

**AGENDA**  
**REIDSVILLE CITY COUNCIL**  
**MEETING**

**6:00 PM**  
**Tuesday, September 12, 2023**

*This meeting will be livestreamed on the City of Reidsville YouTube Channel.*

1. Call to Order.
2. Invocation by the Reverend Ryan Burris, Pastor of Baptist Temple Church, 729 Wentworth Street, Reidsville.
3. Pledge of Allegiance.
4. Proclamations & Recognitions:
  - (A) Recognition of Fire Chief David L. Bracken, who retired June 30, 2023 with 35-plus years with the Reidsville Fire Department.
5. Approval of Consent Agenda.
  - (A) Approval of the August 3, 2023 Special Meeting Minutes.
  - (B) Approval of August 8, 2023 Regular Meeting Minutes.
  - (C) Approval of August 17, 2023 Special Meeting (Open Session) Minutes.
  - (D) Approval of Budget Ordinance Amendment No. 5 for Reidsville Downtown Corporation donation transactions.

*- End of Consent Agenda -*

6. Public Hearings:
  - (A) Consideration of a Text Amendment to amend Article V, Section 4: Table of Area, Yard, Height Requirements to reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from 40 feet to 30 feet. This petition was submitted by Perry Savas. (T 2023-10) (Enclosure #1) - *Drew Bigelow, City Planner I*

*- End of Public Hearings -*

7. Main Street:
  - (A) Consideration of Nominations for 2023 Main Street Champion. (Enclosure #2) - *Robin Yount, Main Street & Market Square Manager*
8. Amendments:
  - (A) Consideration of Amendments to Chapter 5, Section 5-252 of the City's Code of Ordinances repealing two current provisions pertaining to Mobile Food Vendor, Pushcart. (Enclosure #3) - *Jason Hardin, Planning & Community Development Director*

- (B) Consideration of Amendments to Chapter 10, Section 10-21, Available Water and Sewer Lines, Connection Required, of the City's Code of Ordinances to remove any potential conflicts with House Bill 628. (Enclosure #4) - *Summer Woodard, City Manager*

9. Grants & Loans:

- (A) Consideration of Project Piper Building Reuse Grant with City Commitment for 5% Local Contribution and Accompanying Resolution. (Enclosure #5) - *Summer Woodard, City Manager*
- (B) Consideration of North Carolina Department of Public Safety Grant for \$100,000 and Memorandum of Acceptance. (Enclosure #6) - *Shirrell Williams, Information Technology Director*
- (C) Consideration of Amended Offer and Acceptance for a State Revolving Loan of \$5,180,682 for the Wastewater Treatment Plant Headworks Replacement Project with corresponding Resolution and Capital Project Ordinance Amendment. (Enclosure #7) - *Chris Phillips, Assistant City Manager of Administration/Finance Director*

10. Projects:

- (A) Consideration to Proceed with Rebidding of Wastewater Treatment Plant BNR Project. (Enclosure #8) - *Summer Woodard, City Manager*
- (B) Consideration of Recommendation to give the City Manager Authority to Sign Change Order for Rural Ready Site Utilities Project. (Enclosure #9) - *Summer Woodard, City Manager*

11. Board & Commission Appointments:

- (A) September Appointments. (Enclosure #10)

12. Public Comments.

13. City Manager's Report:

- (A) Month of September. (Enclosure #11)

14. Council Members' Reports.

15. Announcement of Board & Commission Appointments.

16. Miscellaneous:

- (A) For Information Only

17. Adjourn.

**MINUTES OF THE SPECIAL MEETING  
OF THE REIDSVILLE CITY COUNCIL  
HELD THURSDAY, AUGUST 3, 2023 AT 3:00 P.M.  
REIDSVILLE CITY HALL, 1<sup>ST</sup> FLOOR CONFERENCE ROOM**

**CITY COUNCIL MEMBERS PRESENT:** Mayor Donald L. Gorham  
Mayor Pro Tem Harry L. Brown  
Councilmember Terresia Scoble  
Councilwoman Barbara J. DeJournette  
Councilman William Hairston  
Councilwoman Sherri G. Walker

**COUNCIL MEMBERS ABSENT:** Councilman James K. Festerman

**CITY STAFF PRESENT:** Summer Woodard, City Manager  
Angela G. Stadler, City Clerk  
Jason Hardin, Planning & Community  
Development Manager  
Chris Phillips, Assistant City Manager of  
Administration/Finance Director  
Drew Bigelow, Planner I  
Kaitlyn McKinney, Community Development  
Intern

**CALLED TO ORDER.**

Mayor Gorham called the special meeting to order by reading the Special Meeting Notice, which follows:

***NOTICE OF  
A SPECIAL MEETING  
Thursday, August 3, 2023  
3:00 P.M.***

I, Donald L. Gorham, Mayor of the City of Reidsville, do hereby call a special meeting of the Reidsville City Council for Thursday, August 3, 2023, at 3:00 p.m. in the First-Floor Conference Room, Reidsville City Hall, 230 W. Morehead Street, Reidsville, to kick-off discussions centered around the following:

(A) Rewriting of City of Reidsville Development Ordinances and Compilation of a Unified Development Ordinance (UDO).

This the 28<sup>th</sup> day of July, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

Mayor Gorham then turned the meeting over to staff.

**DEVELOPMENT ORDINANCES REWRITE & COMPILATION OF UNIFIED DEVELOPMENT ORDINANCE (UDO).**

Planning & Community Development Manager Jason Hardin explained that the purpose of this meeting was to kick off the rewriting of the Unified Development Ordinance for the City of Reidsville. He then introduced the consultant, Chad Meadows with CodeWright.

Mr. Meadows said today they would be discussing this project and where we go from here. He said the entire process will take about 18 months, noting that sometimes it will be “fun” and other times, not so much “fun”. He said he felt this meeting was helpful to introduce himself to City Council members and give them an opportunity to ask questions.

Mr. Meadows started to review his 24-page PowerPoint, but first City Manager Summer Woodard suggested that Council members and staff members present introduce themselves, which they did. (*A COPY OF THE POWERPOINT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.*) She also noted that Council had been given a quick refresh on this project at the last City Council Retreat, reminding everyone the City’s Zoning Ordinance had not been totally rewritten since around 1986. This process will update both the Zoning Ordinance and the City’s Subdivision Regulations.

Mr. Meadows then reviewed his background, noting his company is located in Durham. A Planner since 1992, he has been a Code drafter since 2003. He serves as the Durham Board of Adjustment Chair and the APA-NC Legislative Chair. Noting how legal sufficiency was important to the City, he talked of how he keeps up with legislation. Reidsville’s UDO will be his 27<sup>th</sup> Development Code.

The consultant said he knows that economic development, housing codes, etc. are very important to Reidsville. However, he stressed that there are some things that Codes can and cannot do, adding that sometimes the best thing Code can do is getting out of the way of development.

As he reviewed the Project Tasks slide, Mr. Meadows talked about the project webpage that will be maintained by CodeWright. If the City needed to take it over at the end of the project, the webpage is a WIX program, he added. He also discussed the stakeholder interviews. Mr.

Meadows also talked of sharing with the City how other places have solved the problems that Reidsville faces. The Steering Committee is often the Planning Commission of the City, he said. During the Code Assessment phase, the diagnosis explores the gap between what the City wants to be and development regulation on both the State and Federal level. He said they will also look at changes in State law, adding that there is usually new legislation every year. The initial draft usually contains between 7-10 key things for improvement, Mr. Meadows told Council. He said they will also have to see how the local community reacts, but it is rare that many people show up to the public forums.

Following a question from Councilwoman Walker about the interview process, Mr. Meadows said they attempt from these interviews to find out the following: what is and is not working; how the public gets along with staff; comparisons with other areas; and any problems the City is having with Development Code, Staff members, etc. He stressed that these individual conversations are not shared but are presented in general and the comments summarized. He reviewed the types of people they like to speak with during these interviews.

The annotated outline, he explained, is the “blueprint” for the UDO. He reviewed the draft process and said the document varies in length depending on the town and its needs. He said typically they work on a chapter or group of chapters at a time, meeting with the Steering Committee 2-3 times at this point in the process.

During the adoption phase, the UDO will go before the Planning Board for review and then a hearing before Council. He said that there most likely will be a lot of negative things brought up by people. Reviewing the schedule, he said following this project initiation in August, the following timelines have been set: Code Assessment, October 2023; Annotated Outline, January, 2024; Draft UDO, August, 2024; Adoption, November, 2024; and Delivery, December, 2024. Delivery includes the files, staff training and some “pro bono” help from his firm following adoption of the UDO, approximately 30-40 hours’ worth. He added that this timeline can be adjusted if more time is needed by the City.

Mr. Meadows then went into greater detail about involvement of the community or Engagement as outlined on Slide 10. He noted that most people don’t care about zoning, etc. unless it abuts their property or their neighbor’s property. As they talked about the forums, his experience has been that only your diehard people come to the first forum but that usually more attend the second public forum.

Discussion turned briefly to the growing of neighborhoods and social districts. Mr. Meadows said he has yet to write a social district into the UDO because usually such districts are in the City’s Code of Ordinances rather than the UDO. He noted that the UDO is applicable in the City’s Extraterritorial Jurisdiction (ETJ) area. Councilmember Scoble said that people may want such districts, but they don’t understand them. The consultant said the enforcement part is the interesting part of such districts. Councilmember Scoble expressed interest in bike paths, parking in front of houses or shared driveways between houses. Mr. Meadows said that part of this

process is also deciding not to do something in some situations. Due to the economy, Councilmember Scoble said she is seeing more people living together. He agreed that people are looking for more housing options, but he noted that these can bring conflict and compatibility problems with them. Mayor Gorham agreed, referencing increased traffic due to new home construction. Mr. Meadows said with some of these changes, there will be additional problems associated with them. He also said he is seeing more encouragement of manufactured housing as the pendulum swings back.

Housing stock in the downtown area was discussed. Mr. Meadows said that there's not a lot Code can do about these issues other than getting out of the way. He noted that the City will experience some challenges with this. Again, getting the Development Code out of the way is the best thing to do although he stressed there must be some logical rules to facilitate downtown development, he said.

Councilmember Scoble said she believes big changes are coming to Reidsville, and we need to be ready for them. Mayor Gorham also talked of the need to find ways to say "no", but to offer other ways to try something.

The consultant said he would be asking in the coming weeks for a project name and a color scheme for the graphics.

Mr. Meadows reminded Council of what had been requested in the Request for Proposals: a user-friendly UDO; modernize and update the regulations; implement the 2022 Land Use Plan; legal sufficiency; and incorporate best practice, which he noted varies. He then talked of the dual personality of the City, including an older downtown with a bypass around it. He also pointed out the "holding zone" between the City's ETJ and the City limits.

He then reviewed the six goals of the Land Use Plan, focusing on #1 Thriving downtown and #3 Expanded housing options. While they can do nothing about #2 Strong local economy, #4 Infrastructure for growth or #5 Facilities, parks & trails for active living, he said they could talk about #6 Preserve our history/sense of community. Discussion centered on tourism, both in Reidsville and Rockingham County. Mr. Meadows brought up the casino in nearby Danville, Va., talking about how Reidsville can best position itself to take advantage of traffic to and from the casino. City Manager Woodard said she sees the Danville casino as an opportunity for tourism, including day trips to Reidsville and Rockingham County, based on her personal experience in her native Franklin/Macon County. The consultant said let's take the time to figure out what the City wants and how to make that happen, which could be done either easily or it could be difficult.

Councilwoman DeJournette talked of her interest in expanding housing options, including in the downtown area. Mr. Meadows said options could include incentives for mixed use in the downtown. Again, he said they would need to make sure that regulations are not a barrier to this or creating problems. He did highlight some challenges of developing downtown areas, among

them, older buildings, more expensive renovation costs, building codes can work against developers, etc. Developing on the outskirts of a city is easier, he stated, which puts downtown development at a disadvantage. In order to create a “level” playing field for the downtown area, cities may have to make efforts to support and energize the downtown and make it, in some ways, harder for development on the outskirts of a town. Mayor Gorham briefly discussed how the development of Freeway Drive affected Reidsville’s downtown area. Mr. Meadows said that the US 29 Bypass doomed our downtown. The City’s Planning & Community Development Manager Jason Hardin did stress that staff has no ability to change anything covered by the State Building Code. The areas we can change or local zoning and subdivision requirements, he said.

Mr. Meadows then reviewed the Blueway & Greenway Plan as shown on Slide 16. Developers like to utilize everything, he said, but incorporating such plans into their developments can be a draw for the area. He talked of possible incentives to provide blueways and/or greenways in developments. He discussed tax breaks for developers, including those for redevelopment of historic properties. If standards are very easy to achieve, he noted, the incentive may not be worth very much. The consultant said that, while he is “all in” on incentives, but if the price of entry is so low, people might think they don’t really matter.

Mr. Meadows discussed the potential Project Goals. As he listed the five goals, he stressed that the City needs to focus on prosperity and being development friendly. But while he said the Council needs to focus on prosperity, he said they don’t have to sacrifice development design quality. Regulations can make development/redevelopment more expensive, he stated, and the City needs to find a balance.

As they discussed the presentation, Council members seemed to favor downtown development and availing the City of any opportunity the Danville casino would create. They briefly discussed their understanding that casinos prefer that their employees live a certain distance away, which would benefit Reidsville. City Manager Woodard again stated that with two lakes, etc., she felt Reidsville could capitalize on a lot of things that they don’t have in Danville. Making Reidsville a destination could help bring in tourism, it was noted. Mr. Meadows said the City needs to decide if it wants to go after the traveler or the tourist. While Air B&Bs aren’t currently allowed in the City, that might be something to consider for the future, the City Manager said. The consultant said if the Council wants them to look at short-term rentals as part of this process, they can do that.

Looking at the graph on page 19, Mr. Meadows asked Council to pick two of the three available options (Good/Fast/Cheap). The consensus appeared to be “Good & Cheap”.

The consultant said the question is how does Reidsville get to the same level as a Cary or Davidson where Reidsville can have high quality development but developers have to play by the City’s rules. Currently the City is competing with other cities for tax dollars and quality of life, he stated. As Mr. Meadows continued to talk with Council, he presented them with a “Form-O-Stat”, which ranged from Predictability (at Zero) to Flexibility (at 10). It appeared that the

governing board was leaning more towards flexibility in its UDO, in the 5-7 range. Discussion briefly centered on various subjects, including the City's Industrial Park, the future Land Use Plan and the Troublesome Creek Watershed Area.

Mayor Gorham said he was looking from this project for a "holistic approach" to development of the City. Discussion then turned to the proposed Depot District. The importance of the downtown area was mentioned by several, including City Manager Woodard. She said it is a hard sell to put so much money and commitment into the Depot area so it had been put on the back burner. It is a great plan, but how can parking be tackled, it was asked. Mayor Gorham said investors are needed for it to work. Hardin said currently it is more like a concept, and that there are no design standards, etc. in place yet. Mr. Meadows questioned whether Reidsville wants/needs a "hipster" park/area. The Mayor said the City was trying to do something for young people. Assistant City Manager Chris Phillips said the idea was to create an entertainment space, including a place to live, etc. This area has a lot of properties zoned industrial and many of the buildings have good bones, he said. Mr. Meadows stated that such a project can be expensive and a tough challenge, especially for a city Reidsville's size. He said such projects have worked in downtown areas like that of Charlotte and Raleigh. He said the zoning piece they can do, but it may require getting out of the way of proposed development.

Various topics were touched on briefly, including pop-up shops, business incubators, micro-retail, adaptive use and blanket uses, etc. Councilmember Scoble said she'd like to see a tiny home community here as well and have them look into garage apartments, etc.

Mr. Meadows concluded by reviewing the next steps, which include Project Branding, Stakeholder discussions, establishing the webpage and in October, doing a Code Assessment. He thanked Council for their time.

**MOTION TO ADJOURN.**

**Councilmember Scoble then made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote, to adjourn.**

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Donald L. Gorham, Mayor

ATTEST:

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Angela G. Stadler, CMC/NCCMC  
City Clerk

6 | August 3, 2023



**MINUTES OF THE REGULAR MEETING  
OF THE REIDSVILLE CITY COUNCIL  
HELD TUESDAY, AUGUST 8, 2023 AT 6:00 P.M.  
REIDSVILLE CITY HALL, COUNCIL CHAMBERS**

*This meeting was livestreamed on the City of Reidsville's YouTube Channel.*

**CITY COUNCIL MEMBERS PRESENT:**

Mayor Donald L. Gorham  
Councilwoman Barbara J. DeJournette  
Councilman James K. Festerman  
Councilman William Hairston  
Councilmember Terresia Scoble  
Councilwoman Sherri G. Walker

**COUNCIL MEMBERS ABSENT:**

Mayor Pro Tem Harry L. Brown

**CITY STAFF PRESENT:**

Summer Woodard, City Manager  
Angela G. Stadler, City Clerk  
William F. McLeod, City Attorney  
Chris Phillips, Assistant City Manager  
Josh Beck, Public Works Director  
Jason Hardin, Planning & Community Development  
Manager

**CALL TO ORDER.**

Mayor Gorham called the meeting to order.

**INVOCATION BY ELDER MELVIN MCLEAN JR., PASTOR OF BENAJA MT. ZION  
HOLINESS CHURCH OF GOD, 600 MCWALKER ROAD, REIDSVILLE.**

Elder Melvin McLean Jr. pastor of Benaja Mt. Zion Holiness Church of God in Reidsville, provided the invocation.

**PLEDGE OF ALLEGIANCE.**

Mayor Gorham and Council members led in the Pledge of Allegiance.

**RECOGNITIONS & PRESENTATIONS:**

**RECOGNITION BY THE REIDSVILLE KIWANIS CLUB TO THE CITY OF REIDSVILLE.**

Mayor Gorham asked Lyle Milligan, Lt. Governor, Carolina's District of Kiwanis International, and Ms. Susan Turner, President of the Reidsville Kiwanis Club, to come forward for a presentation to the City. Kiwanis Lt. Governor Milligan read from the following prepared letter:

The Kiwanis Club of Reidsville would like to thank the City of Reidsville for their support, cooperation, encouragement, and especially their investment in the "SKY'S THE LIMIT" inclusive playground.

It was just an idea to have an "inclusive" swing the Kiwanis Club wanted to place in one of the city's parks to celebrate the Reidsville Club's 100<sup>th</sup> anniversary. The way that idea soon turned into an ENTIRE "inclusive" playground has been truly remarkable.

The first meetings with Mr. Haywood Cloud asking him to help us select a “spot” were met with TOTAL acceptance and a promise to find an appropriate existing playground. When the Rotary Club wanted to add some more “inclusive” equipment, the location was going to need to change and our requested meeting with Rotary and Kiwanis was arranged. We met with Assistant City Manager Chris Phillips, Mr. Cloud and others from the Recreation Department, letting us know of the city’s thoughts about an entire playground that would incorporate all our ideas together. They felt the Reidsville Area Foundation would be interested in “matching” the Kiwanis and Rotary donations and thankfully they were. Of course, we agreed and watched a “dream come true” for ALL the children of our community.

The support from so many in “City Hall” including Angela Stadler, Judy Yarbrough, Summer Woodard, the Public Works Department, Quintin Robertson and others; virtually anyone associated with the City of Reidsville has been helpful beyond anything we could have imagined.

The absolute best reward (thank you) is going by the park and seeing children and adults of all abilities enjoying the park and equipment. Thank you for investing so much in our community; making the park a very visible example of **TEAM REIDSVILLE**. (*END OF LETTER*)

Ms. Turner presented a framed Certificate to the Mayor and Council, thanking them all for the park, which she said is a wonderful addition to our City.

Following the presentation, other members of Kiwanis Club came up front and joined Council for a photo.

Mayor Gorham said without the Kiwanis Club, the park wouldn’t have been possible. He noted someone is usually always out there.

#### **PRESENTATION OF REIDSVILLE SESQUICENTENNIAL MAGAZINE.**

Assistant City Manager of Administration/Finance Director Chris Phillips came up while City Clerk Angela Stadler distributed copies of the City’s Sesquicentennial Magazine to City Council. Phillips talked of how we wanted to have a nice publication for our 150<sup>th</sup> birthday for the people to have, look at and keep. He said we felt like we accomplished this with this magazine. It is 132 pages and includes a lot of information. The Assistant City Manager said this anniversary is actually for the Charter of the City of Reidsville so much of the magazine includes the history as we know it. He said that we know there are mistakes in here, but we did the best we could. No one in 1873 said let’s write down everything for a magazine 150 years later, Phillips stated. He said we discuss our elected officials, some of the growth of our City, our departments and their histories, financial history and we had some great sponsors as well.

Phillips noted that the Sesquicentennial Committee includes himself, City Marketer Judy Yarbrough, HR Director Leigh Anne Bassinger, retired Community Development Manager Donna Setliff and City Clerk Angela Stadler. He thanked Stadler especially for being the driving force behind the magazine. He said the magazine will be available at Sesquicentennial events going forward. The next slated event is the open house at the Teen Center on Thursday. He also said to let the Committee know if there are mistakes in the magazine. Councilman Festerman asked if copies will be available at City Hall, to which Phillips replied in the affirmative. Councilman Hairston said that, just from scanning it, it looks fantastic. The Assistant City Manager said it was a “little bit” of fun, but it was a lot of work as well.

Councilwoman Walker asked if there was any idea of the manhours involved in putting the magazine together? Phillips said there was no way to figure that out with the departments involved, etc. He

admitted it would have been more fun if they didn't have any other work to do. The Councilwoman said that was what she was getting at, that they had to do a lot of history and writing in addition to their regular jobs, which is tremendous. "Kudos to you," she said. Phillips concluded by naming the upcoming events, including the Teen Center Open House, the Governor Reid Open House and the concert at Market Square with a '70s band.

**APPROVAL OF CONSENT AGENDA.**

**Councilwoman Walker made the motion, seconded by Councilmember Scoble and unanimously approved by Council in a 6-0 vote, to approve the Consent Agenda.**

**CONSENT AGENDA ITEM NO. 1 - APPROVAL OF JULY 11, 2023 REGULAR MEETING MINUTES.**

With the approval of the Consent Agenda in a 6-0 vote, the Council approved the July 11, 2023 Regular Meeting Minutes.

**CONSENT AGENDA ITEM NO. 2 - APPROVAL OF 2022-2023 AUDIT CONTRACT WITH CHERRY BEKEART, LLP.**

With the approval of the Consent Agenda in a 6-0 vote, the Council approved the 2022-2023 Audit Contract with Cherry Bekeart, LLP, as outlined in the following memo:

**MEMORANDUM – 2022-2023 AUDIT CONTRACT**

To: Mayor Donald Gorham and the Reidsville City Council

From: Chris Phillips, Assistant City Manager

Date: July 28, 2023

Attached to this memo is the annual audit contract and engagement letter. This is the City's seventh year with Cherry Bekeart, LLP. There are no local firms qualified to complete the City's annual audit that has capacity to do such. Cherry Bekeart, LLP is a leading firm in NC governmental audits.

The audit fee has increased from \$60,000 to \$63,000. In addition, the federal and state funding required single audit has a fee of \$7,000 and there will be a \$5,000 fee for each additional program. With the grant funds that the City has received, there will be 2 or 3 additional programs tested each year for the next few fiscal years. While this increase is significant, it is expected because there are fewer firms willing to do government audits and the regulations have increased as well. At a recent conference, it was stated that four NC CPA firms dropped out of providing this service in the last year.

This contract will be included in the August Consent agenda so that the Mayor can be authorized to execute the contract.

Thank you for your attention to this matter. Please let me know if you need any further information. *(END OF MEMO) (A COPY OF THE AUDIT CONTRACT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)*

**CONSENT AGENDA ITEM NO. 3 - APPROVAL OF RESOLUTION SUPPORTING THE CREATION OF THE EASTERN PIEDMONT NC HOME CONSORTIUM.**

With the approval of the Consent Agenda in a 6-0 vote, the Council approved the following Resolution based on the accompanying memo by Planning & Community Development Manager Jason Hardin, both of which follow:

**MEMORANDUM**

**TO:** The Honorable Mayor Gorham, Members of the Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 28, 2023  
**RE:** Eastern Piedmont HOME Consortium Membership

The Piedmont Triad Regional Council (PTRC), in partnership with the City of Burlington, has approached the City and asked us to join the new Eastern Piedmont HOME Consortium. HOME is administered through the Housing and Urban Development Agency (HUD) and is the largest Federal block grant to state and local governments, designed exclusively to create affordable housing for low-income households, with HOME funds awarded annually as formula grants to participating jurisdictions. The City of Burlington will be the principle applicant for funding with the surrounding counties (Alamance, Caswell, Davidson, Randolph, and Rockingham) as members. HUD has required the City of Burlington to also engage municipalities within the adjacent counties in their population calculations to determine the consortiums' qualifying funding amount. The Consortium will be governed by an appointed board from the member counties who will receive applications for funding.

Some examples of common HOME funded project types include: buying, and/or rehabilitating affordable housing for rent or homeownership and providing direct rental assistance to low-income people. Forming a consortium is a way for local governments that would not otherwise qualify for funding to join with other contiguous units of local government to directly participate in the program. The consortium can leverage greater HOME funding by increasing population numbers and getting as many surrounding municipal partners as possible. Access to HOME funds would be a considerable asset to local non-profits to increase the amount and availability of affordable housing in Reidsville.

Attached is a resolution supporting the creation of the Eastern Piedmont HOME Consortium. I am asking for council approval of the resolution. The resolution allows the City Manager to sign any contracts required for the City to join the consortium. There is no financial contribution required from the City for membership. This program would be a tremendous asset to Reidsville citizens with low and moderate incomes. I recommend approval of the proposed resolution. *(END OF MEMO)*

The Resolution as approved follows:

**NORTH CAROLINA  
CITY OF REIDSVILLE**

**RESOLUTION SUPPORTING THE CREATION OF  
THE EASTERN PIEDMONT NC HOME CONSORTIUM**

**WHEREAS**, if approved, this resolution would offer support for the creation of the Eastern Piedmont NC Home Consortium and further authorizes the Reidsville City Manager to negotiate and enter into an agreement with other units of local government in the five (5) counties in creating the consortium, and further authorizes the Reidsville City Manager to sign all contracts, grant agreements, certifications with the US Department of Housing and Urban Development, the State of North Carolina, or other agencies as may be required to carry out the activities of the consortium.

**WHEREAS**, the creation of the HOME Consortium provides an opportunity for federal block grant funding to be used toward the development of affordable housing opportunities within the Eastern Piedmont Consortium, which covers Alamance, Caswell, Davidson, Randolph and Rockingham

Counties. This action does not commit the City of Reidsville to provide any funding, as the only time a funding commitment may be required is if the City of Reidsville were to pursue grant funding through the consortium for an affordable housing initiative.

**WHEREAS**, the HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use, often in partnership with local nonprofit groups, to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income households. HOME is the largest Federal block grant to state and local governments, designed exclusively to create affordable housing for low-income households, with HOME funds awarded annually as formula grants to participating jurisdictions.

**WHEREAS**, generally, units of local government form consortia to access direct formula allocations of HOME funds to support housing activities and programs, for which states are automatically eligible for HOME funds and receive their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$750,000 under the formula also can receive a direct allocation. Communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Under current funding levels, if all eligible counties, and municipalities, join this consortium, the proposed consortium would have funding of approximately \$2,172,070 annually. The net funding level after deducting administrative fees used to run the program would be approximately \$1,960,000.

**WHEREAS**, there is a 25% on-going match requirement on all funds drawn from the consortium's HOME Investment Trust Fund treasury account in that fiscal year. The 25% non-federal match can be in the form of cash, assets, labor or other services valuable to the HOME program. The 25% match will be the responsibility of the recipient accessing the funds on a project by project basis. In the current regional consortium, funds from private and non-profit partners have produced far more match funds than would be required and no local funds have been required for match. No money is required from local governments to join the consortium.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF REIDSVILLE CITY COUNCIL**, that the Council is in support of participation in an Agreement to join the Eastern Piedmont NC HOME Consortium, which will provide an opportunity for Low Income Residents of the City of Reidsville to receive benefit from grant funds to be used toward the development of affordable housing.

**ADOPTED** this the 8<sup>th</sup> day of August, 2023 by the City Council of the City of Reidsville, North Carolina.

/s/ \_\_\_\_\_  
Donald L. Gorham, Mayor

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk

**CONSENT AGENDA ITEM NO. 4 – APPROVAL OF AMENDMENT TO CHAPTER 9.5-2 MEMBERSHIP APPOINTMENTS FOR THE HUMAN RELATIONS COMMISSION IN THE CITY’S CODE OF ORDINANCES.**

With the approval of the Consent Agenda in a 6-0 vote, the Council approved the following Ordinance Amendment based on the accompanying memo from City Clerk Angela Stadler, both of which follow:

# MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Angela G. Stadler, CMC/NCCMC, City Clerk  
**SUBJ:** Ordinance Amendment – Chapter 9.5 HRC Membership  
**DATE:** August 1, 2023

Currently the Human Relations Commission has a member who recently attended Reidsville High School and this fall will be attending an area college. He would like to continue serving on the HRC so the attached ordinance amendment is being recommended that would allow either a high school or college student to fill one of the two student positions on the Commission as long as they can still attend HRC meetings in person. Previously the student position had only included those attending a high school in Rockingham County.

Therefore, I am placing this item on the Council's Consent Agenda for approval. The ordinance is attached with the revised wording in italics. (*END OF MEMO*)

The Ordinance Amendment as approved follows:

## **AN ORDINANCE AMENDING CHAPTER 9.5, HUMAN RELATIONS COMMISSION, OF THE REIDSVILLE CODE OF ORDINANCES**

### **BE IT ORDAINED:**

That Section Sec. 9.5-2, Membership appointments; terms of office; vacancies; compensation of the Reidsville Code of Ordinances is amended as follows:

#### **Sec. 9.5-2. Membership appointments; terms of office; vacancies; compensation.**

(a) The 11-member human relations commission should be composed of seven (7) residents of the city who shall be appointed by the city council. In addition, the city council may appoint up to two (2) members who reside within Rockingham County no further than three miles from the primary Reidsville City limits and two (2) members who shall *either be students of a high school located in Rockingham County or a local college, which allows the member to attend HRC meetings in person.*

This the 8<sup>th</sup> day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

- End of Consent Agenda -

**PUBLIC HEARINGS:**

**CONSIDERATION OF UPDATE TO PROJECT AREA FOR THE CITY'S CDBG-I SEWER REHABILITATION PROJECT, INCLUDING A BUDGET REVISION.**

Public Works Director Josh Beck reminded Council that about a year ago, staff came to them with a bid from KRG Utilities. Unlike most bids these days, that bid came in substantially lower than expected, he said. The grant received in 2020 was just a few hundred dollars shy of \$2 million, he noted, for the project to rehab approximately 7,800 linear feet of gravity sewer outfall lines. With a little over \$800,000 remaining in the budget, they would like to expand the project to the area shown in the attached map as shown by the red lines. *(A COPY OF THE MAP OUTLINING THE PROJECT AREA IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)* This expanded area is what is triggering the need for this public hearing today, he said.

Mr. Glynn Fleming with WithersRavenel then came forward to present what he described as a couple of housekeeping items in order to be able to access the remaining grant monies, including this procedural item to hold a public hearing to amend the original project scope and increase the project area. He informed Council that he would be reading from a “script of sorts” that can be read into the Council minutes. He then read directly from the memo, which follows:

**MEMORANDUM**



To: City Council, City of Reidsville  
FROM: Summer Woodard, City Manager  
CC: Angela Stadler, City Clerk  
FROM: Monica Chevalier, CDBG-I Grant Administrator  
Michele Faison, CDBG-I Grant Administrator  
DATE: 08/08/23  
PROJECT: FY19 CDBG-Infrastructure Sewer Rehabilitation/Replacement Project  
CDBG # 19-I-3112; WR No. 08190820.10 (Adm); 08190820.00 (Eng)  
Subject: PUBLIC HEARING FOR CDBG-I PROGRAM AMENDMENT

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The purpose of this Memo is to summarize the CDBG-I Program Amendment for the City’s 2019 Community Development Block Grant Infrastructure (CDBG-I) Program, being presented for adoption at the City Council meeting.

**PURPOSE OF HEARING:**

The purpose of the public hearing is to clarify the project area for the project and allow residents an opportunity to express their views for the CDBG-I Grant # 19-I-3112; Sewer Rehabilitation project.

**HISTORY:**

In April 2020, the City was awarded a total of \$1,999,298 in U.S. Department of Housing and Urban Development (HUD) CDBG-I funds (100% of total project costs) from NC Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI). As part of the funding application process, a public hearing was conducted in September of 2019 describing the CDBG

program. Due to favorable construction bid prices, additional linework included within the original project area boundary can be fixed.

**PROJECT DESCRIPTION:**

The Original approved project scope included the following major activities: Rehabilitate/replace approximately 7,800 linear feet (LF) of deteriorated/aged gravity sewer outfall lines in the areas of Hart Street, Washington Avenue, Circle Drive, Terry Street, and Wray Street.

The Amendment 1 project scope added the Reidsville Intermediate School Outfall Line, and the Western Connector to the project description. These segments were included in the application but not listed in the previous public hearing.

Due to favorable construction bid prices received, the project can address some additional sewer lines that were proposed in the original project boundary area.

The Amendment 2 project scope will retain the original scope of rehabilitate/replace approximately 7,800 but conduct CCTV and subsequent rehab/replacement of up to an additional 2,400 LF of collector/outfall sewer line (up to a total approximately 10,200 LF) within the original project boundary. Segments include portions of Davis at the intersection with Washington in a westward direction towards the Western Connector and outfall, in the cross-country easements off Terry Street crossing Franklin Street, and additional portions of the Reidsville Intermediate School Outfall Line southward towards Fulton Street as well as northwestward crossing Freeway Drive.

These activities meet the same need and provide the same benefit as the original project scope. The additional linework was previously analyzed in preliminary engineering and environmental reports. The original determination of no adverse impact to the environment is retained. This project will be like-for-like replacement of lines with no increase in capacity. This project will improve local public and environmental health by eliminating inflow and infiltration and reducing the possibility of sanitary sewer overflows that flow into local tributaries and surface waters. Project activities will take place primarily in low- and moderate income (LMI) residential areas with the worst sewer line conditions. The project area has a population that is at least 51% LMI, and therefore, 100% of the CDBG funds will be used to benefit LMI persons. The total project budget remains unchanged at \$1,999,298.

The City does not discriminate based on race, color, religion, sex, national origin, handicap, age, familial status, in the admission, access to, treatment or employment in the CDBG program and activities. Efforts will be made to minimize displacement during project implementation and applicable utility easements, and displacement assistance as necessary will be available. Persons with disabilities, limited English proficiency, or who otherwise require special accommodations should contact the City at 336-349-1040, TDD: 800- 735-2962 (Relay Service at 711).

**CITIZEN COMMENTS:**

Comments should be postmarked no later than August 11, 2023, and a written response will be made within 10 business days. The project amendment package will be submitted to DWI within approx. two weeks after all required CDBG forms are executed. Public grant documents are available at City Hall upon request, between the hours of 9:00 AM and 4:00 PM. All City Hall visitors are to comply with federal, state, and local coronavirus guidelines. For additional information or to submit written comments, please contact: Angela Stadler, City Clerk; [astadler@ci.reidsville.nc.us](mailto:astadler@ci.reidsville.nc.us) 230 W Morehead St, Reidsville, NC 27320 PH: 336-349-1040 / TDD: 800-735-2962 (Relay Service 711) This



information is available in Spanish or any other language upon request. Please contact Angela Stadler, City Clerk, at 336-349-1040 or 230 W Morehead St, Reidsville, NC 27320 for accommodations for this request. *(END OF MEMO)*

Councilman Festerman asked if this was approximately two miles, which was confirmed. Mr. Fleming stressed that the amended project scope adds 2,400 linear feet of collection/outfall sewer lines to the original 7,800 linear feet of the project. Mr. Fleming said that the project is now a little north of 10,000 linear feet total. The Councilman said the cost is then about \$1 million per mile.

Councilmember Scoble asked how the size of the lines is determined? Mr. Fleming responded through accommodation of historical City records and once this project area, which meets the low- to moderate-income requirements of the funding is determined, preliminary engineering that involves closed circuit television inspection of those lines is conducted to confirm line size, materials, etc.

Councilman Festerman described these two miles as “miracle miles.” Mayor Gorham noted that he had worked several weekends to help get this project started.

Mayor Gorham opened the public hearing at 6:22 p.m. and asked if anyone wished to speak in favor?

Mr. Vincent Bolden, 416 Davis Street, Reidsville, came forward and asked about the pipeline being done down Washington Avenue and Davis Street. He asked how much of Davis Street would be done? He said he knew they were removing pipe on Mulberry and Hardin Streets. He said that running down Davis Street to Washington, there is a terrible flow of water when it rains hard, and noted his efforts with railroad ties to keep land from washing away.

Mr. Fleming said he can’t speak to the effects of the project on drainage or storm drainage. He said this is particularly sanitary sewer infrastructure, but he didn’t think it would have any impact on local drainage conditions but that might be something City staff could address. He said currently nothing is going on since the original project has been completed and closed out, but what we are speaking about today concerns future work, adding that the gravity sewer lines on Davis will be addressed if they have not already.

