**MINUTES OF THE REGULAR MEETING**

**OF THE REIDSVILLE CITY COUNCIL**

**HELD WEDNESDAY, JULY 10, 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

David Bracken, Fire Chief

Mayor Festerman called the meeting to order.

**INVOCATION.**

Mayor Festerman recognized Councilman Gorham, who introduced his pastor, Elder Lewis Bernard Florence of Galilee Pentecostal Holiness Church in Reidsville, where the Councilman said “there is love, peace and joy.” Elder Florence then gave the invocation.

**PLEDGE OF ALLEGIANCE.**

The Council led in the reciting of the Pledge of Allegiance.

**ANNOUNCEMENTS.**

Mayor Festerman noted the passing of Eden Mayor John Grogan on July 4, whom he described as a very good friend of Eden, Rockingham County and several people on the Reidsville City Council. He asked everyone to remember Grogan’s family, including his beautiful wife, Sylvia, and his children, Michael and Meredith. He then read the following from the newspaper announcement, which he said speaks volumes of Grogan’s commitment to service:

Mayor Grogan served as both President and Executive Director of the Eden Chamber of Commerce. He served on the Eden City Council for 20 years before being elected to Mayor in 2005 and again in 2009, in addition to leading numerous civic organizations and volunteer boards throughout the region and state.  
  
Grogan has received many honors including: Eden's Citizen of the Year, Wal-Mart Community Citizenship Award, Rotary International Paul Harris Fellow, and recipient of the Order of the Long Leaf Pine—one of the highest honors a Governor can bestow on a North Carolina citizen.  
  
He was a long-time member of the Leaksville United Methodist Church where he regularly attended the men’s bible class. In leisure, he enjoyed golf, baseball, and traveling with family and friends.   
  
Mayor Grogan celebrated the joy of life through fellowship with friends and family each day. He was a man of great reverence who also knew how to have a good time. Celebration and love surrounded him wherever he went.  
  
Mayor Grogan leaves a legacy of his kindness, leadership and a commitment to making the community a better place for all people through fair and honest service to the citizens.

Mayor Festerman then asked for a moment of silence for Mayor Grogan to reflect on his life and legacy.

**PROCLAMATIONS:**

**RECOGNITION OF RETIRED FIRE BATTALION CHIEF JEFFREY C. WILLIAMS WITH 30 YEARS OF SERVICE.**

Mayor asked retired Fire Battalion Chief Jeff Williams and Fire Chief David Bracken to join him up front for the reading of a proclamation for Williams. The Mayor then read aloud the proclamation. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

Mayor Festerman commented that he had known Jeff about all of his life. He said he had looked for a photo from past softball days but couldn’t find it. He referenced Jeff’s father, Marvin Williams, a former City employee, who was in the audience. He said Jeff was great to have as an employee and as a friend. He encouraged him to be safe as he understood Williams would still be working as a firefighter.

Chief Bracken then said a few words, describing Williams as a faithful employee who had helped train him when he first came to the City. He noted that employees are different today but that Williams showed faithfulness to the Fire Department, his family and the City. He said he looked forward to working with Williams on a part-time basis and urged him to enjoy his family time.

Mayor Festerman asked if there would be any other Williams coming to work for the City? Williams indicated his oldest son may be interested in becoming a firefighter.

City Manager Pearce told Williams how much he would be missed and added that Williams was the only other City employee who knows how to grow a decent mustache, to which the Mayor commented, “but neither one of you can grow hair,” which drew more laughter from the audience.

Mayor Festerman then presented Williams with his 30-year watch and the retiree shook hands with the Council as he received a standing ovation from the audience. The Mayor asked that the family receive a round of applause as well, which they did.

**APPROVAL OF THE CONSENT AGENDA.**

Mayor Festerman noted that there were three items for consideration on the Consent Agenda this afternoon. He asked if any Council members wanted to pull any items? None were offered.

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

**CONSENT AGENDA ITEM NO. 1 – APPROVAL OF THE JUNE 12, 2013 REGULAR MEETING MINUTES.**

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the June 12, 2013 Regular Meeting Minutes.

