**MINUTES OF THE REGULAR MEETING**

**OF THE REIDSVILLE CITY COUNCIL**

**HELD WEDNESDAY, NOVEMBER 6, 2013 AT 3:00 P.M.**

**COUNCIL CHAMBERS, CITY HALL**

**CITY COUNCIL MEMBERS PRESENT:** Mayor James K. Festerman

 Mayor Pro-Tem Tom Balsley

 Councilman Donald L. Gorham

 Councilman William Hairston

 Councilman Richard Johnson

 Councilman Clark Turner

 Councilwoman Sherri G. Walker

**COUNCIL MEMBERS ABSENT:** NONE

**CITY STAFF PRESENT:** Michael J. Pearce, City Manager

 Angela G. Stadler, CMC, City Clerk

 William F. McLeod Jr., City Attorney

Tom Wiggins, Assistant City Manager of Community Services

 Chris Phillips, Assistant City Manager of Administration

Kevin Eason, Public Works Director

Mayor Festerman called the meeting to order. He invited Associate Pastor George Gunn of Elm Grove Baptist Church to come forward and provide the invocation. He told Pastor Gunn that the whole community mourns his loss with the recent passing of his son.

**INVOCATION.**

Associate Pastor Gunn then provided the invocation.

**PLEDGE OF ALLEGIANCE.**

The Pledge of Allegiance was recited.

**ANNOUNCEMENTS.**

**Weight Loss Challenge.**

City Manager Michael J. Pearce asked to speak during the announcements portion of the meeting rather than waiting for his Manager’s Report. He asked the following Public Works employees to come forward: Danny Yount, Gary Lovelace, Dean Isley, Mike Kennon and Patrick Cobb. He also asked Gwen Dunlap to come forward. The City Manager explained that about 1½ years ago, the City started a wellness program to both instill healthier lifestyles in our employees and retirees as well as to help lower health costs. The City hired a wellness coach Gwen Dunlap, and they developed a Manager’s Challenge to help employees lose weight. Dunlap noted that nine teams were put together with 45 people overall, and for six weeks, they learned how to lose weight. Dunlap explained the program “Eat Right for Life”, and talked how the employees exercised, attended weekly classes, weighed in at the beginning, middle and end of the six weeks. This winning team lost over 83 pounds while all the participants lost approximately 345 pounds overall. Pearce presented $50 gift certificates for members of the winning team while the audience gave them a round of applause. Council members also stood and applauded.

**Results from Yesterday’s Elections Noted.**

Mayor Festerman congratulated the winners of yesterday’s municipal elections: Mayor-Elect Jay Donecker; Harry Brown, who was the highest vote getter in the Council race; and Mayor Pro Tem Tom Balsley, who will return to Council. He allowed each of the men to say a few words.

Donecker said he just wanted to say thank you to the employees and citizens for coming out to vote for us and that he looked forward to working with Harry, Tom and the other Council members. Brown said it had been a long election, but that the citizens had spoken clearly and wanted a progressive City going forward. He expressed his thanks and appreciation. Balsley said it has been a great day for Reidsville, and he congratulated Harry and Jay. He noted that we have heard a lot about the monument, and why don’t we vote on the monument, adding that yesterday we did. He said Reidsville came together yesterday better than they ever had since he could remember. He again congratulated Harry and Jay.

**December Council Meeting Date Changed.**

**In a related item, Councilman Hairston made the motion to move the December meeting to Tuesday, December 10, to 6:30 p.m. The motion was seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote.**

The Mayor noted this had been done so a night meeting could be held that would not conflict with church meetings on Wednesday night.

**Passing of City Employees’ Loved Ones.**

Mayor Festerman then commented that on a sadder note, he wanted to bring to everyone’s attention that Woody and Jimmy Hutchens in the Police Department lost their grandfather on October 18 while Officer Ricky Hairston lost his father on October 13. He asked everyone to remember these people in their prayers.

The Mayor asked if there were any other announcements, but there were none.

**APPROVAL OF THE CONSENT AGENDA.**

**Mayor Pro Tem Balsley made the motion, seconded by Councilman Johnson and unanimously approved by Council in a 7-0 vote, to approve the Consent Agenda.**

**CONSENT AGENDA ITEM NO. 1 -- APPROVAL OF THE OCTOBER 9, 2013 REGULAR MEETING MINUTES.**

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the October 9, 2013 regular meeting minutes.