Mr. Bolden said he had noticed that when we have a hard rain, the water backs up at Washington and Davis Streets, and the City trucks have to come and dig it out because the yards there flood. Mr. Bolden said if they have any extra money, maybe something can be done. Councilwoman Walker gave Mr. Bolden a copy of the map from her agenda packet.

Councilman Festerman said for the record, he would like it noted that Mr. Bolden was a retired Fire Captain with the Reidsville Fire Department. Mr. Bolden agreed, noting he was the City’s first black firefighter.

The Mayor asked if anyone wished to come and speak against? No one came forward, and the public hearing was closed at 6:26 p.m.

**Councilman Hairston then made the motion, “so moved”, which was seconded by Councilwoman DeJournette and unanimously approved by Council in a 6-0 vote, to approve the Resolution.**

The Resolution as approved follows:

**CITY OF REIDSVILLE**  
**FY 19 COMMUNITY DEVELOPMENT BLOCK GRANT**  
**INFRASTRUCTURE PROGRAM**  
**AMENDMENT RESOLUTION**

*This Resolution authorizes an amendment to the City of Reidsville FY 19 Community Development Block Grant-Infrastructure (CDBG-I) Program.*

WHEREAS, the City is participating in the Community Development Block Grant Program under Title 1 of the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI); and

WHEREAS, the City desires to amend the approved project activities and certifies that a public hearing, in accordance with the North Carolina CDBG-I Program Regulations, was conducted on Tuesday, August 8, 2022, at 6:00 PM to discuss the proposed amendment; and

WHEREAS, the City certifies that regulations relating to environmental review conditions have been followed, Environmental Review documents have been reviewed to determine any changes to the original finding of no significant impact on the environment, no adverse impacts were discovered, and the original Finding of No Significant Impact is still valid;

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

1. That the amendment to the FY19 CDBG-I Program is authorized.

Adopted this 8th day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham, Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk

**CONSIDERATION OF A SPECIAL USE PERMIT APPLICATION TO PLACE A MANUFACTURED HOME AT 636 LINCOLN STREET, ROCKINGHAM COUNTY TAX PARCEL #154184, LOCATED IN THE RESIDENTIAL-6 (R-6) ZONING DISTRICT (S 2023-01).**

Prior to this item being considered, Mayor Gorham read the following statement:

**Special Use Permit Request Statement**

This is a quasi-judicial evidentiary hearing per North Carolina General Statute 160D-406 and 705 that sets forth the standards for granting a special use permit as follows:

The Board's discretion is limited. The Board must base its decision upon competent, relevant, and substantial evidence in the record. A quasi-judicial decision is not a popularity contest. It is a decision

constrained by the standards in the ordinance and based on the facts presented. If you will be speaking as a witness, please focus on the facts and standards, not personal preference or opinion.

Participation is limited. This meeting is open to the public. Everyone is welcome to watch. Parties with standing have rights to participate fully. Parties may present non-repetitive evidence, call witnesses, and make legal arguments. Parties are limited to the applicant, the local government and individuals who can show they will suffer special damages. Other individuals may serve as witnesses when called by the Board. General witness testimony is limited to facts, not opinions. For certain topics, the Board needs to hear opinion testimony from expert witnesses. These topics include projections about impacts on property values and projections about impacts of increased traffic. Individuals providing expert opinion must be qualified as experts and provide the factual evidence upon which they base their expert opinion.

Witnesses must swear or affirm their testimony. At this time, we will administer the oath for all individuals who intend to provide witness testimony. (*END OF STATEMENT*)

City Clerk Angela Stadler then swore in those who planned to speak on the subject, including Planning & Community Development Manager Jason Hardin and applicant Nelda Grogan.

Planning & Community Development Manager Hardin then provided the staff report, reviewing his July 27, 2023 memo, which follows:

### **M E M O R A N D U M**

**TO:** The Honorable Mayor Gorham, Members of the  
Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 27, 2023  
**RE:** Special Use Permit, Docket No. SP 2023-01

Nelda Logan has applied for a Special Use Permit (SUP) for 636 Lincoln St. The application is to allow a Manufactured/Mobile Home at this location. Please note there are standards for Manufactured/Mobile Homes identified in the Zoning Ordinance. The property is zoned Residential-6 (R-6) and Manufactured/Mobile Homes are allowed with a SUP.

The abutting lot to the north is zoned R-6. The lots to the west are also zoned R-6. The lots to the east and south are split-zoned R-20 and RA-20. This area is characteristically residential. This subject property is located in growth area 3 of the Land Development Plan, which includes a mixture of commercial and residential development. Therefore, a single unit Manufactured/Mobile Home would be in alignment with the Land Development Plan specifications for this area.

The criterion for Manufactured/Mobile Homes per the Zoning Ordinance are:

**Use:** **Mobile Homes on Individual Lot**

Approved By: City Council

Special Use  
Districts: R-6

Requirements: Mobile homes/manufactured homes on single lots must be built to HUD standards (National Mobile Home Construction and Safety Standards Act). Each unit must have been constructed within five years of the date of issuance of the certificate of zoning compliance and must have a seal of compliance per G. S. 143-144 et seq. Each unit must further comply with the following criteria:

- (a) The manufactured home has a length not exceeding four times its width; and
- (b) The pitch of the manufactured home's roof has a minimum vertical rise of two and two tenths feet for each twelve feet of horizontal run (2.2' in 12') and the roof is finished with shingles; and
- (c) The exterior siding consists predominately of vinyl or aluminum horizontal lap siding, wood or hardboard; and
- (d) A continuous, permanent masonry curtain wall or foundation, unpierced except for ventilation and access, is installed under the manufactured home; and
- (e) The tongue, axles, removable towing apparatus, and transporting lights are removed after final placement on the site.
- (g) A porch at least 16 square feet in size and at least 4 feet by 4 feet in dimensions, with stairs, must be attached to the front entrance of the home in a workmanship manner that meets North Carolina Building Codes.

The applicant is required to meet this criterion in addition to any conditions placed on the SUP.

As you are aware, the Council must come to certain findings regarding the impact of the development on the area. These findings are spelled out in the Zoning Ordinance and are listed below. It is the applicant's responsibility to provide evidence and materials that will allow the Council to take the appropriate action. The Council may also recommend conditions on the application to ensure that the proposed project meets the intent of the Zoning Ordinance.

The following are the specific findings of fact from the Zoning Ordinance in which the Council must find:

1. 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.
2. The use meets all required conditions and specifications.
3. The use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity.
4. 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 Land Development Plan for Reidsville and its surroundings.

The planning staff recommend the following conditions be placed on the SUP. They are in line with the request:

1. The use shall comply with the Special Use criteria for Manufactured/Mobile Homes per the Reidsville Zoning Ordinance.
2. The unit shall comply with the North Carolina Building Code.

The SUP request was presented to the Planning Board at their July meeting. The Board voted favorably for each of the four findings of fact. Further, they unanimously voted to recommend the SUP be approved with the two conditions previously noted that were recommended by the planning staff. (*END OF MEMO*)

Councilmember Scoble said it was her understanding this will be used as a residential home and not as a business? Hardin agreed, saying it is a manufactured home and will be residential. Noting it was replacing a burned structure, Councilwoman DeJournette asked if there was underpinning on this manufactured home? Mr. Hardin said he did not know about the design plans, but the applicant could answer that question.

Councilman Festerman asked if the property was posted, to which Hardin replied in the affirmative. The Councilman asked if there were any neighborhood objections? Mr. Hardin said he had not received any.

Mayor Gorham opened the public hearing at 6:35 p.m. and asked if anyone wished to speak in favor of the SUP?

The applicant, Ms. Nelda Logan of 636 Lincoln Street, Reidsville, came forward. She said she had the home since April 20<sup>th</sup> of this year but had been staying in a hotel as she waited for the home to be on the site. She had grown up in the house that had previously stood there but couldn't save it, she told Council.

Councilmember Scoble asked if she had a prospective date to get into the house? Ms. Logan said not yet.

With no one speaking against, the public hearing was closed at 6:36 p.m.

Councilman Festerman provided a motion to accept, seconded by Councilman Hairston, but the City Attorney noted that the Council needed to go through the four Findings of Fact. Mayor Gorham then led Council members through a vote on the four Findings of Fact, which follows:

1. The use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved. – **Approved 6-0**
2. The use meets all required conditions and specifications.- **Approved 6-0**
3. The use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity. – **Approved 6-0**
4. 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 Land Development Plan for Reidsville and its surroundings. – **Approved 6-0**

Council was then asked for a motion on the two conditions, which are as follows:

1. The use shall comply with the Special Use criteria for Manufactured/Mobile Homes per the Reidsville Zoning Ordinance.
2. The unit shall comply with the North Carolina Building Code.

**Councilman Festerman made the motion, seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote, to approve the Special Use Permit with the two conditions.**

The Special Use Permit as approved follows:

## SPECIAL USE PERMIT

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

This permit is to allow Nelda Logan to place a manufactured home (mobile home) on the property located at 636 Lincoln St., specifically Rockingham County Tax Parcel Number: 154184 with the following conditions:

1. The use shall comply with the Special Use criteria for Manufactured/Mobile Homes per the Reidsville Zoning Ordinance.
2. The unit shall comply with the North Carolina Building Code.

Said property is zoned Residential-6 (R-6).

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

AUTHORIZED this \_\_\_\_\_ day of \_\_\_\_\_, 2023,

by the CITY COUNCIL OF REIDSVILLE, N. C.

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

CITY CLERK  
ANGELA G. STADLER

Councilwoman Walker requested Ms. Logan to call the Clerk and let them all know when she gets into her new home so they can all ride by and see it.

**CONSIDERATION OF A SPECIAL USE PERMIT APPLICATION TO OPERATE A HOMELESS SHELTER AT 305 S. BRANCH STREET, ROCKINGHAM COUNTY TAX PARCEL #182871, LOCATED IN THE OFFICE & INSTITUTIONAL (O&I) ZONING DISTRICT (S 2023-02).**

Mayor Gorham noted that the same quasi-judicial rules apply for this Special Use Permit request as in the previous item as outlined in the previously read statement, which follows:

**Special Use Permit Request Statement**

This is a quasi-judicial evidentiary hearing per North Carolina General Statute 160D-406 and 705 that sets forth the standards for granting a special use permit as follows:

The Board's discretion is limited. The Board must base its decision upon competent, relevant, and substantial evidence in the record. A quasi-judicial decision is not a popularity contest. It is a decision constrained by the standards in the ordinance and based on the facts presented. If you will be speaking as a witness, please focus on the facts and standards, not personal preference or opinion.

Participation is limited. This meeting is open to the public. Everyone is welcome to watch. Parties with standing have rights to participate fully. Parties may present non-repetitive evidence, call witnesses, and make legal arguments. Parties are limited to the applicant, the local government and individuals who can show they will suffer special damages. Other individuals may serve as witnesses when called by the Board. General witness testimony is limited to facts, not opinions. For certain topics, the Board needs to hear opinion testimony from expert witnesses. These topics include projections about impacts on property values and projections about impacts of increased traffic. Individuals providing expert opinion must be qualified as experts and provide the factual evidence upon which they base their expert opinion.

Witnesses must swear or affirm their testimony. At this time, we will administer the oath for all individuals who intend to provide witness testimony. (*END OF STATEMENT*)

City Clerk Angela Stadler then swore in those who planned to speak on the subject, including Planning & Community Development Manager Jason Hardin, the applicant Melissa Galloway and Ms. Gail Hallman.

In making the staff report, Hardin reviewed his July 27, 2023 memo, which follows:

**M E M O R A N D U M**

**TO:** The Honorable Mayor Gorham, Members of the  
Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 27, 2023  
**RE:** Special Use Permit, Docket No. S 2023-02

Melissa Galloway has applied for a Special Use Permit (SUP) for 305 S Branch St. The applicant is requesting to operate a Homeless Shelter at this location. Please note, there are standards for Homeless Shelters identified in the Zoning Ordinance. The property is zoned Office & Institutional (O&I) and Homeless Shelters are allowed with a SUP.

The standards in the Ordinance for Homeless Shelters are as follows:

- Need Assessment: A valid need assessment indicating the feasibility of the proposed development shall be presented along with the Special Use Permit request. Information provided in needs assessment shall be supported by reference and source to document validity. The assessment shall outline:
- a. The area the proposed shelter shall serve (Map).
  - b. Determination of homeless population in stated area, present and future.
  - c. Determination of overall population in stated area.
  - d. Statement of need.
  - e. Applicant must present data on property uses and physical character of surrounding neighborhood and demonstrate how proposed development will be compatible with surrounding neighborhood.
  - f. Indicate location of other group home facilities (per definition of group home).

Off-Street Parking Requirement: One (1) parking space required for every four (4) beds.

Required Buffer: Where a homeless shelter abuts a lot in a residential district or land occupied by any residential use permitted by this ordinance, there shall be provided and maintained along said property line, a continuous visual buffer. The buffer shall be a compact evergreen hedge or other type of evergreen foliage screening, or shall be a combined fence and shrubbery screen, the latter facing the residential use.

Minimum Building Area: The building shall have a minimum floor space of 50 square feet per person.

Radius Requirement: The zoning lot on which the homeless shelter proposed shall not be located within one-fourth mile radius of a zoning lot containing another such residential facility.

Operation Conditions: Occupants must be contained within building.

Operation must be operated by a government agency or tax-exempt organization under Internal Revenue Service regulations and Section 501(3)(c) of the Internal Revenue Code, as amended.

Operator must provide continuous on-site supervision during hours of operation.

The applicant is required to meet this criterion in addition to any conditions placed on the SUP.

As you are aware, the Board must come to certain findings regarding the impact of the development on the area. These findings are spelled out in the Zoning Ordinance and are listed below. It is the applicant's responsibility to provide evidence and materials that will allow the Board to take the appropriate action. The Board may also recommend conditions on the application to ensure that the proposed project meets the intent of the Zoning Ordinance.



The following are the specific findings of fact from the Zoning Ordinance in which the Board must find:

5. 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.
6. The use meets all required conditions and specifications.
7. The use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity.
8. 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 Land Development Plan for Reidsville and its surroundings.

The planning staff recommend the following conditions be placed on the SUP. They are in line with the request:

3. The use shall comply with the Special Use criteria for Homeless Shelters per the Reidsville Zoning Ordinance.
4. The facility shall comply with the North Carolina Building Code.

The SUP request was presented to the Planning Board at their July meeting. The Board voted favorably for each of the four findings of fact. Further, they unanimously voted to recommend the SUP be approved with the two conditions previously noted that were recommended by the planning staff.

Enclosures (*END OF MEMO*)

Councilman Festerman noted that the application for the Special Use Permits in Council agenda packets was not dated. Hardin apologized but stated that he was sure there was a dated copy in his office.

Councilmember Scoble said she saw where the square footage needed is 50 square feet per person. She asked what is the total square footage of this building? Hardin said the total square footage should be on the site plan provided.

Councilman Festerman asked whether they had received any reaction from the neighborhood? Hardin said they had gotten some phone calls about it, some of which liked it and some did not like it. However, he stressed that the decision made by Council must be on the evidence presented, not the popularity of it, if it meets the standards.

Councilwoman DeJournette asked if a lot of work is going to have to be done to make it inhabitable? Hardin said his impression from what he's been told is the building is in pretty bad shape so it is likely a bit of work will have to be done. Councilman Festerman asked if Hardin knew how long it has been since the building was occupied? Hardin said it has been a while, and that he had been told the last thing in it was nursing home and before that, it was Branch Street Elementary. Mayor Gorham added it was his elementary school.

Councilmember Scoble said she couldn't read the square footage anywhere among the pages in the agenda packet. She asked about the number of beds planned in the facility. Hardin said he thought he remembered that in the site plan. He reviewed the site plan in the agenda packets, noting it says 11,260 square feet and 29 beds.

Mayor Gorham then opened the public hearing at 6:50 p.m. by asking if anyone wished to speak in favor?

The applicant, Ms. Melissa Galloway of 1099 US Business 29, Reidsville, came forward. Mayor Gorham asked Ms. Galloway to tell them about her program. She said she operates the homeless shelter in Eden, which includes 30 beds in that facility. She talked about the hours of operation, saying the homeless can come in at 5 and leave out at 8:30 or 9 in the morning and they provide transport of individuals by van to wherever in the County they need to go, such as Daymark, Social Services, etc. They help them get identification and other documents. Everyday a church or organization provides a hot meal and even something for breakfast. There are donations of clothing, shoes, whatever they need provided by churches and other organizations, she noted. Once they achieve their jobs or housing, we have people who donate furniture and other things needed for housing, Ms. Galloway said. As far as jobs go, they take them to the temp services as well as places where they can get on the computer to look for housing and jobs, she added. Ms. Galloway said they try to minister to the "whole man". She said they have two transitional housing units at this time, one is at 307 Branch Street and the other on Grooms Road. To stay there, they must have a job and be able to pay rent, she explained. Oftentimes these are families with children, she added. Sometimes women and children are at the shelter, she said. Ms. Galloway also noted their efforts to keep those who may be mentally ill separated, away from the children, etc.

Ms. Galloway said she knew that there were some concerns expressed about people walking in the neighborhood or walking on peoples' property. She said at this property, they hoped to offer more than they are able to do in Eden, which is so much smaller. She said they would like to provide workshops for those to start their own businesses, adding that some of them might be able to help clean up in that neighborhood. She said they would like to bring classes in, including GED classes, computer classes or whatever their need is.

Councilman Festerman asked how long can a client stay at the facility? Ms. Galloway said anywhere from one day to 90 days and then they try and transition them out. Everybody has to be doing something productive, she stressed, either going to school, going to work or looking for work. He then asked her how long she had been in Eden? Ms. Galloway responded she has been doing this work for over 30 years but took over the facility in Eden in 2010.

Noting she had visited the Eden shelter many years ago, Councilwoman Walker said that, at that time, there was separation with men on one side and women and children on the other. She asked if that was what she was planning to do on this facility, to which Ms. Galloway answered in the affirmative. She asked if there would be a special place for families, to which the applicant again replied in the affirmative. Ms. Galloway said sometimes they also have veterans who come through.

Councilman Festerman asked if there are volunteers or a paid staff? Ms. Galloway said most of the staff is volunteer, but there are some paid staff members. Councilwoman DeJournette commended Ms. Galloway for the work she is doing and asked her if she still works with organizations like Help for the Homeless, etc.? Ms. Galloway said that those organizations often call her with needs for their people. Councilwoman DeJournette asked if the homeless population in Reidsville has increased

since the pandemic? Ms. Galloway said yes, it has. Mayor Gorham said the homeless population is mostly “silent” in Reidsville in that you don’t see it as much as you do in other cities. It kind of blends in with the population, he noted. He added that he has had the opportunity to work with Ms. Galloway at the facility in Eden since his church provides food and music through the Male Chorus at their church. Her organization is very well organized, the Mayor stated. Councilman Festerman said it breaks his heart to see anyone homeless, but especially children. He said he knows we have high school kids here who are homeless. Mayor Gorham said that back in the 1990s, when he was an assistant principal at Reidsville High School, they had several students who were homeless. They would allow them to take showers at the school in the morning and hang around as long as they could after school, he added. The Mayor again said we had a problem, but it was not as wide open as is seen in other cities.

Councilmember Scoble said we need to get this approved so Ms. Galloway can get started.

Ms. Gail Hallman of Eden then came forward, saying she agrees with everything Ms. Galloway said. Ms. Hallman said she met Ms. Galloway about three years ago. She said she had gone to California and helped out on Skid Row there so she said she definitely believes in the cause. Ms. Galloway has a passion for helping, and there is definitely a need, Ms. Hallman said.

Mayor Gorham asked if there was anyone who wished to speak against? No one came forward, but a gentleman in the audience said he would like to be sworn in to speak in favor and bring clarity to the physical shape of the building, etc. The City Clerk then swore in Bill Sinclair.

Mr. Bill Sinclair of 1516 County Home Road, Wentworth, noted he is slated to be the contractor for the project. Mr. Sinclair said it is currently an approximate 12,000-square-foot building, and it is blighted. The building is in really rough shape, he stated, and they recently replaced the roof just to “stop the bleeding”. This will be a significant overhaul, and inside and out it will basically be a new building, he said, adding that they had large drawings if Council would like to see them. He said the building is not pretty “so it wouldn’t be my first date but she’s a nice girl”. The building has decent bones, Mr. Sinclair said, and with some TLC and significant blood, sweat and tears, it will be a new facility. Just physically it will be an improvement to the neighborhood, he added, especially compared to a blighted building that might attract some vagrancy. Once it is cleaned up, it should help stabilize property values in the neighborhood, he asserted. Councilwoman DeJournette thanked him for taking on this project. Mr. Sinclair said he was introduced to Ms. Galloway while he was the Reidsville Rotary Club President when she made a presentation. He said he has supported Ms. Galloway and her mission and his daughter decided a year later for one of her birthdays that she wanted to go serve breakfast at the shelter. He talked of that experience, including that the seven girls there for the birthday went out into the population and talked with the people there.

The Mayor closed the hearing at 7:02 p.m. and then asked for Council members to vote on the four Findings of Fact, which follow:

1. The use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved. - **Approved 6-0**
2. The use meets all required conditions and specifications. - **Approved 6-0**
3. The use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity. - **Approved 6-0**

4. 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 Land Development Plan for Reidsville and its surroundings. - **Approved 6-0**

Mayor Gorham then read the two conditions of the Special Use Permit, which are:

1. The use shall comply with the Special Use criteria for Homeless Shelters per the Reidsville Zoning Ordinance.
2. The facility shall comply with the North Carolina Building Code.

**Councilwoman Walker made the motion “so moved”, seconded by Councilwoman DeJournette and unanimously approved by Council in a 6-0 vote, to approve the Special Use Permit with the two conditions.**

The Special Use Permit as approved follows:

## SPECIAL USE PERMIT

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

This permit is to allow Melissa Galloway to operate a homeless shelter on the property located at 305 S. Branch St., specifically Rockingham County Tax Parcel Number: 182871 with the following conditions:

1. The use shall comply with the Special Use criteria for Homeless Shelters per the Reidsville Zoning Ordinance.
2. The unit shall comply with the North Carolina Building Code.

Said property is zoned Office & Institutional (O&I).

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

AUTHORIZED this \_\_\_\_\_ day of \_\_\_\_\_, 2023,

by the CITY COUNCIL OF REIDSVILLE, N. C.

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

CITY CLERK  
ANGELA G. STADLER

There was a round of applause from the audience once the motion was approved.

**CONSIDERATION OF A TEXT AMENDMENT REQUEST TO AMEND ARTICLE IV, SECTION 1: ZONING DISTRICTS, AND SECTION 2: DESCRIPTION OF DISTRICTS; ARTICLE V, SECTION 2: TABLE OF PERMITTED USES, OF THE CITY'S ZONING ORDINANCE AND TO ADD SECTION 5: SPECIAL ZONING DISTRICTS TO ESTABLISH A NEW "TRADITIONAL NEIGHBORHOOD (TN)" SPECIAL ZONING DISTRICT (T 2023-07).**

In making the staff report, Planning & Community Development Manager Jason Hardin reviewed his July 27, 2023 memo, which follows, along with the analysis and recommendation included in the Zoning Ordinance Text Amendment Report:

**MEMORANDUM**

**TO:** The Honorable Mayor Gorham, Members of the Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 27, 2023  
**RE:** Text Amendment T 2023-07

Staff is petitioning to amend Article IV, Section 1: Zoning Districts, and Section 2: Description of Districts, as well as to add Section 5: Special Zoning Districts to the Reidsville Zoning Ordinance. There are three phases to this text amendment proposal. Phase one (1) will add the TN (Traditional Neighborhood) district to the list of established zoning districts in Article IV, Section 1. Phase two (2) will define a TN (Traditional Neighborhood) district under Article IV, Section 2: Description of Districts, and Phase three (3) will add Section 5: Special Zoning Districts as a subsection within Article IV.

The TN, Traditional Neighborhood district is intended to establish compact neighborhoods with a distinct sense of place and character that are limited in size and oriented toward pedestrian activity. Areas within this district may include a mix of residential, commercial, and civic uses that are built in close proximity to each other along a network of interconnecting streets and blocks; resulting in a coordinated transportation system with appropriately designed facilities for pedestrian, bicycle, public transportation, and conventional vehicles. An approved Traditional Neighborhood Plan in accordance with the standards of this Ordinance is required for any property to be located in a Traditional Neighborhood District.

There is a considerable need for new housing in Reidsville. This proposed text amendment aligns with Goal #3 of the Reidsville Land Development Plan, to expand housing. This amendment will aid in the expansion of the housing stock, while providing a variety of housing options that are attractive and affordable to people of all income levels. This text amendment is consistent with the City's Land Development Plan and is reasonable considering the need for expanded housing options throughout the City.

The planning staff recommend adoption of the proposed text amendment.

**Planning Board Recommendation:**

The Planning Board unanimously recommend the text amendment be approved.

Enclosures (*END OF MEMO*)

The Report and Analysis & Recommendation from the Zoning Ordinance Text Amendment Report follows:

**REPORT:** The planning staff is petitioning to amend Article IV, Section 1: Zoning Districts, and Section 2: Description of Districts, as well as to add Section 5: Special Zoning Districts to the Reidsville Zoning Ordinance. There are three phases to this text amendment proposal. Phase one (1) will add the TN (Traditional

Neighborhood) district to the list of established zoning districts in Article IV, Section 1. Phase two (2) will define a TN (Traditional Neighborhood) district under Article IV, Section 2: Description of Districts, and Phase three (3) will add Section 5: Special Zoning Districts as a subsection within Article V.

**ANALYSIS & RECCOMENDATION:** The planning staff is petitioning to add Article V, Section 5 “Special Zoning Districts” to the Zoning Ordinance along with establishing a new “Traditional Neighborhood (TN)” Zoning District. Special zoning districts are those which do not easily categorize as standard “general use” districts (highway business, general business, low/medium/high density residential, etc.) and include increased flexibility for development design and land use. An approved Unified Development Plan (UDP) is required for any property to be zoned into a special district.

The UDP must include 1. A concept plan (basically a detailed site plan including all phases). 2. District regulations (setbacks, required landscaping, permitted uses, etc.) 3. Signage plan (if commercial development is included, if not the signage regulations for the R-6 district shall apply). The process to rezone property into a special zoning district requires TRC review/approval of the proposed concept plan, planning staff recommendation, planning board recommendation, and council decision. Any major change to the UDP must be approved by council. The Planning & Community Development Manager is authorized to approve minor changes and may consult the TRC at their discretion.

The proposed amendment also creates a Traditional Neighborhood (TN) District under Article V, Section 5 intended to allow establishment of pre-1940 style compact neighborhoods with a distinct sense of place and character that are limited in size and oriented toward pedestrian activity. Areas within this district may include a mix of residential, commercial, and civic uses that are built in close proximity to each other along a network of interconnecting streets and blocks with appropriately designed facilities for pedestrian, bicycles, and automobiles. An approved Traditional Neighborhood Plan (follows the UDP requirements in addition to elements required specifically for a Traditional Neighborhood Plan) in accordance with the principles outlined in the Ordinance.

The Reidsville Land Development Plan discusses at length the pressing need for housing across the city, including expanding housing options. Providing flexibility in development regulation assists in addressing this crucial need. The plan also stresses the desire to maintain a sense of community and small-town feel. The intent of the TN district is establishing a district which accommodates development that emphasizes community within development design. This amendment aligns with Goal #3 of the Reidsville Land Development Plan, to expand housing. This amendment will aid in the expansion of the housing stock and while providing a variety of housing options that are attractive and affordable to people of all income levels. This text amendment is consistent with the City’s Land Development Plan and reasonable as there is a considerable need for expanded housing stock and options throughout the city.

The Planning Staff recommend adoption of the proposed text amendment. (*END OF REPORT SECTION*)

Hardin elaborated on pre-1940s style compact neighborhoods, which was architecture prior to the car that changed everything, including the way cities are designed/planned for development, etc. There were large streets with sidewalks and smaller setbacks with homes, townhouses built close to the road, he said. He added that you can see this in a lot of neighborhoods in Reidsville, which are more walkable than your suburban neighborhoods with long driveways and larger setbacks. Developers want to be able to have more flexibility to do a variety of homes, including single-family, townhomes, etc., so that they can maximize their density. You also have more walkable neighborhoods, he added. The Planning & Community Development Manager said this addresses the issue of urban sprawl. All of this came out of the New Urbanism Movement in the 1980s, which harkened back to the pre-1940s neighborhoods to increase walkability, more sense of community, etc. This zoning district creates a “small town” community feel, often with a central gathering place, he said.

Councilman Hairston said he was hearing “enhancement” and “flexibility” to meet the citizens’ needs of the future. The Traditional Neighborhood, Hardin explained, does have some stylistic guidelines, but it is not as conforming, telling developers what their setbacks have to be or how large their signs need to be. He said it gives more flexibility while ensuring the intent of that zoning district is realized.

Hardin said he had been working on this for a while since the City had first been approached about it. He added that they had pushed this one a little bit quicker, especially as the work is being done on the ordinance rewrite. The Mayor pointed out that this is about a special community other than just housing. Hardin then discussed how commercial development, such as small box retail, restaurants, etc., might work in such communities. He noted that this could also be applied in some cases to existing development. He mentioned the southside of Greensboro where such development has been done, which took existing housing and made it conforming in its TN district, eventually getting the commercial development after that.

Councilmember Scoble asked if we find an area and designate it for a Traditional Neighborhood for developers to come in or do we wait on the developers to develop it? Hardin said usually we would wait for developers to come in. He said Greensboro did theirs as a bond issue, which took a lot of capital investment to make it happen. He said it would take a lot of work on our end if we were to start the process ourselves and require a bigger Planning Department, which he said would be another conversation to have. Councilmember Scoble said it makes us more open and changes our attitude once a developer comes in. Hardin said there are special developers who do such types of projects, but there may be more as TN districts gets more popular.

Councilman Hairston said it would still go before Planning Board and Council, but there would be more flexibility. Hardin agreed, noting the flexibility is in the design of the project, but the developers will still need to meet with staff, etc.

Mayor Gorham opened the public hearing at 7:18 p.m. by asking if there was anyone who wished to speak in favor of the amendment?

Mr. Nate Bowman of 205 South Church Street, Huntersville, with Bowman Development Group came forward and presented a PowerPoint presentation regarding his company’s projects and plans for the location off Reid School Road, etc. Prior to the presentation, he gave a brief history of how the movement started. *(A COPY OF THE POWERPOINT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)* He also noted that these are great for infill projects.

Throughout the presentation, Council members asked several questions, including whether there would be HOA fees in such neighborhoods. The answer was yes. Dog parks can also be incorporated into these neighborhoods, etc. Councilmember Scoble said she thought this was exciting as she has lived in these neighborhoods before. It makes a big difference not only with the traffic but also you become friends with your neighbors, she stated. Hardin came back up to note that if approved, we would be the first city in Rockingham County to adopt a district such as this.

With no one else coming forward in favor or against it, Mayor Gorham closed the public hearing at 7:33 p.m. The Mayor said this would give us a whole lot of flexibility. Councilmember Scoble said it would meet a lot of needs as well. Councilman Hairston noted that his son lives in such a neighborhood. Councilwoman Walker liked the walkability aspect and helping our ozone. We have to consider what we are leaving for our children and grandchildren in the future, she said. Councilwoman DeJournette noted that people can use bicycles instead of cars in such areas.

Mayor Gorham asked if there was a motion regarding Text Amendment T 2023-07, to which Councilwoman DeJournette said “so moved,” seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote.

The Text Amendment as approved follows:

Amendment T 2023-07

**AMENDING THE CITY OF REIDSVILLE ZONING ORDINANCE**

**AN ORDINANCE AMENDING  
ARTICLE V, SECTION 2 “TABLE OF PERMITTED USES”  
OF THE CITY OF REIDSVILLE ZONING ORDINANCE**

**BE IT ORDAINED** by the City Council of the City of Reidsville, North Carolina, that the Zoning Ordinance of the City of Reidsville be amended as follows:

**Part I.**

*ARTICLE IV*

**ESTABLISHMENT OF DISTRICTS**

**Section 1. Zoning Districts.**

For the purpose of this ordinance, the City of Reidsville and the extraterritorial area are hereby divided into the following districts:

RA-20	Residential Agricultural
R-20	Residential, Low Density
RS-12	Residential, Low Density
CZ RS-12	Residential, Medium Density
R-12	Residential, Medium Density
CZ R-12	Residential, Medium Density
R-6	Residential, High Density
CZ R-6	Residential, High Density
O & I	Office and Institutional
CZ O & I	Office and Institutional
B-C	Business, Central
CZ B-C	Business, Central
B-G	Business, General
CZ B-G	Business, General
B-N	Business, Neighborhood
CZ B-N	Business, Neighborhood
B-H	Business, Highway
CZ B-H	Business, Highway
I-1	Light Industrial
CZ I-1	Light Industrial
I-2	Heavy Industrial
CZ I-2	Heavy Industrial
I-3	Heavy Industrial
CZ I-3	Heavy Industrial



**Part II. Add to Article IV, Section 2. Description of Districts.**

**Traditional Neighborhood District**

The TN, Traditional Neighborhood district is intended to establish compact neighborhoods with a distinct sense of place and character that are limited in size and oriented toward pedestrian activity. Areas within this district may include a mix of residential, commercial, and civic uses that are built in close proximity to each other along a network of interconnecting streets and blocks; resulting in a coordinated transportation system with appropriately designed facilities for pedestrian, bicycle, public transportation, and conventional vehicles. An approved Traditional Neighborhood Plan in accordance with the standards of this Ordinance is required for any property to be located in a Traditional Neighborhood District.

**Part III. Amend Article V, Section 2 “Table of Permitted Uses” to include uses allowed in the TN District, as follows:**

<i>TN Permitted Uses</i>	
Accessory uses, including but not limited to fallout shelters, garages, guest houses, tool sheds, swimming pools	See Note 1
Arts and crafts supply and retail sales	
Automotive parking lots serving uses permitted in district in which lot is located	
Bakeries selling at retail, products produced on premises	
Banks, savings and loan and similar financial institutions	
Bicycle sales and repair	
Book and stationery stores	
Churches, synagogues, temples and other places of worship (including preschool child instruction and/or care carried on by churches, provided the operation is contained entirely on site)	See Note 31
Clothing sales	
Clubs and lodges, private, non-profit	
Coffee Shop	
Community Center, public or non-profit for assembly or recreation	
Dairy bars including manufacturing of ice cream on premise	
Day care facility, children and adults with indoor activity area of at least 25 sq. ft. per person; for children outdoor play area of 75 sq. ft. per person and security fence at least 4 ft. high	
Day care facility in the Home for 6 or more children	Requires SUP
Dwelling, accessory to non-residential	See Note 14
Dwellings, apartments	See Note 30
Dwellings, condominiums	See Note 30
Dwellings, single family detached	
Dwellings, townhouses	See Note 25
Dwellings, two family	
Family care homes	See Note 6
Fences and walls	
Fire and police stations, emergency services	
Flammable gas for heating premises on which located	
Florists and gift shops	
Home Occupations	See Note 2

Medical, dental, paramedical, chiropractor offices	
Modular Units (residential or commercial)	See Note 28
Nonconforming use, change or extension	Requires SUP
Nursing and rest homes	
Offices	
Performing Arts Theater	
Personal Services	Requires SUP
Private athletic fields, recreational buildings, playgrounds, no commercial gain, no automobile or motorcycle racing	
Private community building, not for commercial gain	
Public parks, cultural and recreational facilities	
Public utility facilities, pump stations, water tower, etc.	
Restaurant, including all eating places except drive-in, 30% of sales must be in food products	
Restaurant, including all eating places except drive-in, 30% of sales must be in food products (with accessory uses)	
Rooming houses, boarding houses	
Satellite dishes	See Note 1
Schools (academic); kindergarten, elementary, secondary, public or private	
Signs	Art. VI
Temporary building incidental to a construction project	
Temporary housing non-profit	
Therapeutic massage	See Note 12
Therapeutic massage as a home occupation	Requires SUP
Tourist homes or bed and breakfast	
Townhouses (commercial)	
Townhouses (residential)	
Vehicle, junked	See Note 19
Vehicle, nuisance	See Note 20
Yard sales, rummage sales sponsored by non-profit organizations	

**Part IV. Add Section 5 “Special Zoning Districts” to Article V “District Regulations,” as follows:**

**Section 5.**

**Special Zoning Districts**

Any provisions of the Zoning Ordinance except where specified otherwise shall still fully apply in a Special Zoning District.

**I. Unified Development Plan**

An approved Unified Development Plan shall be required prior to any property being placed in a Special Zoning District.