**CONSENT AGENDA ITEM NO. 2 – APPROVAL OF A RESOLUTION DONATING OFFICE FURNITURE TO THE REIDSVILLE DOWNTOWN SENIOR CITIZENS CLUB AND THE REIDSVILLE SALVATION ARMY.**

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the following Resolution as outlined in the accompanying memorandum from Assistant City Manager of Community Services Tom Wiggins:

**RESOLUTION AUTHORIZING THE**

**DONATION OF SURPLUS FURNITURE ITEMS TO THE DOWNTOWN SENIOR CITIZENS CLUB AND TO THE SALVATION ARMY**

**WHEREAS**, the City Council of the City of Reidsville desires to dispose of specified Parks and Recreation Department furniture items that are considered surplus, obsolete and unused;

**WHEREAS**, a list of these surplus furniture items has been enumerated and made available for viewing;

**WHEREAS**, the City of Reidsville wishes to donate the surplus property to the Downtown Senior Citizens Club and to the Salvation Army of Reidsville for their use and purposes;

**NOW, THEREFORE, WE, THE CITY COUNCIL**, of the City of Reidsville, do hereby authorize the City Manager to donate the specified surplus furniture items to the Downtown Senior Citizens Club and to the Salvation Army.

This the 10th day of July, 2013.

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

James K. Festerman, Mayor

ATTEST:

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

Angela G. Stadler, CMC/NCCMC, City Clerk

The accompanying Memo as follows:

***MEMORANDUM***

**To:** Michael Pearce, City Manager

**From:** Tom Wiggins, AICP, Assistant City Manager – Community Services

**CC:** Angela Stadler, City Clerk, CMC/NCCMC

**Date:** 6/26/2013

**Re:** Parks and Recreation Surplus Furniture Donation

In an ongoing effort to facilitate a smoother transition during the planned renovations to the Parks and Recreation Gym/Administration Building, I am requesting that surplus, obsolete and unused furniture items be donated to the Downtown Senior Citizens Club and to the Reidsville Salvation Army. Parks and Recreation has built up surplus furniture items over the past 20 years that often come from donations from other organizations or transferred from other City Departments. The North Carolina General Statutes permit the donation of surplus items to other governmental units and nonprofit organizations. I have copied below a portion of G.S. 160A-280 that specifies the following:

*§ 160A‑280. Donations of personal property to other governmental units.*

*(a) A city may donate to another governmental unit within the United States, a sister city, or a nonprofit organization incorporated by (i) the United States, (ii) the District of Columbia, or (iii) one of the United States, any personal property, including supplies, materials, and equipment, that the governing board deems to be surplus, obsolete, or unused. The governing board of the city shall post a public notice at least five days prior to the adoption of a resolution approving the donation. The resolution shall be adopted prior to making any donation of surplus, obsolete, or unused personal property.*

For clarification, the Downtown Senior Citizens Club is an independent organization and has no official affiliation with the City of Reidsville. However, it is affiliated with the North Carolina Association of Senior Citizen Clubs and it is incorporated with by-laws from the State association.

I have attached a list of the surplus furniture items that we are planning to donate. Overall, the items are in poor quality due to age and condition. It is my understanding that the Downtown Senior Citizens Cub will choose from among the surplus items on the attached list and may sell some of them in order to raise funds for their club activities. The Salvation Army of Reidsville has agreed to take any remaining items not taken by the Downtown Club. In essence, these two organizations will save the Parks and Recreation Staff the time and effort necessary to move and/or dispose of surplus furniture. (END OF MEMO)

**CONSENT AGENDA ITEM NO. 3 – APPROVAL OF A RESOLUTION TO MAINTAIN AND SUPPORT THE CURRENT INTEGRITY AND FUNDING FOR THE PARKS AND RECREATION TRUST FUND (PARTF).**

With the approval of the Consent Agenda in a 7-0 vote, the Council approved the following Resolution as explained in the accompanying memo:

**A RESOLUTION TO MAINTAIN AND SUPPORT THE CURRENT INTEGRITY AND FUNDING**

**FOR THE PARKS AND RECREATION TRUST FUND (PARTF)**

**WHEREAS**, North Carolina is known for its unique and scenic natural resources and opportunities for recreation with a long tradition of its citizens and visitors enjoying parks, mountains, rivers, greenways, beaches and more. Generations of residents and visitors have delighted in these landscapes and park facilities; and

**WHEREAS**, The Parks and Recreation Trust Fund (PARTF) was established with bi-partisan support on July 16, 1994 to fund improvements in the state's park system, to fund grants for local governments and to increase the public's access to the state's beaches and coastal waterways; and

**WHEREAS**, since its inception The Parks and Recreation Trust Fund has provided $161 million via 722 grants to 370 local governments in 99 counties and has been matched with $312 million of local and private dollars for the purchase of local park land, building and renovation of facilities and development of greenways and trails; and

**WHEREAS,** North Carolina’s population has grown to make it the 10th most populous state in the nation with projections for the significant growth to continue in the coming decades, and more state and local parks are needed to meet the increased demands; and

**WHEREAS,** parks are identified as key contributors to North Carolina’s tourism industry that generates nearly $20 billion in annual economic impact; and

**WHEREAS,** parks in North Carolina are experiencing record visitation levels including over 14.25 million to state parks in both 2011 and 2012; and

