview Street:**

Ben Barcroft introduced this item. This rezoning request is to correct the zoning map. These properties will be rezoned from B-4 to R-6. The Planning Board has recommended this request to the City Board for approval.

**Mayor Pro Tempore Niland declared the public hearing open.**

**There were no speakers; therefore, Mayor Pro Tempore Niland declared the public hearing closed.**

**ORDINANCE 2021-026-ORDINANCE TO REZONE MULTIPLE PROPERTIES LOCATED AT 758 BLUEMONT ROAD, 760 BLUEMONT ROAD, 768 EAST BLUEMONT ROAD, 214 CRESTVIEW STREET, AND 215 CRESTVIEW STREET:**

**Commissioner Koch made a motion to adopt the following State of Consistency and it was approved unanimously: "The request to rezone these parcels is consistent with the future land use recommendations in the City of Mount Airy Comprehensive Plan and the adjacent B-4**

zoning district; therefore, the Board finds that the request is reasonable and in the public's interest."

Commissioner Koch made a motion to approve Ordinance 2021-026 and it was approved unanimously:

**ORDINANCE NUMBER 2021-026**

**ORDINANCE TO REZONE PROPERTIES IN THE CORPORATE LIMITS OF  
THE CITY OF MOUNT AIRY, NORTH CAROLINA  
(758 Bluemont Road, 760 Bluemont Road, 768 E. Bluemont Road, 214 Crestview Street,  
and 215 Crestview Street)**

WHEREAS, The City of Mount Airy has made the request to rezone properties (5.3 total acres) located at 758 Bluemont Road, 760 Bluemont Road, 768 E. Bluemont Road, 214 Crestview Street, and 215 Crestview Street (TAX ID's 5020-14-33-3438, 5020-14-33-4288, 5020-14-33-6220, 5020-14-33-6199, 5020-14-33-2384, 5020-14-33-3489, 5020-14-33-3655, 5020-14-33-2554, 5020-14-33-3742, 5020-14-33-3814, 5020-14-33-5700 & 5020-14-33-4970) from B-4 (Highway Business) to R-6 (General Residential); and

WHEREAS, the City of Mount Airy Planning Board has reviewed the petition and recommended the request to the Board of Commissioners for their consideration and approval; and

WHEREAS, the Board of Commissioners of the City of Mount Airy adopted a resolution directing that a public hearing be conducted on the 20<sup>th</sup> day of May, 2021; and

WHEREAS, the Board of Commissioners, having conducted the public hearing and reviewed the recommendations of the Planning Board, concur that the property herein described be rezoned and adopt the following Statement of Consistency:

**STATEMENT OF CONSISTENCY**

"The request to rezone these parcels is consistent with the future land use recommendations in the City of Mount Airy Comprehensive Plan and the adjacent B-4 zoning district; therefore, the Board finds that the request is reasonable and in the public's interest."

NOW, THEREFORE BE IT ORDAINED by the City of Mount Airy Board of Commissioners that these twelve (12) parcels (total of 5.3 acres) shown on the attached Exhibit A identified as 758 Bluemont Road, 760 Bluemont Road, 768 E. Bluemont Road, 214 Crestview Street, and 215 Crestview Street (TAX ID's 5020-14-33-3438, 5020-14-33-4288, 5020-14-33-6220, 5020-14-33-6199, 5020-14-33-2384, 5020-14-33-3489, 5020-14-33-3655, 5020-14-33-2554, 5020-14-33-3742, 5020-14-33-3814, 5020-14-33-5700 & 5020-14-33-4970) be rezoned from B-4 (Highway Business) to R-6 (General Residential).

BE IT FURTHER ORDAINED that the Zoning Map of the City of Mount Airy be amended to reflect this change.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

**b) Board to Hear Public Comment Regarding Proposed Amendments to City of Mount Airy Minimum Housing Code:**

Andy Goodall introduced this item. This item deals with the State changing from NCGS 160A to 160D. This consolidates the previous county and city enabling statutes into a single, unified chapter.