## 1. Plan Content

The Unified Development Plan must contain the following materials:

- a. **Concept Plan:** At minimum, the concept plan must include the general location and amount of land proposed for single-family residential, multi-family residential, office, commercial, industrial, open space/recreation, mixed use, and street use; the maximum number of dwelling units or gross floor area and the acreage of each tract or area shown on the concept plan; the maximum height of buildings and structures in each such tract or area; the location and amount of land in special flood hazard areas and any other lands not suitable for development; and proposed watershed protection measures, including their general location, if the development is within a watershed overlay district.
- b. Documents which specify proposed setbacks or other regulations governing building placement, landscaping, and any other information that the Planning and Community Development Manager may deem necessary. The applicant may use district regulations provided by this ordinance or may propose regulations unique to the development. In no case may the Unified Development Plan leave any area proposed for development unregulated.
- c. All phases must be shown in the Unified Development Plan and numbered in the expected order of development. The phasing must be consistent with the open space, traffic circulation, drainage, and utilities plans for the overall development.
- d. **Signage Plan:** A signage plan shall be provided listing all types of signage allowed in the development along with size regulations. The applicant may use signage requirements provided by this ordinance or may propose regulations unique to the development. In no case shall a signage plan not include size limitations or allow for unlimited number of signs per building or street frontage. All signage plans require approval of the Planning and Community Development Manager. The Planning and Community Development Manager at their discretion may require any conditions be placed on signage regulations in the proposed development to preserve the appearance and integrity of the surrounding area. Applicable sizing and placement regulations shall be determined by the approved signage plan included with the Unified Development Plan. If the proposed development does not include any permitted uses which are non-residential in nature, the requirement of a signage plan is exempted and the sign regulations for the Residential-6 (R-6) district shall apply. In all cases, sign permits in accordance with Article VII of this Ordinance must be obtained from the Department of Planning & Community Development and signs will be permitted based on the regulations outlined in the signage plan for the development. Any other applicable regulation of signage required in any portion of this Ordinance shall apply and not be construed otherwise.

## 2. Approval Procedure

Unified Development Plans must be reviewed by the City's Technical Review Committee for consistency with the concept plan and for compliance with all applicable provisions of this ordinance. Following review by the Technical Review Committee, the Unified Development Plan must be approved by the City Council and follow the same process as a Conditional Zoning.

### 3. Recordation of Approved Unified Development Plan

The Unified Development Plan must be recorded in the Office of the Rockingham County Register of Deeds after approval and prior to issuance of any Zoning Compliance Permit approving construction, any conveyance of the property, or portion thereof, or Final Plat recordation.

### 4. Amendments and Modifications

The City Council must approve any substantial change or amendment to a Unified Development Plan by following the same procedure required for the original approval of the Traditional Neighborhood Plan. The Planning & Community Development Manager may approve amendments which do not result in major changes. The Planning and Community Development Manager may defer the decision to approve an amendment to a Unified Development Plan at their discretion.

## II. Traditional Neighborhood District (TN)

The purpose of this section is to set forth guiding principles and development requirements for traditional neighborhood development design and to provide relief from some of the standards found in this Ordinance, when such developments are found to substantially meet the guiding principles of this section.

### 1. Traditional Neighborhood (TN) Plan Required

Prior to any property being placed in a TN district, a Traditional Neighborhood Plan must be approved by the City's Technical Review Committee. For the purposes of this section, a Traditional Neighborhood Plan shall include all requirements of a Unified Development Plan with the addition of other requirements as noted in this section. Other elements to be included in TN plans are listed below:

#### a) Architectural Standards

- A developer may choose to include architectural standards as part of the Traditional Neighborhood Development Plan.
- The inclusion of architectural standards is not a requirement for a TN district. However, their use is highly encouraged as a means to heighten sense of place, character, appearance, and property value.
- If the developer desires to include architectural standards, they may be submitted at any stage in the development process for review and approval by the Technical Review Committee as being consistent with the Traditional Neighborhood Development Plan.

#### b) Technical Review of the Proposed TN Development Plan

- The Technical Review Committee must review the proposed Traditional Neighborhood Development Plan for adherence to the purposes of the Traditional Neighborhood District and consistency with the requirements of all applicable standards in this Ordinance and will forward its conclusions and recommendations to the Planning Board and City Council.

- Meeting minimum or maximum standards and/or guidelines will not be, in and of itself, evidence of adherence to the purposes of the Traditional Neighborhood District.
- c) Adoption of the TN Development Plan
- A public hearing shall be conducted by the City Council to review and consider for adoption the proposed Traditional Neighborhood Development Plan.

## 2. TN Guiding Principles.

Any Traditional Neighborhood Plan must address in detail it's alignment with the principles listed below. Where the development application does not meet a principle, the applicant shall submit substantial justification therefore, unless the principle is described as optional. The guiding principles are as follows:

### a. The Principle of the Public Realm:

- The central element of traditional neighborhood design is the emphasis and weight given to the public realm (the streets and plazas, and the public open spaces such as parks, playgrounds, greens, and natural areas, together with semi-public spaces which frame the public realm and provide transition between public and entirely private spaces). TNs feature well-designed public spaces, special emphasis on public and cultural buildings, and special design treatment for vista terminations.
- A sense of enclosure is maintained along the public street through an appropriate ratio between the height of building fronts and the distance between buildings on opposite sides of the street. Where street frontage consists of single-story buildings or open space, street trees can be a substitute for front building walls to maintain this sense of enclosure.
- Non-residential buildings are set at or very near the sidewalk. In most situations, the same is true for attached housing. Single homes have relatively shallow setbacks, typically one-fourth ( $\frac{1}{4}$ ) to one-third ( $\frac{1}{3}$ ) the lot width. Encroachments are allowed for porches, steps, bay windows, and balconies.
- The public realm is appropriately landscaped. Unless good landscape design would otherwise dictate, each street is provided with an orderly regimen of street trees of substantial nursery stock, which will grow quickly to provide a street canopy. Planting strips wide enough to accommodate street trees typically separate sidewalks from street roadways.
- Single-family home lots in TNs are typically smaller and narrower than in conventional subdivisions. A substantial amount of land area savings from reduced lot sizes is dedicated toward common areas. Narrower lots

necessitate alternative treatment of certain fixtures that can diminish the aesthetic quality of the public realm. A system of rear access lanes (alleys) can provide garage access at the rear of the lot. This is especially preferred for lots less than fifty (50) feet in width.

- When built to a 16-foot standard with a 24-foot right-of-way, the alley can also serve as an appropriate location for electric, gas, cable TV, and telephone equipment as well as access for garbage pick-up and mail delivery. On lots at least fifty (50) feet wide, alternate, less preferred methods of garage access include (in descending order of preference):
    - Front driveway accessing a garage behind the house or near the back of the lot;
    - Turning the garage so that it does not face the front (provided the garage is set behind the front building line);
    - Setting the garage at least twenty (20) feet behind the front of the house; or
    - Providing special architectural treatment to the house to visually de-emphasize a garage at the front.
    - Where alleys are not available, other measures are taken to hide unsightly utility equipment; however, fire hydrants are always located on the fronting street, ideally situated on planting strip bulb-outs at intersections.
  
  - TNs are designed so that there are linkages between the private realm and the public realm while protecting private spaces. Single homes have front porches large enough for sitting (six (6) to eight (8) feet minimum depth), and attached dwellings typically have sitting porches or front stoops. Guidelines to allow for low front picket fences are often provided. Always for single homes served by alleys, and where feasible and designed appropriately for town homes, private spaces are protected at the rear using privacy devices according to the development guidelines. The bottom floor of any dwelling whose sidewalk facing wall is within five (5) feet of such sidewalk should be elevated sufficiently above the sidewalk to provide additional privacy inside the dwelling.
  
  - TNs are designed to feature vista terminations at multiple locations. Vistas can terminate to important buildings, parks and greens, civic features in the town center, a carefully sited dwelling, a curve in the road, natural green edge, distant objects and scenery, and other features as appropriate. Entry into the community usually uses an important vista termination to provide a sense of place arrival. Utility wiring is typically underground and decorative street lighting fixtures are typically provided.
- b. The Principles of the Transportation System:
- TNs always have a connecting web of streets, typically provided by a grid or modified grid street pattern. The street system is organized in a

comprehensible network hierarchy that forms an orderly discernable neighborhood or town structure.

- Cul-de-sac are discouraged unless natural site or site boundary conditions require them. In such situations, special street design features such as eyebrows and cul-de-sac loops are encouraged instead of standard ball-end cul-de-sacs.
- Curved as well as straight streets are allowed; however, each must contribute to the connecting web. Where possible, curved streets maintain the same cardinal orientation. Long blocks are to be avoided with an average block being no more than six hundred (600) feet in length or one thousand eight hundred (1,800) feet in perimeter.
- While the "sense of enclosure" described previously will help to reduce traffic speeds, additional design measures will be needed to slow traffic. Examples of such measures include such features as "bumping out" the curb line at intersections, traffic circles, streets no wider than necessary to provide adequate access, design for and encouragement of on-street parking, and safe but unconventional street geometrics.
- TNs are always walkable communities in the fullest sense. They typically contain sidewalks on both sides of the street and, in addition, may contain a network of off-road walking and bike trails. Pedestrian facilities always meet the three (3) standards of safety, comfort and interest.
- Sidewalks are well separated from the roadway with planting strips that are planted with indigenous, mostly deciduous shade trees (on commercial streets sidewalks may extend to the curb with street trees planted in grates or other sufficiently sized planting space). Planting strips should be six (6) feet to ten (10) feet wide (eight (8) feet is recommended), but may be reduced to four (6) feet in situations that are both unusual and difficult. Sidewalks are recommended five (5) feet in width on residential streets, wider on commercial streets.
- TNs always have multiple points of ingress and egress from collector and major roads. The street system should also flow seamlessly to adjoining neighborhoods either existing or future.
- TNs are never gated.
- Parking lots should not front along a street. On-street parking is provided throughout the development, and particularly so on streets with commercial buildings and attached housing. Where additional parking is needed, it is provided behind buildings in the interior of the block. The calculation of parking needs for nonresidential uses should always take into consideration available on-street parking and the expected walkable

patronage.

- Parking lots shall include shade trees and no space in a parking lot shall be further than sixty (60) feet from the trunk of a shade tree. Each shade tree shall be planted in a planting area sized and shaped to enable healthy growth, a minimum of two hundred (200) square feet. Pedestrian access from interior block parking area is best provided via a mid-block passageway to the street front. This passageway can also be used for other activities such as front entrances for small shops, access to second floor apartments, outdoor dining, outdoor vendors and outdoor display of plants, flowers and other appropriate items for sale.
- When located on a public transit route a dry, inviting waiting place is provided at the neighborhood center. Where not located on a transit route, the TN should be given consideration for future route expansions when ridership can be expected.

c. The Principles of Mixed Use:

- TNs almost always contain a mixture of uses and dwelling types. Exceptions may be made for TNs of less than twenty-five (25) acres and/or one that is within safe, easy walking distance to retail and other neighborhood services.
- TNs always feature a mixture of residential types. While a mix of single homes and at least one type of attached housing is required in the development, an appropriate and carefully designed blending of single and attached housing within the development is encouraged.
- Live-work units (shop or office at the street level and residence at the second level), apartments over businesses, and covenant provisions for zero-impact customary home occupations are encouraged. In traditional communities the denser housing and live-work units are typically located closer to the town center with a transition outward to less dense housing such as single homes. This principle should not be construed to discourage the careful blending of housing types as this transition occurs.
- Schools and churches are encouraged within the TN as is the provision of pedestrian and bicycle routes to connect to such facilities inside or outside the TN. It is, however, recognized that school location will, in most cases, not be possible unless the public-school system considers smaller site standards. Where buildings are on both sides of the street, similar building types should face each other when possible. Single house, townhouse, live-work unit, apartment building and store building are examples of building types.
- The initiation of commercial phases shall follow at any time after the



initiation of construction of at least ten (10) percent of single homes.

- Mixed Use development is not a requirement for a TN but it is encouraged.

d. The Architectural Principles:

- The architecture should respond to the surrounding fabric of buildings and spaces and to local traditions. The principle that structures should be seamlessly linked to their surroundings (within the TN) transcends the issue of style. Each building always exhibits principles of human and pedestrian scale and contributes appropriately to the pedestrian life of the street.
- Architecture within the development should reflect styles that are complimentary of each other. Private development controls assure a variety styles or sub-styles which serve to complement each other while providing for overall consistency and reflection of the principles of traditional neighborhood design.
- Affordability variations between housing types and choices do not translate into meaningful inferior architectural treatment of lower cost housing choices, as such housing relates to the public realm.
- Commercial buildings typically take on a "shop front" type appearance, joined by common walls, set with the front and entrance at the sidewalk along the street, and are typically two (2) or more stories high (other uses such as residential and offices may occupy upper floors). Commercial buildings should not face intersecting streets with blank walls.
- Except to more accurately portray pre-1940 architectural styles and buildings should employ relatively flat fronts and simple roofs. (Note: This principle shall not be construed to require pre-1940 architectural styles). Building articulations and setback encroachments for porches, stoops, steps, bay windows, balconies and other such features that form the transition between the public and private realms are encouraged.
- Corner-lot homes should face their front door to the larger street (unless said street is a thoroughfare), except for an end-unit townhouse or row house, which may turn the corner with its front (unless the side street is an alley). Fronting a townhouse on both the primary street and the intersecting street with two (2) doors and/or wrap-around porch is encouraged.

e. The Principles of the Neighborhood Center:

- TNs have at least one defined center. Neighborhood centers typically feature uses such as shops and services, live-work units, attached

dwelling, apartments over businesses, a formal open space such as a village square or green, and public/civic buildings (church, community building/center, and post office are examples).

- Automobile oriented uses are typically not found in a neighborhood center and drive-thru facilities are prohibited. The Planning and Community Development Manager may exempt this regulation at their discretion and allow a drive-thru facility if substantial justification to do so is presented to their satisfaction.
- A public gathering space such as a plaza, green or square is almost always present along with one or more focal features in or near this public space such as a clock tower, fountain, monument, bandstand and/or public art which serve to terminate vistas and define the community.
- The TN center is ideally located near the geographic center of the development.
- Other civic uses are encouraged, including schools and day care centers; however, such uses should take on design features and lot sizes sympathetic to traditional principles and a walkable community. Office employment may occur at the TN center or along major roads adjoining the TN.
- At least one site should be reserved at or near the neighborhood center, for an important community or civic building such as a community center, church, school, amenity center (club house and recreation facility) or community hall. The site should be prominent in the development design.

f. The Principles of Open Spaces and Natural Site Characteristics:

- A substantial amount of land savings generated by a more compact development form is converted to common open spaces.
- TNs always have formal public open spaces such as greens, village squares, parks and playgrounds. They may also have substantial amounts of natural or semi-natural open spaces that typically feature more informal amenities such as walking/bicycling trails and picnic areas.
- There is always a significant civic space such as a town square, green, commons, or plaza at the neighborhood center.
- Small parks are distributed throughout the development, usually within one thousand (1,000) feet of any dwelling.

- Pre-existing or natural water features should be retained and made a community asset.
- The site should be designed in a manner that preserves specimen trees and significant groups of mature deciduous trees. Major tree stands should be incorporated into public open spaces, where possible.
- The neighborhood design should adapt itself, as much as possible, to the existing topography to minimize the amount of grading necessary to achieve a viable street network.
- Parks, plazas, and commons should be equipped with proper furnishings and shade trees to encourage outdoor sitting, human interaction and people watching; while some common areas should be grassed and left open (except for street trees) to encourage the types of leisure/recreational activities that require open areas.

### 3. General Development Standards

- Outdoor storage is prohibited. Goods that are left outside of businesses outside of regular business hours shall be considered outdoor storage.
- Hours of operation are restricted to between 6:00 a.m. and midnight.
- Except for street lighting, no exterior lighting may be located higher than 15 feet above ground or pavement.
- Parking areas must be located at the rear or at the side of buildings and must be screened from the sidewalk by low walls, fences, or hedges.
- Parking lots and garage doors are discouraged from fronting on the street.
- Where possible, access to off-street parking areas should be from the rear of the lot.
- Parking lots shall not abut street intersections, be adjacent to squares or parks, or occupy lots that terminate a vista.
- Adjacent parking areas must have vehicular connections via an alley or internally.
- Where adjacent on any side to a residential use, an off-street parking area must be adequately screened and landscaped to buffer the residential use in accordance with the adopted Traditional Neighborhood Development Plan.
- If architectural standards have been adopted as part of the Traditional Neighborhood Plan, all architectural plans for new buildings, expansions, and remodeling, shall be reviewed by an architect retained by the developer for conformance with the architectural standards and the Traditional Neighborhood Development Plan.

### 4. Standards Applicable to Food Stores

- In the TN district, the maximum gross floor area is 18,000 square feet.

### 5. Standards Applicable to Religious Assembly Uses

- In the TN district, religious assembly uses must be placed on a lot so as to front on the street and, where possible, terminate a vista.

- Religious assembly uses in a TN district may have only one accessory building. The accessory building must be set back into the property at least 20 feet from the front façade of the principal structure.

#### 6. Standards Applicable to Libraries, Museums

- Libraries and museums, in the TN district may have only one accessory building. The accessory building must be set back into the property at least 20 feet from the front façade of the principal structure.

#### 7. General Design Guidelines

- a. Buildings within a block face must reflect a continuity of building scale and the building lines.
- b. A consistent building line should be maintained at the setback line along the street. However, projections of porches, bay windows, stoops, and other minor building masses into the street setback are encouraged in order to create an interesting block character. Large street setbacks to accommodate parking lots in front of a building are prohibited.
- c. In areas of mixed residential types, the height and massing of a building may not be more than twice the height and massing of structures adjacent to or across the street from the building.
- d. A commercial or mixed-use building must integrate its appearance with the area and may not exceed twice the height and massing of adjacent buildings.

#### 8. Human Scale Design

- a. Human scale design typically reflects the elements listed below.
- b. Buildings that avoid long, monotonous, uninterrupted walls or roof planes. Blank, windowless walls are generally not allowed along street frontages. Where solid walls are required by building codes, the wall should be articulated by the provision of blank window openings trimmed with frames, sills, lintels, or if the building is occupied by a commercial use, by using recessed or projecting display window cases.
- c. Commercial structures that incorporate awnings or arcades, which may project over the sidewalk into the street right-of-way with city approval.
- d. Ground floor retail, service, restaurant, and other commercial uses with transparent display windows on a minimum of 50% of the first-floor front to provide views into the interior of buildings; Entrances and storefronts facing the street; Doors, windows, balconies, porches, and roof decks with visibility of the street and other public spaces to encourage social interaction.
- e. Porches should be a significant element of the house design, located on the front or side of the dwelling; and Rear vehicle access from an alley is a preference. However, if a garage is oriented toward the street, it must be located a minimum of 20 feet behind the front façade of the principal structure. Freestanding garages and carport structures for multiple dwelling unit buildings must be designed to be integral with the building design or sited so as to avoid long and monotonous rows of garage doors and long monotonous building walls.

#### 9. Guidelines for the Provision of Traditional Neighborhood Open Space

- a. Traditional neighborhood open space should be incorporated as a fundamental element of the required Traditional Neighborhood Plan.

- b. Open spaces should emphasize safe and inviting traditional neighborhood areas such as squares, parks, and greenways. Such areas should be integrated into the neighborhood pattern for the active and passive enjoyment of neighborhood residents.
- c. Traditional neighborhood open space should be planned and improved to be highly accessible and usable by persons living or working nearby. Except for areas designated as preserves, it should be cleared of underbrush and debris and may contain one or more of the following or similar improvements: landscaping, walks, benches, seating areas, fountains, ponds, ball fields and playground equipment. Significant stands of trees, streamside areas, and other valuable topographic features should be preserved within the open space areas.

10. Street Trees

- a. Street Trees are required along both sides of a street in the TN Traditional Neighborhood District in accordance with the approved locations shown in the adopted Traditional Neighborhood Development Plan for the district.

11. Approval Process

- 1) The first step is to determine if a project meets the purpose, intent, and principles of a Traditional Neighborhood Development as outlined in this section. The Developer shall be required to meet with the Planning and Community Development Manager or their designee and review the plan and other documents to ensure substantial conformity to the Ordinance prior to submission to the Technical Review Committee.
- 2) The Traditional Neighborhood Plan is distributed to the City's Technical Review Committee for approval. This is a multiple step process which may include the applicant responding to any comments or concerns of the committee and multiple versions of the plan submitted for review.
- 3) Representative building elevations for non-residential uses representing the various building types proposed within the development shall be submitted for approval.
- 4) Cross-section drawings of typical street areas from building profile to opposing building profile. A typical profile for each building type is needed; for example: town center, single-family street, town home or row house street, and apartment street.
- 5) After the Traditional Neighborhood plan is approved by the Technical Review Committee, the rezoning request shall follow the same approval and appeal processes as a conditional zoning per Article V, Section 1.

**Part IV.** This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by the City Council of the City of Reidsville, North Carolina.

/s/ \_\_\_\_\_  
DONALD L. GORHAM, MAYOR, REIDSVILLE, N.C.

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk

**CONSIDERATION OF A TEXT AMENDMENT REQUEST TO AMEND ARTICLE II, SECTION 1: DEFINITIONS, AND ARTICLE V, SECTION 2: TABLE OF PERMITTED USES OF THE CITY'S ZONING ORDINANCE TO DEFINE AMUSEMENTS, INDOOR AND AMEND THE TABLE OF PERMITTED USES TO INCLUDE AMUSEMENTS, INDOOR AS A PERMITTED USE IN THE CENTRAL BUSINESS DISTRICT (CB), GENERAL BUSINESS (GB), HIGHWAY BUSINESS (HB) AND INDUSTRIAL-1 (I-1) ZONING DISTRICTS (T 2023-08).**

In making the staff report, Planning & Community Development Manager Jason Hardin reviewed his July 27, 2023 memo, which follows, as well as the Report/Analysis & Recommendation from the Zoning Ordinance Text Amendment Report:

**M E M O R A N D U M**

**TO:** The Honorable Mayor Gorham, Members of the  
Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 27, 2023  
**RE:** Text Amendment T 2023-08

Staff is petitioning to amend Article II, Section 1: Definitions and Article V, Section 2: Table of Permitted Uses of the Reidsville Zoning Ordinance. Amusements, Indoor shall be defined as “Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented activities in an indoor setting.” Typical use types include: bowling alley, escape room, trampoline park, indoor mini-golf, axe throwing, laser tag and palm readers among others. Excluded use types include: shooting ranges, alcohol establishments, nightclubs, arenas, coliseums and amphitheatres among others. Amusements, Indoor will be added as a permitted use in the Central Business (CB), General Business (GB), Highway Business (HB) and Industrial-1 (I-1) districts.

Currently, the permitted use, “Amusements, commercial (establishments) including but not limited to bowling alleys and roller-skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like,” does not make a distinction between indoor and outdoor amusement types. The proposed text amendment distinguishes Amusements, Indoor as a new permitted use. The new definition for Amusement, Indoor will identify the typical use types allowed as a part of this new permitted use.

This text amendment is consistent with the Reidsville Land Development Plan under both Goal #1 “A Thriving Downtown” and also Goal #2 “A Strong Local Economy”. Goal #1 is accomplished by seeking to attract businesses to the downtown area, while simultaneously encouraging the development of a robust social entertainment center. Goal #2 is met by working to bring in a wider variety of businesses to the City that will generate further interest for growth in Reidsville as a whole.

The planning staff recommend adoption of the proposed text amendment.

**Planning Board Recommendation:**

The Planning Board unanimously recommended the text amendment be approved. (END OF MEMO)

Hardin also reviewed the Report/Analysis & Recommendation from the Zoning Ordinance Text Amendment Report, which follows:

**REPORT:** The planning staff is petitioning to amend Article II, Section 1: Definitions and Article V, Section 2: Table of Permitted Uses of the Reidsville Zoning Ordinance. There are three phases to this text amendment proposal. Phase one (1) will define Amusements, Indoor as “Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented activities in an indoor setting. Typical use types include: bowling alley, escape room, trampoline park, indoor mini-golf, axe throwing, laser tag and palm readers among others. Excluded use types include: shooting ranges, alcohol establishments, nightclubs, arenas, coliseums and amphitheaters among others.” Phase two (2) will amend Article V, Section 2 Table of Permitted Uses to allow Amusements, Indoor as a permitted use in the Central Business (CB), General Business (GB), Highway Business (HB) and Industrial-1 (I-1) districts. Phase three (3) encompasses the adoption of this text amendment by City Council.

**ANALYSIS & RECOMMENDATION:** The planning staff is petitioning to add a definition for Amusements, Indoor, and to amend the Table of Permitted Uses to include Amusements, Indoor as a new permitted use. Currently, the permitted use, “Amusements, commercial (establishments) including but not limited to bowling alleys and roller skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like,” does not make a distinction between indoor and outdoor amusement types. The proposed text amendment distinguishes Amusements, Indoor as a new permitted use. The new definition for Amusement, Indoor will identify the typical use types allowed as a part of this new permitted use. The proposed text amendment is consistent with the Reidsville Land Development Plan under both Goal #1 “A Thriving Downtown” and also Goal #2 “A Strong Local Economy”. Goal #1 is accomplished by seeking to attract businesses to the downtown area, while simultaneously encouraging the development of a robust social entertainment center. Goal #2 is met by working to bring in a wider variety of businesses to the City that will generate further interest for growth in Reidsville as a whole. (END OF REPORT SECTION)

Councilwoman Walker asked Hardin if the use would include pool tables? Hardin said that pool halls are an individual use that would trump over this. He noted that pool halls are defined specifically, which is when you have a 60% of square footage for pool tables. This is not allowed in Central Business District, he said. Mayor Gorham said this gives us some flexibility.

Mayor Gorham opened the public hearing at 7:40 p.m. With no one speaking for or against, the public hearing was closed at 7:41 p.m.

Mayor Gorham asked what was the pleasure of Council regarding Text Amendment T 2023-08? **Councilmember Scoble made the motion, “so moved,” seconded by Councilwoman DeJournette and unanimously approved by Council in a 6-0 vote.**

The Text Amendment as approved follows:

**AMENDING THE CITY OF REIDSVILLE ZONING ORDINANCE**  
**AN ORDINANCE AMENDING**  
**ARTICLE II, DEFINITIONS & ARTICLE V, TABLE OF PERMITTED USES**  
**OF THE CITY OF REIDSVILLE ZONING ORDINANCE**

**BE IT ORDAINED** by the City Council of the City of Reidsville, North Carolina, that the Zoning Ordinance of the City of Reidsville be amended as follows:

**Part I.** That Article II, Section 1, Definitions to define Amusements, Indoor.

**Section 1: Definitions**

Amusements, Indoor: Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented activities in an indoor setting. Typical use types include: bowling alley, escape room, trampoline park, indoor mini-golf, axe throwing, laser tag and palm readers among others. Excluded use types include: shooting ranges, alcohol establishments, nightclubs, arenas, coliseums and amphitheatres among others.

**Part II.** That Article V, Section 2, Table of Permitted Uses be amended to include Amusements, Indoor as a permitted use in the Central Business (CB), General Business (GB), Highway Business (HB) and Industrial-1 (I-1) districts.

**Section 2: Table of Permitted Uses**

Section 2. Uses	Table of Permitted Uses														NOTES
	RA-20	R-20	RS-12	R-12	R-6	O&I	CB	GB	NB	HB	I-1	I-2	I-3	C	
Accessory uses, including but not limited to fallout shelters, garages, guest houses, tool sheds, swimming pools	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Note 1
Adult Establishments								S		S	S	S			
Agricultural uses, truck farms, excluding raising poultry or other livestock so as to create a nuisance to surrounding property owners	X														
Agritourism	X														Note 29
Amusements, Indoor							X	X		X	X				
Amusements, commercial including but not limited to bowling alleys, roller skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like											X	X			
Antiques and gift retail sales							X	X	X	X					
Appliance distributors, wholesale and retail							X	X	X	X					
Arts and crafts supply and retail sales							X	X	X	X					
Arts Studio, Art Gallery, Museum							X	X	X	X	X				
Automobile accessories sales							X	X	X	X	X	X			
Automobile body shops, painting, upholstery and reconditioning								X		X	X	X			Note 7

**Part III:** This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by the City Council of the City of Reidsville, North Carolina.



/s/ \_\_\_\_\_  
DONALD L. GORHAM, MAYOR, REIDSVILLE, N.C.

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk

**CONSIDERATION OF A TEXT AMENDMENT REQUEST TO AMEND ARTICLE II, SECTION 1: DEFINITIONS, AND ARTICLE V, SECTION 2: TABLE OF PERMITTED USES OF THE CITY'S ZONING ORDINANCE TO DEFINE AMUSEMENTS, OUTDOOR AND THEME PARKS AND AMEND THE TABLE OF PERMITTED USES TO INCLUDE AMUSEMENTS, OUTDOOR AND THEME PARKS AS A PERMITTED USE IN THE HIGHWAY BUSINESS (HB) AND INDUSTRIAL-1 (I-1) ZONING DISTRICTS (T 2023-09).**

In making the staff report, Planning & Community Development Manager Jason Hardin reviewed his July 27, 2023 memo, which follows, as well as the Report/Analysis & Recommendation from the Zoning Ordinance Text Amendment Report:

**MEMORANDUM**

**TO:** The Honorable Mayor Gorham, Members of the  
Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Planning & Community Development Manager  
**DATE:** July 27, 2023  
**RE:** Text Amendment T 2023-09

Staff is petitioning to amend Article II, Section 1: Definitions and Article V, Section 2: Table of Permitted Uses of the Reidsville Zoning Ordinance. Amusements, Outdoor and Theme Parks shall be defined as “Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented outdoor activities. Typical use types include: batting cage, miniature golf facility, go-cart raceway, and archery range among others. Excluded use types include: shooting ranges, athletic fields, parks, playgrounds, botanical gardens, nature and game preserves, zoos and stadiums among others.” Amusements, Outdoor and Theme Parks will be added as a permitted use in the Highway Business (HB) and Industrial-1 (I-1) districts.

Currently, the permitted use, “Amusements, commercial (establishments) including but not limited to bowling alleys and roller-skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like,” does not make a distinction between indoor and outdoor amusement types. The proposed text amendment distinguishes Amusements, Outdoor and Theme Parks as a new permitted use. The new definition for Amusements, Outdoor and Theme Parks will identify the typical use types allowed as a part of this new permitted use.

The proposed text amendment is consistent with the Reidsville Land Development Plan under Goal #2 “A Strong Local Economy.” Goal #2 is met by working to bring more businesses into the City that will generate further interest for growth in Reidsville as a whole, while providing enhanced amusement and entertainment options throughout the city and extraterritorial zoning jurisdiction.

The planning staff recommend adoption of the proposed text amendment.

**Planning Board Recommendation:**

The Planning Board unanimously recommended the text amendment be approved. *(END OF MEMO)*

Hardin also reviewed the Report/Analysis & Recommendation from the Zoning Ordinance Text Amendment Report, which follows:

**REPORT:** The planning staff is petitioning to amend Article II, Section 1: Definitions and Article V, Section 2: Table of Permitted Uses of the Reidsville Zoning Ordinance. There are three phases to this text amendment proposal. Phase one (1) will define Amusements, Outdoor and Theme Parks as “Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented outdoor activities. Typical use types include: batting cage, miniature golf facility, go-cart raceway, and archery range among others. Excluded use types include: shooting ranges, athletic fields, parks, playgrounds, botanical gardens, nature and game preserves, zoos and stadiums among others.” Phase two (2) will amend Article V, Section 2 Table of Permitted Uses to allow Amusements, Outdoor and Theme Parks as a permitted use in the Highway Business (HB) and Industrial-1 (I-1) districts. Phase three (3) encompasses the adoption of this text amendment by City Council.

**ANALYSIS & RECOMMENDATION:** The planning staff is petitioning to add a definition for Amusements, Outdoor and Theme Parks and amend the Table of Permitted Uses to include Amusements, Outdoor and Theme Parks as a permitted use. Currently, the permitted use, “Amusements, commercial (establishments) including but not limited to bowling alleys and roller skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like,” does not make a distinction between indoor and outdoor amusement types. The proposed text amendment distinguishes Amusements, Outdoor and Theme Parks as a new permitted use. The new definition for Amusements, Outdoor and Theme Parks will identify the typical use types allowed as a part of this new permitted use. The proposed text amendment is consistent with the Reidsville Land Development Plan under Goal #2 “A Strong Local Economy.” Goal #2 is met by working to bring more businesses into the City that will generate further interest for growth in Reidsville as a whole, while providing enhanced amusement and entertainment options throughout the city and extraterritorial zoning jurisdiction.

The Planning Staff recommend adoption of the proposed text amendment. *(END OF REPORT SECTION)*

With no questions from Council, Mayor Gorham opened the public hearing at 7:44 p.m. With no one coming forward, the public hearing was closed at 7:45 p.m.

Mayor Gorham asked if there was motion regarding Text Amendment T 2023-09? **Councilwoman DeJournette made the motion, “so moved,” which was seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote.**

The Text Amendment as approved follows:

## **AMENDING THE CITY OF REIDSVILLE ZONING ORDINANCE**

### **AN ORDINANCE AMENDING ARTICLE II, DEFINITIONS & ARTICLE V, TABLE OF PERMITTED USES OF THE CITY OF REIDSVILLE ZONING ORDINANCE**

**BE IT ORDAINED** by the City Council of the City of Reidsville, North Carolina, that the Zoning Ordinance of the City of Reidsville be amended as follows:

**Part I.** That Article II, Section 1, Definitions to define Amusements, Outdoor or Theme Park.

#### **Section 1: Definitions**

Amusements, Outdoor or Theme Park: Commercial uses, varying in size and type, providing daily or regularly scheduled recreation or entertainment-oriented outdoor activities. Typical use types include: batting cage, miniature golf facility, go-cart raceway, and archery range among others. Excluded use types include: shooting ranges, athletic fields, parks, playgrounds, botanical gardens, nature and game preserves, zoos and stadiums among others.

**Part II.** This Article V, Section 2, Table of Permitted Uses be amended to include Amusements, Outdoor or Theme Park as a permitted use in the Highway Business (HB) and Industrial-1 (I-1) districts.

**Section 2: Table of Permitted Uses**

Section 2, Uses	Table of Permitted Uses														NOTES
	RA-20	R-20	RS-12	R-12	R-6	O&I	CB	GB	NB	HB	I-1	I-2	I-3	C	
Accessory uses, including but not limited to fallout shelters, garages, guest houses, tool sheds, swimming pools	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Note 1
Adult Establishments								S		S	S	S			
Agricultural uses, truck farms, excluding raising poultry or other livestock so as to create a nuisance to surrounding property owners	X														Note 29
Agri-tourism	X														
Amusements, commercial including but not limited to bowling alleys, roller skating rinks; not including drive-in theaters, commercial stables, roller coasters, carousels, fairgrounds, automobile race tracks, circuses or the like										X	X				
Amusements, Outdoor or Theme Park										X	X				
Antiques and gift retail sales								X	X	X	X				
Appliance distributors, wholesale and retail								X	X	X	X				
Arts and crafts supply and retail sales								X	X	X	X				
Arts Studio, Art Gallery, Museum								X	X	X	X	X			
Automobile accessories sales								X	X	X	X	X	X		

**Part III:** This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by the City Council of the City of Reidsville, North Carolina.

/s/ \_\_\_\_\_  
**DONALD L. GORHAM, MAYOR, REIDSVILLE, N.C.**

/s/ \_\_\_\_\_  
**Angela G. Stadler, City Clerk**

*- End of Public Hearings -*

**PROJECTS:**  
**CONSIDERATION OF WASTEWATER TREATMENT PLANT HEADWORKS**  
**REPLACEMENT PROJECT RESOLUTION TO ACCEPT OFFER OF FUNDING OF**  
**\$1,116,000 FROM THE NC DEPARTMENT OF ENVIRONMENTAL QUALITY CLEAN**  
**WATER STATE REVOLVING FUND (SRF), BRINGING THE TOTAL LOAN AMOUNT**

**OF THE PROJECT TO \$5,036,100, CAPITAL PROJECT ORDINANCE AMENDMENT  
AND BUDGET ORDINANCE AMENDMENT.**

In making the staff report, Assistant City Manager of Administration/Finance Director Chris Phillips reviewed his July 27, 2023 memo, which follows:

**HEADWORKS FINANCING AND CAPITAL PROJECT ORDINANCE**

**To: Summer Woodard, City Manager**  
**From: Chris Phillips, Asst. City Manager/Finance Director**  
**Date: July 27, 2023**

In June 2023, the City Council approved a contingent award of the construction contract to J. Crumby Construction for the Headworks Project. It was contingent on the approval of \$1,116,000 in additional funding from the State. That funding has been secured at the same terms, 20 years with an interest rate of 0.18%. This additional funding is slated for Local Government Commission approval on August 1, 2023 (on their consent agenda). The City Council is being asked to accept the total funding of \$5,036,100 with approval of the attached Resolution to Accept an Offer of Funding.

At this time, the Headworks Capital Project Ordinance also needs to be amended by the City Council. The attached amendment will expand fund 57 for completion of the project. It recognizes the project budget and funding. In addition, a Budget Ordinance Amendment is also required to transfer funds from the Sewer Fund Reserve to pay the 2% loan closing fee of \$100,722. This is not an eligible loan expense, so reserves must be used to cover this cost.

Please have the City Council consider these actions and let me know if any further information is needed. *(END OF MEMO)*

Following the report, Councilman Festerman asked if the closing costs/fees could be negotiated? Phillips replied, no, that is where they get the funding for the program because the interest rate is so low. The Councilman said that is a high interest rate, but Phillips noted that 2% one time for \$5 million instead of 2% each year is still a pretty good deal for borrowing money.