**WHEREAS**, The Parks & Recreation Trust Fund has leveraged funds that allowed our State to acquire land for state parks and state natural areas and protected nearly 83,000 acres and made major additions to the Mountains-to-Sea State Trail; and

**WHEREAS**, The Parks & Recreation Trust Fund has funded capital improvement projects in the state parks such as visitor centers and exhibit halls which provide tremendous opportunities to educate students and all citizens about North Carolina’s outstanding natural resources, and other capital projects including campgrounds, picnic areas, boating facilities, trails and swimming beaches; and local capital projects including construction of community centers, athletic fields and greenways; and

**WHEREAS,** the annual economic impact to local economies of all tourists visiting the state parks system was estimated at more than $400 million in sales and income, as well as nearly 5,000 jobs according to a 2008 study.

**WHEREAS**, a portion of The Parks & Recreation Trust Fund is designated for the Public Beach and Coastal Waterfront Access Program to improve access to beaches and coastal waterways by funding public boat ramps and public beaches accesses; and

**WHEREAS**, access to parks, recreation facilities and open space provides cost-effective opportunities for citizens of all ages to participate in health and wellness activities thereby reducing costs associated with obesity, heart disease, diabetes and high blood pressure; and

**WHEREAS,** research has documented that structured park and recreational opportunities in local communities can prevent crime and provide positive activities and directions for young people; and

**WHEREAS**, dedicated, recurring funding of the Parks & Recreation Trust Fund allows for structured and objective planning and efficient management of the system at both the state and local levels for today and future generations; and

**WHEREAS**, the success of The Parks and Recreation Trust Fund is due to the dedicated funding source provided by a portion of the deed stamp tax, and is recognized nationally as a model for efficiency and accountability; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Reidsville does call on the members of the General Assembly to maintain dedicated revenues generated by seventy-five cents of the deed stamp tax for The Parks and Recreation Trust Fund.

The Clerk is directed to send a copy of this resolution to each of the members of the General Assembly representing the people of Reidsville and the North Carolina Recreation and Park Association.

This the \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2013

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

Mayor

Attest:

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

Clerk

The accompanying memo is as follows:

***MEMORANDUM***

**To:** Michael Pearce, City Manager

**From:** Tom Wiggins, AICP, Assistant City Manager – Community Services

**CC:** Angela Stadler, City Clerk, CMC/NCCMC

**Date:** 6/24/2013

**Re:** PARTF Resolution of Support

The North Carolina Recreation and Park Association (NCRPA) has requested that counties and municipalities pass a Resolution to support the Parks and Recreation Trust Fund (PARTF) that is presently at risk for funding cuts by the State. The NCRPA is a nonprofit education and advocacy organization, dedicated to the advancement of the park, recreation and leisure profession and has 2,300 members from across the state (several of our Parks and Recreations Staff are members).

The North Carolina General Assembly established the PARTF on July 16, 1994 to fund improvements in the state's park system, to fund grants for local governments and to increase the public's access to the state's beaches. The dedicated funding source for the PARTF is a portion of the State excise tax on real estate transfers (i.e., deed stamp tax).  The Parks and Recreation Authority, a fifteen-member appointed board, was also created to allocate funds from PARTF to the state parks and to the grants program for local governments. PARTF can award matching grants to local governments of up to $500,000 for projects.

It is my understanding from the NCRPA that Governor McCrory’s proposed budget reduces the amount of money allocated to PARTF, as well as take away its dedicated funding source. Any reduction in funding will create an adverse impact to communities since the grants are awarded on a competitive basis and there will be less potential funds to go around. I have attached a sample resolution that was provided by the NCRPA as a means to voice our support to continue funding the PARTF at current levels. It is my understanding that approximately 109 municipalities and counties from North Carolina have passed a similar resolution. It is my hope that our Parks and Recreation Department can apply for and receive funding from the PARTF in the near future and it is vital that the State’s funding remains intact. (END OF MEMO)

**- End of Consent Agenda -**

**PUBLIC INFORMATION MEETING:**

**CONSIDERATION TO SECURE A USDA LOAN AS A FINANCING OPTION FOR THE PLANNED NEW SENIOR CENTER FACILITY.**

Tom Wiggins, Assistant City Manager of Community Services, explained that it was a requirement that this public information hearing be held as the City prepares a loan pre-application to the US Department of Agriculture (USDA) for funding for the proposed Senior Center. He said he had decided to provide a PowerPoint presentation on the proposed Center, and he distributed hard copies of the presentation to Council members. (A COPY OF THE POWERPOINT PRESENTATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.) He explained he would be going through the history of this project up to this point as well.