**CONSENT AGENDA ITEM NO. 2 -- APPROVAL OF THE APPOINTMENT OF NELSON COLE TO THE ROCKINGHAM COUNTY PARTNERSHIP FOR ECONOMIC AND TOURISM DEVELOPMENT BOARD OF DIRECTORS.**

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the appointment of Nelson Cole to the Rockingham County Partnership for Economic and Tourism Development Board of Directors.

**End of Consent Agenda**

**PUBLIC HEARINGS:**

**CONSIDERATION OF A SPECIAL USE PERMIT TO ALLOW THE OPERATION OF A SOLAR ENERGY SYSTEM (SOLAR FARM) LOCATED OFF US 29 BUSINESS, SPECIFICALLY ROCKINGHAM COUNTY TAX PARCEL NO. 8906-04-92-1706.**

Prior to the public hearing, City Clerk Stadler swore in all those planning to speak regarding the Special Use Permit, including attorney Katherine Ross representing Strata Solar; the three witnesses, Brent Niemann, PE; Richard C. Kirkland, MAI; and Louis Iannone; and the City’s Community Development Manager Donna Setliff.

Setliff explained that Strata Solar Development has filed an application for a Special Use Permit requesting a Solar Energy System, otherwise known as a solar farm. This is proposed on property bounded by US 29 Business and Crutchfield Road. She directed them to the aerial view map in their agenda packets. The parcel is about 87 acres, but the company will only be using about 44 acres, she said. There will be 936 racks which will hold 28 solar panels each. The company has a contract to sell the energy to Duke Energy, and this location will power about 750 homes each day, Setliff continued. The property will be accessed from US 29 Business, and there will be no employees on site; therefore, water and sewer are not needed at this location, she said. It is not within a watershed or a floodplain, she said, but since there are several creeks on the property, they will be abiding by the required riparian buffer setbacks.

Setliff said staff has reviewed the application according to the recently adopted text amendment for solar energy farms, and they are complying with all the criteria laid out in the plan, including setbacks, buffering, parking, etc. All are being complied with. The question had arisen about taxation, and the property and the equipment itself will be taxed, she said.

The Community Development Manager said the property is located within a Rural Growth Area and does meet the objectives of that area. Of course, with a Special Use Permit, it is up to the applicants to present to you evidence so that you can find each fact listed in the report. She also noted that you can place conditions on the SUP, and she said staff has recommended four conditions, which were also unanimously recommended by the Planning Board. Those recommendations are as follows:

1) The development shall be constructed in accordance with the approved site plan and in accordance with the provisions of the City of Reidsville Zoning Ordinance, specifically the Special Use Permit operating criteria outlined in Article V.

2) The developer must obtain all required permits and must meet all applicable North Carolina Building, Handicap and Fire Codes.

3) All buffers must be maintained in the manner in which they were intended and all vegetation be maintained healthy and attractive. She said that is put in there for the future.

4) The property in general must be maintained in an attractive manner. The property must adhere to the Code of Ordinance, Chapter 9, Article II, Section 9-20. Setliff explained that this is our nuisance code so that the grass will be maintained at an appropriate level.

Setliff said the SUP application was presented to the Planning Board, which voted unanimously in favor of the four findings of fact. The board also voted unanimously to recommend to Council that the SUP be granted along with the four conditions recommended by staff to be placed on the application, she said.

In response to a question from the Mayor, Setliff said the Council will need to go through the four Findings of Fact and then the SUP with the four conditions. Setliff said Council will need to vote on the fourth Findings of Fact and then the SUP with the four conditions. There were no other questions from Council for Setliff.

The Mayor asked if there was anyone who wished to speak for or against the SUP application, which signaled the start of the public hearing at 3:12 p.m.

Katherine Ross of Parker Poe Adams & Bernstein representing the developer, Strata Solar, came forward. She thanked Council for allowing her to speak. She said they were here today for the Special Use Permit application, which is believed to be complete with the recommendation of your Planning Board. She said there were three witnesses with them today to carry the burden of the four Findings of Fact. She recognized those three witnesses, Brent Niemann, who is civil engineer and a PE; Rich Kirkland, a licensed realtor in North Carolina; and Louis Iannone, site development for Strata Solar. She said they would be as brief as they can be to get all the information on the record. She also gave the Clerk three affidavits of all three witnesses to put into the record as well as a report from the real estate appraiser, which she said she believed the Council already has. (A COPY OF THE AFFIDAVITS AND REAL ESTATE REPORT ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) She also distributed these documents to the Council.