**Mayor Pro Tempore Niland declared the public hearing open.**

**There were no speakers; therefore, Mayor Pro Tempore Niland declared the public hearing closed.**

**ORDINANCE 2021-027-ORDINANCE TO AMEND CITY OF MOUNT AIRY MINIMUM HOUSING CODE:**

**Commissioner Yokeley made a motion to adopt the following Statement of Consistency and it was approved unanimously:**

**“The proposed amendments to Chapter 4-Article V of the City of Mount Airy Code of Ordinances are consistent with NCGS Chapter 160D.”**

**Commissioner Wood made a motion to approve Ordinance 2021-027 and it was approved unanimously:**

**ORDINANCE NUMBER 2021-027**

**ORDINANCE AMENDING CHAPTER 4-ARTICLE V (MINIMUM HOUSING CODE)  
OF THE CITY OF MOUNT AIRY CODE OF ORDINANCES**

WHEREAS, the City of Mount Airy Board of Commissioners desires amending Chapter 4-Article V (Minimum Housing Code) of the City of Mount Airy Code of Ordinances as it relates to NCGS Chapter 160D; and

WHEREAS, in 2019, the NC General Assembly adopted the complete reorganization of the State’s planning and development regulation statutes; and

WHEREAS, the new Chapter 160D consolidates the previous county and city enabling statutes into a single, unified chapter. Related statutes on city and county development regulation previously scattered throughout the General Statutes are also relocated to Chapter 160D; and

WHEREAS, the intent is to have a uniform set of statutes applicable to cities and counties common to all development regulations and places the development regulation statutes into a more logical, coherent organization; and

WHEREAS, the new law doesn’t make any policy changes or shifts in scope of authority, it provides many clarifying comments and consensus reforms that will need to be incorporated into local development regulations; and

WHEREAS, the City Clerk caused a notice of public hearing on the request to be published on the 7<sup>th</sup> and 14<sup>th</sup> day of May, 2021; and

WHEREAS, the Board of Commissioners, having conducted a public hearing and reviewed the proposed amendments, concur that the proposed amendments be made to Chapter 4-Article V of the City of Mount Airy Code of Ordinances:

NOW, THEREFORE, BE IT ORDAINED by the City of Mount Airy Board of Commissioners that the following Statement of Consistency is hereby adopted:

**STATEMENT OF CONSISTENCY**

“The proposed amendments to Chapter 4-Article V of the City of Mount Airy Code of Ordinances are consistent with NCGS Chapter 160D.”

BE IT FURTHER ORDAINED that Chapter 4-Article V (Minimum Housing Code) of the City of Mount Airy Code of Ordinances be amended to reflect the NCGS Chapter 160D updates with said amendments available for viewing at the following web address:

<http://www.mountairy.org/175/Planning-Department>

BE IT FURTHER ORDAINED that this ordinance shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

**c) Board to Hear Public Comments Regarding Proposed Amendments to Article X of the City of Mount Airy Code of Ordinances:**

Andy Goodall introduced this item. The Planning Board reviewed this article and it became apparent that it needed to be updated and modernized.

**Mayor Pro Tempore Niland declared the public hearing open.**

**There were no speakers; therefore, Mayor Pro Tempore Niland declared the public hearing closed.**

**ORDINANCE 2021-028-ORDINANCE TO AMEND ARTICLE X (LANDSCAPING) OF THE CITY OF MOUNT AIRY CODE OF ORDINANCES:**

**Commissioner Koch made a motion to adopt the following Statement of Consistency and it was approved unanimously:**

**“The proposed amendments are consistent with the Community Identity & Character Goals (Strategy 2b) of the City of Mount Airy Comprehensive Plan. The strategy calls for an update of development regulations to improve non-residential site design standards for parking and landscaping.”**

**Commissioner Wood made a motion to approve Ordinance 2021-028 and it was approved unanimously:**



**ORDINANCE AMENDING ARTICLE X (LANDSCAPING)  
OF THE CITY OF MOUNT AIRY ZONING ORDINANCE**

WHEREAS, the City of Mount Airy Planning Board and staff has reviewed the City's landscaping provisions and it became apparent that they were outdated and difficult to use in comparison to other municipalities; and