**Councilman Hairston made the motion, seconded by Councilmember Scoble and unanimously approved by Council in a 6-0 vote, to approve the Resolution Accepting the Offering of Funding.**

The Resolution as approved follows:

**RESOLUTION BY GOVERNING BODY OF RECIPIENT  
TO ACCEPT AN OFFER OF FUNDING**

**WHEREAS,** the North Carolina Department of Environmental Quality Division of Water Infrastructure has offered a Clean Water State Revolving Loan in the amount of **\$5,036,100** for the construction of the **Headworks Replacement**, and

**WHEREAS,** the **City of Reidsville** intends to construct said project in accordance with the approved plans and specifications.

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

That **City of Reidsville** does hereby accept the Clean Water State Revolving Loan offer of **\$5,036,100**.

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

That **Summer Woodard, City Manager**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the **8th day of August, 2023** at Reidsville, North Carolina.

SEAL

/s/ \_\_\_\_\_  
Donald L. Gorham, Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk

**Councilwoman Walker then made the motion, “so moved”, seconded by Councilwoman DeJournette and unanimously approved by Council in a 6-0 vote, to approve the Capital Project Ordinance.**

The Capital Project Ordinance as approved follows:

**WASTEWATER TREATMENT PLANT HEADWORKS  
CAPITAL PROJECT ORDINANCE AMENDMENT**

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

**WHEREAS**, the Wastewater Treatment Plant Headworks Capital Project Fund was established on February 10, 2020; and

**WHEREAS**, it is the desire of the Mayor and the City Council of the City of Reidsville to recognize additional funding, to appropriate funds and to set up or amend related accounts;

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

Section 1 That the following revenue accounts for this project is hereby established/amended:

57-3900-0000	Proceeds of State Revolving Fund	\$	5,036,100
57-3988-0000	Transfer from Other Funds	\$	100,722

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

57-7130-1900	Issuance Cost	\$	100,722
57-7130-1990	Engineering	\$	280,000
57-7130-1991	Construction Administration	\$	195,000
57-7130-1992	Grant/Loan Administration	\$	24,000
57-7130-1993	Professional Services	\$	58,100
57-7130-5800	Construction	\$	4,307,000
57-7130-9911	Contingency	\$	172,000

Section 3. The City Manager and Finance Director are hereby granted all necessary authority to carry out this project, including the approval of payment requests as earned under approved contracts, to approve change orders in each contract as long as said change orders amount to less than \$25,000 each, to transfer funds from the established Contingency Fund to cover such change orders and cost overruns. The Finance Director is authorized to make temporary loans to this capital project from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 8<sup>th</sup> day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

**Councilman Hairston then made the motion, seconded by Councilmember Scoble and unanimously approved by Council in a 6-0 vote, to approve Budget Ordinance Amendment No. 3.**

The Budget Ordinance Amendment as approved follows:

### **BUDGET ORDINANCE AMENDMENT NO. 3**

**WHEREAS**, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 13, 2023 which established revenues and authorized expenditures for fiscal year 2023-2024; and

**WHEREAS**, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to transfer Sewer reserve funds to the Headworks Capital Project Fund;

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 13, 2023 is hereby amended as follows;

**Section 1.** That revenue account number 62-3991-0000, Sewer Reserve, be increased by \$100,722.00.

**Section 2.** That expense account number 62-4120-0052, Transfer to Sewer Capital Project Fund, be increased by \$100,722.00.

This the 8th day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

**CONSIDERATION OF AMENDMENTS TO CHAPTER 10, MUNICIPAL UTILITIES AND SERVICES, SECTION 10-31 - USE OF MASTER METERS, WHICH ENCOURAGES THE USE OF MASTER METERS AND GIVES THE DIRECTOR OF PUBLIC WORKS THE AUTHORITY TO APPROVE SUCH METERS.**

In making the staff report, Public Works Director Josh Beck reviewed his August 8, 2023 memo, which follows:

**MEMORANDUM**

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** Master Metering Ordinance Modification  
**DATE:** August 8, 2023

The City of Reidsville’s Ordinance Section 10-31 – Use of master meters states that master meters should be discouraged throughout the City. Numerous apartment complexes and large retail strips are individually metered due to this ordinance and guidance previously provided by past City Managers.

The use of master meters should be encouraged for several reasons:

1. Using the example above, all water lines within the complex are considered private and not maintained by the City. When a break or leak occurs, the loss of water is not captured through the master meter and, therefore, the property owner has little desire to make the repairs in a timely manner other than threats of disconnection by the City.
2. When master meters are allowed, the City can back charge the property owner for future replacements and not have to bear this cost. The financial responsibility to replace small residential meters is covered by the City.

3. Using the Woodland Heights example above, the water availability fees for 700 residential meters equates to \$5,719. Using the availability fees for two 6" water meters, the charges add up to \$7,584.
4. City staff only has to read one meter each month, taking only a few minutes to read. Currently this process takes approximately two days during dry weather conditions in the Woodland Heights example.
5. Finally, the infrastructure cost to provide individual meters is more expensive to the owner and the long-term maintenance to provide multiple service lines instead of a single riser will result in additional cost.

Request:

City staff request that the City Ordinance be amended to allow the Public Works Director to approve master meters where common ownership is present such as apartment complexes, shopping centers, office parks, and other similar locations. *(END OF MEMO)*

Public Works Director Beck reminded Council that this topic was discussed at the Council Retreat back in February at which time he gave a number of reasons to allow master metering. Currently Section 10-31 says it should be discouraged and can only be approved by the City Manager. He noted that the City Manager is not involved in the TRC (Technical Review Committee) process and is very busy so he believes the best course of action is to allow the TRC to review on a case-by-case basis to determine when a master meter might be the best use. He stated that he could not say why it was discouraged in the past and it was not something pushed by the Public Services Superintendent or Engineering at the time.

Beck reviewed the reasons provided to allow master meters, including that it can make it cheaper on both the apartment complex because you have to bring 30-40 service lines down, etc. In fact, he said, it costs the City more because we don't charge for small meters (5/8, 3/4 meters), only large meters, and with large meters, we can calibrate them every year instead of replacing them. It is too costly to calibrate small meters and so they are replaced. A large meter instead of 500 small meters appears to be a logical choice, he said, and is something that has been done for years now in larger municipalities. As the City sees more development, he said he would hope the Council will consider it for Reidsville for the future. He stressed that single-family or residential homes would not be changing and would be 3/4 meters. This would affect apartment complexes, malls, etc., he explained, facilities that have a single owner but many uses. City staff will maintain everything from the line to the meter, and the property owner would be responsible for whatever is behind that meter and on private property, Beck said.

Councilwoman Walker said that she felt Mr. Beck hit the nail on the head when he said it would save the City of Reidsville some money. She thanked him for that information. Councilmember Scoble agreed, noting especially with the growth we are expecting to come our way and the need to plan for it.

**Councilman Hairston made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote, to amend the City Ordinance to allow the Public Works Director to approve master meters where common ownership is present such as apartment complexes, shopping centers, office parks and other similar situations.**

The Ordinance Amendment as approved follows:



**AMENDING THE CITY OF REIDSVILLE CODE OF ORDINANCES**

**AN ORDINANCE AMENDING  
CHAPTER 10, MUNICIPAL UTILITIES AND SERVICES  
SECTION 10-31 - Use of Master Meters**

**BE IT ORDAINED** by the City Council of the City of Reidsville, North Carolina, that the City of Reidsville Code of Ordinances be amended as follows:

**Part. I. That Chapter 10, Section 10-31. Use of master meters,** *It is the policy of the city to discourage the use of master meters for water and sewer service. However, in cases where the city manager determines it to be in the best interest of the city to allow the installation of a master meter for such services, the following conditions will be applicable:* is hereby repealed and rewritten in its entirety as follows:

*Separate habitable buildings, houses, mobile homes, apartments, dwelling units, businesses, or offices shall be separately and independently metered unless the Director of Public Works approves a master meter.*

*The Director of Public Works may consider approval of a master meter where there is common ownership as to a single tract such as condominiums under management of a home-owners association, apartment developments, hotels, motels, office parks, mobile home parks, shopping centers, storage buildings, and shopping malls.*

*The following applies to master metering:*

**Part II.** This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

**ADOPTED** this the 8<sup>th</sup> day of August, 2023, by the City Council of the City of Reidsville, North Carolina.

/s/ \_\_\_\_\_  
Donald L. Gorham, Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, City Clerk, CMC/NCCMC

**CONSIDERATION OF CAPITAL IMPROVEMENT PLAN RECOMMENDATION OF  
ENGINEER AND AWARDING OF CONTRACT TO MCGILL ASSOCIATES.**

In making the staff report, Public Works Director Josh Beck reviewed his August 8, 2023 memo, which follows:

## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** Capital Improvement Plan Recommendation of Engineer & Award of Contract  
**DATE:** August 8, 2023

As discussed during our 2023 retreat, the City of Reidsville desperately needs to develop a Capital Improvement Plan (CIP) to assist with the long-range planning and financial needs to properly maintain our water distribution system, sewer collection system and street infrastructure. Having a CIP adopted by City Council is a requirement for our distribution and collections permits but also gives the City additional points on grant applications. The goals and objectives of the CIP are included in the attached memo.

A Request for Qualifications (RFQ) was published and distributed on June 1, 2023 with a Statement of Qualification (SOQ) being returned to the City no later than 5:00 pm on June 30, 2023. Since then, City staff has reviewed the response from McGill Associates and held a pre-proposal meeting to further define the objectives outlined in the RFQ so that a proposal can be provided.

### Request:

McGill Associates has extensive knowledge of the City's infrastructure gained through recent projects such as the WTP Powdered Activated Carbon Project, WWTP BNR Project, WWTP Headworks Project, and the Redundant Water Line Project. For this reason and their previous experiences listed in the SOQ, City staff recommends we select McGill Associates for the Capital Improvement Project and award them the requested contract in the amount of \$119,100. *(END OF MEMO) (THE GOALS AND OBJECTIVES MEMO DATED JANUARY 31, 2023 IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)*

Public Works Director Beck said this item had also been talked about and has been a goal for a while. He noted that in his interview process with Manager Woodard, he asked if the City had a Capital Improvements Plan (CIP). He discussed examples of all of the data that has been compiled across various projects by different companies/engineers. However, he said no one got in a room and pulled all of these together, looking at the funding opportunities we have and make sure we are using that money appropriately. This process would help make sure we don't pave a street one year and the next tear it up to do water and sewer. Beck said the goal is to come up with a 10-year long-term plan, which says this is the direction we should head into and this is our most critical needs, etc. They would also work with Chris (Phillips, Finance Director) and staff to determine what those needs are, he stated, and the costs associated with them to pave a pathway forward. That way, if something happens to him, going forward someone still knows what the plans are over the next 10 years, Beck said.

The Public Works Director acknowledged that priorities can change and nothing is set in stone. Sometimes it makes sense to delay a project and put several together, he said, because you get better mobilization costs for a bigger project. He said he is sure everyone's CIP destroyed by COVID so there is always flexibility.

Again, the goal is to have the design firm to present to Council at its next Retreat so staff has sent out an RFQ for engineering firms to look at, he said. Staff has reviewed those and asked for the cost of that scope of work, and they received back a proposal of \$119,100.

Beck said he is recommending that Council award the firm, McGill Associates, for the CIP in the requested amount of \$119,100.

Mayor Gorham said he liked that we will have a road to travel and if we need to stop and make adjustments on the way, we can. At least we have a game plan, the Mayor stated. Beck agreed. The Public Works Director said once the Council sees the plan at the Retreat, they can make changes as needed before it is officially in stone.

Mayor Gorham asked if there was a motion for the CIP and awarding the contract to McGill Associates for \$119,100?

**Councilwoman DeJournette made the motion, seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote, to award the contract to McGill Associates for the Capital Improvement Project and award them the requested contract in the amount of \$119,100. (A COPY OF THE CONTRACT PROPOSAL IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)**

**CONSIDERATION OF ADDING SETTLE STREET TO DOWNTOWN STREETSCAPE PROJECT AND ACCOMPANYING STREETSCAPE CAPITAL PROJECT ORDINANCE AMENDMENT AND GRANT SPECIAL REVENUE ORDINANCE AMENDMENT.**

In making the staff report, Public Works Director Josh Beck reviewed his August 8, 2023 memo, which follows:

**MEMORANDUM**

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** Settle Street Improvement Project  
**DATE:** August 8, 2023

Since fall 2022, City staff have been working with the property owners along the 200 block of Settle Street on the deteriorated conditions of the awnings encroaching into the City's right of way. After initial discussions informed the adjacent property owners that maintenance of the awnings was not the City's responsibility, the owners verbally agreed to allow us to remove them.

After these initial discussions, the property owners asked about the possibility of extending the Streetscape project to include Settle Street. Engineering was tasked to provide a sketch plan for the owners to review and a cost estimate for City staff. The concept provided was to match the previous design along Settle Street across from Market Square and Market Street. The property owners appeared to be onboard with the concept but did express concerns about the potential loss of parking.

At the retreat with City Council, the same sketch and the initial budget was presented. City Council agreed with the presentation and that the project would be a nice addition downtown. Mayor Gorham asked that City staff work up a hold harmless agreement since Public Works would be modifying private property.

The necessary funding for the project was not allocated during the budget process. However, since then, additional quotes have come in under those expected prices, and we have approximately \$100,000 remaining from unused contingency funds. The remaining undesignated American Rescue Plan Funds total \$132,621, slightly more than the \$120,000 estimated need. These funds could be used to complete this project. To

ensure competitive paving prices, we also plan to replace the curbing and pavement along the 200 block of Morehead Street at the same time, if approved.

Request:

City staff requests that funding in the amount of \$132,621 be provided from the American Rescue Plan Funds as a transfer to the Streetscape Project. Approval of the attached Streetscape Capital Project Amendment and American Rescue Plan Grant Special Revenue Ordinance Amendment will complete this process. Please note that this will complete the designation of the \$4,457,621 in American Rescue Plan Funds received by the City. (END OF MEMO)

Public Works Director Beck noted that this item had been discussed at the Council Retreat, but some things have changed since then. He noted that back in August/September of last year, the City was approached by a merchant on Settle Street about the hard awnings located there. Originally the request was that the City repair those, and we informed the merchant at the time that was not the City's responsibility or its structure, he told Council. The awning is an encroachment into the City's right of way, Beck said.

The Public Works Director said he then went door to door and spoke with all of the tenants he could find and invited them to City Hall to talk about the situation. He informed them that there was a certain liability on both them and the City because the structure wasn't particularly sound and in need of maintenance. It was stated at that meeting that the City would remove the awnings at no cost to the merchants, but we would need everyone to agree so he has been working with the City Attorney on such an agreement, Beck stated.

The conversation continued, and at this point, the Streetscape project was probably around halfway completed, the Public Works Director noted. The merchants appeared to like the progress and what they saw so the conversation morphed into can the Streetscape continue down Settle Street? At the Council Retreat, Beck presented the costs of going down Settle, but there was no budget to do it at the time.

So, what has changed, he asked. Now the Streetscape is complete, and we have roughly \$100,000 remaining, Beck said. Since the initial budget, we have been able to refine actual cost estimates, etc., which brought the overall construction costs down, Beck explained. Estimates are it will take \$220,000 to do the Settle Street work, which is renovating completely the 200 block, and adds pole lights to both the 100 and 200 blocks, the Public Works Director continued.

While doing this, he said we felt it was a good time to do some boring and get direct fiber connection to Market Square. The \$220,000 estimate accomplishes all of those, he stated. Going from wireless to fiber connection at Market Square would be a huge benefit, and one that the merchants in that section are in favor of, he added.

Beck said we had comments about parking, but he believes those have been addressed. With Council approval tonight, they would start getting the surveying and true engineering drawings done and move forward with that project, he stated. He added that we would go through the same communication process in order to be transparent about this the entire way. He said they would continue to keep the merchants "in the loop" on the project.

Beck reiterated that tonight the request before Council is to proceed with the project, utilizing the \$100,000 sitting in the old Streetscape fund with only one light pole still left to set on Scales. After talking with Finance Director Chris Phillips, the Public Works Director said that there is \$132,621 remaining in the ARP (American Rescue Plan) funds. This is a little more than he is asking for, but the thought process was to move all of that into the old Streetscape budget line item, which will allow us to proceed forward with this project, Beck said.

The Public Works Director noted that there had been some concerns about the size of the bump-outs on Scales Street. The bump-outs on Settle would mimic those smaller half circle bump-outs on the other end of Settle adjacent to Market Square, he explained, thereby, looking like a continuation of Settle and Market streets. He said he thinks it will be a nice addition, and the removal of the awnings will greatly improve that street and finish out a transformation of downtown.

In response to a question from Mayor Gorham, Beck said he and the City Attorney have been working on a hold harmless agreement to give to each property owner to sign. If we break a storefront window while removing the awnings, we will fix that, he stressed, but we are being very transparent with merchants that when the screws, etc. are removed, there is a chance that holes will be left that water can come into, etc. That is the responsibility of the property owner to resolve, he said, adding that there are some grants available for façade improvements downtown. He said they are connecting them with Main Street Manager Robin Yount about those grant possibilities, including those for people who want to made improvements to their buildings during this process.

Councilman Festerman asked if Beck knew how many businesses there are in those blocks? The Public Works Director said perhaps 8-9, but he wasn't sure. He also added that they are already in the works with Michael Dennis at the antiques store and Perry Savas with Dirty Laundry, who are doing improvements currently to their buildings. At the request of Mr. Savas, they had removed the old driveway aprons on Scales, which created two additional parking spaces there. He has also asked them to remove the driveway apron on Settle, Beck said. We expect to gain parking spaces on Settle as well, he added.

Councilman Festerman asked what would happen if a merchant didn't sign the hold harmless agreement? Beck said we would have to work with the City Attorney on that. The Public Works Director said there is still a certain amount of liability on the part of the City because we are allowing the awnings in our right of way so both the property owner and the City could be sued. In the meetings with merchants, he said he has not seen resistance to that, especially when we pushed it back on the property owners that they are responsible for maintenance, etc. Everybody seemed on board at the meetings, he said.

Councilman Festerman asked if it was about \$1,000 to remove the awnings? Beck said staff time is not factored into this, but there is a cost for disposal of the awnings, etc. The Public Works Director said one merchant has said he would like the materials.

The Mayor asked for a motion on the Capital Project Ordinance?

**Councilmember Scoble said, "so moved," which was seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote.**

The CPO as approved follows:

**STREETSCAPE  
CAPITAL PROJECT ORDINANCE AMENDMENT**

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

**WHEREAS**, the Mayor and the City Council of the City of Reidsville established a Streetscape Capital Project Ordinance on May 10, 2022; and

**WHEREAS**, it is the desire of the Mayor and the City Council of the City of Reidsville to amend appropriated funds and accounts for streetscape improvements in the City's down town to be funded by additional American Rescue Plan (ARP) funds and to allocate contingency funds for use;

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

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

47-3988-0013	Transfer from ARP Fund	\$	132,621
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Section 2. The following line items of expenditures are hereby established:

47-7120-5800	Construction	\$	132,621
47-7120-5800	Construction	\$	242,000
47-7120-9911	Contingency(REduced)	\$	(242,000)

Section 3. The City Manager and Finance Director are hereby granted all necessary authority to carry out this project, including the approval of payment requests as earned under approved contracts, to approve change orders in each contract as long as said change orders amount to less than \$25,000 each, to transfer funds from the established Contingency Fund to cover such change orders and cost overruns. The Finance Director is authorized to make temporary loans to this capital project from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 8<sup>th</sup> day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

The Mayor asked if there was a motion on the Grant Special Revenue Ordinance Amendment?

Councilwoman DeJournette made the motion, “so moved,” seconded by Councilmember Scoble and unanimously approved by Council in a 6-0 vote.

The Grant Special Revenue Ordinance Amendment as approved follows:

## **GRANT SPECIAL REVENUE ORDINANCE AMENDMENT**

### **AMERICAN RESCUE PLAN**

**WHEREAS**, North Carolina General Statute 159-26(b)(2) requires the establishment of a Special Revenue Fund to account for expenses and revenues that are grant funded; and

**WHEREAS**, the Mayor and the City Council of the City of Reidsville established a grant fund for the American Rescue Plan funding; and

**WHEREAS**, the Mayor and the City Council of the City of Reidsville desire to amend the grant fund to allocate funding for the Streetscape Capital Project;

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

Section 1. The following expenditure accounts are hereby established/amended:

13-9800-0001	Transfer to Streetscape Capital Project	\$	132,621
13-9999-0000	Contingency(REduced)	(\$	132,621)

Section 2. The City Manager is hereby granted all necessary authority to carry out the use of these funds. The Finance Director is authorized to make temporary loans to this grant project fund from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 8th day of August, 2023

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

**CONSIDERATION OF UPDATED PLANS FOR USE OF AMERICAN RESCUE PLAN FUNDING AND ACCOMPANYING GRANT SPECIAL REVENUE ORDINANCE AMENDMENT. (ENCLOSURE #11) - CHRIS PHILLIPS, ASSISTANT CITY MANAGER OF ADMINISTRATION/FINANCE DIRECTOR**

In making the staff report, Assistant City Manager of Administration/Finance Director Chris Phillips reviewed his July 28, 2023 memo, which follows:

**AMERICAN RESCUE PLAN FUNDS UPDATE**

**To: Summer Woodard, City Manager**  
**From: Chris Phillips, Assistant City Manager of Administration**  
**Date: July 28, 23023**

The City of Reidsville has received \$4,457,621 in American Rescue Plan (ARP) funds. During the 2022 City Council retreat, a commitment was made to use these funds on long range projects that would be beneficial to all citizens.

The US Treasury initiated a standard allowance of up to \$10million for revenue replacement. The City elected to report the entire ARP amount received as revenue replacement. This decision allowed the funds to be used for almost any government expenditure. In July of 2022, the US Treasury exempted revenue replacement expenditures from some of the Uniform Guidance procurement rules. This change has made it easier to use the ARP funds for various projects. The State procurement rules, which the City uses for all purchases, does apply to use of these funds.

Below is an updated plan of use for those funds:

Project	Estimated Budget				
	July 2022	Nov 2022	Feb 2023	July 2023	Aug 2023
Streetscape Project	\$ 1,452,000	\$ 1,452,000	\$ 1,452,000	\$ 1,452,000	\$ 1,584,621
Splashpad	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
All Inclusive Park	\$ 300,000	\$ 485,000	\$ 485,000	\$ 485,000	\$ 485,000
Restrooms at All Inclusive Park	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Penn House	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Depot Shelter	\$ 300,000	\$ 300,000	\$ 300,000	\$ 500,000	\$ 500,000
SKAT Bus Shelters	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Community Stadium	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Jaycee Park Tennis Courts	\$ -	\$ -	\$ -	\$ 113,000	\$ 113,000
Undesignated	\$ 655,621	\$ 470,621	\$ 445,621	\$ 132,621	\$ -

The newest allocation was to use the undesignated funds to expand the Streetscape Project to include Settle Street; this action completed the designation of the funds. A portion of the designations above for the All Inclusive Park were not processed with ordinance amendments due to the timing of the project. A final Special Revenue Fund Ordinance Amendment and a Budget Ordinance Amendment are attached to complete the budget items needed for those transfers. *(END OF MEMO)*

Assistant City Manager Phillips noted that the previous action by Council on the Streetscape took the remaining ARP funds. His memo lists the 10 projects which we have done with the ARP funding, a couple of which are still in process, he said. Phillips added that there is the possibility of some savings where we could expand again like Mr. Beck just explained. For now, though we have allocated all of our dollars, he stated, which had to be done by the end of 2024 and spent by the end of 2026.

One of the first projects was the All-Inclusive Park, he said, but not knowing how all of this would work, we didn't do the budget action to move the money from the ARP Special Revenue Fund over to the General Fund where it would be spent. Therefore, he said he was asking for Council to approve the Grant Special Revenue Ordinance Amendment and the Budget Ordinance Amendment, which moves the \$400,000, which was committed to the park.

Mayor Gorham asked if there was a motion for the Grant Special revenue Ordinance Amendment for the American Rescue Plan?



**Councilman Hairston made the motion, “so moved,” seconded by Councilwoman Walker and unanimously approved by Council in a 6-0 vote.**

The Grant Special Revenue Ordinance Amendment as approved follows:

**GRANT SPECIAL REVENUE ORDINANCE AMENDMENT**

**AMERICAN RESCUE PLAN**

**WHEREAS**, North Carolina General Statute 159-26(b)(2) requires the establishment of a Special Revenue Fund to account for expenses and revenues that are grant funded; and

**WHEREAS**, the Mayor and the City Council of the City of Reidsville established a grant fund for the American Rescue Plan funding; and

**WHEREAS**, the Mayor and the City Council of the City of Reidsville desire to amend the grant fund to allocate funding for the All Inclusive Playground Project (completed in the General Fund);

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

Section 1. The following expenditure accounts are hereby established/amended:

13-9800-0003	Transfer to Playground (General Fund)	\$ 400,000
13-9999-0000	Contingency(REDCUED)	(\$ 400,000)

Section 2. The City Manager is hereby granted all necessary authority to carry out the use of these funds. The Finance Director is authorized to make temporary loans to this grant project fund from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 8th day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk

**Councilmember Scoble then made the motion, “so moved”, seconded by Councilman Hairston and unanimously approved by Council in a 6-0 vote, to approve Budget Ordinance Amendment No. 4.**

The Budget Ordinance Amendment 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 13, 2023 which established revenues and authorized expenditures for fiscal year 2023-2024; and

**WHEREAS**, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to transfer Sewer reserve funds to the Headworks Capital Project Fund;

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 13, 2023 is hereby amended as follows;

**Section 1.** That revenue account number 10-3441-0100, American Rescue Plan Funds, be increased by \$400,000.00.

**Section 2.** That expense account number 10-4930-5800, Community Capital Improvements, be increased by \$400,000.00.

This the 8th day of August, 2023.

/s/ \_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
Clerk

**BOARD & COMMISSION APPOINTMENTS:**

City Manager Summer Woodard distributed the ballots for the August Board & Commission appointments. City Clerk Angela Stadler reminded Council members that the ordinance amendment approved as part of the Consent Agenda does allow the college student to remain in one of the two student positions on the Human Relations Commission, thereby, freeing up three adult position positions on that board.

**PUBLIC COMMENTS.**

No one came forward for public comments.

**CITY MANAGER'S REPORT:**

**MONTH OF AUGUST.**

Due to the length of the meeting, the City Manager said she would be brief. She pointed out that her report was mainly updates, and she highlighted three items: changes to the travel policy; congratulations to the Luckies for a successful season and a thank you to Justin Dill; and an update on the economic development director search.

**Date:** July 31, 2023  
**To:** Mayor Donald Gorham  
City Council Members  
**From:** Summer Woodard, City Manager  
**Subject:** City Manager's Monthly Report

## Projects & City Updates:

- **The Sesquicentennial Celebrations** - The month of August will include an Open House at the Reidsville Teen Center on Thursday, August 10, from 4:00 p.m. to 7:00 p.m.; an Open House at the Governor Reid House on Sunday, August 13, from 2:00 p.m. to 5:00 p.m. and on Saturday, August 19, at 7:00 p.m. our Summer Concert series will be at Market Square and feature music by 8 Track Minds.
- **JC Park Tennis Courts** - Both contractors have been informed that their bids have been accepted and approved by City Council. Currently, they are waiting for us to finish the grant submittal process before they can get started. We initially thought we could get the work done and submit the grant concurrently, but USTA informed us that they need to see the current shape of the courts to determine the level of need. In regards to the Grant Submittal process, the City has submitted the winning contractors' cost of the project(bids) and pictures of the current shape of all four (4) tennis courts to the USTA (United States Tennis Association). Also, our City Engineer Steven Moran is finishing up the drainage report, which also has to be submitted as a part of the grant process. When the drainage report is done, we will submit it to USTA so they can do an onsite assessment report for qualification. After their assessment, we can start work while we wait to see if we are approved for the grant.
- **Family Forward Application** - The application has been submitted and is under review.
- **Sister Cities** -The committee has been formed. The application will be completed by September City Council meeting
- **Splash Pad** - Since the start of the project, the contractor has obtained the final grades and necessary compaction for both the buildings and the splashpad itself. Footings were inspected and poured the week of 7/23. Masonry, underground electrical and plumbing are scheduled for the week of 7/31. L Squared, the splashpad installer, is planning to be onsite the week of 8/7 to begin running all the necessary underground piping from the mechanical room to the splashpad features. During the month of August, the contractor hopes to complete the building walls, roofing structure and concrete poured for the splashpad.
- **Pecan Road** - This project was completed last week.
- **Penn House Building Project** - Over the past month, the contractors have installed the roofing structure and shingles. The initial brickwork is completed as well as all necessary interior and soffit framing. Electrical and plumbing rough-ins are getting close to completion. Over the next month, the contractor should finalize all electrical, plumbing, and mechanical rough-ins. Insulation should be completed and drywall will begin. On the exterior, the contractor hopes to complete the EIFS, install the windows and doors as well as paint the facade.
- **Lunch and Learn Event** – The Manager Lunch and Learns are a listening series for our Teammates to have the opportunity to engage with the City Manager and Assistant City Managers on topics that relate to local government. Each series is held from 12:00 p.m. to 1:00 p.m. and includes a local government topic, audience participation and lunch. This month's Lunch and Learn was held on Tuesday, July 25<sup>th</sup>, at the Reidsville Police Department Training Room, and our topic was Classification, Compensation and Compression. All employees are invited and encouraged to attend all series at each location. Please see information on this topic in your agenda packet under the Miscellaneous tab.
- **The City of Reidsville Travel Policy** - The travel policy was last updated on January 1, 2011. Administration has evaluated and modified this policy to reflect current travel costs associated

with food and meal reimbursements. Please see the attachment in your agenda packets behind the Miscellaneous tab.

- **Reidsville Luckies** - The Luckies had a very successful season. A special thank you all City employees and departments that assisted with this year's season. Also, a special thank you to General Manager Justin Dills for all he did this season.
- **Update from Mac Williams – Executive Search, Reidsville Economic Development Director.** SHEDC is pleased to be working with the City of Reidsville on several economic development projects. Soon after retaining SHEDC services for bridge management (filling “the gap” between the departure of the former director and the hiring of a new one), the City then retained SHEDC to conduct the executive search for the new, permanent, full-time economic development director.

Upon further discussion between SHEDC and City leadership, it was agreed that the development of a strategic economic development action plan (SEDAP) for the City would help assist the executive search. This is because part of the process for a SEDAP is a series of interviews with local leadership about the challenges and opportunities unique to Reidsville. This input will help to better inform what kind of individual would, ultimately, be a good fit for the City position. Thus, there is some overlap between the SEDAP process and the executive search. The process to identify, approve, contact, and schedule the interviews and focus groups began in June and should be finished by the end of August. A recommended job description has been developed and the City budget for the position has been approved. SHEDC will post the job in August and begin the search process. Meanwhile, the SEDAP will be completed by the end of September and, hopefully, approved in October.

#### **Events/Meetings Attended:**

- 7/10 - Meeting with WithersRavenel & Triangle Grading about Diesel Drive Project and met with Piedmont Triad Regional Council (PTRC)
- 7/11 - City Council Meeting
- 7/12 - Management Team monthly meeting.
- 7/13 - Met with Mary Needham, Regional Director for the NC Dept. of Insurance
- 7/14 - Guest on Reidsville Chamber of Commerce News and Views
- 7/15 - Attended the Concert at Market Square “Cat 5 Band”
- 7/18 - Attended annual training and the open house at the Fire Dept.
- 7/19 - Attended Planning Board meeting
- 7/20 - Attended ABC Store meeting and Battle of the Cup
- 7/24 - Meeting with WithersRavenel & Triangle Grading.
- 7/25 - Lunch and Learn Meeting
- 7/26 - Meetings with City Council Members
- 7/27 - Visited the Water Treatment Plant and Wastewater Treatment Plant (*END OF REPORT*)

#### **COUNCIL MEMBERS' REPORTS.**

**Mayor Pro Tem Brown** – Mayor Gorham reported that Mayor Pro Tem Brown had a death in his family, which was why he wasn't here today. His sister passed away, and the Mayor asked everyone to keep the Mayor Pro Tem's family in their prayers.

**Councilwoman DeJournette** – Councilwoman DeJournette reported attending the following events: 7/6, Meeting on Affecting Senior Issues; 7/7, Downtown Friday; 7/11, City Council Meeting; 7/17-7/20, she was out of town; and 7/26, meeting at City Hall.

At this time, Reidsville Chamber of Commerce President Diane Sawyer was asked to come forward and give the Chamber report, which follows:

- 30<sup>th</sup> Annual Golf FORE Reidsville Tournament, Greensboro National Golf Club on August 16, 2023
- Concert on the Square – *8 Track Minds* on August 19, 2023, 7-9 p.m.
- Leadership Rockingham Begins, Rockingham Community College on September 13, 2023, 8 a.m.
- Reidsville Chamber Business Expo/Job Fair, Reidsville Christian Church, 2020 South Park Drive on October 26, 2023
- Upcoming Ribbon Cutting at Jersey Mikes' Grand Opening, 1560-I Freeway Drive on August 23, 2023
- New Members: Home Health Care Hub; M & G Electrical and William Martin (Individual)
- September Coffee and Connections will be held on September 7, 2023 and hosted by United Way of Rockingham County at Reidsville Family YMCA from 9-10 a.m.

**Councilmember Scoble** – Councilmember Scoble reported attending the following: 7/13, Kiwanis Club of Reidsville, 7/14, Bob Mullings Funeral; 7/15, Market Square – *Cat 5* Band; 7/18, Camp Carefree Cookout; 7/20, Kiwanis Club of Reidsville; 7/25, RDC Board Meeting; 7/26, Two-on-Two at City Hall; 7/26, All-Inclusive Park Cook Out with RPD; 7/29, Lucky City Brewery Membership Meeting at RCC; 8/1, National Night Out; 8/2, Fresenius Kidney Care ribbon cutting; 8/3, Chamber Coffee, 1<sup>st</sup> National Bank; 8/3, Kiwanis Club of Reidsville; 8/3, Unified Development Ordinance Meeting; 8/4, Lucky City Brewery Board Meeting; 8/4, Downtown Block Party; and 8/7, County Commissioners Meeting at Eden City Hall online.

**Councilwoman Walker** – Councilwoman Walker attended the following events: 7/5, Market Square Concert with band, *Cat 5*; 7/20, ABC Board meeting; 7/20, Battle for the City Cup @ Jaycee Park, which she discussed in greater detail; 7/26, Two-on-Two Meeting at City Hall, 7/26, Hot Dog with a Cop; 8/1, National Night Out; 8/2, Ribbon Cutting (Fresenius Kidney Care); 8/3, Special Council Meeting; and 8/3, Rockingham County Economic Development Annual Meeting.

**Councilman Hairston** – Councilman Hairston attended the following: 7/13, Zoom Meeting with District A Concerned Citizens; 7/13, the Chamber Ice Cream Social; 7/13, Rockingham NAACP Monthly Meeting; 8/1, National Night Out and McLaurin Community Watch; 8/3, Special Council Meeting; and 8/3, NC Democracy Common Cause meeting at RCC.

**Councilman Festerman** – Councilman Festerman asked about the classification study of the Police Department and whether it includes the Police Chief. Manager Woodard responded that the Police Chief is done separately as part of Management Team in the “All Other” category. He thanked her for the clarification.

**Mayor Gorham** - Mayor Gorham attended the following events: 7/12, Meeting with PTRC, WithersRavenel regarding Lucky City; 7/12, Visited All-Inclusive Park; 7/13, Kiwanis Club meeting; 7/13, Met with the Insurance Commission; 7/13, Chamber Ice Cream Social; 7/13, Met with Barbara DeJournette concerning parking; 7/14, Bob Mullings' Funeral; 7/15, Music at the Square; 7/16, Pastor

Lenard Jones' Installation Service; 7/17, Met with Hank Henning of Duke Energy; 7/18, Open House at Fire Station #1; 7/19, Planning Board Meeting, 7/20, Employees Cup Competition; 7/21, Attended Johnson & King Family Reunion where he was honored for his service to the Reidsville Community as the First Black Mayor; 7/23, presented a proclamation to the Kissee & Courts Family; 7/26, Attended Hot Dogs with the PD at the All-Inclusive Park; 7/27, Kiwanis Club meeting; 7/29, Attended the Reidsville Basketball Gala; 8/1, Griggs V. Duke Power Program; 8/3, Annual Economic Development Meeting; 8/3, Special Council Meeting; and 8/4, First Friday Downtown.

**MOVE TO THE FIRST-FLOOR CONFERENCE ROOM FOR A CLOSED SESSION TO CONSULT WITH THE ATTORNEY PURSUANT TO NCGS 143-318.11(A)(3)**

Mayor Gorham noted the need to go into closed session to consult with the City Attorney to preserve the attorney-client privilege under NCGS 143-318.1(a)(3).

**Councilwoman DeJournette made the motion, seconded by Councilmember Scoble and unanimously approved by Council in a 6-0 vote, to go into closed session at approximately 8:30 p.m.**

Mayor Gorham said the Council will not be coming out of closed session with any announcements.