Ross asked Brent Niemann of 8529 Hampton Cross Drive, Wake Forest, NC, a civil engineer with Strata Solar, to establish his credentials as an expert in civil engineering, especially in solar farms, through a series of questions she asked him. Niemann noted that works on the site development plans and permitting for solar farms for Strata. He has been with Strata for one year and three months and has worked in “some form or fashion” close to 85 solar farms. As Ross was asking Neimann to confirm that he was licensed in North Carolina, which he did in the affirmative, Mayor Festerman and Council agreed that they would accept him as an expert witness.

Niemann reported that he had prepared the plan for the solar farm for Rockingham County. He said he was very familiar with the different aspects in case Council had any questions. He said a farm contains rows of photovoltaic cells mounted on steel and aluminum racking with the posts driven into the ground to minimize disturbance. He noted that they are not in the grading business so they work with the existing topography. This particular site is fairly heavily wooded so there will be some clearing to do, he said, adding that they will work with NCDENR regarding the permitting on that as well as NCDOT on the permitting for the driveway prior to construction and coordinated with staff. Regarding his company’s construction practices, Neimann reported that they use logging mats throughout the construction process to stabilize any areas that are wet or that can be rutted during construction. At the end of construction, those are removed, and the area is re-graded, re-seeded and stabilized, he said. The racks or panels, on the front side are about three feet off ground and on the back side, the top of the panels are about eight feet off the ground, relative to existing grade. Following construction, grass will be planted, usually coordinated with the local agricultural extension office to get the variety that will be most successful, he said. As was stated, the solar farm is not staffed daily, but every piece of equipment is monitored remotely on the Internet by people who it is their job to make sure the farm is operating properly, he said. It is very heavily monitored so that we are fully aware of what is going on at the farm at all times, he continued. The maintenance activities are as needed, along with landscaping responsibilities as well, including maintaining the grass and buffers that will be planted, he said. The solar farm, because it is not staffed, generates very little traffic, only as needed, with maybe 2-3 trips a month by a single work truck, he said. The construction period is about three months from the time they start construction until they pull off the site, he said. He noted that this site plan does conform to all the required conditions of the City of Reidsville, and for all the reasons stated above, it is his professional opinion that the site is in harmony with the surrounding area and does not endanger public health or safety.

Councilwoman Walker asked what is the lifespan of a solar farm like this usually? Niemann said that the solar panels themselves are warranted for 85% of their production value for 25 years. In general, we lease properties for a 30-year term, he said, so in general, it’s at least 30 years, he said. The Mayor thanked Councilwoman Walker for her question.

Mayor Pro Tem Balsley asked if there are any negatives to the surrounding environment, such as noise or emissions or anything like that? Niemann replied that there are no emissions or toxic materials used. The only noise is at the invertor areas well away from the property lines, which is like the hum of a transformer and where the conversion of energy goes from direct current to alternating current, the engineer explained. The Mayor Pro Tem asked if there have been complaints by neighbors? Niemann said there is no noise, smells or toxic materials, but sometimes there are visual complaints, hence the landscaping. Ross said the real estate appraisal will address that.

Richard C. Kirkland, of 1529 Hilltop Road, Fuquay Varina, said he has been a licensed real estate appraiser in North Carolina over 14 years, 10 years of which he has been self-employed.

Kirkland said he has been asked by Strata Solar to determine the impact of the proposed solar farm on the adjoining property values. He said he would also address the question of whether the solar farm is harmonious with the surrounding area. Looking around for studies, there are not a lot of them at this point so he had to do his own, Kirkland said. In determining the impact you look for a matched pair analysis, he said. You look for a property next to a solar farm and then a property just like it that is not next to a solar farm and see if there is a difference, Kirkland continued. He said he had visited over 19 solar farms in North Carolina. Given the state of the market today, there were not as many examples of sales as he would like, he said. However, he found a prime example in Goldsboro. It is a new home development where homes next to the solar farm are selling faster than other lots in the development, the real estate appraiser said. He said they are being sold at the exact same price. A solar farm is seen as a complete non-factor, he noted, by the developers who don’t see it as detracting from sales at all. Kirkland said this is a good example of matched pairs. These homes are in the $250,000 range, and there is no impact on adjoining property values, he said. An alternative way of looking at it, the appraiser said, is that when you do an impact study, you look for a certain reason that there might be an impact, such as noise, odor, traffic or something of that nature. There is always a reason you assign to that, he said. There is no noise from the solar farm, he said, noting that he has visited 19 of these sites and from the fence, he can’t hear anything. There is less traffic than a single family home would have. There is no hazardous waste or toxic material, he noted. The only thing somebody might say they don’t like, he said, is appearance, but he compared it to a greenhouse and other agricultural facilities. He said it is a very comparable look, and he doesn’t see visual impact. Again, he said it is his professional opinion that there is no impact on adjoining property values. Looking at harmony of use, Kirkland said he had compiled a breakdown of adjoining uses to the solar farms he has visited, and these uses were residential or agricultural. About 16% are commercial uses for those farms in North Carolina, which is where this one is going to be, he said. He sees the same with this property, which will be in a residential agricultural area. The real estate appraiser said he believes the use is harmonious with the surrounding area.