WHEREAS, staff also reviewed the landscaping of several non-residential properties that have been developed over the last decade and found that the current provisions require inadequate vegetation in some areas and excessive amounts in others. The latter led to a noticeable decline in the health and in some cases the death of vegetation; and

WHEREAS, the City Clerk caused a notice of public hearing on the request to be published on the 7<sup>th</sup> and 14<sup>th</sup> day of May, 2021; and

WHEREAS, the Board of Commissioners, having conducted a public hearing and reviewed the proposed amendments, concur that the proposed amendments be made to Article X of the City of Mount Airy Zoning Ordinance:

NOW, THEREFORE, BE IT ORDAINED by the City of Mount Airy Board of Commissioners that the following Statement of Consistency is hereby adopted:

**STATEMENT OF CONSISTENCY**

“The proposed amendments are consistent with the Community Identity & Character Goals (Strategy 2b) of the City of Mount Airy Comprehensive Plan. The strategy calls for an update of development regulations to improve non-residential site design standards for parking and landscaping.”

BE IT FURTHER ORDAINED that Article X (Landscaping) of the City of Mount Airy Zoning Ordinance be amended with said amendments available for viewing at the following web address:

<https://www.mountairy.org/175/Planning-Department>

BE IT FURTHER ORDAINED that this ordinance shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

**d) Board to Hear Public Comments Regarding Proposed Amendments and Reorganization of the City of Mount Airy Zoning Ordinance:**

Andy Goodall introduced this item. This ordinance has been amended over the years by several different people and in doing so, many of the organizational elements in the ordinance have become disjointed and inconsistent. He and the Planning Board Chair have reorganized each article to provide consistency.

**Mayor Pro Tempore Niland declared the public hearing open.**

**There were no speakers; therefore, Mayor Pro Tempore Niland declared the public hearing closed.**

**ORDINANCE 2021-029-ORDINANCE TO AMEND AND REORGANIZE CITY OF MOUNT AIRY ZONING ORDINANCE:**

**Commissioner Yokeley made a motion to adopt the following Statement of Consistency and it was approved unanimously:**

**“The proposed amendment and reorganization is consistent with state law and municipal policy.”**

**Commissioner Yokeley made a motion to approve Ordinance 2021-029 and it was approved unanimously:**

**ORDINANCE NUMBER 2021-029**

**ORDINANCE TO AMEND AND REORGANIZE  
CITY OF MOUNT AIRY ZONING ORDINANCE**

WHEREAS, the City of Mount Airy Zoning Ordinance has been amended over the years by several different authors and in doing so, many of the organizational elements in the ordinance have become disjointed and inconsistent; and

WHEREAS, the City Planning Director and Planning Board Chair have reorganized each Article of the Zoning Ordinance to provide consistency among them; and

WHEREAS, no policy changes occurred with the exception of language in Section 13.4 in regards to amendment proposals originated by the Board of Commissioners not being required to be submitted to the Planning Board, which has been struck from the Ordinance; and;

WHEREAS, WHEREAS, the City Clerk caused a notice of public hearing on the request to be published on the 7<sup>th</sup> and 14<sup>th</sup> day of May, 2021; and

WHEREAS, the Board of Commissioners, having conducted a public hearing and reviewed the proposed amendments, concur that the proposed amendments and reorganization be made to the City of Mount Airy Zoning Ordinance:

**NOW, THEREFORE, BE IT ORDAINED** by the City of Mount Airy Board of Commissioners that the following Statement of Consistency is hereby adopted:

**STATEMENT OF CONSISTENCY**

**“The proposed amendment and reorganization is consistent with state law and municipal policy.”**

BE IT FURTHER ORDAINED that the City of Mount Airy Zoning Ordinance be amended and reorganized and is available for viewing at the following web address:

<http://www.mountairy.org/369/Zoning-Ordinance>

BE IT FURTHER ORDAINED that this ordinance shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

**PUBLIC FORUM:**

**Mayor Pro Tempore Niland opened the public forum for comments.**

City Clerk Nicki Brame read comment(s) on behalf of:

John Pritchard, 128 Ridgecrest Drive: Spoke about issues with the audio for the meetings on Facebook Live. Suggested looking into better technology. Requested to remove the two items for Spencer's Development from the Consent Agenda.