As he went through the slides, Wiggins reminded Council members that the City had closed the Senior Center in December of 2011 which had been located in the basement of the Parks & Recreation gym facility on Franklin and Washington streets due to ongoing mold and moisture activity. The moisture led to air quality issues but within a matter of days, the Salvation Army had stepped up and offered space with the City paying utilities but no rent. The Salvation Army has been a wonderful partner, he stressed. The City has not only been leasing space from the Salvation Army but has also used other sites, such as the City’s Teen Center, Rec Gym, etc., to continue to provide senior programs. The question quickly became what are our long-term options for our Senior Center facility, including possible renovation or construction. Among the problems with the current facility determined by staff was the age of the building, limitations on accessibility, including the lack of an interior elevator and onsite parking, inadequate interior lighting, no room for expansion, etc. They looked at renovating another building but that too was problematic, he said, and cost prohibitive. The seniors wanted to be close to where the existing facility was located so it was decided construction of a new facility might be a preferred long-term option, the Assistant City Manager said. At that time, they were looking approximately at a $3 million facility with roughly 20,000 square feet, he said.

In February of 2012 during a budget work session, Council approved staff looking at possible sites to possibly construct a new facility. Of the 5-6 sites looked at, the preferred one was owned by the Reidsville Baptist Church and was about three acres of flat, open, rather square piece of property, he said. It was located near the former Senior Center. He described the piece of property in greater detail. Wiggins noted after a property appraisal in March of 2012, they purchased the property and did a Phase I environmental site assessment (ESA) in July of 2012 on the site selected. The City closed on the property in August of 2012. Mayor Festerman asked if the environmental assessment included borings to which Wiggins replied in the affirmative.

In August of 2012, the City hired TMA Architect to create conceptual drawings, and a steering committee was formed, Wiggins said. The committee met six times, including looking at three centers, each of which were different and had pros and cons which helped the committee in making decisions. In October of 2012, a survey done by the City received 130 responses, which he felt was a very good number, he continued. They brought into the process a “who’s who” of experts in senior adult issues, the Assistant City Manager noted. At the February 2013 City Council meeting, the key points were presented to Council and reviewed by Wiggins at this meeting, which included: thinking outside the box but being creative yet realistic; emphasizing the long term, etc. He noted they had offered statistics showing that the needs of seniors in Reidsville and Rockingham County will increase over the next 10-20 years. He also noted that a majority of their members come from outside the City with only a third from within the City. He noted that we can’t turn people away due to location for grant funding purposes but added that we wouldn’t want to either. He said that having been able to get people from out of town speaks to the programs offered here, which can only be offered here in some cases because we are the only ones certified for such in the County. He added that is a testament to Cindy (Baynes, Senior Center Coordinator) and her staff.

At that time, the concept was for a 32,000-square-foot facility costing upwards of approximately $7 million with $6 million of that roughly construction costs, the Assistant City Manager said. Wiggins noted that the facility includes an adult day care wing with the idea of that part of the facility being leased. He said that adult day care or health care is sorely needed in Rockingham County. The swimming pool included in the project, he stated, was not just for recreational purposes but was also for injury rehabilitation as well. Councilman Turner asked if Council had not eliminated the pool? Wiggins said he was getting to that, but explained that at the time, with the swimming pool, it was estimated operational costs would increase about 140%. Without the pool, operational costs would still increase by as much as 100%, he said, with a larger facility, more utility costs, etc. The Senior Center part of the facility at the time was estimated at about 24,000 square feet, including the pool, compared to the existing Center which was only about 9,000 square feet, Wiggins said. He also noted that they were looking for potential partnerships to help share the costs, including discussions with ADTS, the Council on Aging with the USDA as a potential funding partner.

Wiggins reminded Council members that architect Tom Moreau provided an estimated timeline, including a 14-month construction process with ground being broken after the first of the year, 2014. The Assistant City Manager quickly reviewed the timeline. He showed them conceptual views of the proposed facility, which would have its main driveway off of Washington Avenue. At the end of the meeting in February, Council decided to table any decision until further review because staff had thrown a lot of information at them, he acknowledged. Among the directives given to him at the reconvened meeting on February 26, 2013, was to start the architectural design process without the swimming pool, which would help reduce costs down to a ballpark figure of about $6 million, the Assistant City Manager said, and lowered the 32,000 square feet to about 27,000 square feet.

Mayor Festerman asked when staff took out the pool, did the 27,000 square feet still include the adult day care? Wiggins responded in the affirmative, noting 7,500 square feet was still designated for the adult day care.