Ross then introduced Louis Iannone with Solar Strata who would be available to answer any overall questions. She said she felt that they have carried the burden of proof on the four findings of fact and asked Council to vote favorably on those.

Mayor Festerman said he didn’t see any controversy and felt this would be approved, but he said it would have been better if these materials had been submitted in advance. He recommended that to the company for the future.

Louis Iannone of 100 Camille Court, Apex, NC, said he felt their professional engineer and appraiser had pretty much covered everything for the four Findings of Fact, but he briefly reviewed them.

First Finding of Fact – that the use will not materially endanger the public health or safety … These plants are very passive uses and there are no toxic materials during construction, Iannone said. The site will meet all National Building Codes and be inspected by your inspectors, he noted. There are no noise emissions or traffic and the project will be fenced so we felt this condition is met, he said.

Second Finding of Fact – that the use meets all required conditions and specifications. We have gone through a thorough review by your staff and the Planning Board, and I feel that us being here has shown we have met the conditions of the Code, Iannone said.

Third Finding of Fact – that the use will not substantially injure the value of adjoining or abutting property … Mr. Kirkland just spoke to that, he noted.

Fourth Finding of Fact – 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 … Iannone noted that this is in a transitional area between heavy industrial use and low density residential so it will be buffered, and we feel it is compatible with that.

The Mayor asked if they had any estimate on the total investment in Reidsville, including land and equipment? Iannone said it would be about $10-12 million in investment. The Mayor thanked him for bringing the investment and this environmentally friendly project to Reidsville. Iannone said it is a natural process with sunlight hitting silicon, which is basically sand, and that somehow turns into electricity. It is very safe and very environmental, Iannone said.

Mayor Pro Tem Balsley asked how many solar farms does Strata have? Iannone responded close to 40 that Strata owns and operates with an additional 40-50 to be built in the next year or so. He said Strata is the sixth largest solar developer in the country. NC is ranked 5th in solar energy in the country, he added.

Mayor Festerman asked how quick they will be to start construction. Niemann responded probably February or March of next year. It would be about a four-month construction period, Iannone said.

The Mayor asked about whether the company would be looking at other locations in the area. Iannone said they hoped to find additional sites although he noted that there are some natural limitations of so many in one particular area. He said they wanted to do a good job on this one so that they will be welcomed back if they find another opportunity.

Ross clarified for the record that the project will contribute $20,000 annually in property taxes and bring 100 jobs during the construction phase of this $10-12 million investment. She again asked for a favorable finding on the four findings of fact.

The Mayor dispensed with the rest of the public hearing since no one else had come forward to be sworn in and speak on this matter. The public hearing was closed at approximately 3:23 p.m.

Mayor Festerman then read aloud the four Findings of Fact and called for a vote as follows:

First Finding of Fact – 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** **7-0**.

Second Finding of Fact – that the use meets all required conditions and specifications; **Approved** **7-0**.

Third Finding of Fact – that the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity; and, **Approved** **7-0**.

Fourth Finding of Fact – 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** **7-0**.

Council members then considered the Special Use Permit, including the four conditions made and discussed by staff, which have been discussed with the applicant.

**Councilman Turner made the motion, seconded by Councilman Gorham, to approve the SUP. The motion passed in a 7-0 vote. (A COPY OF THE SPECIAL USE PERMIT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)**

**PRESENTATION OF THE 2013 AUDIT BY MCGLADREY, LLP.**

Assistant City Manager of Administration/Finance Director Chris Phillips noted that this is probably earlier than the audit has ever been presented to Council, but it had to be done early due to the debt issue. The Local Government Commission had required the City’s current financial statements before approving $8.5 million in bonds at its November meeting yesterday that the City Council had approved back in October. It took a little bit of struggle and planning, but it was done two months earlier than normal, he said, adding that they had been working on this since July and some of the final information didn’t come in until September. He thanked the auditors for working with the City to make this happen. Phillips said he was also glad that they could present the audit today while the Mayor and Councilman Johnson were still here since they had worked on the budget for this year.