There were no in-person comments.

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

**NEW BUSINESS:**

**a) Board to Discuss Appointment of Mayor:**

Commissioner Cawley stated that Mayor Pro Tem Niland has done a good job serving in the position as Mayor due to David Rowe's resignation. State Statutes suggest that a vacant seat be filled promptly. He suggests the Board appoint Ron Niland to fill the unexpired term as Mayor.

Commissioner Wood agrees that Mayor Pro Tem Niland has done a great job filling in as Mayor and also agrees that the position be filled.

Commissioner Koch commended Mayor Pro Tem Niland for the effort he has put in filling in as Mayor.

Commissioner Yokeley would like to postpone this until they know for sure if the elections would be moved to even years. He would also like to hear from the citizens on this matter.

Mayor Pro Tem Niland abstained from these votes.

**Commissioner Cawley made a motion to appoint Ron Niland as Mayor to fill David Rowe's unexpired term.**

**Commissioner Yokeley made a motion to table this item and it was not approved by a three to one vote:**

**Vote Aye: Commissioner Yokeley**

**Vote Nay: Commissioners Cawley, Koch, and Wood**

(A motion to table takes priority over any previous motion and requires no discussion)

**Commissioner Cawley restated his motion to appoint Ron Niland as Mayor to fill David Rowe's unexpired term and it was approved by a three to one vote:**

**Vote Aye: Commissioners Cawley, Koch, and Wood**

**Vote Nay: Commissioner Yokeley**

**b) Resolution 2021-071-Amending Contract for AT&T Antenna on Rockford Street Water Tank:**

Commissioner Wood would like more information and asked to postpone this item until June 3, 2021.

**Commissioner Wood made a motion to table this item to the June 3, 2021 Board Meeting and it was approved unanimously.**

**c) Resolution 2021-072-Authorizing Staff to Make Application for Pedestrian Plan Update Grant:**

**Commissioner Yokeley made a motion to approve Resolution 2021-072 and it was approved unanimously:**

#### **RESOLUTION NUMBER 2021-072**

#### **RESOLUTION TO AUTHORIZE CITY STAFF TO MAKE APPLICATION FOR PEDESTRIAN PLAN UPDATE GRANT**

WHEREAS, municipalities and counties with populations less than 50,000 who currently have bicycle plans and/or pedestrian plans, either through the N.C. Department of Transportation Bicycle and Pedestrian Planning Grant Initiative or otherwise, may apply for a plan update grant provided the existing plan is at least five (5) years old; and

WHEREAS, in 2011, Mount Airy was awarded \$22,050 from the N.C. Department of Commerce for a Pedestrian Planning Grant and hired Kimley-Horn and Associates to prepare a Comprehensive Pedestrian Plan, which was adopted in June 2013 by the City Board of Commissioners; and

WHEREAS, the Piedmont Triad Regional Council of Governments estimates the cost of a Pedestrian Plan Update to be in the range of \$45,000 to \$60,000 with a 20% local government match if the application is successful:

**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 authorize City staff to make application for a Pedestrian Plan Update Grant.**

**Section 2. The Board of Commissioners does hereby authorize the Mayor Pro Tempore and/or City staff to execute any documents related to this application per review and approval by the City Attorney.**

Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 20<sup>th</sup> day of May, 2021.

**d) Resolution 2021-073-Approving Group Insurance Contracts:**

Susan Jones stated that Blue Cross Blue Shield gave a 35% rate increase for health insurance and they were not willing to go below 27%. She met with the City Manager and they decided to go to other brokerage firms to discuss looking for different options. They discussed going to self-insured, keeping fully insured, or looking at a level funded plan and felt it was best to stay fully insured for at least another year. She received a rate from McGriff Insurance Services at 14.77% from Aetna. She is working with them to try to get that lower. She recommends approval of Resolution 2021-073.

Mayor Niland asked if it would be possible to amend the length of term on the contract so these contracts come due in March so the Board can discuss in detail. He asked about the NCLM. Barbara stated the NCLM wouldn't give a quote because of claims.