Looking at project financing, Wiggins noted that the USDA Rural Development Loan was the most competitive at 3.5% interest. He said that means the City would be paying $272,000 annually over 40 years with payment and interest included. He cited a statistic provided by Assistant City Manager Chris Phillips that showed that the City would be paying back $45,000 for every $1 million borrowed annually. Other bank financing options were considered with the USDA being the most competitive financing, he said.

Wiggins said he wanted to make one point. Noting that he doesn’t want to minimize in any way, shape or form the potential of borrowing $6 million or paying $272,000 annually for 40 years, he stressed that the total cost of this facility is still just a little over 1% of the City’s annual operating budget, including fund balance, etc. Funding sources for that could come from the Fund Balance, expected increases in property and sales taxes, etc., he noted. He said we felt this could work within our operating budget.

The Assistant City Manager then briefly discussed where we are in terms of an agreement with ADTS, which is interested in leasing the adult day care facility part of the new Senior Center. He noted that the Memorandum of Agreement (MOA), which is next on today’s agenda, is not as specific or ironclad as a lease agreement, but it is a public affirmation agreeing to agree. In a nutshell, the City would agree to build and pay for the adult day care facility costs upfront with ADTS agreeing to a long-term lease agreement to provide funding to help us pay back the debt service on the adult day care facility and cover operational costs of that wing.

The Mayor noting that a 3.5% is a great rate, asked if we are locked into that rate for 40 years? Allen Hart explained that the rate will be no higher than 3.5% and could be lower. He said the ceiling or max would be 3.5%.

Mayor Festerman asked about the commitment of Lee Covington and ADTS. He asked if ADTS’ funds are not contingent on federal funds? Covington said in part, but that it is a combination of federal, state and private funds. The Mayor asked if ADTS would be committed to 40 years also? Wiggins said the MOA says the City would be able to recoup the final construction costs of the adult day care wing.

Wiggins explained ADTS would be looking at paying a $4,500 a month lease payment or $54,000 annually, which would reduce our annual debt burden by 20%. Therefore, the City would be paying a net of $218,000 annually. He added that we are in the process of working other potential partners and funding sources, such as an organization that could sponsor a fitness room, etc. He said they are aware of many Senior Center across the State who have offered naming rights. Donations might be a possibility, along with grant possibilities.

This concluded the PowerPoint presentation. Wiggins asked if Council had any questions? There were none. He noted that Allen Hart of the USDA and architect Tom Moreau were here to answer any questions as well.

City Manager Pearce noted that this public information meeting is a requirement in the USDA application process. While it is viewed like a public hearing, there is no commitment required from the City at this point, it is just another step in the process with the USDA. Again, he noted that there is no expectation of any action on the Council’s part during this meeting.

Mayor Festerman started to go onto the next item, but City Manager Pearce reminded him that people needed to be given the opportunity to speak on the presentation. The Mayor asked if anyone wished to speak, but no one came forward. Council then went on to the next agenda item.

**- End of Public Information Meeting -**

**CONSIDERATION OF A MEMORANDUM OF AGREEMENT WITH AGING, DISABILITY AND TRANSIT SERVICES (ADTS) OF ROCKINGHAM COUNTY, INC. REGARDING POTENTIAL LEASING OF SPACE IN THE PLANNED SENIOR CENTER FACILITY.**

In making the staff report, Assistant City Manager Wiggins noted that the Memorandum of Agreement (MOA) in the Council members’ packets has already been signed by the Chairman of the ADTS’ Executive Committee. While there is no legal standing with an MOA, it is a public affirmation by ADTS and the City and shows a general understanding. Behind the MOA is the idea that the City would commit to building the adult day care facility and ADTS would commit to leasing and paying back the construction costs of that wing only, he said.

Mayor Festerman expressed concerns about how Mr. Covington can commit to funding from federal sources considering what is going on in Congress, in Washington and in Raleigh.

Mr. Lee Covington, Executive Director of ADTS of Rockingham County, which is based in Reidsville, came forward. He noted that as they see the need for services rise, his organization needs to make sure State and Federal dollars are used in the most efficient way possible. He talked of the importance of the day care facility component in addressing the needs of local seniors in what the ADTS board believes is a more cost effective manner. He said he knew that doesn’t address the availability of funds, but it will be critical with the limited funds available.

The Mayor acknowledged that we are an aging County. Covington said that statistics show the 60-plus population will double according to data for the next 20 years.

Councilman Turner asked if there is any way to know before we start this project whether ADTS will have the funds in hand to help us with this? Covington said that currently ADTS has a facility in Eden licensed for 55 folks where 10 of the residents are from Reidsville. “We believe that will continue to grow over time,” he said. He said they could have 20-30 folks delivered right here rather than in Eden. Councilman Turner said he understands the need, but he questions how much of a commitment they have to work with on a long-term basis. Covington said they are making plans for a long-term commitment and that his board sees it as a relationship with the City that will go on forever. The need is going to continue to be there, he stressed.