Phillips said the City had a good year, meeting the budget established for us due to our people being conservative and responsible. He noted that the City has been struggling with some of the changes out there to our insurance fund, but we have set aside part of our General Fund balance to cover those losses if they should continue. He said this is the first year we’ve done that, but he feels really good about that.

Phillips then introduced auditors Phillip King and Michael Scherzinger. King told the Council that they should be very proud of your Finance Department which worked diligently to meet the the October 15th deadline. He said Reidsville was one of the earliest to get its audit report sent off to the State.

King pointed out the 150-page comprehensive report, which is your financial statements and contains all the key financial information. The smaller bound package is the compliance reporting, including the grant reporting and the Report to Council. The third document is a communication from the auditors to the Council, which he said he will be sharing with them verbally today.

Referencing the Report to Council, King said he was pleased to report to Council that no issues were found during the audit, all of the information had been provided by staff following professional standards, no misstatements or errors were found in those statements and there were no internal deficiencies found in the internal control systems. The audit went very well, King stated.

The Mayor referenced page 2 on the Report to City Council that said no significant issues or difficulties were found speaks well of our Finance Department. On page 3 in the first paragraph, which begins “You may wish to monitor throughout the year the process used to compute and record these accounting estimates,” the Mayor said that does sound like something that needs to be done. King explained that this deals with estimates, things not based on a particular invoice. He gave as an example the City’s health insurance fund, how is that handled? The fact that nothing had to be reported showed that staff handled it very well. The Mayor said he thought that would have already been done. King said they have been doing it here. He stressed that they have no issue with how the estimates were prepared.

King said that inside the financial report is a three-page report that says their opinion was unmodified, which is a technical term meaning good, he said. That is what people’s eyes go to, and it shows the best opinion we are allowed to give, he said.

Discussion ensued briefly about the City’s bond rating. Phillips explained that a City doesn’t have a bond rating unless it has publicly issued debt. It has been years since the City was rated, but at that time it was Triple A, which was the best. The Finance Director said our last public debt has been gone for at least five years now.

The Mayor asked about business type activities listed on page 15, zeroing in on the water rates. He asked the City Manager if we are going to do anything to let our citizens know about the 1.5% increase in January. City Manager Pearce said he would be willing to do anything they suggest. He stressed that for the majority of residents, it will be a matter of pennies, definitely less than a dollar on their bills. Pearce noted that they had discussed sending out a flyer but that could cost several thousand dollars. The Mayor said it will be seen as an increase on their rates.

Mayor Festerman asked the auditor if there was anything major going forward that he saw with our financial situation? He asked if the City is as sound as it should be? King replied, “yes, you guys are in a good spot.”

The auditor then reviewed the handout. (A COPY OF THE “CITY OF REIDSVILLE AUDIT PRESENTATION 6/30/13 FISCAL YEAR” IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) Looking at the first page on the General Fund Balance, King said the balance determines how stable a City is. On the left-hand side shows that the City’s unassigned Fund Balance last year was $4.5 million compared to $4.387 this year. This is equal to about one third of your annual budget or 32%. The State recommends 8% while the average for the City’s population group (10,000-49,000) is 51.11%, but King said he would steer them to the 10-15% rather than 50%.

Pearce noted that, to a large degree, the General Fund balance is determined by the comfort level of the Council. It was noted that a responsible rate is less than 50% because at that point, it is believed you are taxing too much.

King said the lower righthand corner of the page shows the City’s historical trend for the past 10 years. He noted that we’re coming out of a couple of years that have been the hardest for cities and we’ve had to eat into the Fund Balance. That is why the City Council has to decide where its comfort level is, he said, adding that the City has hit that bump and is back on track. The Fund Balance did what it was supposed to do, he asserted.

On the page “General Fund Compared to Budget,” the City’s revenues have exceeded its budget, and expenses were below budget. King explained that it was over budget because the City had a very high collection rate on its property taxes and saw additional sales tax from the State, more than had been expected. The City’s management was very effective in not spending when they didn’t need to in a variety of efforts, the auditor said, and some employee attrition was involved as well. Overall, the City Manager’s office was good at maintaining expenses below the budget, which gave the City a surplus of $170,000 in the General Fund that went to the Fund Balance, he said.