**ANNOUNCEMENT OF BOARD & COMMISSION APPOINTMENTS.**

Before going into closed session, City Clerk Angela Stadler announced the unanimous appointments to the following boards and commissions: Matthew Williams of 312 Gilmer Street, Reidsville, to the Reidsville Appearance Commission; and Daunte Carter of 105 N. Franklin St., Apt. A, Reidsville, and Ashton McLaurin of 3230 Wentworth St., Reidsville, to the Reidsville Human Relations Commission. *(A COPY OF THE BALLOTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)*

**MOTION TO ADJOURN.**

Upon return to open session, Councilwoman DeJournette then made the motion "so moved", seconded by Councilmember Scoble and unanimously approved by Council in a 5-0 vote, to adjourn at approximately 9:45 p.m. *(Councilman Festerman left during the closed session before the vote to adjourn was taken.)*

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Donald L. Gorham, Mayor

ATTEST:

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Angela G. Stadler, CMC/NCCMC, City Clerk

**MINUTES OF THE OPEN SESSION  
OF THE REIDSVILLE CITY COUNCIL  
HELD THURSDAY, AUGUST 17, 2023 @ 5:30 P.M.  
COUNCIL CHAMBERS &  
FIRST-FLOOR CONFERENCE ROOM**

**CITY COUNCIL MEMBERS PRESENT:** Mayor Donald L. Gorham  
Mayor Pro Tem Harry L. Brown  
Councilman James K. Festerman  
Councilwoman Barbara DeJournette  
Councilman William Hairston  
Councilmember Terresia Scoble  
Councilwoman Sherri G. Walker

**COUNCIL MEMBERS ABSENT:** NONE

**CITY STAFF PRESENT:** Summer Woodard, City Manager  
William F. McLeod Jr., City Attorney  
Angela G. Stadler, CMC, City Clerk  
Chris Phillips, Assistant City Manager of  
Administration

Mayor Gorham opened the special meeting of Council and asked for a motion to go into closed session to discuss economic development pursuant to NCGS 143-318.11(a)(4).

**MOTION TO GO INTO CLOSED SESSION.**

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

Council members then moved to the first-floor conference room for the closed session.

**MOTION TO ADJOURN.**

**Upon return to open session in Council Chambers, Councilmember Scoble made the motion, seconded by Councilwoman DeJournette and unanimously approved by Council in a 7-0 vote, to adjourn at approximately 5:54 p.m.**

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Donald L. Gorham, Mayor

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Angela G. Stadler, CMC/NCCMC, City Clerk



# THE CITY OF Reidsville NORTH CAROLINA

## Reidsville Downtown Corporation – Donations

**TO: Summer Woodard, City Manager**  
**From: Chris Phillips, Assistant City Manager/Finance Director**  
**Date: August 29, 2023**

In partnership with the City of Reidsville, the RDC will sometimes be involved in projects due to their 501(c)3 status. The Reidsville Rotary can only give contributions to a 501(c)3, so their participation in the park project was with the RDC as a conduit. Rotary contributed \$20,000 in June of 2023 and will contribute another \$20,000 amount in June of 2024. The attached budget ordinance amendment allows those funds to be moved from the RDC Fund 15 to the General Fund. The RDC approved this transaction at their August 29, 2023 board meeting.

In addition, a couple of years ago, private donation of \$5,000 was given to the RDC for a project that did not happen. The donor has requested the RDC to pass those funds along to a different charity. The RDC agreed to make this transfer at their August 29, 2023 board meeting. The attached budget ordinance amendment includes this transaction as well.

Please have the City Council approve the attached budget ordinance amendment for these items.

Thank you for your consideration.

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Finance Department  
Chris Phillips, Finance Director  
[cphillips@ci.reidsville.nc.us](mailto:cphillips@ci.reidsville.nc.us)

230 West Morehead St.  
Reidsville, NC 27320  
(336) 349-1055 (phone)  
(336) 349-1005 (fax)



**BUDGET ORDINANCE AMENDMENT NO. 5**

**WHEREAS**, the Mayor and City Council of the City of Reidsville adopted a budget ordinance on June 13, 2023 which established revenues and authorized expenditures for fiscal year 2023-2024; and

**WHEREAS**, since the time of the adoption of said ordinance, it has become necessary to make certain changes in the City's budget to transfer donations received by the RDC for intended uses;

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and City Council of the City of Reidsville that the budget ordinance as adopted on June 13, 2023 is hereby amended as follows;

**Section 1.** That revenue account number 15-3991-0000, RDC Fund Balance, be increased by \$25,000.00; that revenue account number 15-3493-7000, RDC Contributions, be increased by \$20,000.00;

**Section 2.** That expense account number 15-4930-5800, Grants, be increased by \$45,000.00.

This the 12th day of September, 2023.

\_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

\_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk



The City of  
**Reidsville**

North Carolina

Department of Planning & Community Development

230 W. Morehead Street, Reidsville, NC 27320 Ph. (336)-349-1065

Planning@reidsvillenc.gov

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**MEMORANDUM**

**TO:** The Honorable Mayor Gorham, Members of the Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Drew Bigelow, City Planner I  
**DATE:** August 30, 2023  
**RE:** Text Amendment T 2023-10

The City has been petitioned by Perry Savas to amend Article V, Section 4 "Table of Area, Yard, Height Requirements" to reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from forty (40) feet to thirty (30) feet. Staff has evaluated the front yard setback requirements for other municipalities around the Triad and found the standard to be between twenty (40) and thirty (30) feet, therefore we view the proposed text amendment is reasonable.

There is a considerable need for new housing in Reidsville. The Reidsville Land Development Plan describes Goal #3, the need for expanded housing. This text amendment aligns with Goal #3 by providing flexibility in development regulation, and assists in addressing the need for a more varied housing stock. There is also an ongoing movement at the national level of City Planners to move away from large lot zoning with extensive setbacks. This amendment will aid in the expansion of the housing stock by relaxing the front yard setback requirement for single units in RA-20, and creating housing options that are attractive to both developers and residents.

The Planning Staff recommend adoption of the proposed text amendment.

**Planning Board Recommendation:**

The Planning Board unanimously recommended the text amendment be approved.

Enclosure



# City of Reidsville, North Carolina

Department of Community Development  
230 West Morehead Street  
Reidsville, NC 27320  
336-349-1065

## APPLICATION FOR ZONING TEXT CHANGE

**\*Must be submitted by email to [communitydevelopment@ci.reidsville.nc.us](mailto:communitydevelopment@ci.reidsville.nc.us) or mail (address above)\***

Date Submitted: 6/29/2023 Application No.: T 2023-10 (Office Use)

(1) Applicant Information

Name PERRY SAUAS

Address 607 COUNTRY CLUB DR

Daytime Telephone No. 336-314-3161

(2) Applicable Section of the Zoning Ordinance ARTICLE V, SEC 2

TABLE OF ~~PERMITTED~~ AREA, YARD AND HEIGHT

(3) Existing wording in text RA-20 SINGLE UNIT FRONT

YARD DEPTH IN FEET 40.

(4) Requested wording in text RA-20 SINGLE UNIT FRONT

YARD DEPTH IN FEET 30.

(5) Reason for requested change LOOKING TO BUILD CLOSER TO

ROADS TO MAINTAIN MORE NATURAL SPACE IN BALLYARD

I hereby request the Reidsville Planning Board consider this application for a change to the Zoning Text and make a recommendation to City Council.

  
\_\_\_\_\_  
Signature of Applicant



The City of  
**Reidsville**

North Carolina

Department of Planning & Community Development

230 W. Morehead Street, Reidsville, NC 27320 Ph. (336)-349-1065

Planning@reidsvillenc.gov

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**ZONING ORDINANCE TEXT AMENDMENT REPORT**

**DOCKET NO.:** T 2023-10

**REPORT**

**PRESENTER:** Drew Bigelow, City Planner I

**REPORT**

**CONTRIBUTOR(S):** Jason Hardin, Director of Planning & Community Development  
Drew Bigelow, City Planner I

**PETITIONER:** Perry Savas

**ARTICLE/SECTION TO BE AMENDED:** Article V, Section 4 “Table of Area, Yard, Height Requirements” Front Yard Setback Requirement for Single Units in RA-20

**REQUEST:** Reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from forty (40) feet to thirty (30) feet.

**REPORT:** The City has been petitioned by Perry Savas to amend Article V, Section 4 “Table of Area, Yard, Height Requirements” to reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from forty (40) feet to thirty (30) feet.

**ANALYSIS & RECCOMENDATION:** Currently, the Zoning Ordinance requires a front-yard setback of forty (40) feet for Single Units in Residential Agricultural-20 (RA-20). We recognize that the existing forty (40) foot front yard setback can create difficulties for some properties. Staff has evaluated the front yard setback requirements for other municipalities around the Triad and found the average front yard setback to be between forty (40) and thirty (30) feet for 20,000 square foot lots. Therefore, staff views this request to be reasonable.

Where City right-of-way is present, the required front yard setback increases further since the front yard setback begins at the point where the parcel boundary begins following the right-of-way. For example, if in RA-20 there is a 10-foot right-of way from the curb extending onto the property, the required forty (40) foot front yard depth will begin where the right-of way ends. This would create a front yard with a depth of fifty (50) foot from the curb.

AMENDING THE CITY OF REIDSVILLE ZONING ORDINANCE

AN ORDINANCE AMENDING ARTICLE V, SECTION 4 OF THE CITY OF REIDSVILLE ZONING ORDINANCE

BE IT ORDAINED by the City Council of the City of Reidsville, North Carolina, that the Zoning Ordinance of the City of Reidsville be amended as follows:

Part I. That Article V, Section 4 “Table of Area, Yard, and Height Requirements” of the Zoning Ordinance be amended to read as follows:

**Section 4: Table of Area, Yard, Height Requirements**

DISTRICT	AREA IN SQUARE FEET	FRONT YARD WIDTH IN FEET	FRONT YARD DEPTH IN FEET	REAR YARD DEPTH IN FEET	SIDE YARD WIDTH IN FEET	IN FEET	ACCESSORY BUILDINGS
<u>RA-20</u> Single Unit (i) (l)	20,000	400	40	25	15 (a) (j) (k)	35 (b)	20% of Required rear yard; 15' from rear of principal bldg; 5' from any lot line (e) (p)
<u>RA-20</u> Single Unit (i) (l)	20,000	100	30	25	15 (a) (j) (k)	35 (b)	20% of Required rear yard; 15' from rear of principal bldg; 5' from any lot line (e) (p)

Part II. This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by the City Council of the City of Reidsville, North Carolina.

\_\_\_\_\_  
DONALD L. GORHAM, MAYOR, REIDSVILLE, N.C.

\_\_\_\_\_  
Angela G. Stadler, City Clerk



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

230 W. Morehead Street • Reidsville, North Carolina 27320 • (336) 349-1030 • Fax (336) 342-3649

## NOTICE OF PUBLIC HEARING

Notice is hereby given that a meeting and public hearing will be conducted by the Reidsville City Council on Tuesday, September 12, 2023, at 6:00 P.M., in Council Chambers, City Hall, 230 West Morehead Street, Reidsville, North Carolina, to consider a Text Amendment to amend Article V, Section 4: Table of Area, Yard, Height Requirements to reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from forty (40) feet to thirty (30) feet. (T 2023-10) This petition was submitted by Perry Savas.

A copy of the proposed text amendment further describing this request is available for public inspection in the Department of Community Development, City Hall, weekdays, from 8:30 a.m. to 4:00 p.m. Should you have any specific questions about this request, please feel free to contact the Community Development Department at 336-349-1065. Interested parties will be given the opportunity to address City Council during this public hearing.

This the 27<sup>th</sup> day of August, 2023.

Angela G. Stadler, CMC/NCCMC  
City Clerk

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The City of Reidsville shares the goals of the Americans With Disabilities Act, which protects qualified individuals from discrimination on the basis of disabilities and provides for equality of opportunity in the services, programs, activities and employment of the City. Any individual with a disability who needs an interpreter or other auxiliary aids or services for this meeting may contact the City of Reidsville at 336-349-1030 (Voice). The toll-free number for Relay North Carolina is 1-800-735-2962 (TT).

**Rockingham Now Publish Dates: Sunday, August 27, 2023  
Sunday, September 3, 2023**

**Rockingham Now Classified Dept.: Bill CC (City Council)**



## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Robin Yount, Main Street and Market Square Manager  
**SUBJ:** Main Street Champion – Sept 12, 2023 Council Meeting Agenda  
**DATE:** August 9, 2023

Each year, every North Carolina Main Street community has an opportunity to nominate a “NC Main Street Champion.” This is a person or team that has had a “significant impact” on downtown Reidsville within the past year and have made extraordinary contributions to their downtown.

In recent years, the format for selecting a Champion is as follows:

- Reidsville Advisory/Reidsville Downtown Corporation board members may nominate a Champion
- Reidsville Advisory/RDC Board makes its recommendation on nomination(s) to City Council
- City Council may add nominations from the floor
- City Council votes and approves the current year’s Main Street Champion

Dav Gerrells, owner of Café 99 and Caterfest, is nominated for this year’s award by the Main Street Advisory/RDC Board of Directors. Dav opened his business in 1999 and has worked tirelessly to create a place for families and visitors to come and enjoy our downtown, have a great affordable lunch and offer amazing catering services to our community and beyond. Dav is also an investor in our downtown. He owns several buildings downtown and most recently worked directly with the Main Street Manager in offering one of his downtown locations to a new business looking to relocate to Reidsville. This business is thriving and credits Dav and his support as they continue to grow in our community. He supports downtown growth, working with the City and creating a service that draws visitors to our community. Dav has made a difference in our downtown and deserves this nomination.



The City of  
**Reidsville**

North Carolina

Department of Planning & Community Development

230 W. Morehead Street, Reidsville, NC 27320 Ph. (336)-349-1065

Planning@reidsvillenc.gov

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*Office of the Director*

**M E M O R A N D U M**

**TO:** The Honorable Mayor Gorham, Members of the  
Reidsville City Council, and Summer Woodard, City Manager  
**FROM:** Jason Hardin, Director of Planning & Community Development  
**DATE:** September 12, 2023  
**RE:** Code of Ordinances Amendment – Mobile Food Vendors, Pushcart

Staff is petitioning to amend Chapter 5, “Business Licenses, Taxes, and Regulations,” Article VIII “Mobile Food Vendors,” Section 5-252 “Mobile Food Vendors, Pushcart.” As you are aware, council codified the permitting requirements pertaining to mobile food vendors into the City Code of Ordinances. At the time, we focused mainly on amending regulations pertaining to food trucks. However, the Ordinance also addresses food pushcarts which are non-motorized. Recently we were made aware of an older provision in the code allowing food pushcarts to operate on public sidewalks in the Central Business Zoning District. As well as, an outdated line allowing pushcarts to only operate between the hours of 6am-10pm except in the Light Industrial(I-1) and Heavy Industrial (I-2) districts. These requirements should be located in the City’s development regulations rather than the permitting requirements for Mobile Food Vendors. I recommend repealing these two current provisions and further evaluating the City’s regulations regarding food pushcarts during the process of creating our new development ordinance.

Enclosures



**AN ORDINANCE AMENDING THE CITY OF REIDSVILLE CODE OF ORDINANCES: CHAPTER 5, BUSINESS LICENSES, TAXES, AND REGULATIONS, ARTICLE VIII “MOBILE FOOD VENDORS,” SECTION 5-252 “MOBILE FOOD VENDOR, PUSHCART”**

**WHEREAS**, the City of Reidsville desires to amend its regulations regarding location of Food Pushcarts.

**THEREFORE, BE IT ORDAINED BY THE REIDSVILLE CITY COUNCIL:**

That Article VII “Mobile Food Vendors” Section 5-252 Mobile Food Vendor, Pushcart be amended as follows:

- ~~18. Food pushcarts may operate between the hours of 6am and 10pm, except in I-1 and I-2 zoning districts if they are serving a post 10pm shift. (REPEALED)~~
- ~~19. Food pushcarts are only allowed on a public sidewalk within the Central Business District. (REPEALED)~~

**Adopted and Approved**, this the \_\_\_\_\_ day of September, 2023.

\_\_\_\_\_  
Donald L. Gorham, Mayor

ATTEST:

\_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk



## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** Text Amendment to the City's Ordinance – Section 10-21 - Available water and sewer lines, connection required  
**DATE:** September 12, 2023

On July 10, 2023, Governor Roy Cooper signed House Bill 628 into law. This new law revises G.S. 160A-317(a), removing City authority to force connections to water and sewer services in certain situations. Currently, our ordinance states that the owner of any proposed improvements on a subject property within the City limits and 300 linear feet from our existing water or sewer infrastructure must extend our system at their cost instead of being allowed to provide an onsite septic system or well. The revisions outlined in House Bill 628 allow the developer or homeowner to provide an onsite septic system if the cost of installing an onsite system is less expensive than the extension of our sewer system. Similarly, the law states that we cannot force the developer or homeowner to extend our water system if inadequate pressures are present.

### Request:

Staff is recommending and requesting to City Council that we revise Section 10-21- Available water and sewer lines, connection required with the provided ordinance amendments to remove any potential conflicts with recent law changes made by the State.

**AMENDING THE CITY OF REIDSVILLE CODE OF ORDINANCES**  
**AN ORDINANCE AMENDING**  
**CHAPTER 10, MUNICIPAL UTILITIES AND SERVICES**  
**SECTION 10-21 – Available Water and Sewer Lines, Connections Required**

**BE IT ORDAINED** by the City Council of the City of Reidsville, North Carolina, that the City of Reidsville Code of Ordinances be amended as follows:

**Part. I. That Chapter 10, Section 10-21. Available Water and Sewer Lines, Connections Required,** is hereby repealed and rewritten in its entirety as follows:

- (a) All owners of improved property located within the corporate limits and upon and within a distance of three hundred (300) feet, as measured from the front property line of any water line owned and operated by the city, shall connect their premises to the city water system at the property owner's expense if the city is able to provide adequate water pressure.*
- (b) All owners of improved property located within the corporate limits shall connect their premises to the city gravity sewer system at the property owner's expense if the cost in doing so is less than the cost of an onsite septic system.*
- (c) Any person who connects such person's premises to the city water system for domestic household water service may continue the use of a private well for any purpose other than domestic household water supply. There shall be no cross connection of the city water system with any private well or any other source of water supply.*
- (d) This section shall be enforced by appropriate equitable remedies, including mandatory injunction, issued by a court of competent jurisdiction, as provided by G.S. 160A-175(d) and (e).*
- (e) Owners of improved property who presently are not connected to city water or sewer lines are exempted from mandatory connection to such lines until it is determined by the health department or other competent authority that the private well or septic tank is not usable, repairable, or the cost is more than connecting to the City's water or sewer system.*
- (f) Also incorporated into this section is an explanation of its interpretation:*
  - (1) Citizens with well and septic tanks:*
    - a. May continue to use private systems;*

- b. *Must connect to water system if available within three hundred (300) feet, only if the well goes bad and adequate water pressure is available;*
- c. *Must connect to the sewer system only if the septic tank goes bad, is not repairable, or the cost to extend the sewer system is less expensive than the septic tank repairs/replacement.*
- (2) *Citizens with well and city sewer tap:*
  - a. *May continue to use private well;*
  - b. *Must connect to the water system if available within three hundred (300) feet only if the well goes bad and adequate water pressure is available.*
- (3) *Citizens with septic tank and city water tap:*
  - a. *May continue to use septic tank until it goes bad;*
  - b. *Must connect to the city sewer system only if the septic tank goes bad, is not repairable, or the cost to extend the sewer system is less expensive than the septic tank repairs/replacement.*
- (4) *Citizens with city water and city sewer:*
  - a. *Must remain on city systems;*
  - b. *Can have well if not cross-connected to city water system;*
  - c. *Cannot have septic tank.*
- (5) *No city water service will be connected to any building unless an approved method of sewage disposal is also present or connected to that property.*
- (g) *The construction and operation of water wells or well systems with a designed capacity of ten thousand (10,000) gallons per day or greater by any person who has connected his premises to the city water system pursuant to this section is prohibited.*
- (h) *All references in this section to "person," "owner," "citizens," and so forth shall be referred as required by context to the owner of improved property for which connection to the water or sewer system of the city is required hereunder, whether a natural person or other entity, and shall include singular, plural, masculine or feminine as required by context.*

**Part II.** This Ordinance shall become effective upon its adoption by the City Council of the City of Reidsville, North Carolina.

**ADOPTED** this the 12<sup>th</sup> day of September, 2023, by the City Council of the City of Reidsville, North Carolina

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Donald L. Gorham, Mayor

ATTEST:

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Angela G. Stadler, City Clerk, CMC/NCCMC

Sec. 10-21. - Available water and sewer lines, connection required.

- (a) All owners of improved property located within the corporate limits and upon and within a distance of three hundred (300) feet, as measured from the front property line of any water or sewer line owned and operated by the city, shall connect their premises with the city water or sewer system, or both, at the property owner's expense.
- (b) Any person who connects such person's premises to the city water system for domestic household water service may continue the use of a private well for any purpose other than domestic household water supply. There shall be no cross connection of the city water system with any private well or any other source of water supply.
- (c) This section shall be enforced by appropriate equitable remedies, including mandatory injunction, issued by a court of competent jurisdiction, as provided by G.S. 160A-175(d) and (e).
- (d) Owners of improved property who presently are not connected to city water/sewer lines are exempted from mandatory connection to such lines until it is determined by the health department or other competent authority that the private well or septic tank is not usable or repairable.
- (e) Also incorporated into this section is an explanation of its interpretation:
  - (1) Citizens with well and septic tank:
    - a. May continue to use private systems;
    - b. Must connect to water system if available within three hundred (300) feet, only if well goes bad;
    - c. Must connect to sewer system, if available within three hundred (300) feet, only if septic tank goes bad.
  - (2) Citizens with well and city sewer tap:
    - a. May continue to use private well;
    - b. Must connect to water system, if available within three hundred (300) feet, only if well goes bad.
  - (3) Citizens with septic tank and city water tap:
    - a. May continue to use septic tank until it goes bad;
    - b. Must connect to city sewer system, if available within three hundred (300) feet, only if septic tank goes bad.
  - (4) Citizens with city water and city sewer:
    - a. Must remain on city systems;
    - b. Can have well if not cross-connected by city water system;
    - c. Cannot have septic tank.

- (5) No city water service will be connected to any building, unless an approved method of sewage disposal is also present or connected to that property.
- (f) The construction and operation of water wells or well systems with a designed capacity of ten thousand (10,000) gallons per day or greater, by any person who has connected his premises to the city water system pursuant to this section, is prohibited.
- (g) All references in this section to "person," "owner," "citizens," and so forth shall refer as required by context to the owner of improved property for which connection to the water system of the city is required hereunder, whether a natural person or other entity, and shall include singular, plural, masculine, feminine or neuter as required by context.

(Code 1985, § 24-9; Ord. of 2-14-90; Ord. of 10-10-90; Ord. of 2-15-96)



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

230 W. Morehead Street • Reidsville, North Carolina 27320 • (336) 349-1030 • Fax (336) 342-3649

*Office of the City Manager*

August 14, 2023

North Carolina Department of Commerce  
Rural Economic Development Division  
301 North Wilmington Street  
Raleigh, NC 27699-4346

To Whom It May Concern:

The City of Reidsville is aware that Project Piper is seeking to apply for a Building Reuse Grant through North Carolina Department of Commerce towards an expansion of its operations and creation of 10 new jobs. The City of Reidsville staff will take Project Piper to the City Council for approval of the application and to commit to the required 5% local contribution up to \$3,750 at the September 12, 2023 Reidsville City Council meeting.

Thank you again for the opportunity to submit this proposal. Please know that this project has the full support from the leadership from City of Reidsville.

Sincerely,

Summer Woodard  
City Manager  
City of Reidsville



The Rural Economic Development Division, as authorized under N.C.G.S. 143B-472.127, provides grants and loans to local government units to support economic development activity that will lead to the creation of new, full-time jobs. The program gives priority to projects located in the 80 most distressed counties in the state; and resident companies as defined in N.C.G.S. 143B-472 (a) 4.

### PROGRAM CATEGORIES

**Rural Building Reuse**—Three categories of funding are available for 1) the renovation of vacant buildings, 2) the renovation or expansion of a building occupied by an existing North Carolina company wishing to expand in their current location and 3) the renovation, expansion or construction of health care facilities that will lead to the direct creation of new, full-time jobs.

**Rural Infrastructure**—Funding is available for publicly-owned infrastructure including water, sewer, electric, broadband, rail, and road improvements that will lead to the direct creation of new, full-time jobs.

### HOW TO APPLY

#### Funding Availability and Target Industry Projects

The potential funding available for each project will be assessed through analysis of the project and will be based upon the project’s location, the quantity and quality of jobs committed, the overall economic impact of the project, and at the discretion of the Rural Infrastructure Authority.

Projects that meet all the criteria below may receive the highest priority consideration:

- Located in a Tier 1 or Tier 2 county,\*
- Meet or exceed the county average annual wage,\*
- Identified as a Target Industry (see table below),
- Offer at least 50% employer-paid health insurance
- Will create a significant number of new, full-time jobs

\*Check County Tier Designations and County Average Private Sector Wages at: <http://www.nccommerce.com/research-publications/incentive-reports/county-tier-designations>

Target industries are identified in the table below. The first step in assisting target industry projects begins with the developers at the Economic Development Partnership of North Carolina (EDPNC). EDPNC Representatives will guide the local government and business through the initial information gathering phase of the project and EDPNC will refer the project to Commerce. Applicants may find more information about the EDPNC at [www.edpnc.com](http://www.edpnc.com).

Target Industries
Aerospace/Aviation/Defense
Automotive/Truck/Heavy Equipment
Agriculture/Forestry/Food
Biotech/Life Sciences
Business and Financial Services
Energy
Information Technology
Manufacturing (Chemical/Furniture/Metals/Plastics/Textiles)
Other Headquarters

#### Conference Call

The application process requires a pre-application conference call. For a target industry projects, the conference call will be conducted after the project’s referral to Commerce is complete.

- To request a pre-application conference call, submit pages 6-10 of this application package along with at least two proposed dates/times for the call to the appropriate program manager.
- The local government, business owner, and property owner (Building Reuse) are required to be on the call. Other project partners may also participate.
- Once the conference call is complete, eligible applicants should submit the full application package—pages 6-10 of this including any revisions discussed in the pre-application conference call, along with the documents requested in Tabs 1-5 on pages 4-5 of this application package.



## ELIGIBLE APPLICANTS

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- **Rural Building Reuse**—Eligible applicants are units of local government located in Tier 1 or Tier 2 counties, and rural census tracts in Tier 3 counties. As authorized in N.C.G.S. 143B-472.127(a)(2), a rural census tract<sup>†</sup> is an area having a population density of less than 500 people per square mile in accordance with the most recent decennial federal census.
- **Rural Infrastructure**—Eligible applicants are units of local government with priority given to the Tier 1 and Tier 2 counties.

<sup>†</sup>Check census tracts at: <http://ncommerce.maps.arcgis.com/apps/webappviewer/index.html?id=5863f411469f4c08a40edded88b42167>

## BUILDING REUSE ELIGIBLE PROJECTS AND EXPENSES

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### Vacant Building Category

- renovation of buildings that have been vacant for at least three months prior to application deadline
- initial upfit of a shell building is eligible if the building is at least 5 years old and has never been occupied
- only renovations within the existing footprint are eligible

### Existing Business Building Category

- buildings occupied for at least 12 months by one of a business identified as a target industry (see table on page 1)
- jobs are required to meet the county wage standard and provide 50% paid health insurance
- renovation within the existing footprint and connected additions are eligible

### Rural Health Category

- new construction, renovation, or expansion of health care facilities
- NC licensure required for participating health care companies

### Eligible Expenses – Building Reuse, All Categories

- improvements to real property, including, but not limited to: materials and labor to install HVAC, electrical, plumbing, fire alarm/suppression system, roofing, flooring, carpentry, drywall, paint, etc.
- a company owned or operated by any project partner may not be used as a contractor for the renovation project unless the company holds a valid NC General Contractors license. A copy of the company's NC General Contractor's license must be included in Tab 3 of the application materials

### Ineligible Expenses – Building Reuse, All Categories

- the following are examples of prohibited expenses and may not be submitted for reimbursement or to meet the matching funds requirement: building purchase, design costs, engineering costs, permit fees, surveys, legal fees, machinery & equipment, cranes, security, telephone, and computer hardware and software, solar panels, signage, landscaping, silo and other ancillary structures, furnishings, paving, fencing, kitchen equipment, and refrigeration equipment. This list is not comprehensive and specific items of concern should be discussed with program staff.
- renovations for housing or government uses are not eligible

## INFRASTRUCTURE ELIGIBLE PROJECTS AND EXPENSES

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- construct public infrastructure improvements
- upgrade or repair of public drinking water or wastewater treatment plants
- upgrade, extensions, or repair of public water or sewer lines
- publicly owned natural gas lines (requires an executed Pipeline Construction, Operating and Resale Agreement)
- installation or extension of public broadband infrastructure
- construction of publicly owned access roads not funded or owned by the Department of Transportation
- construction of public rail spur improvements

### Eligible Expenses – Infrastructure

- eligible expenses include planning, materials, labor, and administration to complete public infrastructure improvements

### Ineligible Expenses – Infrastructure

- privately owned infrastructure improvements
- projects that address building construction
- land acquisition costs or fees with the exception those associated with public easements for the project

## **JOB CREATION REQUIREMENTS**

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- Applicants must show that the improvements will result in the creation of new, full-time jobs in the private sector within 18 months of the grant award. Part-time, Full-Time Equivalents (FTE) positions, or contract and consulting jobs are ineligible.
- Each position must be filled with one full-time employee. Full-time employment is defined as one person working at least 35 hours per week, whose wages are subject to withholding, and who is employed in a permanent position.
- Priority will be given to projects that offer higher salaries/wages and provide at least 50% employer-paid health benefits to employees.
- The company must pay North Carolina Unemployment Insurance on each employee for whom a job is committed.
- The company will be expected to maintain all existing full-time jobs in North Carolina reported at the time of application (baseline) plus create the new, full-time jobs committed.
- The baseline will be established using the most recently filed NCUI 101 Form filed with the NC Department of Commerce Division of Employment Security at the time of application submittal.
- To meet the terms of the grant the company must maintain the baseline number plus the new, full-time jobs concurrently for at least six consecutive months.
- All participating companies must agree to provide the local government and the Department of Commerce access to company employment records necessary to verify the creation of new jobs.

## **LOCAL GOVERNMENT REQUIREMENTS & LIABILITIES**

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- The local government will coordinate and oversee all aspects of the project, including the application process, contracting process, reporting requirements, payments, job verification, and loan repayment if required.
- The local government is required to analyze the participating company's financial and organizational strength regarding its ability to successfully meet the terms of the job creation and maintenance requirements, and the ability to meet the potential for repayment of loan funds.
- In the event the company defaults on the job commitment, the local government is required to repay the loan to Commerce irrespective of whether the funds are collected from the property/business owner.
- When the improvements are owned by the local government, state regulations regarding procurement, including N.C.G.S.14-234 are required.
- Local governments are subject to state audit and reporting requirements.

## **MATCH REQUIREMENTS**

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- A cash match equivalent to at least 5% of the grant amount is required for all projects.
- The cash match shall come from local resources and may not be derived from other State or federal grant funds.
- Costs that are ineligible for grant funding may not be considered for the match. The only exception is paid grant administration when paid to an organization separate from the applicant organization.
- In-kind match is not allowable.
- In addition to the 5% match described above, the building reuse program requires a dollar for dollar match up to the total grant amount.

## **REPAYMENT REQUIREMENTS**

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- If job creation goals are not met, a pro-rata share of funds for each job not created must be repaid to the Department of Commerce by the local government.
- For Building Reuse projects, the local government will secure the funds through a Legally Binding Commitment and Promissory Note executed between the local government and the property owner.
- For Infrastructure projects, the local government will secure the funds through a Legally Binding Commitment executed between the local government and the company owner.
- Repayment forgiveness is offered upon the successful verification of the required job creation by the Department of Commerce.

## APPLICATION CHECKLIST

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Submit a complete application package including the application form and the documents listed within the checklist below. Provide one tabbed and bound copy along with two tabbed, non-bound copies of the materials.

### Tab 1

- Application Form.** The form should be signed by local government chief elected official.
- Local Government Resolution.** Submit a signed resolution adopted by the governing board in support of application submission to the Department of Commerce. The resolution must state the purpose of the project, indicate the local government's support for the project, and commitment to provide a cash match of at least 5% of the grant request amount toward the project.

### Tab 2

- Job Commitment Letters.** Submit a signed letter of job commitment from each company that will participate in the project. The letter should include **(1)** the number of existing full-time and part-time employees (listed separately) at all company locations in North Carolina, and **(2)** the number of new, full-time jobs to be created by the company and maintained concurrently for six-consecutive months within two years of the grant award date. The letter must be printed on the company's letterhead and signed by the company's Chief Executive Officer, Chief Financial Officer or President.
- Employer's Quarterly Tax and Wage Report—NCUI 101 Form(s).** Submit a copy of the of the *Employer's Quarterly Tax and Wage Report* (NCUI 101 form) for each company that will commit jobs to the project. The form must have been filed with the North Carolina Department of Commerce Division of Employment Security for the quarter ending closest to the application deadline. The entire Social Security Number for each person should be redacted (blacked out). The name and wages must remain readable. Any discrepancy in the number of employees listed on the NCUI 101 form(s) for the last month of the quarter and the number reported in the Job Commitment letter must be thoroughly explained in the narrative section of this application.  
*NOTE: If any company has more than one location in North Carolina, a NCUI-101 multi-site report or forms for each company location must be provided.*
- Business Financial Documents.** Submit a copy of the most recent three years of certified or CPA prepared financial statements that include Balance Sheet, Income Statement and Statement of Cash Flows for each non-start-up company participating in the project.

### Tab 3 – Building Reuse Projects Only

- Line Item Budget.** Submit a line item budget that lists the proposed renovation/construction expenses and the cost for each expense (example expenses include, but are not limited to: HVAC, electrical, plumbing, roofing, flooring, painting, etc.).
- Cost Estimates.** Submit cost estimates for each expense identified in the line item budget. The estimates must be prepared by a contractor, sub-contractor or architect and provided on that company's letterhead. A company owned or operated by any project partner may not provide estimates or be used as a contractor for the renovation project unless the company holds a valid NC General Contractors license. A copy of the company's valid NC General Contractor's license must be included in this section of the application materials.
- Site Control Documents.** Submit a copy of the property deed. Also, if the job creating company does not own the building, submit a copy of an executed lease agreement. If the property ownership will change, provide a detailed explanation of the real estate transaction that will occur with the legal names of the seller and buyer and date that the sale will close. Once the transaction is complete, a copy of the new deed must be submitted. The project will not be placed under contract until all correct, complete site control documents are received.

### Tab 3 – Infrastructure Projects Only

- Preliminary Engineering Report (PER).** The PER should detail the proposed improvements and the current infrastructure that supports the proposed improvements. The PER should be sealed and dated and include an opinion of cost that is not more than six months old at the time of the application. The PER should include a map that shows the location of the business(es) as well as the location of the current infrastructure serving the project area and the proposed infrastructure improvements that will be supported through the project assistance.
- Line Item Budget.** Submit a line item budget that lists the expenses associated with the proposed infrastructure improvements and the cost for each expense.
- Proof of Funding Availability.** Submit a signed letter of funding availability from each source of funds committed for the project. The total of all funding commitment letters must meet or exceed the total project cost. If loan or other grant funds are pledged, a loan/grant commitment letter from each source of funds must be included.

### Tab 4

- Photographs.** Submit photographs representative of the proposed project. Include digital copies on a flash drive along with printed copies.

### Tab 5 – Start-Up Businesses Only

- Business Plan.** A complete and detailed Business Plan that includes three years of financial projections (including balance sheets, cash flow statements and income statements) along with a Source and Use of Funds statement, with detailed assumptions upon which the financial projections were built. The Business Plan must also include a marketing plan that details what the company plans to sell and how they will market the product or service. The Business Plan should also provide a thorough description of the management team and the members' background that support the success of the venture. A description of the company's competitors should be provided, with an explanation of how the company will garner its expected share of the market.
- Capital Plan.** Details and evidence regarding the capital that has been or will be raised. This must include where the capital is currently on deposit and the total amount that is required to launch the business and sustain it in the early years. A letter from the depository holding the funds in escrow can serve as proof of the available capital.
  - Evidence of initial capitalization (loans, private investor commitments), as well as the ability to meet working capital needs must be provided.
  - A commitment letter from a bank for an operating line of credit needed to fund the "cash cycle" of the business and provide for unforeseen needs. In addition, the source of the funding for any machinery and equipment required for the project.
- Articles of Incorporation.** For each start-up company submit a copy of the company's "Articles of Incorporation" filed with the NC Department of the Secretary of State.
- Contracts with potential customers or letters of intent to buy from the company when it begins operations.**
- Copies of the bylaws, shareholder agreement or operating agreement of the business.**
- Copies of any certifications by regulatory bodies necessary to operate the business.**
- An understanding with the principal owners that they may be required to sign a personal guarantee of the performance of the grant and provide complete personal financial statements for each guarantor.**

## APPLICATION SUBMISSION

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Applicants should submit pages 6-10 of this application package including any revisions discussed in the pre-application conference call, along with the documents requested in Tabs 1-5 on pages 4-5 of this application package. Full applications should be received at Commerce by 5:00 p.m. on the selected full-application deadline. The full list of application deadlines can be found on the Commerce website at <http://www.nccommerce.com/rgp>.