Barbara Jones stated they have looked at many different options and Susan has spent a lot of time on this. They are going to continue to look and hopefully be able to move to level funding or self-insured funding but due to some of the claims and other things, this is the cheapest percentage that can be negotiated at this point.

Commissioner Cawley asked if this is approved tonight, what would be the incentive for them to lower the percentage from 14.77%. Barbara said they are still in negotiations and she feels they would do what they have talked to them about. That is the reason they included lower in the resolution so they won't be tied to the 14.77%-it won't go any higher than that but they will still negotiate with the carrier. If the Board doesn't vote on this tonight, the 30-day window will be missed to notify Blue Cross.

Commissioner Cawley stated they can go ahead and cancel the Blue Cross plan because they know they aren't going back with them this year. They have an offer and they need to keep negotiating with them. Barbara stated a plan will need to be in play for open enrollment for the employees.

**Commissioner Koch made a motion to immediately notify Blue Cross/Blue Shield that the City will not be renewing the plan with them and to table the vote on Resolution 2021-073 to the June 3, 2021 Board Meeting and it was approved by a three to two vote.**

**Vote Aye: Commissioners Koch and Cawley, Mayor Niland**

**Vote Nay: Commissioners Yokeley and Wood**

**(Mayor Niland voted to break the tie)**

Commissioner Yokeley asked if Aetna knows that we will be going with them, what will stop them from going up on their percentage? Barbara stated she understands this point. It is going to underwriting now and she hopes they will give the city the best price.

Mayor Niland stated that at some point, health insurance is going to become unaffordable for everyone. He feels going forward, discussions need to be done earlier about where they are

headed instead of late May. Commissioner Koch asked when the city received the increase from Blue Cross and Susan informed him it was received at the end of April. Commissioner Koch stated they give a 60-day notification and gives the City several weeks to negotiate and search. If the City can't get a commitment from the old carrier until 60 days before, it will be hard to go out and start over again every single year—it is a rock and a hard place.

Barbara Jones mentioned she was very disappointed in these high rate increases particularly during the COVID-19 pandemic. Staff has done everything they can and shopped the different companies and looked at a lot of different plans and things and the price didn't change that much. If staff were to bring something to the Board in February or March, they would be saying staff is shopping and doesn't know at this point. Staff has turned over every rock they know to turn and this is what the outcome is.

Mayor Niland would like to have these companies come to a meeting and compete and talk to the Board for the Board to be able to look at the plan coverage.

Barbara Jones stated staff could try to get it tied down sooner and if the Board wants vendors to come in to a meeting, that is fine but she feels the Board will still see the same thing that staff is seeing.

Commissioner Koch stated rates are going to go up when claims are up—that is the bottom line. If the city had been lucky with less claims, it would probably be a better rate.

Barbara Jones stated she spoke with Representatives Stevens last year about getting into the State Plan since the pool is larger but that window was closed a while back when the City was getting 0-5% increases. Mayor Niland this may be something the city wants to look at when talking to the Legislators to try to get into the State Plan.

(Items 9e, 9f, 9g, and 9h were previously approved)

**i) Mount Airy/Surry County Airport Update:**

Mayor Niland gave a brief update on the airport. He and Commissioner Cawley attended an airport meeting. The airport is moving forward and has done an outstanding job. They have a good plan—the airport is a significant economic development part of the community. The airport has six jets based out of the airport with the possibility of two more. They have up to 25-30 take-offs and landings of jets a week. It is also a general aviation airport. The airport is looking at new hangers and new business.

Commissioner Cawley stated there are nine people who want to park their airplanes at the airport but they don't have hangers for them. The Airport committee is looking at how to solve this issue. The airport is very healthy for the County's budget. Having the planes on site is where the tax dollars end up being based. The money that goes into fixing an airport comes from aviation fuel tax.