Covington discussed the types of people ADTS is serving, including those with Medicaid and in the Community Alternatives Program for adults. He said they are able to serve those folks and that is a potential source of ongoing funding for this program. He explained that there are 346 people in the area that can be on the program at any time, but only three are accessing those sources at the Eden site. Covington said that the bulk of the funding will come from Veteran Administration funds, private pay and Medicaid.

City Manager Pearce said that staff had initial talks with other organizations that had an interest in partnering. All could do the amount of programs, funding and growing at the same time, but transportation is a big part of it. ADTS can also provide transportation services. He noted that there is risk involved with whomever we have a partnership with, but ADTS has a proven track record, serving the Reidsville community for 40 years this year. Pearce acknowledged that he shares some of those same concerns, but if we’re going to go forward with the wing, it is best to go forward with ADTS, he said.

The Mayor noted that the City would be expecting about $54,000 for 40 years from ADTS. He said we might start off with a 20-year lease but they are basing these estimates on 40 years; however, the worst case scenario would be the City would have to spend $272,000 annually if ADTS is not involved. Chris Phillips said they will also be considering donations and sponsorships and anything received comes off the top. Staff said they won’t commit to a final figure until the end of the construction process, according to the USDA loan. That top figure can come down, Pearce said.

Mayor Pro Tem Balsley said let’s back up a little bit. He noted that the City is charged with building this but ADTS’ buy-in is the portion that is the adult daycare. Phillips said that the City is charged with 100% of the debt, but that would be offset by this revenue monthly.

City Manager Pearce stressed that with this MOA, the City is not committing to building anything but is just agreeing that we would enter into a lease agreement.

The Mayor asked if there are any annual revenue projections? Phillips said there are some services that we could possibly charge for, also we might rent out the facility, etc., to bring in some revenues. He said that was something to consider.

Councilwoman Walker, saying she was piggybacking on what Councilman Turner had said, referenced the third paragraph of the MOA. She said she was concerned about what the long term lease said. City Attorney Bill McLeod Jr. explained that this is just an agreement to agree and does not set out any particulars. He said everything will be fine-tuned as costs are incurred. There is no way to define that today, in terms of crunching numbers. If there is a long-term lease, the City will sign the note, anything that comes in from other sources will help offset that, whether it is a 20-year, 30-year or 40-year lease, it will cut down the $272,000 annual figure. We don’t know that, and there is no way to tell.

The Mayor noted that the lease agreement would have termination dates, etc. in it.

Councilwoman Walker asked if we have been actively seeking sponsorships for this? Pearce said that informally is the best way he could characterize it. He said there are others who are willing to step forward, but they want to see the City make some big steps first, he said, before they would feel more comfortable taking the step.

The City Manager stressed that the MOA doesn’t say anything will happen. If we see its $12 million in construction and nothing happens or if ADTS disagrees with us, then we don’t build it. If we don’t have partners and don’t feel comfortable, we won’t commit until we get the bids, he said. Again, he said if we feel confident to do the wing, we need to take the steps.

Mayor Festerman offered USDA representative Allen Hart the opportunity to make any comments.

Hart came forward, saying it was an honor to be home today. He said this was a good opportunity for the town, and the USDA was pleased to be a potential partner in this. He said at this stage, the City is not committing to anything, you’re just trying to flesh out what a concept will be. He said the USDA has had a favorable review of everything and hopefully, at the Council’s next meeting, will have something for them to consider. He noted as an example the Animal Shelter in Rockingham County, which garnered support from other places so that the County was able to reduce the amount it needed to spend. If the City doesn’t need the entire loan amount, that’s fine, he said. Of course, as we manage our personal budgets, the less you have to borrow, the less you have to pay back, Hart noted. He said they won’t push any more debt on the City than they need to build the facility. Again, he said he would have more details at the next meeting.

The Mayor noted that he had known Hart when he had a small office upstairs, but now he is over 15 counties.

Councilman Gorham said he thought this was a tremendous opportunity for Reidsville. As Lee Covington had said, the area’s 60-plus population should double during the next 20 years. He said he might get to the point where he might have to go to such a facility rather than a nursing home facility. He said nothing guarantees anything we do, the only things he knows that are guaranteed is death. You’re born and then you die. There are risks involved, but we must look at providing the very best services we can for our citizens, he said.