### Mail Application Materials:

Building Reuse Projects-Hazel Edmond      or      Infrastructure Projects-Melody Adams  
North Carolina Department of Commerce  
Rural Economic Development Division  
4346 Mail Service Center (US Mail)  
301 North Wilmington Street (FedEx, UPS)

Raleigh, NC 27699-4346



Application # \_\_\_\_\_  
(For internal use only)

Vacant Building  Existing Business Building  Rural Health Care  Rural Infrastructure

**Applicant Information**

**Local Government**

Name: City of Reidsville County: Rockingham Tier #: 1

Mailing Address: 230 W. Morehead Street City: Reidsville State: NC Zip: 27320

Primary Telephone: 336-349-1036 Federal Tax ID #: \_\_\_\_\_

Website: www.reidsvillenc.gov

Chief Elected Official Name: Donald L. Gorham Title: Mayor

Telephone: 336-349-1036 Email: dgorham@reidsvillenc.gov

Manager/Administrator Name: Summer Woodard Title: City Manager

Telephone: 336-349-1036 Email: swoodard@reidsvillenc.gov

**Local Government Project Manager (If different than above):**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone(s): \_\_\_\_\_ Email: \_\_\_\_\_

**Grant Administrator Company Name (if applicable):** \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone(s): \_\_\_\_\_ Federal Tax ID #: \_\_\_\_\_

Website: \_\_\_\_\_ Email: \_\_\_\_\_

**Project Information**

Project Title: Project Piper Grant Amount Requested (\$): \$75,000

Number of Businesses to be Assisted: 1 Number of Jobs to be Created: 10

Project Description (provide a summary of the project below):

The company is the process of acquiring 1921 Vance Street in Reidsville, NC. This facility will be used as office space, house the Company's research and development group, and serve as a warehouse/distribution point for some of its intermediates and products. The building will need a new roof, paint, and interior upgrades. Initial cost estimates are \$505,000. They estimate they will have 10 positions in 18 months and hope to start on upfits in the next 3-4 months and be operating by the end of the year.

Has any project participant ever benefitted from a grant with the Department of Commerce? Yes  No  If Yes, please explain ↴

Empty rectangular box for explanation.

### Project Budget

List all expenses related to the project, the amount of each expense, and the corresponding funding source(s) in the table below. The table should include costs for acquisition, construction, infrastructure improvements, equipment, training, etc. The table should clearly show all planned expenditures and all funding sources for the project.

	Source Name:	Source Name:	Source Name:	Source Name:
Project Expense	Amount	Amount	Amount	Amount
Roof	\$150,000			
Exterior Paint	\$50,000			
Front Office Upfits	\$100,000			
Breakroom/lunchroom	\$25,000			
Electrical System Upgrades	\$10,000			
New Lighting	\$60,000			
Dock Improvements	\$30,000			
Install AC Unit	\$80,000			
<b>Sub Total (\$)</b>	<b>\$505,000</b>			
<b>Total Construction Cost:</b>				(\$) <u>505,000</u>
<b>Total Project Cost:</b>				(\$) <u>505,000</u>

### Project Narrative

- 1 Provide a detailed description of the project company and the jobs to be created.  

The project will need to hire warehouse, research and development; management and customer support position. There will be a total of 17 new positions hired with this project over the five year period.
  
- 2 Provide a listing of all the company's existing locations along with the number of current full-time and part-time jobs and whether any change in employment are planned for each location.  

Project Piper currently has manufacturing operations in Sarasota, Florida and they have 10 full-time employees at that location.
  
- 3 Provide a detailed description of the construction/renovation project.  

The building at 1921 Vance Street; Reidsville, NC 27320 will need to have major upgrades to the roof, lighting, office, breakroom/lunch area, electrical upgrades, dock improvements and a AC unit.
  
- 4 Provide description of the project property/building and its significance.  

The building at 1921 Vance Street was once a newspaper printing operation and has been vacant for several years. The upgrades are needed to make the bulding a usable and viable operation for Project Piper.

Property Owner Information

Property Owner Legal Name: \_\_\_\_\_

Property Owner Representative Name (First and Last): \_\_\_\_\_  
(Authorized to sign loan documents for Building Reuse)

Property Owner Rep.  
Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Property Owner Rep.  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Property Information

Property Address  
for Project: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Year Building Was Constructed: \_\_\_\_\_ Number of Months  
Building Vacant: \_\_\_\_\_ Square Footage  
of Building: \_\_\_\_\_

Is the property listed on the National Register of Historic Places?  Yes  No

If you are unsure whether the property is listed on the National Register of Historic Places, you can check the address by accessing the following website: <http://gis.ncdcr.gov/hpoweb/>. If the property is listed, the provisions of NCGS 121-12(a) will be required.

Company Information

**BUSINESS** Name: \_\_\_\_\_ Federal ID Tax #: \_\_\_\_\_

Business Representative Name: \_\_\_\_\_ NAICS Code: \_\_\_\_\_

Business Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Representative  
Phone: \_\_\_\_\_ Business  
Representative Email: \_\_\_\_\_

Check ONE box below for the Industry Type of the Business:

- Data & Call Services     Healthcare     Manufacturing     Processing     Warehouse/Distribution
- Professional     Service     Restaurant     Retail     Non-Profit

Is the proposed Business a startup?    Yes     No     If no, how many years in business in NC? \_\_\_\_\_

Number of existing part-time employees in NC: \_\_\_\_\_    Will the business provide health benefits?    Yes     No

Number of existing full-time employees in NC: \_\_\_\_\_    What % of health benefits are employer paid? \_\_\_\_\_ %

Number of new full-time jobs committed: \_\_\_\_\_    Average annual wage of the new jobs committed? \_\_\_\_\_

If more than one company will participate in the project, please copy this page and complete for each additional company.



**Average Annual Wage Computation Work Sheet**

Number of New Employees	Position Type	Gross Annual Wages
5	Warehouse	35000
3	Research and Development	90000
5	Management	150000
4	Customer Support	60000

Total 17 (A)

Total Annual Wages		(B)
Divide Total Wages (B) by the Total Number of New Employees (A) for the <b>Average Annual Wage</b>		(B/A)
<b>Percent Employer-Paid Health Insurance</b>		%

**Company Certifications**

- 1 **Overdue Tax Debts**      Does the Company or the Related Member(s) currently have any overdue tax debts with any City, Town or County in, or with the State of North Carolina?  
 Yes       No
  
- 2 **Occupational Safety and Health Act Violations**      Does the Company, or the Related Member(s) have any citation under the Occupational Safety and Health Act that have become a final order within the past three years for willful serious violations or for failing to abate serious violations?  
 Yes       No
  
- 3 **Loan Defaults**      Is the Company, or the Related Member(s) currently in default on any loan or grant previously made by the State of North Carolina?  
 Yes       No
  
- 4 **Incentive History**      Has the Company, or Related Member(s) ever defaulted on an economic development grant or incentive or been sued by a grantor with respect to an economic development grant or incentive?  
 Yes       No
  
- 5 **Creditor Losses, Litigation, Government Investigations**      Has any member of management or any principal of the Company, or the Related Member(s) been involved in a financial reorganization, a bankruptcy, or other situation that led to losses by creditors or bond buyers, investor lawsuits, or government investigation alleging fraud or impropriety?  
 Yes       No
  
- 6 **Pending or Threatened Litigation**      Is the Company, or Related Member(s) subject to any claim, suit, action, proceeding, or government investigation that is pending or threatened that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the proposed grantee's finances or operations or the ability to conduct the proposed project, or that would reasonably be expected to impact the Rural Infrastructure Authority's decision to award a grant?  
 Yes       No

**If you answered YES to any of the questions above, please provide a detailed description:**

**Rural Building Reuse and Infrastructure  
Application Form**

*If more than one company will participate in the project, please copy this page and complete for each additional company.*

Local Government Certifications

The attached statements and exhibits are hereby made part of this application, and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits are true, correct, and complete to the best of the signatory's knowledge and belief. The signatory further certifies:

- 1 as Authorized Representative, the signatory has been authorized to file this application by formal action of the governing body;
- 2 that the governing body or agrees that if a grant is awarded, the applicant will provide proper and timely submittal of all documentation requested by the Grantor Agency;
- 3 that the applicant has substantially complied with or will comply with all federal, state, and local laws, rules, regulations, and ordinances as applicable to this project;
- 4 that the applicant has analyzed the participating companies' financial and organizational strength regarding the ability to successfully meet the terms of the job creation and maintenance requirements, carry out the renovation project, as well as, the ability to meet the potential for repayment of loan funds; and
- 5 that the project is in accordance with the applicant's economic development plan and that the applicant has investigated any impact that the project may have on existing businesses within the applicant's jurisdiction.

Signature of Local Government Chief Elected Official

Donald L. Gorham  
Typed Name

Mayor, City of Reidsville  
Typed Title

Date

Signature of Property Owner Representative

Typed Name

Typed Title

Date

Signature of Company CEO/CFO/COO/President

Typed Name

Typed Title

Date



LIVE SIMPLY. THINK BIG.

## Department of Information Technology

230 West Morehead Street  
Reidsville, North Carolina 27320



To: Summer Woodard, City Manager  
From: Shirrell Williams, Director of Information Technology  
Subject: State and Local Cybersecurity Grant Program (SLCGP)  
Date: September 5, 2023

The purpose of this memorandum is to provide an announcement from the State and Local Cybersecurity Grant Program (SLCGP) that the submission from the City of Reidsville IT Director and team was successful. We have been awarded \$100,000 to be used for managing and reducing systemic cyber risk, thus improving the security of critical infrastructure and improving the resilience of the services we provide to the employees and our community.

The City of Reidsville IT department will prioritize cybersecurity projects while using this grant award to enhance the infrastructure, security and cyber awareness training to protect and secure all data information.

Thanks,

Shirrell Williams  
Director of Information Technology



**State and Local Cybersecurity Grant Program (SLCGP)**  
**Fiscal Year 2022**

AL#: 97.137

Grant #: Grant #: EMW-2022-CY-00006

**Memorandum of Agreement (MOA)**

between

**RECIPIENT**

State of North Carolina  
Department of Public Safety  
Emergency Management (NCEM)  
1636 Gold Star Dr  
Raleigh, NC 27607

**SUBRECIPIENT**

City of Reidsville  
230 W. Morehead Street  
Reidsville, NC 27320-  
Tax ID/EIN #: 000000000  
UEID #: EBNMN93LKMR8

**MOA #:** 2280048

**Award amount:** \$100,000.00

**Cost center:** 1502-7200-3HE2

**Period of performance (POP):** December 1, 2022 to February 28, 2026

**1. Purpose**

The purpose of this Memorandum of Agreement (MOA) is to establish responsibilities and procedures to implement the terms and conditions of the US Department of Homeland Security (DHS) State and Local Cybersecurity Grant Program (SLCGP). More information about SLCGP is available at: [State and Local Cybersecurity Grant Program | FEMA.gov](https://www.fema.gov) and <https://www.ncdps.gov/SLCGP>.

This MOA is to set forth terms by which RECIPIENT shall provide SLCGP funding to SUBRECIPIENT to fund projects related to meeting State and Local Cybersecurity Objectives as identified in the Department of Homeland Security Notice of Funding Opportunity (NOFO) for FY2022 SLCGP. See Attachment 1 for a detailed description of the approved scope of work for the approved project(s) for this grant. The scope of work is the approved Application as submitted by SUBRECIPIENT with any amendments approved by RECIPIENT.

**2. Program Authorization and Regulations**

This MOA is authorized under the provisions of: (1) Section 2220A of the *Homeland Security Act of 2002* (Pub. L. No. 107-296, as amended) (6 U.S.C. § 665g), (2) *Infrastructure Investments and Jobs Appropriations Act* (Pub. L. No. 117-58), (3) FY 2022 SLCGP Notice of Funding Opportunity (NOFO), (4) applicable FEMA Grant Programs Directorate Information Bulletins (see <https://www.fema.gov/grants/preparedness/about/informational-bulletins>), and (5) *NC Emergency Management Act*, North Carolina General Statutes (N.C.G.S.) Chapter 166A.

The funds awarded under this grant must be used in compliance with all applicable federal, state, local and tribal laws and regulations. By accepting this award, SUBRECIPIENT agrees to use these funds in a manner consistent with all applicable laws and regulations.

### 3. Funding

All terms and conditions of this MOA are dependent upon and subject to the allocation of funds from DHS and NCEM for the purposes set forth, and the MOA shall automatically terminate if funds cease to be available.

Allowable costs shall be determined in accordance with applicable DHS Program Guidelines, which include, but may not be limited to, the FY2022 SLCGP [NOFO](#), 2 CFR 200 Subpart E, Federal Acquisition Regulations (FAR) Part 31.2, OMB Circulars A-21, and applicable DHS and FEMA financial management guidance available at <https://www.dhs.gov/dhs-grants> and <https://www.fema.gov/grants/guidance-tools>. Allowable costs are also subject to the approval of the State Administrative Agency (SAA) for the State of North Carolina, the Secretary of the Department of Public Safety.

### 4. Funding Eligibility Criteria

Federal funds administered through RECIPIENT (NCEM on behalf of State of North Carolina) are available to local governments to assist in the cost of developing and maintaining a comprehensive Cybersecurity preparedness posture program.

Local government entities are defined in [N.C.G.S. 159-44](#) as: “counties; cities, towns, and incorporated villages; consolidated city-counties, as defined by G.S. 160B-2(1); sanitary districts; mosquito control districts; hospital districts; merged school administrative units described in G.S. 115C-513; metropolitan sewerage districts; metropolitan water districts; metropolitan water and sewerage districts; county water and sewer districts; regional public transportation authorities; and special airport districts.” Community colleges are included in the definition of local government entities for purposes of FY22 SLCGP per [N.C.G.S. 143-800\(c\)\(1\)](#). Federally recognized tribes are also included as eligible local government pass-through entities per the FY22 SLCGP [NOFO](#).

Continued SLCGP funding is contingent upon completion of all SLCGP funding requirements. The following eligibility criteria must be adhered to during the entire duration of the grant program:

SUBRECIPIENT must:

- A. Be established as a local government entity as defined above by appropriate resolution/ordinance.
- B. Have a Unique Identity ID (UEID) prior to any funds being released. UEID may be obtained from <http://www.sam.gov>.
- C. Ensure their organization is registered with the System for Award Management (SAM) and that their organization maintains an active SAM registration, i.e. renewed annually. Every applicant is required to have their name, address, and UEID up to date in SAM, and the UEID used in SAM must be the same one used to apply for all FEMA awards. SAM information can be found at <http://www.sam.gov>. Future payments will be contingent on the information provided in SAM; therefore, it is imperative that the information is correct, and that an active SAM registration is properly maintained.
- D. Complete any procurement(s) and expenditures no later than 02/28/26.
- E. Submit RFR with all required documentation attached. RFRs will not be processed unless/until annual report submissions are current. See SUBRECIPIENT paragraph 9.E. below.

### 5. Compensation

RECIPIENT agrees that it will pay SUBRECIPIENT compensation for eligible services rendered by SUBRECIPIENT. Payment to SUBRECIPIENT for expenditures under this MOA will be reimbursed after SUBRECIPIENT’s RFR is submitted and approved for eligible scope of work activity. Grant funds will be disbursed (according to the approved project budget) upon receipt of evidence that funds have been invoiced, products or services received (i.e., invoices, contracts, itemized expenses, etc.), and proof of payment is provided. Final RFR must be submitted no later 03/31/26, unless period of performance (POP) is extended. The original signed copy of this MOA must be signed by the Official(s) authorized to sign below and returned to RECIPIENT no later than 45 days after the MOA has been submitted for execution.

This MOA shall be effective upon return of execution from SUBRECIPIENT and final approval by RECIPIENT. Upon final approval of this MOA by RECIPIENT, POP for this grant is 09/01/23 - 02/28/26. Grant funds will be

disbursed upon receipt of evidence that funds have been invoiced, products or services received, and proof of payment is provided. Any unexpended grant funds remaining after end of POP revert to RECIPIENT.

SUBRECIPIENT:

- A. Understands and acknowledges that total funding level available under this MOA will not exceed the awarded amount \$100,000.00. SUBRECIPIENT acknowledges that they are further prohibited from sub-granting these funds. Attachment 1 and any approved amendments constitute the approved scope of work for this grant award.
- B. Understands and agrees that funding shall be subject to the availability of appropriated funds, pursuant to N.C.G.S 143C-1-1. However, in the event of MOA termination due to lack of adequate appropriated funds, RECIPIENT will ensure that it will pay for services and goods acquired and obligated on or before the notice of agreement termination.
- C. Must meet all funding requirements contained herein. Non-compliance may result in denial of reimbursement request(s) or suspension/revocation of grant funds awarded for this project. See also paragraph 35 below regarding compliance.

**6. Conditions**

Funding is contingent upon completion of all funding requirements. The following conditions must be adhered to during the entire duration of the grant program.

- A. SUBRECIPIENT must:
  - i. Complete any procurements, expenditures, and receipt of goods or services within the POP.
  - ii. No Match Requirement. SUBRECIPIENT is not required to provide matching funds in cash or in-kind for this award.
  - iii. Submit requests for reimbursement with all required documentation attached. Once RECIPIENT is satisfied that SUBRECIPIENT has provided all required documentation, the requested distributions can be processed for payment. The distributions of funds will be coded to cost center 1502-7200-3HE2 in the North Carolina Accounting System (NCAS). See SUBRECIPIENT paragraph 9.E.
- B. Required Documents/Forms. SUBRECIPIENT must submit the following [documents](#) to RECIPIENT ([slcgp@ncdps.gov](mailto:slcgp@ncdps.gov)) upon execution of this MOA. This is not required if SUBRECIPIENT has previously submitted these documents to RECIPIENT for this or any other grant; however, if any of these documents are not current, SUBRECIPIENT must submit updated document(s):
  - i. [W-9 \(09 NCAC 03M .0202\)](#)
  - ii. [Electronic Payment / Vendor Verification Form \(09 NCAC 03M .0202\)](#)
  - iii. Conflict of Interest Policy ([G.S. 143C-6-23.\(b\)](#))
  - iv. [Sworn \(Notarized\) No Overdue Tax Debt Certification \(G.S. 143C-6-23.\(c\)\)](#)
  - v. SUBRECIPIENT Procurement Policy
- C. Annual Progress Reports. Provide annual progress reports to RECIPIENT ([slcgp@ncdps.gov](mailto:slcgp@ncdps.gov)) using the Annual Progress Report form (Attachment 2) by: 07/31/24; 07/31/25; and, with final reimbursement request (RFR) submitted per SUBRECIPIENT paragraph 9.E. below.

Even if there are no expenditures an annual progress report must be submitted by SUBRECIPIENT to update their progress toward completion of approved scope of work specified in Attachment 1 and any approved amendments. If SUBRECIPIENT closes their award prior to end of POP, no further annual reports are required.
- D. Nationwide Cybersecurity Review (NCSR). SUBRECIPIENT is required to complete the [NCSR](#), administered by the [MS-ISAC](#), during the first year of this grant award POP and annually thereafter through the last year of this grant award POP.

Four NCSRs are required as follows, even if the project is completed prior to 2026:

- The first NCSR for 2023 is required to be completed between 10/01/2023 and 02/28/2024.
- The second NCSR for 2024 is required to be completed between 10/01/2024 and 02/28/2025.
- The third NCSR for 2025 is required to be completed between 10/01/2025 and 02/28/2026.

- The fourth NCSR for 2026 is required to be completed between 10/01/2026 and 02/28/2027.

E. Required Services and Memberships.

Cyber Hygiene Services (CHS):

- Web Application Scanning is an “internet scanning-as-a-service.” This service assesses the “health” of your publicly accessible web applications by checking for known vulnerabilities and weak configurations. Additionally, CISA can recommend ways to enhance security in accordance with industry and government best practices and standards.
- Vulnerability Scanning evaluates external network presence by executing continuous scans of public, static IPs for accessible services and vulnerabilities. This service provides weekly vulnerability reports and ad-hoc alerts. To register for these services, email [vulnerability\\_info@cisa.dhs.gov](mailto:vulnerability_info@cisa.dhs.gov) with the subject line “Requesting Cyber Hygiene Services – SLCGP” to get started. Indicate in the body of your email that you are requesting this service as part of the SLCGP. For more information, visit CISA’s [Cyber Hygiene Information Page](#).
- SUBRECIPIENT is required to certify CHS compliance and provide proof of CHS compliance upon request of RECIPIENT.

7. **Supplantation**

Subrecipients are required to assure and certify that these grant funds will not be used to supplant or replace local or state funds or other resources that would otherwise have been available cybersecurity activities. Subrecipients may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

8. **Scope of Work**

SUBRECIPIENT shall implement the SLCGP project specified in Attachment 1 and as described in the approved project application, including the project objective SUBRECIPIENT selected in the application. That application is hereby incorporated by reference into this MOA.

Documentation to be provided throughout POP:

- A. Annual reports, per paragraph 6.C. above.
- B. Annual NCSR, per paragraph 6.D. above.
- C. CHS compliance upon request of RECIPIENT, per paragraph 6.E. above.
- D. SUBRECIPIENT-involved legal action that pertains to any goods or services purchased with grant funds.
- E. Copies of any audits and corrective actions pertaining to these grant funds or any other funds provided to SUBRECIPIENT by RECIPIENT.
- F. After-action report from exercises in accordance with Homeland Security Exercise and Evaluation Program Doctrine ([HSEEP](#)).
- G. Training course roster, description, and syllabus.
- H. All legible and complete invoices and receipts detailing the expenditures associated with the project. Receipts must contain the following information:
  - i. Name and address of the vendor or establishment providing the product or service.
  - ii. Vendor/Payee invoice number, account number, and any other unique meaningful identifying number.
  - iii. Date product received or service provided.
  - iv. Itemized description of all products or services.
  - v. Unit price of products or services (if applicable).
  - vi. Total amount of eligible expenditures.
  - vii. Copy of executed contract/subcontract agreement (if applicable).
  - viii. Proof of payment of expenses associated with the project.
- I. Any other documentation requested by RECIPIENT.



## 9. Responsibilities

### RECIPIENT:

- A. RECIPIENT shall provide funding to SUBRECIPIENT to perform the activities as described herein.
- B. RECIPIENT shall conduct a review of the project to ensure that it is in accordance with SLCGP requirements.
- C. RECIPIENT shall monitor the completion of the approved scope of work as specified in Attachment 1 and any approved amendments.
- D. RECIPIENT has obligated the funding for this MOA within 45 days of acceptance of the federal award by signing this MOA.
- E. RECIPIENT shall provide required annual progress report form (Attachment 2) and provide cost report forms required for reimbursement subsequent to execution of this MOA (See SUBRECIPIENT paragraph 9.E.).

### SUBRECIPIENT:

- A. This MOA must be signed and returned to RECIPIENT within 30 days after SUBRECIPIENT receives this MOA. The grant shall be effective upon return of the MOA.
- B. SUBRECIPIENT shall expend FY 2022 SLCGP Grant Program funds in accordance with the FY2022 SLCGP NOFO, the grant application, and this MOA.
- C. Procurement.
  - i. SUBRECIPIENT shall utilize State of North Carolina and/or local procurement policies and procedures for the expenditure of funds and conform to applicable state and federal law and the standards identified in 2 CFR 200.317 – 200.327.
  - ii. SUBRECIPIENT must follow procurement procedures and policies as outlined in the applicable FY2022 SLCGP NOFO, Appendix II of 2 CFR Part 200-Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, and the 2023 FEMA Preparedness Grants Manual. SUBRECIPIENT shall comply with all applicable laws, regulations and program guidance. SUBRECIPIENT must comply with the most recent version of the funding administrative requirements, cost principles, and audit requirements.
  - iii. Administrative and procurement practices must conform to applicable federal requirements. A non-exclusive list of regulations commonly applicable to DHS grants are listed below, codified in the following guidance: 15 CFR Part 24; Federal Acquisition Regulations (FAR), Part 31.2; 28 CFR Part 23 “Criminal Intelligence Systems Operating Policies”; 49 CFR Part 1520 “Sensitive Security Information”; Public Law 107-296, The Critical Infrastructure Act of 2002; Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000 et. seq.; Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq.; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794; The Age Discrimination Act of 1975, as amended, 20 U.S.C. 6101 et. seq.; Cash Management Improvement Act (CMIA) and its implementing regulations at 31 CFR Part 205; FEMA Grant Programs Directorate, Grants Management Division, Match Guidance; Certifications and Assurances regarding Lobbying 31 U.S.C. 1352, Drug-Free Workplace Act, as amended, 41 U.S.C. 701 et. seq. and Certification Regarding Drug-Free Workplace Requirements, Debarment and Suspension Executive Orders 12549 and 12689 and certification regarding debarment, suspension and other responsibility matters; 28 CFR Parts 66, 67, 69, 70 and 83; and Grant Award and Special Conditions documents.
  - iv. Mini-Brooks Act. Subrecipients that are governmental entities or otherwise subject to the requirements of the Local Government Commission (LGC) per 20 NCAC 03 are required under North Carolina law to follow rules and regulations in the “Mini-Brooks Act”, G.S. 143-64.31, for the procurement of certain professional services performed by architects, engineers, surveyors, and construction managers at risk.
  - v. Conflicts of Interest. See paragraph M.iii. below.
  - vi. Complete all procurement by February 28, 2026.
- D. Comply with current federal laws and suspension and debarment regulations pursuant to 2 CFR 200.213 – 200.214, 2 CFR Part 180 and U.S. Office of Management and Budget (OMB) Guidance, which requires in

pertinent part that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded.

SUBRECIPIENT shall be responsible to ensure that it has checked the federal System for Awards Management (SAM), <https://sam.gov/content/exclusions> and the State Debarred Vendors Listing, <https://ncadmin.nc.gov/documents/nc-debarred-vendors>, to verify that contractors or subrecipients have not been suspended or debarred from doing business with the federal government.

- E. Per 09 NCAC 03M, agencies shall not disburse any state financial assistance to an entity that is on the [Suspension of Funding List](#) (SOFL). OSBM maintains the SOFL. The SOFL is updated on a weekly basis. SUBRECIPIENT is prohibited under this MOA from procurement, and/or contracting with any entity listed on the SOFL using these grant funds.
- F. Indirect Costs. No indirect or administrative costs will be charged to this award. See [2 CFR 200.332\(a\)](#).
- G. Requests for Reimbursement (RFR). Submit RFR for items or services received to: [slcgp@ncdps.gov](mailto:slcgp@ncdps.gov). RECIPIENT will reimburse SUBRECIPIENT for eligible costs as outlined in the applicable DHS program guidelines and FY2022 SLCGP NOFO. SUBRECIPIENT must take possession of all purchased equipment and receive any grant-eligible service prior to seeking reimbursement from RECIPIENT. SUBRECIPIENT must submit request for reimbursement within 60 days of payment of invoice. Requests for reimbursement submitted more than 60 days after SUBRECIPIENT payment of invoice may be denied.
- RFR must include sufficient documentation that approved expenditures have been properly invoiced and paid by SUBRECIPIENT, and that the products and/or services have in fact been received by SUBRECIPIENT. RFRs must also include a cost report form (supplied by the RECIPIENT) and a summary of all expenditures included in the RFR completed by SUBRECIPIENT. Summary of expenditures should include at a minimum: vendor name, date of purchase, invoice number, total invoice amount, and reimbursable amount.
- H. Funds Management. SUBRECIPIENT agrees that funds paid through this grant shall be accounted for in a separate fund and accounting structure within SUBRECIPIENT's central accounting and grant management system. SUBRECIPIENT agrees to manage all accounts payable disbursements, check register disbursements and related transactions in a detailed manner that supports fully transparent accounting of all financial transactions associated with the funding for this grant.
- i. Expenditures for travel mileage, meals, lodging and other travel expenses incurred in the performance of this grant shall be reasonable and supported by documentation. State rates should be used as guidelines. International travel shall not be eligible under this MOA. Subrecipient must have an acceptable local travel regulation plan or accept the state travel regulations. Refer to [2 CFR 200.475](#) for travel costs.
  - ii. If eligible, SUBRECIPIENT shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this grant, pursuant to [N.C.G.S. 105-164.14](#); and (b) exclude all refundable sales and use taxes from all reported expenditures.
- I. Maintain Required Subrecipient File Documentation as specified in this MOA (Attachment 3). SUBRECIPIENT is required to maintain all records of this grant for three years after termination of the grant, or audit if required, or longer where required by law, as outlined below. SUBRECIPIENT must meet the record retention requirements in 2 CFR 200.334 and must maintain a file for each SLCGP grant award. However, if any litigation, claim or audit has been initiated prior to the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The following files must be available for review by NCEM staff for site visits, project closeout and audits:
- i. Resolution/ordinance establishing SUBRECIPIENT as a state or local government entity, or nonprofit organization.
  - ii. Award letter, MOA, and supporting attachments.
  - iii. Completed appropriate reports with specifications, solicitations, competitive quotes or proposals, basis for selection decisions, purchase orders, contracts, invoices, and proof(s) of payment.
  - iv. Audit findings and corrective action plans.

- J. Property and Equipment. SUBRECIPIENT shall have sole responsibility for the maintenance, insurance, upkeep, and replacement of any equipment procured pursuant to this MOA as follows:
- i. Only allowable equipment listed in the Authorized Equipment List ([AEL](#)) for SLCGP are eligible for purchases from this grant.
  - ii. Property and equipment purchased with SLCGP funds shall be titled to SUBRECIPIENT, unless otherwise specified by NCEM, DHS and/or FEMA. SUBRECIPIENT shall be responsible for the custody and care of any property and equipment purchased with SLCGP funds furnished for use in connection with this MOA, and shall reimburse RECIPIENT for any loss or damage to said property until the property is disposed of in accordance with SLCGP Program requirements. RECIPIENT will not be held responsible for any property purchased under this MOA.
  - iii. SUBRECIPIENT must utilize all property and equipment as intended in their project application to NCEM. Any variation from this intended use must be requested in writing and approved by NCEM.
  - iv. RECIPIENT and SUBRECIPIENT shall take an initial physical inventory of any equipment. Equipment is defined as tangible, non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. SUBRECIPIENT may have property management guidelines that are more restrictive, requiring a unit of equipment with a value of less than \$5,000 to be inventoried. If so, such equipment purchased under this award allocation shall be included on the report submitted to RECIPIENT. The grant summary, cost reports with backup documentation, certificate of title, and any other SUBRECIPIENT reports or inventory reports that include information regarding the grant, vendor, invoice number, cost per item, number of items, description, location, condition, and identification number may be used to meet this requirement.
  - v. SUBRECIPIENT must ensure a control system exists to ensure adequate safeguards to prevent loss, damage, or theft. SUBRECIPIENT shall be responsible for replacing or repairing equipment which is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage or theft of the property must be investigated and fully documented and made part of the official project records.
  - vi. SUBRECIPIENT or equipment owner must ensure adequate maintenance procedures exist to keep the equipment in good condition.
  - vii. Use. Per 2 CFR 200.313, during the time that equipment is used on the project or program for which it was acquired, SUBRECIPIENT must also make the equipment available for use on other projects or programs currently or previously supported by this or other federal grants, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by DHS that financed the equipment and second preference must be given to other programs or projects under grants from other federal awarding agencies. NCEM, in conjunction with DHS and/or FEMA, will determine and direct how equipment will be redeployed.
  - viii. Disposition Procedures. Unless otherwise directed by RECIPIENT, DHS and/or FEMA, SUBRECIPIENT may dispose of the equipment when the original or replacement equipment acquired under the grant award is no longer needed for the original project or program, or for other activities currently or previously supported by a federal awarding agency. However, SUBRECIPIENT must notify RECIPIENT ([SLCGP@ncdps.gov](mailto:SLCGP@ncdps.gov)) prior to disposing of any equipment purchased with grant funds. Items with a fair market value of less than \$5,000 may be retained, transferred, or otherwise disposed of with prior approval of NCEM and in accordance with disposition requirements in 2 CFR 200.313. Unless otherwise directed by NCEM, DHS and/or FEMA, items with a current per unit standard federal or fair market value in excess of \$5,000 may be retained, transferred, or otherwise disposed of with prior NCEM approval in accordance with disposition requirements in 2 CFR 200.313. SUBRECIPIENT must provide documentation that includes the method used to determine current fair market value.
- K. Communications equipment. In an effort to align communications technologies with current statewide communications plans, systems, networks, strategies, and emerging technologies, the NCEM Communications Branch requires that purchases made with grant funds meet the standards identified in Attachment 4.

- L. The purchase or acquisition of any additional materials, equipment, accessories or supplies, or the provision of any training, exercise, or work activities beyond that identified in the approved scope of work specified in Attachment 1 and any approved amendments, shall be the sole responsibility of SUBRECIPIENT and shall not be reimbursed under this MOA.
- M. Conflicts of Interest.
- i. State Law. Per [N.C.G.S. § 143C-6-23\(b\)](#), SUBRECIPIENT is required to file with RECIPIENT a copy of SUBRECIPIENT’s policy addressing conflicts of interest that may arise involving SUBRECIPIENT’s management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as SUBRECIPIENT’s employees or members of its board or other governing body, from RECIPIENT’s disbursing of grant funds, and shall include actions to be taken by SUBRECIPIENT or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. **The policy shall be filed before RECIPIENT may disburse any grant funds.**
  - ii. Federal Law – Grant Administration. Per 2 CFR 200.112 and the [2023 FEMA Preparedness Grants Manual](#), all subrecipients must disclose in writing to NCEM, and attempt to avoid, any real or potential conflict of interest that may arise during the administration of a federal grant award. For purposes of this MOA, conflicts of interest may arise in situations where a subrecipient employee, officer, or agent, any members of his or her immediate family, or his or her partner has a family relationship, close personal relationship, business relationship, or professional relationship, with anybody at DHS, FEMA and/or NCEM involved in the administration of this grant award.
  - iii. Federal Law – Procurement. Per 2 CFR 200.318 and the [2023 FEMA Preparedness Grants Manual](#), all subrecipients that are non-federal entities other than states are required to maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, subrecipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subrecipient. All subrecipients must disclose in writing to NCEM, and attempt to avoid, any real or potential conflicts of interest with respect to procurement, contracting and subcontracting with funds provided under this grant award. Upon request, subrecipients must also provide a copy of their standards of conduct policy covering conflicts of interest with respect to procurement, contracting and subcontracting with funds provided under this grant award.
- N. Environmental Planning and Historic Preservation (EHP) Compliance. Subrecipients proposing projects that could impact the environment, including, but not limited to, the construction of communication towers, modification or renovation of existing buildings, structures, and facilities, or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. For details: <https://www.fema.gov/grants/preparedness/preparedness-grants-ehp-compliance>. See paragraph 14. below.
- O. All materials publicizing or resulting from award activities, including websites, social media and TV/radio, shall contain this acknowledgement: “This project was supported by a federal award from the US Department of Homeland Security, Department of Public Safety, North Carolina Emergency Management.” Use of DHS seal(s), logo(s) and flags must be approved by DHS. Printed as a legend, either below or beside the logo(s) shall be the words “Funded by US Department of Homeland Security”.
- P. Comply with the applicable federal statutes, regulations, policies, guidelines, requirements and certifications as outlined in the [FY 2022 SLCGP NOFO](#) and Subaward Notification.
- Q. DHS Standard Terms and Conditions

SUBRECIPIENT must comply with all applicable provisions of the FY22 [DHS Standard Terms and Conditions](#) (Attachment 5). This applies to all new federal financial assistance awards funded in FY22. These terms and conditions flow down to subrecipients unless an award term or condition specifically indicates otherwise. The United States has the right to seek judicial enforcement of these obligations. All legislation and digital resources are referenced with no digital links. The FY22 DHS Standard Terms and Conditions is housed on dhs.gov at [www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions](http://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions).

- R. Closeout Reporting Requirements. In accordance with [2 CFR 200.344](#), SUBRECIPIENT must submit to RECIPIENT, no later than 90 calendar days after the end date of the POP, all financial, performance, and other reports as required by the terms and conditions of the federal award, this MOA and FY22 [DHS Standard Terms and Conditions](#) (Attachment 5), incorporated by reference herein, for the performance of the activities.

Documentation required

- i. A complete accounting of how all grant funds were used.
- ii. A Certification stating the funds were used for the purpose appropriated.
- iii. A closeout letter indicating that the approved scope of work is complete.
- iv. Any other closeout documentation requested by RECIPIENT.
- v. SUBRECIPIENT agrees that all program activity results information reported shall be subject to review and authentication and SUBRECIPIENT will provide access to work papers, receipts, invoices and reporting records, if requested by RECIPIENT, as RECIPIENT executes any audit internal audit responsibilities.
- vi. Once the complete final performance and financial status report package has been received and evaluated by RECIPIENT, SUBRECIPIENT will receive official notification of MOA close-out from RECIPIENT.
- vii. The notification will inform SUBRECIPIENT that RECIPIENT is officially closing the MOA and retaining all MOA files and related material for a period of three (3) years or until all audit exceptions have been resolved, whichever is longer.

**10. Taxes**

SUBRECIPIENT shall be considered to be an independent subrecipient and as such shall be responsible for ALL taxes. There shall be no reimbursement for taxes incurred by SUBRECIPIENT under this grant.