**j) City Manager to Present Proposed FY 2021-2022 Budget:**

Barbara Jones presented the Proposed FY 2021-2022 budget message:

In accordance with NCGS 159-11, the proposed budget for fiscal year 2021-2022 beginning July 1, 2021 and ending June 30, 2022 is hereby submitted. This has come with a lot of work with hats off to Pam Stone. I want to talk a little bit about the year we have had. It has not

been a slow year by any means-it has been full steam ahead. I want to express thanks to the many heroes who have led during the pandemic. As a City, we have worked seamlessly as a team to continue our quality service to this community. I, as City Manager, Department Heads, and employees have managed strategically to provide our service, with some employees working in office while others are working from home for a period of time. We have distributed over 10,000 masks to the community. We have worked with the schools to distribute food to the students and also to the families. We have worked with our utility customers and we have worked with our businesses. We have attended many virtual meetings, monitored and managed our finances, worked very diligently to keep staff safe by implementing safety protocols, and educating staff on what to do if they are exposed to the virus or feeling sick. We have operated the city well even during times of added responsibilities and fewer staff due to the virus. We continue to work with the development of capital planning, we have developed a budget, and we have managed our current year budget, all the while keeping our quality services and the safety of our staff and community first. We have worked very strong as a team. This is effective leadership and management. Hats off to my staff sitting in this room and to my staff that is watching and listening-and a genuine thank you for all the work that you have done this year. It has been incredible and has not slowed. We have had layer upon layer upon layer of different things and everybody has done their job very effectively and very well. I want to say thank you staff for everything you have gone above and beyond to do. I realize there are many other heroes that have worked during this pandemic and I want to thank them as well.

As stated in the budget message, this budget is a working plan. It is a working plan on the front end and on the back end with the audit, you see how your plan worked.

**GENERAL FUND:**

The proposed GF budget calls for appropriations of the following:

General Fund:	\$13,976,763
Powell Bill Fund:	\$ 469,800
Drug Fund:	\$ 25,000
<u>Occupancy Tax:</u>	<u>\$ 445,000</u>
Total:	\$14,916,563

This budget reflects a tax rate of \$0.60 per \$100 valuation of property-there is no change in the tax rate.

The proposed budget appropriates the planned use of \$558,216 from the General Fund Balance, \$17,000 from Drug Funds, \$183,770 from Powell Bill Funds, making the combined total \$758,986. This is the amount you will see in your ordinance.

Operations had an overall increase of 2.67%. You are going to see two pieces of Capital-Capital items in the General Fund and the Capital Investment Fund. The Capital items in the General Fund are expenditures of projects typically costing more than \$5,000 so in your General Fund, you are going to see \$450,700 with most of those being paving and Powell Bill money.

The other General Fund expenditures, you have the \$445,000 in collected Occupancy Tax that we are anticipating and that will go from the General Fund to the Tourism Development Authority.

**Capital Investment Fund (CIF):**

During the year, the Board authorized a capital-funding plan for capital items and debt service to be in a separate Capital Investment Fund. This has occurred and we have done that. Funding as part of the Capital Fund totals \$548,031, which incorporates 2021-22 piece of the Operating capital that you have seen and basically endorsed. Money from our Economic Stabilization Fund has been transferred to the CIF as a source of revenues. As we move forward, the Board should develop a policy for funding sources to cover future capital expenditures.

Copies of the 2021-22 Operational Capital Funding Plan is on file in the office of the City Clerk.

**Personnel:**

In the General Fund, personnel costs are budgeted at \$9,848,399. The proposed budget does include a raise for full-time employees-\$1,000 or 2%, whichever is greater for the employee. The proposed budget includes an hourly increase for eligible part-time and seasonal workers. The proposed General Fund budget contains 137 full-time employees, which is around 11 employees less than we had in 2008 and we have added services as part of that as well. The health insurance is part of the benefit package provided to the employees and as you heard, the projected increase is 14.77% and we are working that down. Dental rates are included in your budget at a 10.4% decrease and vision will not change. The employer rates for the State Retirement System are proposed at 11.35% for the general employees and 12.10% for sworn law enforcement. The required employee contribution remains at 6% so that means the employee themselves automatically pay 6%. 401K contribution is funded at 5% for sworn law enforcement as mandated by General Statute and there is no funding included for general employees.

**Special Agency Appropriations:**

These are budgeted at \$218,650. This basically is leaving all of the special agencies funded at the same level as last year and adding \$10,000 for the Mount Airy/Surry County Airport.