**Councilman Hairston then made the motion, seconded by Councilman Johnson and approved in a 7-0 vote by Council, to approve the MOA. (A COPY OF THE MEMORANDUM OF AGREEMENT AS APPROVED IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)**

**CONSIDERATION OF AN AMENDMENT TO THE CITY’S CEMETERY RULES AND REGULATIONS.**

In making a brief staff report, City Manager Pearce said he hoped Council members had the opportunity to look at the memo. He said he had been approached by Mrs. Turner and her husband, who own gravesites at the City-owned Greenview Cemetery and would like add a mausoleum there. Pearce said the last time a mausoleum was placed out there was 1994. Rules and regulations for the cemetery were changed in 1996, a fact reflected by the City’s Code of Ordinances. He read from Section 7 of the Code that shows that operations preclude a new mausoleum by stating all graves “shall be covered by at least 15 inches of earth from the top of the vault and shall lie due east and west.” The City Manager said he had spoken personally with at least one funeral home, and they know that these mausoleums are not permitted. He said he also talked with the Public Works Department, which maintains the cemetery.

Pearce said he told Mrs. Turner in a letter that he could not give her permission and that she would need to request that City Council change the rules and regulations. He noted an attached picture shows what the mausoleum from 1994 looks like while the other pictures reflect the size of mausoleum the Turners would like to erect, depicting the size in width, length and height. For staff, they must consider how to maintain the area between the mausoleums and existing headstones, the City Manager explained. While he appreciates where the Turners are coming from, he said these regulations were changed back in 1996 for a good reason, which was to help the cemetery work and operate better. He said it would be his recommendation not to change the regulations.

Councilman Turner also pointed out that in the past, two families have been denied the chance. He said he felt if we changed in the middle of the stream, the City would face a lot of adverse publicity and comments.

Councilman Gorham reminded Council members that they had denied a headstone in a particular area. He said he felt changing it now would bring up some controversy.

Pearce said Mrs. Turner was advised this item was on today’s agenda.

It was noted that no action needed to be taken unless a Council member wanted to make a motion to change the regulations. No one did so Mayor Festerman said we will consider this issue dead. He said he had all kinds of sympathy for Mrs. Turner and what she’s dealing with, but the Mayor felt we would be going down a slippery slope.

Mayor Pro Tem Balsley said he is in sympathy with this family. He said he didn’t know if she bought this plot thinking she could have a mausoleum built there. Pearce said he doesn’t think that was the case. The plots were purchased back in the 1970s and not by Mrs. Turner, but he was not exactly sure of that point.

The Mayor also pointed out that Mrs. Turner’s letter says 18 inches, but our regulations say 15 inches. He said to make sure that she is made aware of that.

**PUBLIC COMMENTS.**

**Fire Lane, Handicapped Parking Violations.**

Mr. Douglas Astin of 512 Merrick Street, Reidsville, came before City Council about a situation which he said has gotten completely out of control in the City. He said he also has a solution to the problem, adding that he has recently been taking an online course in criminal justice. As part of a course on crime and punishment, he is required to prepare a paper. In the first stage of the research, he met with Police Chief Charlie Dennis several weeks ago to gather data. His father depended on handicapped spaces during the last 10 years of his life. Chief Dennis explained about the costs involved in these handicapped spaces and violations, including court costs, etc. Last Saturday between 12 noon and 4 p.m., he was able to take 27 pictures showing 30 violations as circled on his poster boards, which he showed to Council. If we were able to get the money from those violations, Astin said there would be over $900 in fines collected without court costs. With court costs, it would be over $6,000 in fines, he asserted. Mr. Astin stressed that he knows the police are doing their jobs. He mentioned where there was a violation at Lowes Home Improvement and a cop at Burger King was told of the violation but by the time he was able to get over there, the violator had driven off.

City Attorney Bill McLeod informed Astin his three minutes were up. Mayor Festerman told Astin that from the pictures, it was hard to tell whether some were violations. Mr. Astin said he sat at the shopping center for several hours and went up to the car to see if it was supposed to be parked there. The Mayor said the City Manager would discuss the issue with Chief Dennis.

There were no other public comments made.

**CITY MANAGER’S REPORT.**

**Recognition of intern Zack Yarbrough.**

During the City Manager’s report, Pearce noted he would make his remarks brief. He introduced Zack Yarbrough, a rising senior at UNC-Greensboro, who is interning with the City. For whatever reason, Yarbrough wants to do Human Resources, Pearce noted, adding that the intern is doing great work for us. He is preparing a PowerPoint presentation on supervisory training and not just shadowing the different departments, the City Manager said. He said he appreciated Zack being with us.

**Recognition of Senior Center Staff for Designation.**

Pearce offered his congratulations to Cindy Baynes, Senior Center Director, who was in the audience, for the Reidsville Senior Center receiving the “Center of Excellence” designation. This is the highest honor a center like ours can receive from the State, he noted. He said we were a little nervous that we wouldn’t get the designation with the activities scattered about, but the State recognized how hard Baynes and her staff have worked. The Mayor started a round of applause for Baynes.