Councilman Gorham said it is good to know we’re in good shape. That is true, said Councilman Hairston.

Phillips stated that no approval was needed for this audit presentation. He noted that this report had a lot of information, more than was required, but several years ago, the City had decided to do a CAFR which requires more information.

Pearce complimented the staff, noting he had pushed them to get this in early, and they did a great job.

Mayor Festerman called for a five-minute recess.

**CONSIDERATION OF AN INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING WITH HGACBUY, WHICH WILL ALLOW THE CITY TO PURCHASE A FIRE LADDER TRUCK THROUGH THE COMPANY, FIRE CONNECTIONS, INC., AND APPROVAL OF THE CORRESPONDING BUDGET ORDINANCE AMENDMENT NO. 4 FOR $657,052.**

Before Assistant City Manager/Finance Director Chris Phillips made his staff report, City Manager Pearce reminded Council members that in their last budget, they approved the City ordering the fire truck. He explained that it takes a year or more to produce the truck once it is ordered. The truck was estimated to cost $650,000 and was included as part of the Budget Message, which recognized that future budgets will have that debt associated with them. He said this is an opportunity to enter into an agreement with this group to order this ladder truck.

Phillips noted that Fire Chief David Bracken had brought this information to him. The department had been looking to buy a new truck for a while, and the debt payments on the department’s current newest truck ends this fiscal year, he said. We will roll over to the new payment, he explained. Chief Bracken feels this is a very good price for this truck, Phillips added. The offer to go with the Houston Galveston group ends November 15 and will allow us to skip the public bidding process if we go through this purchasing group, he continued. About 80 North Carolina governments use this group, Phillips said, adding there is no fee to join but there is a fee when you purchase something. Again, he noted that the Fire Chief was very pleased with the price. Now that we are familiar with this group, we will look at them for other large purchases, Phillips said.

The Assistant City Manager said staff is requesting authorization for the City to join this group, approval of an interlocal contract for cooperative purchasing and the Budget Ordinance Amendment, which was included in this year’s budget message. We probably won’t receive the truck until the next fiscal year, but we have to authorize the purchase order for the vehicle this year to get it then.

Mayor Festerman questioned whether this is a replacement vehicle? Phillips told him we can call it both because we just sold a 1962 LaFrance truck, and it will take its place in the building. He added that he didn’t think the 1962 vehicle was being used. With 8,000 miles on it, it sold for $3,200, he said. The Mayor said he would rather give it away than sell it that cheap and see if a rural fire department could use it. Phillips said we do advertise our sale, but the man who bought it said his son trades in such deals.

The Mayor asked about the fee. Phillips said the fee would be $2,000, but he was not sure if that amount is based on the contract. Again, he stressed that Fire Chief Bracken was really pleased with the price because the first price they received was for $100,000 more.

**Councilman Turner then made the motion, seconded by Councilman Hairston and unanimously approved by Councilman Hairston in a 7-0 vote, to authorize the Mayor to enter into an agreement with HGACBUY.** (*A COPY OF THE AGREEMENT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES*.)

**Councilman Turner then made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 7-0 vote, to approve Budget Ordinance Amendment No. 4.**

Budget Ordinance Amendment No. 4 as approved follows:

**BUDGET ORDINANCE AMENDMENT NO. 4**

 **WHEREAS,** the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 12, 2013 which established revenues and authorized expenditures for fiscal year 2013-2014; 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 lease purchase funds and to appropriate those funds for the purchase of a fire ladder truck;

 **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, 2013 is hereby amended as follows;

**Section 1.**  That revenue account number 10-3413-4000, Lease Proceeds, be increased by $657,000.00.

**Section 2.** That expense account number 10-4340-5500, Fire Department Capital Equipment, be increased by $657,000.00.

This the 6th day of November, 2013.

 /s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 James K. Festerman

 Mayor

ATTEST:

/s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Angela G. Stadler, CMC

 City Clerk

**REPORT ON THE 2013 REIDSVILLE DOWNTOWN HOMEGROWN FESTIVAL BY MAIN STREET MANAGER TERRESIA SCOBLE.**

In making the staff report on the Reidsville Downtown Homegrown Festival, Main Street Manager Terresia Scoble thanked Council and the City Manager for allowing her to make this presentation, adding that she loves her job and downtown Reidsville.