If eligible, SUBRECIPIENT shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this grant, pursuant to [N.C.G.S. 105-164.14](#); and (b) exclude all refundable sales and use taxes from all reported expenditures.

**11. Warranty**

As an independent subrecipient, SUBRECIPIENT will hold RECIPIENT harmless for any liability and personal injury that may occur from or in connection with the performance of this MOA to the extent permitted by the [North Carolina Tort Claims Act](#). Nothing in this MOA, express or implied, is intended to confer on any other person any rights or remedies in or by reason of this MOA. This MOA does not give any person or entity other than the parties hereto any legal or equitable claim, right or remedy. This MOA is intended for the sole and exclusive benefit of the parties hereto. This MOA is not made for the benefit of any third person or persons. No third party may enforce any part of this MOA or shall have any rights hereunder. This MOA does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this MOA. Nothing herein shall be construed as a waiver of the sovereign immunity of the State of North Carolina.

**12. State of North Carolina Reporting Requirements per NCGS 143C-6-23 and 09 NCAC 03M**

North Carolina state law ([N.C.G.S. 143C-6-23](#) and [09 NCAC 03M](#)) requires every nongovernmental entity (including non-profit organizations) that receives state or federal pass-through grant funds from state agencies to file annual reports on how those grant funds were used no later than three months after the end of the non-state entity's fiscal year. **Government entities including counties and local governments are not required to file these reports.**

Refer to "State Grant Compliance Reporting Forms" on the following website for instructions and applicable forms for nongovernmental subrecipients (including non-profit organizations) to meet these requirements:

<https://www.ncdps.gov/our-organization/emergency-management/emergency-management-grants/grants-management-compliance>.

### 13. Audit Requirements

For all federal grant programs, SUBRECIPIENT is responsible for obtaining audits in accordance with 2 CFR 200 Subpart F.

Per 2 CFR 200.501, a subrecipient that receives a combined \$750,000 or more in funding from all federal funding sources, even those passed through a state agency, must have a single audit conducted in accordance with 2 CFR 200.514 and GAGAS within 9 months of the subrecipient's fiscal year end. SUBRECIPIENT must:

- A. Post the single audit conducted in accordance with 2 CFR 200.514 and GAGAS to the Federal Audit Clearinghouse <https://harvester.census.gov/facweb/>.
- B. Submit to DPS Internal Audit ([DPS\\_GrantComplianceReports@ncdps.gov](mailto:DPS_GrantComplianceReports@ncdps.gov)) a single audit prepared and completed in accordance with GAGAS. This can, at the option of SUBRECIPIENT, be the same single audit submitted to the Federal Audit Clearinghouse in paragraph 13.A. above.
- C. Make copies of the single audit available to the public.

Per 09 NCAC 03M.0205, a non-state entity that is not exempt from the requirements of SUBCHAPTER 03M – UNIFORM ADMINISTRATION OF STATE AWARDS OF FINANCIAL ASSISTANCE per 09 NCAC 03M.0201, that receives a combined \$500,000 or more in North Carolina state funding or federal funding passed through a state agency must within 9 months of the non-state entity's fiscal year end submit to DPS Internal Audit ([DPS\\_GrantComplianceReports@ncdps.gov](mailto:DPS_GrantComplianceReports@ncdps.gov)) a single audit prepared and completed in accordance with Generally Accepted Government Auditing Standards (GAGAS): <https://www.gao.gov/yellowbook>.

If SUBRECIPIENT is a unit of local government in North Carolina, SUBRECIPIENT may be subject to the audit and reporting requirements in [N.C.G.S. 159-34](#), Local Government Finance Act – Annual Independent Audit, rules and regulations. Such audit and reporting requirements may vary depending upon the amount and source of grant funding received by the SUBRECIPIENT and are subject to change (see [Local Government Commission](#) for more information). See also [20 NCAC 03](#) (Local Government Commission).

### 14. Construction, Renovation, and Infrastructure Projects

All construction and renovation projects require [EHP](#) review. Recipients and subrecipients are encouraged to have completed as many steps as possible for a successful EHP review in support of their proposal for funding (e.g., coordination with their State Historic Preservation Office to identify potential historic preservation issues and to discuss the potential for project effects, compliance with all state and local EHP laws and requirements). Projects for which the recipient believes an Environmental Assessment (EA) may be needed, as defined in [DHS Instruction Manual 023-01-001-01, Rev 01, FEMA Directive 108-1, and FEMA Instruction 108-1-1](#), must also be identified to the FEMA HQ Preparedness Officer within six months of the award and completed EHP review materials must be submitted no later than 12 months before the end of the POP. EHP policy guidance and the EHP Screening Form, can be found online at: <https://www.fema.gov/media-library/assets/documents/90195>. EHP review materials should be sent to [slcgp@ncdps.gov](mailto:slcgp@ncdps.gov).

**Written approval must be provided by FEMA prior to the use of any SLCGP funds for construction or renovation.** When applying for construction funds, recipients must submit evidence of approved zoning ordinances, architectural plans, and any other locally required planning permits. Additionally, recipients are required to submit a SF-424C form with budget information for the construction project, and an SF-424D form for standard assurances for the construction project.

Subrecipients using funds for construction projects must comply with:

- A. Davis-Bacon Act (codified as amended at 40 U.S.C. §§ 3141 et seq.). See 6 U.S.C. § 609(b)(4)(B) (cross-referencing 42 U.S.C. § 5196(j)(9), which cross-references Davis-Bacon). Subrecipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character like the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the Davis-Bacon Act, including Department of Labor (DOL) wage determinations, is available online at <https://www.dol.gov/whd/govcontracts/dbra.htm>.

B. [Build America, Buy America Act](#) (BABAA)

If funding from this grant program is used for an “infrastructure” project, all iron, steel, manufactured products & construction materials used in the project must be produced in the U.S. per the [Build America, Buy America Act](#) (BABAA), unless an [approved waiver](#) applies, including the [Small Projects Waiver](#), which waives the BABAA requirements for all projects that do not exceed the federal simplified acquisition threshold (currently set at \$250,000). Recipients and subrecipients of this grant must also ensure that all contracts (including purchase orders) subject to BABAA include a required contract clause and self-certification of compliance pursuant to [FEMA Interim Policy #207-22-0001: Buy America Preference in FEMA Financial Assistance Programs for Infrastructure](#).

Contractors and their subcontractors who apply or bid for an award for an infrastructure project subject to the domestic preference requirement in BABAA shall file the required certification to the non-federal entity with each bid or offer for an infrastructure project, unless a domestic preference requirement is waived by FEMA.

Contractors and subcontractors certify that no federal financial assistance funding for infrastructure projects will be provided unless all the iron, steel, manufactured projects, and construction materials used in the project are produced in the United States. BABAA, Pub. L. No. 117-58, §§ 70901-52. Contractors and subcontractors shall also disclose any use of federal financial assistance for infrastructure projects that does not ensure compliance with BABAA domestic preference requirement. Such disclosures shall be forwarded to the recipient who, in turn, will forward the disclosures to FEMA, the federal awarding agency; subrecipients will forward disclosures to the pass-through entity, who will, in turn, forward the disclosures to FEMA.

**15. Subrecipient Monitoring**

See Attachment 6 for subrecipient monitoring.

**16. Points of Contact**

To provide consistent and effective communication between SUBRECIPIENT and RECIPIENT, each party shall appoint a principal representative(s) to serve as its central point(s) of contact (POC) responsible for coordinating and implementing this MOA. The NCEM contacts shall be: Assistant Director for Homeland Security, Assistant Director - Administration, the NCEM Grants Management Branch staff, and the NCEM Field Branch staff. SUBRECIPIENT point(s) of contact shall be the person(s) designated by SUBRECIPIENT in the approved application (Attachment 1), unless otherwise specified by SUBRECIPIENT. Each party shall keep the other apprised of changes to their POC.

All confidential information of either party disclosed to the other party in connection with the services provided hereunder will be treated by the receiving party as confidential and restricted in its use to only those uses contemplated by the terms of this MOA. Any information to be treated as confidential must be clearly marked as confidential prior to transmittal to the other party. Neither party shall disclose to third parties, the other party's confidential information without written authorization to do so from the other party. Specifically excluded from such confidential treatment shall be information that:

- A. As of the date of disclosure and/or delivery, is already known to the party receiving such information.
- B. Is or becomes part of the public domain, through no fault of the receiving party.
- C. Is lawfully disclosed to the receiving party by a third party who is not obligated to retain such information in confidence.
- D. Is independently developed at the receiving party by someone not privy to the confidential information.

**17. Public Records Access**

While this information under federal control is subject to requests made pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. §552 et. seq., all determinations concerning the release of information of this nature are made on a case-by-case basis by the FEMA FOIA Office.

Information maintained by RECIPIENT in connection with this MOA and grant award is subject to the [North Carolina Public Records Act](#), Chapter 132 of the North Carolina General Statutes and is subject to [public records requests](#) through NCDPS.

## 18. Contracting/Subcontracting

If SUBRECIPIENT contracts/subcontracts any or all purchases or services under this MOA, then SUBRECIPIENT agrees to include in the contract/subcontract that the contractor/subcontractor is bound by the terms and conditions of this MOA. SUBRECIPIENT and any contractor/subcontractor agree to include in the contract/subcontract that the contractor/subcontractor shall hold NCEM harmless against all claims of whatever nature arising out of the contractor/subcontractor's performance of work under this MOA. **If SUBRECIPIENT contracts/subcontracts any or all purchases or services required under this MOA, a copy of the executed contract/subcontract agreement must be submitted to NCEM along with the RFR in accordance with SUBRECIPIENT responsibilities in paragraph 9.G. above.** A contractual arrangement shall in no way relieve SUBRECIPIENT of its responsibilities to ensure that all funds issued pursuant to this grant be administered in accordance with all state and federal requirements. SUBRECIPIENT is bound by all special conditions of this grant award as set out in the grant application and the grant award letter Subaward Agreement incorporated by reference herein, as well as all terms, conditions and restrictions of the FY2022 SLCGP NOFO referenced herein.

## 19. Antitrust Laws

All signatories of this MOA will comply with all applicable state and federal antitrust laws.

## 20. Prohibition on purchasing certain telecommunications - [John S. McCain National Defense Authorization Act for Fiscal Year 2019](#) – Public Law 115-232, section 889 – 2 CFR 200.16

Effective August 13, 2020, FEMA grant recipients and subrecipients may not use any FEMA funds under open or new awards to procure certain covered telecommunications equipment or services.

### *Definitions*

Per section 889(f)(2)-(3) of the FY 2019 NDAA and 2 C.F.R. § 200.216, covered telecommunications equipment or services means:

- A. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation, (or any subsidiary or affiliate of such entities).
- B. For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- C. Telecommunications or video surveillance services provided by such entities or using such equipment; or
- D. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the People's Republic of China.

Examples of the types of products covered by this prohibition include phones, internet, video surveillance, and cloud servers when produced, provided, or used by the entities listed in the definition of "covered telecommunications equipment or services." See 2 C.F.R. § 200.471. **FEMA Policy #405-143-1** Guidance is available in [FEMA Policy #405-143-1](#), Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services issued May 10, 2022.

## 21. Divestment and Do-Not-Contract Rules

The State of North Carolina, through the Department of State Treasurer, follows several divestment and do-not-contract mandates. Information about each of these mandates is available at: <https://www.nctreasurer.com/about/transparency/commitment-transparency/divestment-and-do-not-contract-rules>.

SUBRECIPIENT may not contract with any vendors on any of these designated divestment and do-not-contract lists using SLCGP grant funds, and SUBRECIPIENT must comply with all other requirements of these divestment and do-not-contract laws.



## 22. Acknowledgement of Federal Funding from DHS

Subrecipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

## 23. Lobbying Prohibition

SUBRECIPIENT certifies, to the best of its knowledge and belief, that:

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person or employee of any state or federal agency, a member of the NC General Assembly, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representative of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## 24. Assurance of Compliance with Civil Rights Act of 1964 – Title VI, Civil Rights Act of 1968, and Related Provisions

During the performance of this agreement, SUBRECIPIENT for itself, its assignees and successors in interest agrees as follows:

- A. Age Discrimination Act of 1975  
Subrecipients must comply with the requirements of the Age Discrimination Act of 1975, Public Law 94-135 (1975) (codified as amended at Title 42, U.S. Code, section 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.
- B. Americans with Disabilities Act of 1990  
Subrecipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. 101-336 (1990) (codified as amended at 42 U.S.C. sections 12101 - 12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.
- C. Civil Rights Act of 1964 - Title VI  
Subrecipients must comply with the requirements of Title VI of the Civil Rights Act of 1964 (codified as amended at 42 U.S.C. section 2000d et seq.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F.R. Part 21 and 44 C.F.R. Part 7.
- D. Civil Rights Act of 1968  
Subrecipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. 90-284, as amended through Pub. L. 113-4, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (see 42 U.S.C. section 3601 et seq.), as implemented by the U.S.

Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units - i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators) - be designed and constructed with certain accessible features. (See 24 C.F.R. Part 100, Subpart D.)

- E. Education Amendments of 1972 (Equal Opportunity in Education Act) - Title IX  
Subrecipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. 92-318 (1972) (codified as amended at 20 U.S.C. section 1681 et seq.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at 6 C.F.R. Part 17 and 44 C.F.R. Part 19.
- F. Limited English Proficiency (Civil Rights Act of 1964 - Title VI)  
Subrecipients must comply with Title VI of the Civil Rights Act of 1964, (42 U.S.C. section 2000d et seq.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance: <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>. Guidance for Department-Supported Organizations to Provide Meaningful Access to People with Limited English Proficiency | Homeland Security CRCL announced that DHS has published new Guidance for recipients of DHS financial assistance in the Federal Register.
- G. Nondiscrimination in Matters Pertaining to Faith-Based Organizations  
It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.
- H. Rehabilitation Act of 1973  
Subrecipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (1973) (codified as amended at 29 U.S.C. section 794), which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- I. Whistleblower Protection Act  
Subrecipients must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C section 2409, 41 U.S.C. section 4712, and 10 U.S.C. section 2324, 41 U.S.C. sections 4304 and 4310.

## **25. Assurance of Compliance with Privacy Act**

Subrecipient agrees:

- A. To comply with the provisions of the Privacy Act of 1974, 5 U.S.C. §552A and regulations adopted there under, when performance under the program involves the design, development, or operation of any system or records on individuals to be operated by the Subrecipient, its third-party subrecipients, contractors, or their employees to accomplish a DHS function.
- B. To notify DHS when the Subrecipient or any of its third-party contractors, subcontractors, subrecipients, or their employees anticipate a system of records on behalf of DHS in order to implement the program, if such system contains information about individuals name or other identifier assigned to the individual. A system of records subject to the Act may not be used in the performance of this MOA until the necessary and applicable approval and publication requirements have been met.

- C. To include in every solicitation and in every third-party contract, sub-grant, and when the performance of work, under that proposed third-party contract, sub-grant, or sub-agreement may involve the design, development, or operation of a system of records on individuals to be operated under that third-party contract, sub grant, or to accomplish a DHS function, a Privacy Act notification informing the third party contractor, or subrecipient, that it will be required to design, develop, or operate a system of records on individuals to accomplish a DHS function subject to the Privacy Act of 1974, 5 U.S.C. §552a, and applicable DHS regulations, and that a violation of the Act may involve the imposition of criminal penalties; and
- D. To include the text of Sections 30 parts A through C in all third-party contracts, and sub grants under which work for this MOA is performed or which is awarded pursuant to this MOA, or which may involve the design, development, or operation of a system of records on behalf of the DHS.

**26. Best Practices for Collection and Use of Personally Identifiable Information**

Recipients who collect personally identifiable information (PII) are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy Template as useful resources respectively.

**27. Certification Regarding Drug-Free Workplace Requirements (Subrecipients Other Than Individuals)**

Recipients must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 C.F.R. Part 3001, which adopts the Governmentwide implementation (2 C.F.R. Part 182) of Sec. 5152-5158 of the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 8101-8106).

**28. Term of this Agreement**

Regardless of actual execution date, this MOA shall be in effect from the start of the POP on December 1, 2022, to the end of the POP.

**29. Statement of Assurances**

SUBRECIPIENT must complete either Office of Management and Budget (OMB) Standard Form 424B Assurances – Non-Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs, or both, as applicable.

- A. Subrecipients that only have construction work and do not have any non-construction work need only submit the construction form (i.e., SF-424D) and not the non-construction form (i.e., SF-424B), and vice versa. However, subrecipients who have both construction and non-construction work under this grant must submit both the construction and non-construction forms.
- B. SUBRECIPIENT must complete the appropriate form(s) and submit to NCEM Grants Management Branch ([slcgp@ncdps.gov](mailto:slcgp@ncdps.gov)) upon execution of this MOA. SUBRECIPIENT must still complete the appropriate form(s) even if certain assurances in the form may not directly apply to SUBRECIPIENT’s specific program to ensure that all possible situations are covered.

**30. Situs**

This MOA shall be governed by the laws of North Carolina and any claim for breach or enforcement shall be filed in State Court in Wake County, North Carolina.

**31. Other Provisions/Severability**

Nothing in this MOA is intended to conflict with current federal, state, local, or tribal laws or regulations. If a term of this MOA is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this MOA shall remain in full force and effect.

**32. Entire Agreement**

This MOA and any annexes, exhibits and amendments annexed hereto, and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral and written statements or agreements.

**33. Modification**

This MOA may be amended only by written amendments duly executed by RECIPIENT and SUBRECIPIENT.

**34. Termination**

The terms and conditions of this MOA, as modified with the consent of all parties, will remain in effect until February 28, 2026. Either party upon thirty days advance written notice to the other party may terminate this MOA. Upon approval by DHS, FEMA, and the issuance of the Grant Adjustment Notice, if this MOA is extended, the termination date for the extension will be the date listed in the applicable DHS, Grant Adjustment Notice, incorporated by reference herein. If DHS suspends or terminates funding in accordance with 2 CFR 200.340 and the 2022 SLCGP NOFO, incorporated by reference herein, SUBRECIPIENT shall reimburse NCEM for said property and/or expenses.

**35. Compliance**

SUBRECIPIENT shall comply with applicable federal, state, local and/or tribal statutes, regulations, ordinances, licensing requirements, policies, guidelines, reporting requirements, certifications, and other regulatory matters for the conduct of its business and purchase requirements performed under this MOA. This includes all requirements contained in the applicable FY 2022 SLCGP [NOFO](#) referenced in paragraph 2 above. SUBRECIPIENT shall be wholly responsible for the purchases made under this MOA and for the supervision of its employees and assistants. Failure to comply with the specified terms and conditions of this MOA may result in the return of funds and any other remedy for noncompliance specified in 2 CFR 200.339, and/or termination of the award per 2 CFR 200.340. Additional conditions may also be placed upon SUBRECIPIENT for noncompliance with the specified terms and conditions of this MOA, including (but not limited to) additional monitoring. See Attachment 6 for subrecipient monitoring.

**36. Execution and effective date**

This grant shall become effective upon return of the original grant award letter and MOA, properly executed on behalf of SUBRECIPIENT, to NCEM on behalf of RECIPIENT and will become binding upon execution of all parties to this MOA. The conditions of this MOA are effective upon signature by all parties.

This MOA shall be in effect from 12/01/2022 through the end of the POP. Failure to provide applicable cost reports, proofs of payment and/or a de-obligation request letter within 30 days of the end of the POP may result in automatic de-obligation of grant funds.

**37. Attachments**

All attachments to this MOA are incorporated as if set out fully herein.

- A. In the event of any inconsistency or conflict between the language of this MOA and the attachments hereto, the language of such attachments shall be controlling, but only to the extent of such conflict or inconsistency.
- B. This MOA includes the following attachments or documents incorporated by reference as if fully set out herein:
  - Attachment 1        Scope of Work
  - Attachment 2        Annual Progress Report Form
  - Attachment 3        Required Subrecipient File Documentation
  - Attachment 4        NCEM Communications Branch Memo
  - Attachment 5        FY22 [DHS Standard Terms and Conditions](#)
  - Attachment 6        Subrecipient Monitoring

**AUTHORIZED SIGNATURE WARRANTY**

THE UNDERSIGNED REPRESENT AND WARRANT THAT THEY ARE AUTHORIZED TO BIND THEIR PRINCIPALS TO THE TERMS OF THIS MOA. IN WITNESS WHEREOF, RECIPENT AND SUBRECIPIENT HAVE EACH EXECUTED THIS MOA AND THE PARTIES AGREE THAT THE MOA IS EFFECTIVE AS OF THE POP START DATE, EVEN IF THIS MOA IS SIGNED BY ANY PARTIES AFTER THAT DATE.

**For RECIPIENT:**

**By:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **Date:** \_\_\_\_\_  
**William C. Ray, Director & Deputy  
Homeland Security Advisor  
North Carolina Department of Public Safety  
Division of Emergency Management**

**For SUBRECIPIENT:**

**By:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **Date:** \_\_\_\_\_

**By:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **Date:** \_\_\_\_\_

**By:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **Date:** \_\_\_\_\_

**Approved as to Form:**

**By:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **Date:** \_\_\_\_\_  
**William Polk, Deputy General Counsel  
Reviewed for the North Carolina  
Department of Public Safety to fulfill the  
purposes of the DHS Homeland Security  
Grant Program**



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

**HEADWORKS FINANCING AND CAPITAL PROJECT ORDINANCE**

**To: Summer Woodard, City Manager**  
**From: Chris Phillips, Asst. City Manager/Finance Director**  
**Date: August 29, 2023**

Last month, the City Council approved the financing of the Headworks project. The related paperwork that had been received from the State was for \$5,036,100 an amount that was \$144,582 less than the actual amount approved by the Local Government Commission. Corrected information from the State showing the full approved debt of \$5,180,682 was received after the August City Council meeting. At this time, the City Council needs to adopt the attached revised resolution for the correct amount.

At this time, the Headworks Capital Project Ordinance also needs to be amended by the City Council to increase the amount financed by \$144,582 and a corresponding increase to the project's contingency account.

Please have the City Council consider these actions and let me know if any further information is needed.

**RESOLUTION BY GOVERNING BODY OF RECIPIENT**

**TO ACCEPT AN OFFER OF FUNDING**

**WHEREAS,** the North Carolina Department of Environmental Quality Division of Water Infrastructure has offered a Clean Water State Revolving Loan in the amount of **\$5,180,682** for the construction of the **Headworks Replacement**, and

**WHEREAS,** the **City of Reidsville** intends to construct said project in accordance with the approved plans and specifications.

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

That **City of Reidsville** does hereby accept the Clean Water State Revolving Loan offer of **\$5,180,682**.

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

That **Summer Woodard, City Manager**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the **12<sup>th</sup> day of September, 2023** at Reidsville, North Carolina.

SEAL

---

Donald L. Gorham, Mayor

ATTEST:

---

Angela G. Stadler, City Clerk

**WASTEWATER TREATMENT PLANT HEADWORKS  
CAPITAL PROJECT ORDINANCE AMENDMENT**

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

**WHEREAS**, the Wastewater Treatment Plant Headworks Capital Project Fund was established on February 10, 2020: and

**WHEREAS**, it is the desire of the Mayor and the City Council of the City of Reidsville to recognize additional funding, to appropriate funds and to set up or amend related accounts;

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

Section 1. That the following revenue accounts for this project is hereby established/amended:

57-3900-0000	Proceeds of State Revolving Fund	\$	144,582
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Section 2. The following line items of expenditures are hereby established/amended:

57-7130-9911	Contingency	\$	144,582
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Section 3. The City Manager and Finance Director are hereby granted all necessary authority to carry out this project, including the approval of payment requests as earned under approved contracts, to approve change orders in each contract as long as said change orders amount to less than \$25,000 each, to transfer funds from the established Contingency Fund to cover such change orders and cost overruns. The Finance Director is authorized to make temporary loans to this capital project from the General Fund in order to cover costs before receipt of revenues and to establish an acceptable cash flow.

This the 12<sup>th</sup> day of September, 2023.

\_\_\_\_\_  
Donald L. Gorham  
Mayor

ATTEST:

\_\_\_\_\_  
Angela G. Stadler, CMC/NCCMC  
City Clerk



ROY COOPER

Governor

ELIZABETH S. BISER

Secretary

SHADI ESKAF

Director



NORTH CAROLINA  
Environmental Quality

August 21, 2023



Ms. Summer Woodard, City Manager  
City of Reidsville  
230 West Morehead Street  
Reidsville, NC 27320

SUBJECT: Offer and Acceptance for a State Loan -  
**Amended**  
Project No. CS370384-07  
Wastewater Treatment Plant Headworks  
Replacement

Dear Ms. Woodard:

The City of Reidsville has been approved for loan assistance from the Clean Water State Revolving Fund. Enclosed are two (2) copies of an Offer-and-Acceptance Document extending a State Revolving Loan in the amount of **\$5,180,682**. **This offer is amended and supplants the previous offer dated June 30, 2023.** This offer is made subject to the assurances and conditions set forth in the Offer-and-Acceptance Document.

Please submit the following items to Pam Whitley, Division of Water Infrastructure, 1633 Mail Service Center, Raleigh, North Carolina 27699-1633 or via email at [pam.whitley@deq.nc.gov](mailto:pam.whitley@deq.nc.gov):

1. A resolution adopted by the governing body accepting the loan offer and making the applicable assurances contained therein. (Sample copy attached)
2. One (1) copy of the original Offer-and-Acceptance Document executed by the Authorized Representative for the project, along with the signed "Standard Conditions for the Federal SRF loans". **Retain the other copy for your files.**
3. Federal Identification Number and Unique Entity ID Number of the Recipient (Memo attached)
4. Sales-Tax Certification (attached)

Please note that if a Fiscal Sustainability Plan is applicable to this project, the certification is not due until the final reimbursement request.



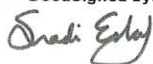
North Carolina Department of Environmental Quality | Division of Water Infrastructure  
512 N. Salisbury Street | 1633 Mail Service Center | Raleigh, North Carolina 27699-1633  
919.707.9160

The Site Certification, a Capital Project Ordinance (or budget ordinance covering the project), and the Professional Engineering Services Procurement Form are due before disbursements will begin. Please see the attached Guidance Document for a complete list of items due no later than the project's first disbursement.

Reimbursement requests should be sent to DWI Finance Accountants at the address noted or emailed to [dwi.businessoffice@deq.nc.gov](mailto:dwi.businessoffice@deq.nc.gov).

On behalf of the Department of Environmental Quality, I am pleased to make this offer of State Revolving Loan funds, made available by North Carolina Water Infrastructure Fund and the Federal Clean Water Act Amendments of 1987.

Sincerely,

DocuSigned by:  
  
6300A872077B4C5...

Shadi Eskaf, Director  
Division of Water Infrastructure, NCDEQ

Enclosures: Resolution to Accept Loan Offer (suggested format)  
Loan Offer and Acceptance Document (two copies)  
Federal ID and Unique Entity ID Number Request Form  
Sales-Tax Certification Form  
Fiscal Sustainability Plan Certification  
North Carolina Wastewater Funding Programs Overview  
Reimbursement Request Form  
Site Certification  
Capital Project Ordinance Sample  
Professional Engineering Services Procurement Form

cc: Summer Woodard, City Manager, [swoodard@reidsvillenc.gov](mailto:swoodard@reidsvillenc.gov)  
Joel Whitford, PE, McGill Associates, Hickory  
([joel.whitford@mcgillassociates.com](mailto:joel.whitford@mcgillassociates.com))  
Pam Whitley  
Mark Hubbard, PE  
Fred Oelrich  
Jennifer House  
Janice Fenner  
Carrie Shortt  
SRF (COM\_LOX)  
Agreement ID: 2000040914



**STATE OF NORTH CAROLINA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER INFRASTRUCTURE**

**Funding Offer and Acceptance**

**Legal Name and Address of Award Recipient**

City of Reidsville  
230 West Morehead Street  
Reidsville, NC 27320

**Project Number:** CS370384-07

**Assistance Listing Number:** 66.458  
**Unique Entity ID Number:** EBNMN93LKMR8

**Funding Program**

Drinking Water	<input type="checkbox"/>	Additional Amount for	Previous Total	Total Offered
Wastewater	<input checked="" type="checkbox"/>	Funding Increases		
State Revolving Fund (SRF)	<input checked="" type="checkbox"/>	\$1,260,682	\$3,920,000	\$5,180,682
State Reserve Loan (SRP)	<input type="checkbox"/>			
State Reserve Grant (SRP)	<input type="checkbox"/>			
State Emergency Loan (SEL)	<input type="checkbox"/>			
Asset Inventory & Assessment Grant (AIA)	<input type="checkbox"/>			
Merger/Regionalization Feasibility Grant (MRF)	<input type="checkbox"/>			

**Project Description:**

Wastewater Treatment Plant Headworks Replacement.

**Total Financial Assistance Offer:** **\$5,180,682**  
**Total Project Cost:** **\$5,180,682**  
**Estimated Closing Fee\*:** **\$103,614**  
*For Loans*  
**Principal Forgiveness:** **\$0**  
**Interest Rate:** **0.18% Per Annum**  
**Maximum Loan Term:** **20 Years**

*\*Estimated closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Shadi Eskaf, Director, Division of Water Infrastructure  
North Carolina Department of Environmental Quality**

DocuSigned by:  
  
 Signature 8/24/2023  
 Signature Date

On Behalf of: City of Reidsville  
 Name of Representative in Resolution: \_\_\_\_\_  
 Title (Type or Print): \_\_\_\_\_

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

\_\_\_\_\_  
 Signature Date

**APPLICABLE STANDARD CONDITIONS****Project Applicant: City of Reidsville****Project Numbers: CS370384-07**

1. The following "super cross cutters" apply to SRF projects and may be found in the Public Policy Requirements section of the EPA General Terms and Conditions for each year's appropriation. This document can be found at <https://www.epa.gov/sites/production/files/2015-08/documents/crosscutterhandbook.pdf> Please note that nothing is submitted to the State's SRF program offices regarding compliance with these items.
  - (a) Title VI of the Civil Rights Act of 1964
  - (b) Section 504 of the Rehabilitation Act of 1973
  - (c) The Age Discrimination Act of 1975
  - (d) Section 13 of the Federal Water Pollution Control Act Amendments of 1972
2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The applicant shall certify that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project using a certification form provided by DEQ.
3. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.
4. Subrecipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Subrecipients may access suspension and debarment information at: <http://www.sam.gov>. This system allows subrecipients to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.
5. The construction contract(s) requires the contractor to adhere to Davis Bacon and Related Acts Provisions and Procedures as listed in the Code of Federal Regulations Chapter 29 Part 5 Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.
6. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to American Iron and Steel provisions. The State provides detailed requirements to be included in the construction contract specifications.
7. Section 603(d)(1)(E) of the Federal Water Pollution Control Act requires subject to develop and implement a Fiscal Sustainability Plan (FSP) for projects that involve the repair, replacement or expansion of publicly owned treatment works. Note that FSPs are not required for new treatment works. The certification provided must be submitted regarding compliance with this section of the Act.
8. Section 602(b)(14) of the Clean Water Act requires projects receiving CWSRF funding to comply with Federal engineering procurement guidelines. The State provides a certification form that must be completed prior to receiving funds for any engineering services covered under this funding offer.

**ASSURANCES**

**Project Applicant: City of Reidsville**

**Project Numbers: CS370384-07**

1. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.  
The recipient acknowledges that in the event a milestone contained in the most recent Clean Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.
2. The Applicant is responsible for paying for the costs ineligible for SRF funding.
3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
4. As of the acceptance of this Funding Award Offer, steps A-D in the SRF Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, closeout and repayment.
5. The Applicant will provide and maintain adequate engineering supervision and inspection.
6. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
8. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.
9. The applicant acknowledges that loan funds contained in this Funding Offer require approval from the North Carolina Local Government Commission before they can be disbursed.



## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** WWTP Biological Nutrient Removal (BNR) Project – Consideration of additional funding and rebidding  
**DATE:** September 12, 2023

On March 9<sup>th</sup>, 2023, City staff, along with our engineering firm, McGill Associates, opened sealed bids for the WWTP Biological Nutrient Removal (BNR) Project. The lowest bid price provided was \$8,620,100, which was substantially more than the funding secured at that time. Since then, we have confirmed with the original funding agency that an additional \$5,000,000 is available at the same rate and terms. This additional funding provides us up to \$8,963,089 in zero interest loans and \$500,000 in a grant from Golden Leaf for baffle walls. City staff still believe even at the previous bid amount that this is an important project for Reidsville as it increases our wastewater treatment capabilities and allows for future growth.

### Request:

Staff is recommending and requesting to City Council that we proceed with rebidding the WWTP BNR Project as designed. Staff is also requesting that once the bid is obtained and the appropriate loan application is submitted to the LGC, that the City of Reidsville will likely need to accept the additional funding amount of \$5,000,000 at the zero interest and 20-year term to finance the project.



## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Josh Beck, Public Works Director  
**RE:** Rural Ready Site Utilities – Diesel Drive Project Change Order Authorization  
**DATE:** September 12, 2023

Since April 2023, City staff along with our engineering firm, WithersRavenel have been working with Bryan Coley, a representative of Triangle Grading and Paving, Inc to understand the following aspects of this project:

1. Why the project is roughly two years behind the original completion date.
2. Why the contractor has been unwilling to sign a change order request for additional work.
3. How we move forward with completing this project in a timely manner.

Shortly after our initial meeting with Mr. Coley to discuss the items above, the County received a Notice of Violation (NOV) for an improperly installed temporary stream crossing, an improperly installed culvert, sediment deposition within the stream channel, excessive temporary wetlands impact, and excessive permanent stream impacts.

Since then, numerous additional meetings between the City, Engineer and Contractor have been held discussing the NOV and ways to move the project forward. WithersRavenel, upon receipt of these violations, has submitted a permit modification, and Triangle Grading is continuing to work with our engineering team to properly address these environmental concerns. During this same period, WithersRavenel drafted a Memorandum of Understanding (MOU) that detailed these concerns and that the cost associated with these permit modifications and stream mitigation credits, totaling roughly \$52,000, would be the sole responsibility of Triangle Grading and Paving.

Mr. Coley has now provided all the necessary backup documentation requested by the City to revise the original change order and after much discussion, Triangle Grading and Paving has executed the MOU on August 31, 2023.

Request:

Based on these recent events, the next step to move this project forward is to execute the change order. Unfortunately, there was insufficient time to obtain the necessary signatures before the September agenda packets were to go out. Therefore, our recommendation is that at the September meeting City Council give the City Manager the authority to sign the change order in the amount of \$561,696.00 and add 605 days to the contract time once executed by the Contractor and Engineer. The additional 605 days were calculated due to pipe material delays and the need to complete the scope of work outlined in the change order.





1 September 2023

Josh Beck, PE  
Public Works Director  
City of Reidsville  
1100 Vance Street  
Reidsville, NC 27320

**RE: Change Order No. 1 (Revised)  
Reidsville Rural Ready Site Utilities**

Mr. Beck:

Enclosed for your review please find proposed Change Order No. 1 (Revised) in the amount of \$561,696.00 for the referenced project. Included in this Change Order are items previously value engineered from the Contractor's bid submission and additional allowances for rock removal associated with installation of sedimentation basins. Also included are Construction Contract time adjustments totaling 150-calendar days and 455-calendar days associated with the addition of value engineered items and materials receiving delays respectively.

Thank you for the opportunity to serve the City of Reidsville. Should questions or the need for additional information arise, please do not hesitate to contact me or Senior Project Manager Jack Fitzgerald directly.

Sincerely,  
WithersRavenel

Glynn Fleming, PE, CFM  
Director of Client Experience  
[gfleming@withersravenel.com](mailto:gfleming@withersravenel.com)

N:\18\18-0240\180244.01-Reidsville Rural Ready Site Design\Const Admin\Construction\Pay App & Change Orders\Change Order 1 Revised\Cover Letter.docx

Enclosure: EJCDC C-941 Change Order No. 1 (Revised)

cc w/Enc.: The Honorable Mayor and City Council, City of Reidsville, NC  
Summer Woodard - City Manager, City of Reidsville, NC  
Chris Phillips - Assistant City Manager of Administration, City of Reidsville, NC  
Brian Coley - Superintendent, Triangle Grading and Paving, Inc.  
Jack Fitzgerald, PE - Senior Project Manager, WithersRavenel, Inc.

115 MacKenan Drive | Cary, NC 27511  
t: 919.469.3340 | f: 919.467.6008 | [www.withersravenel.com](http://www.withersravenel.com) | License No. F-1479  
Asheville | Cary | Charlotte | Greensboro | Pittsboro | Raleigh | Southern Pines | Wilmington

**Change Order 1 (Revised)**

Date of Issuance: September 1, 2023	Effective Date:
Owner: City of Reidsville	Owner's Contract No.:
Contractor: Triangle Grading and Paving, Inc.	Contractor's Project No.:
Engineer: WithersRavenel, Inc.	Engineer's Project No.: 06180244.01
Project: Reidsville Rural Ready Site Utilities	Contract Name: (same as project title)

The Contract is modified as follows upon execution of this Change Order:

Description: Remove approximately 479.9 Cubic Yards of rock to complete skimmer sediment basins A and C at the price of \$50.00/CY as in line item 19 of the bid. No other changes are made. Add bid items 15 and 16 from the original bid schedule dated November 2, 2020 back into the contract. Work includes installation of 108 LF of Class IV RCP, two (2) segmental block retaining walls, final grading as shown on the original drawings. Add the Emergency Generator back into the Sewer Lift Station (part of bid item 3). These items were negotiated out of the original contract. Deduct 200 LF of 6-inch horizontal directional drill.