**Recognition of Finance Department for Receiving Certificate.**

Pearce also recognized Assistant City Manager Chris Phillips for his department receiving the Certificate of Excellence in Financial Reporting once again. His department continues to do an excellent job, the City Manager said, adding that there will be a presentation of the award in the near future.

**Bridge Work to Close Part of Harrison This Weekend.**

The City Manager said last night he received an email from Jason Julian, resident engineer for NCDOT. The email noted that they have recorded 67 inches of rain along Freeway Drive this year. He distributed the email which noted that the State will be working on the Freeway Drive bridge at Harrison Street between 6 p.m. Friday and 6 a.m. Monday. They will be detouring drivers around that area of Harrison, which will be closed. Pearce stressed that this is a NCDOT project so he wasn’t sure how far Council wanted us to go in advertising it. He said City Clerk Angela Stadler would put the announcement on the website. Council members offered no other action to be taken. The City Manager said NCDOT often puts such announcements on TV as well.

**COUNCIL MEMBERS’ REPORTS.**

**Mayor Festerman** – The Mayor asked the City Manager about the status of Hold Harmless Funds from the State. Pearce said the General Assembly has not passed a budget yet so we don’t know, but he wasn’t betting on getting those funds. He said our budget did not reflect that either since he doesn’t think we’ll get them.

The Mayor also thanked Mayor Pro Tem Balsley in advance for presenting a proclamation this coming Sunday to First Congregational Christian Church on South Park Drive, which is celebrating its Centennial. (A COPY OF THE PROCLAMATION IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

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

**Councilman Johnson** – The Councilman said he had no report but noted that he has attended a few Community Watch meetings recently, which has been quite “eye opening.” He said most of the issues are quality of life issues, including noise and nuisance violations. He added that he is glad the Police Department has been so receptive to these issues and congratulated the department for its response.

**Councilman Turner** – The Councilman noted that on Harrison Street there is a yellow house with a white fence where the grass has grown over the height of the fence. He said something needs to be done about that.

**Councilwoman Walker** – The Councilwoman congratulated everyone involved in our Fourth on the Fifth of July celebration, adding that they had gotten some of those 67 inches of rain on that day. Noting it was very hot, she said it went off without a hitch and everyone was enthusiastic although she didn’t stay for the fireworks.

The Councilwoman noted that the Chamber would be holding an ice cream social on Thursday hosted by Sagebrush at 5:30 p.m. Chamber President Diane Sawyer added that the next Chamber Coffee will be held at 8 a.m. on August 1 at the Salvation Army with the City of Reidsville hosting the September Coffee. Other events will include a “Cash Mob” in downtown Reidsville at noon on July 25; the Chamber’s August 21st golf tournament; lots of “Lunch & Learns” are scheduled, focusing on topics such as health care, Human Resources, etc. She added that it looks like the former Winn Dixie building will be viable for the Chamber to use for its Business Showcase, but she would have more information on that later.

**Councilman Gorham** – The Councilman said he had nothing official but noted that on Monday night, the Rockingham County Board of Education voted 9-1 that Lawsonville Avenue School will close and merge with Moss Street Elementary. He said that was a sad night for him since he had served as principal for 10 years at Lawsonville. He added that he hoped the transition of the Bulldogs to Moss Street will be smooth and asked that the community and parents work together to make it a success.

**Councilman Hairston** – The Councilman said he had attended several Community Watch meetings and, piggybacking on what Councilman Johnson has said, he complimented the communication between the Police Department, the Fire Department and our citizens. He reminded everyone that the first Tuesday night in August is National Night Out with neighborhood cookouts, etc. He noted that this helps make the neighborhoods safer and that Council members will be coming by to participate. He said National Night Out is a great movement nationwide.

Before concluding the Council reports, Mayor Festerman recognized Amanda Lehmertz from the *Reidsville Review*, who is the interim editor.

**ADJOURN TO THE FIRST-FLOOR CONFERENCE ROOM FOR A CLOSED SESSION FOR PERSONNEL PURSUANT TO G.S. 143-318.11(A)(6).**

Mayor Festerman noted that a closed session was needed by Council under General Statute 143-318.11(a)(6) to discuss a personnel matter.

**The Mayor made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 7-0 vote, to go into closed session.**

**RETURN FROM OPEN SESSION.**

**A motion was made by Councilwoman Walker to adjourn and seconded by Councilman Clark Turner. The motion passed unanimously by Council in a 6-0 vote.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

James K. Festerman, Mayor

ATTEST:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Angela G. Stadler, CMC/NCCMC, City Clerk