Scoble discussed the weather and noted that there were some problems, which will be discussed at the Reidsville Downtown Corporation’s retreat in January. She said at that time, they will address what went wrong and will try to make it bigger and better next year. She said some of the vendors tracked her down to hug her neck, which shows the success of the festival. She said it was quite rewarding that they were so pleased. While it was a slow start getting sponsors, people then jumped on board. She listed the sponsors, adding that some of the sponsors were “in kind” advertising or new rides like the gravity ball.

Scoble said they had about 57 volunteers, including the RDC. She said she wanted to especially thank Public Works, Police Department and Fire Department, all of which had a great attitude to get the job done. The festival rented out 160 booths, nine of which didn’t show up, probably because of the weather, she said.

Income from sponsorships, booth rentals, the beer garden and t-shirt sales totaled $32,793 with expenses listed at $16,231, she noted. Profit from the festival totaled $16,562. Estimated attendance at the event was 20,000-plus. State Department of Commerce figures estimate that at an economic impact of $25-30 per person, the City brought in over $500,000 to the County. Scoble said this was phenomenal, adding that this helps finance other events such as the tree lighting, cruise ins, seminars for downtown merchants and conferences, such as the Main Street Conference, for the RDC board members to attend.

Councilman Turner read aloud a letter from Douglas Astin praising Scoble, her staff and volunteers as follows: “I would like to give a congratulatory ‘pat on the back’ to Terresia Scoble, her staff and the volunteers – which Councilman Turner and I were two – for pulling off an outstanding Homegrown Festival 2013. Although the rain was an unexpected nuisance – being the troopers we were, we persevered and were proud to be a part of this successful venture and looking forward to the Homegrown Festival 2014. Thank You. Douglas Astin.”

Mayor Festerman asked where does the festival monies go back to? City Manager Pearce said it would go into the General budget. There was a brief discussion about the level of sponsorships, which range from $100 to $3,500.

The Mayor asked if any monies were received from the County Tourism board? Scoble said a $3,500 grant was received for them, which was listed under income. The way the grant works is if the festival proves we spent $7,000 in advertising outside the County, we get $3,500 in a 50-50 matching grant, she explained. We were able to do this by advertising in the News & Record, the TV station and *Our State* magazine, Scoble said.

Kudos were given to Anthony Hearn, who did a phenomenal job on the National Anthem, and to the Rockingham County High School Band for its performance.

City Manager Pearce noted that about 700 surveys were turned in at the event. Intern Zack Yarbrough will be looking at and reporting on that data.

Mayor Festerman asked if the festival got enough traffic on Market Street? Scoble noted that with the bounce items, it becomes a child’s area. Four of the ones that didn’t show up would have been on Market Street, she said, adding that several businesses back there were open that day, and we didn’t want to put anything in front of their doors. Most of the vendors want to be on Scales Street, she commented.

The Mayor stated that Moses Cone might have gotten more traffic at the middle of the block, but Scoble noted that they wanted to be at Market Square. She added that they were also limited to an area where they could have electric power.

Councilman Turner said Terresia is a dynamo and does a great job, which drew a round of applause for Scoble.

**CONSIDERATION OF A MUNICIPAL MEMBERSHIP TO THE DAN RIVER BASIN ASSOCIATION.**

City Manager Pearce explained that in discussions with other managers in the County, they had talked about how to get someone to design and find funding for the various greenways and trail projects throughout Rockingham County. He said we don’t have the staff time to take this on so where can we get assistance? The Dan River Basin Association (DRBA) has offered its services, including looking for grants, so that we don’t have to hire someone. The City can get a municipal membership in the DRBA, which Reidsville’s share would be $2,465, he explained.

Pearce stressed that every municipality would have to sign on to doing this. He told Council his recommendation is to allow him to join DRBA under a municipal membership to get this assistance from DRBA to develop our trailways plan. Again, he noted that if every municipality doesn’t join, we won’t do it and won’t need any money. He said he could take money from the contingency fund to cover this cost. The Town of Wentworth has already agreed to join, he added.

Pearce said his recommendation would be to join DRBA as a municipal member to further this cause.

The Mayor asked about the County. Pearce indicated the County would join, but he was not sure how its payment would be decided.

**Councilman Gorham made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 7-0 vote, to approve the recommendation.**

**CONSIDERATION TO MOVE THE DATE OF THE CITY FOURTH OF JULY FIREWORKS CELEBRATION TO JULY 3, 2014.**

**New Athletics Supervisor Introduced.**

Before moving to the agenda item, Assistant City Manager of Community Services Tom Wiggins introduced Sam Wilborn, the City’s new Athletics Supervisor, which drew a round of applause. Wilborn comes from the City of Raleigh’s Parks & Recreation Department, Wiggins said.