**General Fund Revenue:**

As you know, your property taxes and sales taxes are your two largest revenues. The property tax revenues are estimated at \$7,321,200. We have sales tax budgeted at \$1,303,397-this is a 13% increase from what was budgeted in this fiscal year. The year we are in now was an unusual year. We decreased what we anticipated in sales tax about 11% for this budget.

**Revenue Neutral Tax Rate:**

State law requires that local governments publish a revenue neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. Using the formula mandated by State law, the revenue neutral tax rate for Mount Airy is \$0.5716.



**WATER AND SEWER FUND:**

In your Water and Sewer Fund, rates are proposed to stay the same with no increase. The proposed 2021-2022 Water and Sewer budget calls for expenditure appropriations of \$5,926,507 and planned use of Fund Balance of \$141,602.

**Personnel:**

There are 34 full-time employees in the Water and Sewer Fund. The proposed budget for raises in the Water and Sewer Fund is the same as what it is for the General Fund.

**Operating Costs/Capital Outlay:**

The general operating costs for the Water and Sewer Fund is right at \$1.7 million. Capital outlay for Water and Sewer is \$570,000.

**Municipal Service District (MSD):**

As you know, you have the advisory board for this but this Board adopts the budget and sets the tax levy for this district. The proposed budget for the MSD is \$150,500 and the tax rate of \$0.21, which did not change. The revenue neutral rate for the MSD is \$0.2045 per \$100 valuation.

**American Rescue Plan Funds:**

As we move forward on budget discussion, we are going to be talking about the American Rescue Plan (ARP). I have mentioned in the budget a dehumidification system for Reeves Community Center, which is needed and not in the current capital budget and there is some rehab at the Wastewater Treatment Plant that is in your capital budget-these items are around \$300,000. Also, I failed to mention in the message but would be my recommendation to use some of that money for revenue loss in the Parks and Recreation Department along with some other community projects-maybe some grants to businesses and that type thing.

In a nutshell, what you have here is months of work from staff and me to put together what we feel provides the same quality service and trying to work more efficient and better with what we provide. We have done some of that and the Board approved that for the automated sanitation vehicles and pieces for leaf collections. I would also have to mention Pam Stone-she has lived in my office for the past month. I want to thank all the department heads as well. Everyone has done a great job with their budget. I appreciate the consideration of this Board reviewing the budget and I look forward to reviewing the proposal with you. Any guidance on moving forward with the budget, I welcome that.

As part of the NCGS, it needs to be said that this is included in the minutes--you have received the proposed FY 2021-2022 budget. It has been submitted to the governing body on this 20<sup>th</sup> day of May, 2021. It is available for inspection or review in the City Clerk's office and will be on the city's website. Thank you and we will have the Public Hearing on June 3, 2021.

**Budget Workshop:**

The Board scheduled the Budget Workshop for June 7, 2021 at 11am.

**REMARKS BY OFFICIALS:**

**Commissioner Koch:** No comments.

**Commissioner Wood:** Congratulations to Ron Niland for being appointed as Mayor.

**Commissioner Cawley:** Attended Eleanor Powell's funeral. He expressed gratitude for Ms. Powell, who taught him the history of Mount Airy through her Mount Airy News articles. His thoughts and prayers are with her family.

Nice to live in a city where people want to visit.

**Commissioner Yokeley:** Congratulations to Ron Niland for being appointed as Mayor.

Asked Chief Watson regarding complaints of issues on Franklin Street. Chief Watson stated the Police Department has not received any complaints for issues on Franklin Street.

**Barbara Jones:** No comments.

**Hugh Campbell:** No comments.

**Mayor Niland:** Humbled and honored by the appointment as Mayor. He looks forward to serving. He thanked the Board for their confidence in him and appointing him as Mayor.

**RECESS:**

**Commissioner Koch made a motion to recess to June 3, 2021 6:00pm for the Regular Board Meeting and it was approved unanimously.**

**Approved and adopted this the 17<sup>th</sup> day of June, 2021.**

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Ronald M. Niland, Mayor

ATTEST:

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Melissa N. Brame, City Clerk