Wiggins then moved to the agenda item, saying it may be strange to talk about a July event in November, but he noted that the memo he gave to the City Manager outlined why the 2014 event should be held on July 3. (A COPY OF WIGGINS’ MEMO IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) The backup date would be Saturday, July 5th, he said. This year, we had inclement weather, he noted. Wiggins explained that the City had started having the event on a date other than July 4th starting in 2011. Scheduling on a date other than the 4th provides the City with some savings, about $5,000 on average a year, he said. From comments that have been received, some like it on the traditional date while others like it on another date, he continued. Wiggins said attendance numbers were down this past July due to the weather.

Wiggins asked if there were any questions. The Mayor asked that staff talk to other municipalities to make sure no one else is having it on the same day.

No vote was needed.

**PUBLIC COMMENTS.**

There were no public comments.

**CONSIDERATION OF BOARD AND COMMISSION APPOINTMENTS:**

City Manager Pearce distributed the ballots for the lone Commission appointment.

**CITY MANAGER’S REPORT.**

City Manager Pearce said if there were no questions about his written report, he would turn it back over to Assistant City Manager Tom Wiggins to talk about changing the lake store hours.

**Changing of Lake Store Hours.**

Wiggins noted that we would all agree that Lake Reidsville is a wonderful asset to the community, but it costs money to run. He said he and Nick Aceves (Superintendent of Parks & Recreation) have come up with some ways to manage our budget yet provide services to our patrons at the lake. He said it seems to be a trend at lake parks that they are closing at some time during the winter months. Looking at options that would minimize any negative impact but be very doable, Wiggins said they would like to close the lake store early two days a week starting this month. The store would close from 1-5 p.m. but not the park, he said, which would allow us to save some money on our part-time staff and use them for the peak season. Wiggins said they estimate that any loss in revenue would be minimal compared to what the City would save. He said they were tempted to close down the store for a full day but decided to take “baby steps” in order to see what kind of reaction they get from the community. The Parks & Recreation Advisory Commission unanimously agreed 5-0 to reduce the lake hours as a pilot program, he said. The Commission also agreed with the July 3rd event, he added.

This item was presented for informational purposes only, but Council members agreed they were okay with the change.

**COUNCIL MEMBERS’ REPORTS.**

**Councilman Gorham** – The Councilman said he had no formal report since the City Manager and Tom Wiggins had already discussed them, but he felt good about having missed it because they gave a far better report. He did compliment the food at the Homegrown Festival, adding that he has had smoked turkey legs on the east and west coast, and the two he had in Reidsville were the best he’s ever had.

**Councilman Hairston** – The Councilman had no report, but he said he hoped that someone would be able to do the basketball league again during the summer because it had been a really good.

**Mayor Festerman** – No report.

**Mayor Pro Tem Balsley** – No report.

**Councilman Johnson** – No report.

**Councilman Turner** -- No report.

**Councilwoman Walker** – The Councilwoman announced that Diane Sawyer had a 9lb, 8 oz. baby girl named Ayla Jewel Sawyer. She said there will be a ribbon cutting tomorrow at 24 Blackbirds. She asked Council members to keep Dec. 14th marked on their calendars for “Breakfast with Santa” which is usually held at the Sagebrush. Annie Penn will be hosting the chamber coffee on November 14th and ADTS will host the December coffee on Dec. 4.

Mayor Festerman asked staff to check whether the Reidsville Area Foundation was having something on November 14th.

**ANNOUNCEMENT OF BOARD AND COMMISSION APPOINTMENTS.**

City Clerk Angela G. Stadler announced that Milton Percell of 242 Kingwood Road, Reidsville was unanimously re-appointed to the Reidsville Parks & Recreation Advisory Commission. (A COPY OF THE BALLOTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

**CLOSED SESSION TO REVIEW CLOSED SESSION MINUTES UNDER G.S. 143-318.11(A)(1).**

**Councilman Gorham made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 7-0 vote, to go into closed session.**

**RETURN TO OPEN SESSION.**

**Upon return to open session, Councilman Turner made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 7-0 vote, to adjourn at approximately 5 p.m.**

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 James K. Festerman, Mayor

ATTEST:

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 Angela G. Stadler, CMC/NCCMC, City Clerk