- Lift Station – Emergency Generator (Bid Item #3): \$50,511.00
- Cut and Fill On-Site no Import or Export of Material (Bid Item #14): \$90,000.00
- Installation of 108 LF of 48" Class V RCP (Bid Item #15): \$24,840.00
- Installation of Two Segmental Block Retaining Walls (5605 SF; Bid Item #16): \$392,350.00
- Rock Excavation (Bid Item #19): \$23,995.00
- Deduct 200 LF of 6-inch horizontal Directional Drill (Bid Item #20): - \$20,000.00

Increase Contract Time by 150-days due to inclusion of above additional work.

Increase Contract Time by 455-days for delays associated with construction materials delivery.

Attachments: *Engineer's cost summary.*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price:	Original Contract Times:
<u>\$ 1,320,000.00</u>	Substantial Completion: <u>180-days (September 11, 2021)</u>
	Ready for Final Payment: <u>210-days (October 11, 2021)</u>
	days or dates

[Increase] from previously approved Change Orders No. <u>na</u> to No. <u>na</u> :  <u>N/A</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>na</u> to No. <u>na</u> :  Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> days
Contract Price prior to this Change Order:  <u>\$ 1,320,000.00</u>	Contract Times prior to this Change Order:  Substantial Completion: <u>180-days (September 11, 2021)</u> Ready for Final Payment: <u>210-days (October 11, 2021)</u>

<b>Increase of this Change Order:</b>  <u>\$561,696.00</u>	<b>Increase of this Change Order:</b>  Substantial Completion: <u>605-days</u> Ready for Final Payment: <u>605-days</u>
Contract Price incorporating this Change Order:  <u>\$ 1,881,696.00</u>	Contract Times with all approved Change Orders:  Substantial Completion: <u>785-days (May 9, 2023)</u> Ready for Final Payment: <u>815-days (June 8, 2023)</u>  days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____	By: _____	By: _____
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Title: <u>Senior Project Manager</u>	Title: <u>City Manager</u>	Title: _____
Date: _____	Date: _____	Date: _____

Approved by Funding Agency (if applicable)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

	City of Reidsville Rural Ready Site Utilities CO #2				
	Date: 7-26-2022				
	Contract amount prior to this change order:				\$ 1,320,000.00
<b>Bid Item</b>	<b>Added-Reduced Items:</b>	<b>Unit</b>	<b>Quantity</b>	<b>Unit Price</b>	
3	Lift Station - Emergency Generator	LS	1.00	\$ 50,511.00	\$ 50,511.00
14	Cut and Fill on Site no Import or Eports	LS	0.25	\$ 360,000.00	\$ 90,000.00
19	Rock Excavation	CY	479.90	\$ 50.00	\$ 23,995.00
15	Add Orginal Bid Line Item 15, 48-Inch RCP Back	LF	108.00	\$ 230.00	\$ 24,840.00
16	Add Orginal Bid Line Item 16, Segmental Block Wall	SF	5605.00	\$ 70.00	\$ 392,350.00
20	Deduct 6-inch Force Main Directional Drill	LF	-200.00	\$ 100.00	\$ (20,000.00)
	<b>Subtotal Additional Items</b>				<b>\$ 561,696.00</b>
	<b>New Contract Amount</b>				<b>\$ 1,881,696.00</b>



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

230 W. Morehead Street • Reidsville, North Carolina 27320 • (336) 349-1030 • Fax (336) 342-3649

July 24, 2023

*Office of the City Manager*

Triangle Grading and Paving, Inc.  
1521 Huffman Mill Road  
Burlington, NC 27215-8815  
ATTN: R.G. Kirkpatrick, Jr.

**RE: Rural Ready Site Utilities, City of Reidsville, NC  
Memorandum of Understanding (MOU)  
NCDWR Notice of 404/401 Permit Violations  
NCDWR Project No.: 20201105  
USACE AID: SAW-2020-01543**

Mr. Kirkpatrick,

On 31 March 2023 the City of Reidsville (City) received notification from the North Carolina Department of Environmental Quality, Division of Water Resources (NCDWR) of potential 404/401 Permit violations occurring on the City's Rural Ready Site Utilities jobsite. Subsequent inspection and an on-site meeting with NCDWR representatives held on 18 April 2023 noted multiple violations of the referenced permits occurring as a result of unauthorized construction activity including:

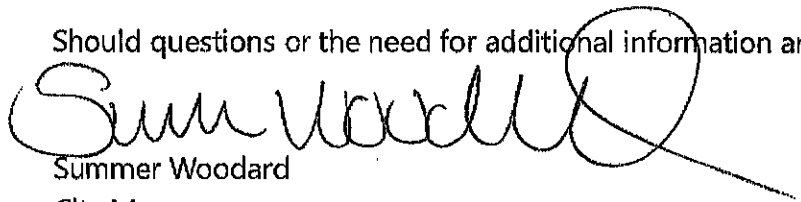
- Improperly installed temporary crossing
- Improperly installed culvert
- Sediment deposition within the stream channel
- Excess temporary wetlands impacts
- Excess permanent stream impacts

After further consultation with NCDWR Staff and Permit Author/Owner's Representative WithersRavenel, Inc., the enclosed Permit Violations Response was submitted to NCDWR on 31 May 2023. On 20 June 2023 the City received the enclosed Notice of Violation and Restoration Plan Approval which documents actions required for resolution of identified violations. By executing this MOU Triangle Grading and Paving, Inc. (Contractor) acknowledges causation of noted permit violations and affirms responsibility for costs associated with resolution of noted permit violations including but not limited to mitigating actions as required by NCDWR (404/401 permit modification and payment for approximately 21 liner feet of additional stream mitigation), approved Restoration Plan, and associated Professional Services to be provided by City consultants. At present, mitigation credit cost totals \$740.09/LF and must be applied at a 2:1 ratio resulting in approximate additional mitigation fee of \$31,083. Anticipated additional Professional

*“Live Simply. Think Big.”*

Services to be provided by City consultants totals approximately \$21,000. Further, Contractor acknowledges stated NCDWR timeline for completion of mitigating actions and agrees to commence work noted no later than 31 July 2023.

Should questions or the need for additional information arise, please contact me directly.



Summer Woodard  
City Manager  
City of Reidsville

OFFERED BY:

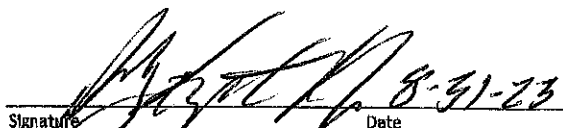
City of Reidsville, NC

ACCEPTED BY:

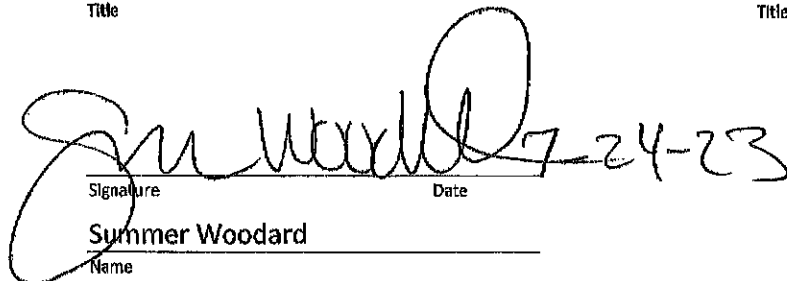
Triangle Grading and Paving, Inc.



Signature Date  
Donald L. Gorham  
Name  
Mayor  
Title



Signature Date  
R.G. Kirkpatrick, Jr.  
Name  
President  
Title



Signature Date  
Summer Woodard  
Name  
City Manager  
Title

Enc: Correspondence from NCDWR Environmental Specialist II Rebecca Chandler dated 31 March 2023.  
Reidsville Rural Ready Site-NCDWR Notice of 401 Permit Violations Response dated 31 May 2023  
Construction Progress Meeting Minutes 5 June 2023  
NCDWR Notice of Violation and Restoration Plan Approval dated 20 June 2023  
Construction Progress Meeting Minutes 10 July 2023

cc w/Enc.: The Honorable Mayor and City Council, City of Reidsville, NC  
Joshua Beck, PE - Public Works Director, City of Reidsville, NC  
William F. McLeod Jr. - City Attorney, City of Reidsville, NC  
Chris Phillips - Assistant City Manager of Administration, City of Reidsville, NC  
Brian Coley - Superintendent, Triangle Grading and Paving, Inc.  
Ronnie Pernell - Area Manager, Triangle Grading and Paving, Inc.  
Jack Fitzgerald, PE - Senior Project Manager, WithersRavenel, Inc.



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

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## MEMORANDUM

**TO:** Summer Woodard, City Manager  
**FROM:** Angela G. Stadler, CMC, City Clerk *AS*  
**SUBJ:** Board/Commission Appointments for September 12, 2023  
**DATE:** September 5, 2023

The following applications have been received for appointment to the Boards and Commission listed below:

### New Reidsville Housing Authority Board

Gatha Siddle Stevenson of 1107 North Woodleigh Circle has applied for this board. If she is appointed, there will be one open position.

### Reidsville Appearance Commission

A. Carlton Johnson of 1415 Brookwood Drive has applied for this board. If he is appointed, there will be one open position.

### Reidsville Historic Preservation Commission

Marguerite Holt of 1008 Ridgewood Avenue and Anne M. Simmons of 313 S. Branch Street have re-applied for this board. If they are appointed, there will be one open position.

### Reidsville Human Relations Commission

Richard Ratliff of 814 Lawndale Drive, Apt. #126, has re-applied for this board. If he is appointed, there will be one student position available on the Reidsville Human Relations Commission.

### Reidsville Planning Board

Thomas Thompson of 326 Carter Ridge Drive has re-applied for this board. If he is appointed, there will be only one ETJ position that requires County Commissioners' approval on the Reidsville Planning Board.

### ADDITIONAL VACANCIES

In addition to the vacancies mentioned above, the following openings on other boards and commissions of the City will be advertised for consideration at the next City Council meeting:

- Three 3-year term positions on the Reidsville Community Pool Association
- Five 3-year term open positions on Reidsville Parks and Recreation Advisory Commission

Applications to be considered at the October 10, 2023, Council meeting will need to be turned in by 5 p.m. on Friday, September 29, 2023.

AGS/lw  
Attachment (6)

*“Live Simply. Think Big.”*



THE CITY OF  
**Reidsville**  
NORTH CAROLINA

230 W. Morehead Street • Reidsville, North Carolina 27320 • (336) 349-1030 • Fax (336) 342-3649

*Office of the City Manager*

**Date:** August 28, 2023

**To:** Mayor Donald Gorham  
City Council Members

**From:** Summer Woodard, City Manager

**Subject:** City Manager's Monthly Report

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**Personnel:**

- **Economic Development Director** - Mac Williams and his firm have posted the job application for this position. This position is being advertised on the firm's website, City website, LinkedIn and on various Economic Development websites. Please see job description and application under the Miscellaneous tab in the agenda packet.

**Projects & City Updates:**

- **The Sesquicentennial Celebrations** – For the month of September, our celebration will include an Open House at the Reidsville Water Treatment Plant on Saturday, September 9, from 1:00 p.m. to 3:00 p.m. There will be a 9/11 Memorial Service on Monday, September 11, at 9:00 a.m. at Fire Station #1 located on South Scales Street. Art in the Afternoon will be at Penn House on Saturday, September 16, from 10:00 a.m.-5 p.m. and Sunday, September 17, from 1:00 p.m. to 5:00 p.m. Also, on September 23 at 7:00 p.m., our Summer Concert series will be at Market Square and feature music by the band, Gump Fiction, which is 1990s music.
- **JC Park Tennis Courts** - We are currently finishing the final piece of the USTA Grant process that includes an engineering drainage report. Our Engineering Department has arranged with a professional land surveyor to take the elevation shots for the four (4) courts and the surrounding grassy areas. This will identify if water is being retained on the courts. This information is needed for Engineering to complete the stormwater study (draining report) portion of the grant. A heavy rain is needed to provide a more accurate report. We anticipate this being ready to submit in a couple of weeks.



- **Pickleball** - We have purchased a storage box with portable nets and removable striping for Tennis Courts 4 & 8 to allow for additional pickleball playing areas. These are the two courts on the left (as you are facing the tennis courts with the baseball fields behind you) that are the furthest away from the parking lot.

We have informed the regular pickleball players about what we have done, and we have asked how we can assist with making it more convenient for them to play.

- **Family Forward Application** - The application has been submitted. We have asked employees to respond to the survey from the organization and sent a reminder they need to complete the survey.
- **Sister Cities** - The committee has met and gone over the application. They have answered all questions on the application and are reviewing the completed document to make changes, etc. Marketing plans to submit the application to Sister City International the week of Aug 28.
- **Splash Pad** - Underground electrical and plumbing is complete for the two buildings. Both the water and sewer taps are complete for the project. CMU blocking is progressing on the bathroom facility along with plumbing and electrical rough-ins. L Square was delayed mobilizing to the jobsite and finally arrived from Georgia on 8/14/23. Over the next couple of weeks, they will complete the necessary underground piping and embeds before pouring the concrete slab. CMU blocking will also proceed on the second building once L Square has plumbed out the mechanical room. See attached photos under the Miscellaneous tab in the agenda packet for progress on 8/23/23.
- **Penn House Building Project** - Electrical, plumbing and mechanical rough-ins are nearly complete with the exception of the recent change order request for camera and AV pathways. Once everything is inspected and approved, the contractor can begin to insulate and sheetrock all interior walls. Smokescreen partitions and some miscellaneous walls have been initially hung with drywall (one side). Ongoing discussions about the EIFs continue to delay the exterior from progressing forward. The porch columns are complete, and the supports are currently being framed out. HVAC equipment projected lead time has shortened by one week, which continues to be the longest lead time and likely the final item to complete the project at the end of November.
- **Lawsonville Avenue School Project** - We are still waiting on the attorneys to divide the property. We have received a \$250,000 grant from Rural Transformation. We have also gotten the endorsement of the County Manager to be one of the projects for the Golden Leaf Grant initiative in the amount of \$300,000. This is a yearlong process for this grant. Chris and Judy are meeting Monday, Aug. 28, with PTRC to discuss the SEID grant. PTRC thinks this project will qualify. If so, this would be an application for \$500,000. RAF has asked we return to them in October to discuss the project and possible funding.

- **Lunch and Learn Event** - Manager Lunch and Learns are listening series for our Teammates to have the opportunity to engage with the City Manager and Assistant City Managers on topics that relate to local government. Each series is from 12:00 p.m. to 1:00 p.m. and will include a local government topic, audience participation and lunch. This month's Lunch and Learn will be held on Tuesday, September 19<sup>th</sup>, at Reidsville Fire Department Station #1 where our topic will be Benefits and Retirement. All employees are invited and encouraged to attend all series at each location.
- **Place Your Bet on Reidsville** - The City of Reidsville has partnered with the Chamber of Commerce, Rockingham Community College and Rockingham County on a three-part series encouraging economic development in Reidsville. The third event will be on Wednesday, September 20, from 5:00 p.m. to 8:00 p.m. at the Reidsville Event Center. This event will be a networking event for property owners, business owners and financial institutions. This is a public event, and everyone is encouraged to attend. We do ask that everyone register so we can have a head count on the number of attendees for planning purposes.
- **Fall Decorations** - The City of Reidsville has started planning for our 2023 downtown fall decoration and photo displays. We are hoping to have all decorations up by September 29.
- **Battle of the Cup** - The next event will be Thursday, September 21, from 2:00 p.m. to 4:00 p.m. at the upper JC Park. The event will be a Kickball tournament.

**Events/Meetings Attended:**

- 8/1 – Attended the Historical Marker dedication for Griggs vs. Duke Power and attended National Night out
- 8/2 - Ribbon Cutting for Fresenius Kidney Center and C.A.L.M. Committee meeting
- 8/3 - Special Called City Council Meeting and attended the EDC banquet in Stoneville, NC
- 8/8 - City Council Meeting
- 8/9 - Management Team Meeting
- 8/10 - Attended Teen Center Open House
- 8/16 - Employee Relations Committee Meeting
- 8/17 - Special Called City Council Meeting
- 8/22 - Went to Cricket Forge in Durham, NC to look at metal work for Depot Shelter

- 8/23 - Ribbon cutting for Jersey Mikes
- 8/24 - Attended ABC Board meeting
- 8/25 - Meetings with City Council Members
- 8/26 - Meeting with WithersRavenel Engineering Firm
- 8/29 - RDC meeting and meeting with Star News regarding Christmas Parade



**THE CITY OF REIDSVILLE, NORTH CAROLINA  
EXECUTIVE SEARCH – DIRECTOR OF  
ECONOMIC DEVELOPMENT**

IN CONJUNCTION WITH:  
**SH | SANFORD  
HOLSHOUSER**  
ECONOMIC DEVELOPMENT CONSULTING

### **The Candidate**

The Economic Development Director is responsible for working with local officials, community partners, and business executives for the purpose of generating business growth through recruitment, expansion and retention of businesses and industries; guiding initiatives for revitalization of central business district including real estate redevelopment/adaptive reuse; developing “product” for industrial development, and providing complimentary support to county-led industrial development/site selection efforts.

### **Job Duties**

Essential and other important responsibilities may include, but are not limited to the following:

- Development of data, statistics, and publications which portray the economic potential of the City
- Identification of prospective businesses and industries for recruitment or expansion within the City
- Maintaining proper records, reports, and public information necessary for the function of the office
- Exercise sound judgment and ability to maintain confidentiality
- Foster and maintain a strong partnership with Rockingham County economic development professionals
- Plans, initiates, and directs economic development initiatives, including contract development, preparation, and management, development agreements, real estate and capital projects utilizing both public initiatives and public/private partnerships
- Markets the City through various contacts, and resources.
- Serves as the City’s initial point of contact regarding business and industrial prospects; assists Rockingham County EDC in responding to RFIs where Reidsville-based property may qualify
- Coordinates marketing of industrial sites/buildings through Rockingham County EDC
- Meets with civic organizations, developers, educational institutions, landowners, and citizens to communicate and learn of the resources and needs of the community
- Promotes the merits of economic development
- Maintains current data on sites and buildings, reports on changes to County and State industrial developers; maintains statistics on labor, wages, demographics, economic base, maps, profiles, utilities, retail sales, building permits, finances, schools, etc.; facilitates city incentives process; reports on growth announcements and statistics on various businesses and industries in the area
- This position reports directly to the City Manager and, as such, will be part of the Management Team. Position is evaluated through periodic conferences, observation of results achieved, success and cost of projects, review of work, and overall acceptance of programs by the business community and citizens.

### **Experience, Education and Licenses**

- Minimum: Graduation from a four-year college or university with a degree in business, planning, economics, public administration, or related field supplemented by training in economic development
- Minimum of five years of professional economic development experience
- Possession of an appropriate driver’s license valid in the State of North Carolina

### **Licenses and Certification**

- Economic Development Specialist Certification desired
- AICP Certification desired
- Graduate of REDI desired
- Certified Economic Developer (CEcD) preferred

### **Essential Qualifications**

A combination of education, training, and experience providing the following knowledge, skills and abilities:

- Ability to exercise sound independent judgement while simultaneously considering the financial, socio-economic, legal, and regulatory variables as may affect the City
- Ability to build and maintain relationships with local, regional, and state officials, community leaders, and business executives for the purpose of promoting growth
- Extensive contact and coordination with governmental agencies, corporate entities, developers, business leaders, civic organizations, property owners, citizens, and other City departments on a wide range of economic and community development related issues and programs



### **Preferred Qualifications**

- 10 years' experience in economic development
- Master's degree (MBA or MPA).

### **Knowledge, Skills and Abilities**

- Comprehensive knowledge and experience in economic and community development and the local, state, and federal laws that regulate these operations
- Thorough knowledge of principals, practices, and methods of economic development and redevelopment
- Thorough knowledge of applicable local, state, and federal laws, codes, ordinances, and regulations related to operations in the division
- Analytical skills including the ability to research and accurately assess complex information
- Ability to build and maintain strong relationships with board members, City Council, staff, agencies, and business community
- Ability to interpret and analyze technical and statistical information, and to prepare and present technical oral and written reports
- Ability to communicate ideas clearly and concisely, both orally and in writing
- Ability to be self-driven, proactive, and aggressive in the conduct of job responsibilities in combination with good personal interaction and relationship skills
- Working knowledge of the theory, principles, and practices of public, municipal, and budget administration
- Extensive knowledge of available incentives and grants available to attract, retain, and expand businesses and industries
- Ability to assist City Manager and City Council in the long-term plans and goals for the city and to provide management with target dates, costs, and implementation strategies
- Ability to handle people and situations with tact, respect, diplomacy, and discretion

Applicants are subject to criminal background check and post-offer urine drug screen

### **Salary dependent on experience and certifications**

**\$80,737—\$121,106**

Hiring salary anticipated at +/- \$100,921 depending on experience, education and qualifications.

<https://jobs.reidsvillenc.gov/>



Splash Pad







**MINUTES OF THE REIDSVILLE PLANNING BOARD  
HELD WEDNESDAY, AUGUST 16<sup>th</sup>, 2023 BEGINNING AT 6:00 P.M. IN  
THE CITY HALL COUNCIL CHAMBERS**

**MEMBERS PRESENT:**

Thomas Thompson, Chairman  
Cindy Scarborough  
Dylan Moore  
William Roach  
Joe Towns

**MEMBERS ABSENT:**

W. E. "Skeeter" Coates, Vice-Chairman

**OTHERS IN ATTENDANCE:**

Jason Hardin, Planning & Community Development Manager  
Drew Bigelow, Planner I  
Perry Savas, Savas Construction

Chairman Thomas Thompson called the Planning Board meeting to order at 6:00pm.

**APPROVAL OF MINUTES**

A motion was made to approve the Minutes of the July 19<sup>st</sup> Planning Board Meeting.

**Motion:** Joe Towns

**Second:** Cindy Scarborough

**Vote:** Unanimous

**CONSIDERATION OF A TEXT AMENDMENT APPLICATION TO AMEND ARTICLE V, SECTION 4: "TABLE OF AREA, YARD AND HEIGHT TO REDUCE THE FRONT YARD SETBACK REQUIREMENT FOR SINGLE UNITS IN THE RESIDENTIAL AGRICULTURAL-20 (RA-20) ZONING DISTRICT FROM 40 (FORTY) FEET TO 30 (THIRTY) FEET. DOCKET NO. T 2023-10.**

Drew Bigelow introduces the text amendment. Drew Bigelow states that the City has been petitioned by Perry Savas to amend Article V, Section 4, "Table of Area, Yard, and Height Requirements" to reduce the front yard setback requirement for Single Units in the Residential Agricultural-20 (RA-20) zoning district from forty (40) feet to thirty (30) feet. Currently, the Zoning Ordinance requires a front-yard setback of forty (40) feet for Single Units in Residential Agricultural-20 (RA-20). We recognize that the existing forty (40) foot front yard setback can create difficulties for some properties. Staff has evaluated the front yard setback requirements for other municipalities around the Triad and found the average front yard setback to be between forty (40) and thirty (30) feet for 20,000 square foot lots. Therefore, staff views this request as reasonable. Where City right-of-way is present, the required front yard setback increases further since the front yard setback begins at the point where the parcel boundary begins following the right-of-way. For example, if in RA-20 there is a 10-foot right-of-way from the curb extending onto the

property, the required forty (40) foot front yard depth will begin where the right-of way ends. This would create a front yard with a depth of fifty (50) feet from the curb. Furthermore, there is a considerable need for new housing in Reidsville. The Reidsville Land Development Plan describes Goal #3, the need for expanded housing. This text amendment aligns with Goal #3 by providing flexibility in development regulation and assistance in addressing the need for a more varied housing stock. There is also an ongoing movement at the national level among city planners to move away from large-lot zoning with extensive setbacks. This amendment will aid in the expansion of the housing stock by relaxing the front yard setback requirement for single units in RA-20, and creating housing options that are attractive to both developers and residents. The Planning Staff recommends the adoption of the proposed text amendment.

Cindy Scarborough asks Drew Bigelow to remind the Board which zoning district they heard previously about reducing the front yard setback requirement. Drew Bigelow states that was for Residential-12 (R-12). Cindy Scarborough asks what the Board had reduced the setback requirement to for R-12. Drew Bigelow responds, twenty-five (25) feet. To prevent the front yard setback requirements from getting skewed, Chairman Thompson asks Drew Bigelow if the front yard setback for R-6 is shorter than twenty-five (25) feet. Drew Bigelow responds that she does not have that information in front of her but that R-6 is either thirty (30) or thirty-five (35) feet. Chairman Thompson states that we might need to go ahead and amend the setback requirement for R-6 while we are at it. Drew Bigelow stated that she thinks that would need to be another, separate text amendment. Both Chairman Thompson and Planning & Community Development Director Jason Hardin note that it would need to be a separate text amendment. Chairman Thompson asks if there are any other questions for Drew Bigelow. There being none, the Board moves on to comments from the applicant, Perry Savas.

Perry Savas distributes additional documentation to the Board for their reference. Perry Savas states that he has three parcels located on Regal Rd. All three parcels are zoned RA-20 and are heavily wooded. Perry Savas explains that he is seeking this text amendment so they may build these homes closer to the front of the road. By setting these homes closer to the road, Perry Savas notes he will be able to preserve more natural green space behind the home, creating larger backyards. Acknowledging the ten (10) foot utility easement that exists on Regal Rd., Perry Savas states that the property would have a fifty (50) foot front yard depth considering the current front yard setback requirement. This extensive front yard depth would reduce the size of the house that could be built there. Perry Savas states that all of the "good" and desirable lots along Regal Rd. have already sold. What is left are the bits and pieces of land that were left over from previous subdivisions and developments. Perry Savas continues by noting that the three (3) homes he is looking to develop on Regal Rd. will be starter homes, between 1400 and 1600sqft, and considered an affordable housing option all around.

Drew Bigelow reminds the Board that this text amendment is not specific to the homes Perry Savas is seeking to develop and that the reduction of the front yard setback will apply to all homes in RA-20.

Chairman Thompson asks if the Board has any other questions for Perry Savas. There being none, the floor is closed for public comments.

The Board does not have any discussion among themselves.

**A motion was made to recommend the text amendment application to the City Council for approval.**

**Motion: Cindy Scarborough**

**Second: Joe Towns**

**Vote: Unanimous**

### **PLANNING & COMMUNITY DEVELOPMENT DIRECTOR'S REPORT**

Chairman Thompson asks Jason Hardin how the City Council meeting went this month. Jason Hardin states that we had five (5) items go before Council and that all five (5) were approved: both special use permits, the Traditional Neighborhood text amendment, and the two text amendments about amusements. Jason Hardin notes that there are a couple of other things to mention. We recently issued the zoning permit for a new apartment complex off of Holiday Loop Rd. that will construct 216 new units. That parcel is an open field right now. Also, we had our first meeting with Council about the ordinance rewrite. For the time being, we are going to pump the breaks a little bit on the text amendments. We won't be bringing any more text amendments before the Board or Council while we work on writing the new UDO. Jason Hardin states that we are going to focus on making a new ordinance rather than fixing the old one.

William Roach asks if we took shooting ranges out of the last text amendment that went before Council. Jason Hardin responds, we did. Chairman Thompson asks Jason Hardin if he knows anything about the economic development meeting Council is holding tomorrow (August 17th). Jason Hardin replies, no it is a closed session.

Circling back to the ordinance rewrite, Jason Hardin states that the Planning Board will serve as the steering committee for the rewrite. That means the Planning Board will be reviewing the updated Articles as they become available. We will bring approximately two (2) Articles before the Board for review at a time for consideration. The Board will provide feedback, and staff will pass it along. At each meeting the Board will provide an informal recommendation on the presented Articles; however, the Board will not vote on recommending the rewrite to Council until the end, after all Articles have been reviewed. This means longer meetings and more work. We expect the first part to be ready for review around the first of the year.

Joe Towns circles back, asking Jason Hardin where the apartments that were mentioned earlier are going to go. Jason Hardin responds, Holiday Loop Rd. off of Barnes Street. Currently, there is an old house there with a dilapidated single-family home on it. Chairman Thompson states that the Board had rezoned the Holiday Loop parcel not too long ago. Jason Hardin notes that the rezoning took place in 2021.

Dylan Moore jumps back to the discussion on the ordinance rewrite. Dylan Moore asks if the Board will make comments and/or suggestions during the review of each Article. Jason Hardin states that the Board will be able to provide feedback on what they like and do not like. We will then take that feedback into account and pass it along to Chad from CodeWright for incorporation. Dylan Moore clarifies that this will occur over the course of several meetings. Jason Hardin replies, yes. You will be

presented with a few Articles at a time and be asked to read over and review them before providing comments. Then at the next meeting, you will review two (2) more, so on and so forth. Jason Hardin states that Chad may be at the next meeting or he may not be. He may not attend until October or November, as he is just getting started with the rewrite. Chairman Thompson asks Jason Hardin how many Articles this rewrite will have. Jason Hardin states that the current ordinance has about 16 Articles, so around the same is to be expected. We are planning for adoption in December 2024. Cindy Scarborough states that this is a good idea. Jason Hardin states that by doing it this way, we are cutting out the need for as many text amendments and revisions to the current ordinance.

Drew Bigelow notes that Jersey Mikes has been issued a Certificate of Occupancy. Cindy Scarborough asks if they will be opening next week. Drew Bigelow responds, they could open now if they wanted to. Cindy Scarborough notes that the Jersey Mikes ribbon cutting is next week. Chairman Thompson notes that Cookout is also open now. Chairman Thompson goes on to ask Jason Hardin when the Urgent Care will be open. Jason Hardin states that they will be open soon. Chairman Thompson states that there are a lot of new businesses coming to Reidsville, which is positive for the City.

#### **ADJOURNMENT OF PLANNING BOARD**

There being no further business, a motion was made to adjourn the Planning Board meeting at 6:15pm.

**Motion: Joe Towns**  
**Second: William Roach**  
**Vote: Unanimous**

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**Drew Bigelow**  
**Planner I**

**MINUTES OF THE REIDSVILLE BOARD OF ADJUSTMENT MEETING  
HELD WEDNESDAY, AUGUST 16<sup>th</sup>, 2023 BEGINNING AT 6:00P.M.  
IN THE CITY HALL COUNCIL CHAMBERS**

**MEMBERS PRESENT:**

Thomas Thompson, Chairman  
Cindy Scarborough  
Dylan Moore  
William Roach  
Joe Towns

**MEMBERS ABSENT:**

W. E. "Skeeter" Coates, Vice-Chairman

**OTHERS IN ATTENDANCE:**

Jason Hardin, Planning & Community Development Manager  
Drew Bigelow, Planner I

Chairman Thomas Thompson called the Board of Adjustment meeting to order at 6:15pm.

**APPROVAL OF MINUTES**

A motion was made to approve the corrected Agenda of the July 19<sup>th</sup> Board of Adjustment Meeting.

Motion: William Roach  
Second: Cindy Scarborough  
Vote: Unanimous

A motion was made to approve the Minutes of the July 19<sup>th</sup> Board of Adjustment Meeting.

Motion: Joe Towns  
Second: Dylan Moore  
Vote: Unanimous

**ADJOURNMENT OF THE BOARD OF ADJUSTMENT**

There being no further business, a motion was made to adjourn the Board of Adjustment meeting at 6:19pm.

Motion: Dylan Moore  
Second: Cindy Scarborough  
Vote: Unanimous

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Drew Bigelow  
Planner I

**MINUTES OF THE REIDSVILLE HISTORIC PRESERVATION COMMISSION MEETING  
HELD THURSDAY, AUGUST 17<sup>TH</sup>, 2023 BEGINNING AT 6:00 P.M.  
IN THE REIDSVILLE CITY HALL COUNCIL CHAMBERS**

**MEMBERS PRESENT:**

Jim Jackson, Chairman  
Jason Johnson, Vice-Chairman  
Cindy Dilday  
Elizabeth Covell  
Anne Marie Simmons

**MEMBERS ABSENT:**

Marguerite Hold  
Norma Craddock

**OTHERS IN ATTENDANCE:**

Jason Hardin, Planning & Community Development Manager  
Drew Bigelow, Planner I

**Chairman Jim Jackson called the Historic Preservation Commission meeting to order at 6:02 pm.**

**Anne Marie Simmons provided the invocation.**

**APPROVAL OF MINUTES**

A motion was made to approve the Minutes of the June 15<sup>th</sup> Historic Preservation Commission Meeting.

**Motion: Elizabeth Covell**

**Second: Jason Johnson**

**Vote: Unanimous**

**CONSIDERATION OF A CERTIFICATE OF APPROPRIATENESS FOR JAMES HARRELL TO ERECT A STORAGE BUILDING AT FIRST PRESBYTERIAN CHURCH, LOCATED AT 318 S. MAIN ST. ROCKINGHAM COUNTY TAX PARCEL NUMBER 149967. DOCKET NO. HD 2023-13**

Chairman Jackson introduces the Certificate of Appropriateness.

Taft Harrell states that he has brought along a presentation to present to the Commission. Taft Harrell begins by introducing their proposal for the garden shed. Originally, the garden area was an untended meadow. In the spring of 2023, Taft and his father took it upon themselves to convert the vacant land into a community garden. Through over 800+ hours of volunteer work, the area has since been converted into a large garden space, 110 by 80 feet. Produce gathered from the garden is donated to the Rockingham County Mobile Food Market. Taft Harrell also states that the garden supports pollinators and the local ecosystem.

Chairman Jackson asks Taft Harrell to clarify that the Rockingham County Mobile Food Market changes locations. Taft Harrell confirms this and states that those who receive food from the market must show need, it is not just first come, first served.

Taft Harrell then presents to the Commission several photographs of the garden as it currently exists. The photographs provide reference to the other existing structures on the property, primarily the covered shelter and the church. Through these photographs, Taft Harrell indicated the proposed location of the shed, the intended design of the shed, and the materials that will be used to build the shed. Taft Harrell states that they are seeking to erect a wooden shed that will have a design reflective of the existing covered shelter. The exterior of the shed will be brown, and it will have a green metal roof to match the existing covered shelter on site. The shed will be used to store garden tools and will be placed adjacent to the existing northern garden boundary. Currently, Taft Harrell has been using his father's truck to transport garden tools and materials back and forth from the site each day.

Chairman Jackson asks to what extent the shed will be visible from the street. James Harrell states that the entire shed will be visible from the street. Referencing the photographs of the shed location, Jason Johnson asks Taft Harrell to indicate exactly where the shed will be placed. Taft Harrell indicates that the shed will be placed right next to the tree that is beside the church parking lot, against the garden's northern perimeter. Chairman Jackson asks where the photographer was standing when they took the photo in question. Taft Harrell states that the photograph was taken from the church parking lot and that Main Street is directly behind the photographer.

Taft Harrell goes on to describe the windows that will be installed on the shed, and he provides the Commission with a reference photograph. Taft Harrell states that he has received the Leonard Grant from Davidson College to construct the shed, and if they do not begin construction soon, he will have to return the grant funds.

Chairman Jackson states that Taft Harrell has done a good job of presenting their design and plan. Elizabeth Covell asks if the shed is going to be tan and if they intend to add trim to the shed as it is depicted in the sample photographs. James Harrell states that they are willing to paint the shed all one color or they can paint the trim a separate color, whichever is preferable. Elizabeth asks if they are planning to use white trim. James Harrell states that they were initially planning to do it all in one color. James Harrell notes that originally, they wanted to put the shed behind the dumpster; however, the property is divided into multiple parcels, and this division would not allow them to locate the shed there. Behind the dumpster is a concrete pad, so the location would have been ideal and less visible. Jason Johnson asks what type of foundation the shed will have. James Harrell states that the shed will have a gravel and concrete paver foundation.

With there being no other comments, Chairman Jackson closes the floor for discussion.

**A motion was made in consideration of the evidence provided, to approve the Certificate of Appropriateness for James Harrell to erect a storage building at First Presbyterian church, located at 318 s. Main St.**

**Motion: Elizabeth Covell**

**Second: Anne Marie Simmons**

**Vote: Unanimous**

## **REIDSVILLE SESQUICENTENIAL (150<sup>TH</sup>) CELEBRATION**

Chairman Jackson asks Drew Bigelow how many people we had attend the Governor Reid Open House this past Sunday. Drew Bigelow responds, about 20-25 people came to visit. Some children came by, but most of the kids played in the yard. Jason Hardin notes that the next open house event will be in October. Drew Bigelow states that they are scheduled to be held every 2 months. Elizabeth Covell says that she can be at the October event but not the one in December. Drew Bigelow asks who plans to help with the Lantern Tour in December. Anne Marie Simmons, Chairman Jackson, Jason Johnson, Elizabeth Covell, and Cindy Dilday all state that they can attend. Drew Bigelow notes that Marguerite Holt will likely attend. Jason Hardin notes that they have had 4 tour guides in the past. Chairman Jackson states that the scripts they use are very helpful and that the lighting in the evening is perfect for this event. Drew Bigelow asks how many tickets we should make available. Jason Hardin states that we have done groups of 20 before. The Commission agrees that groups of 15 are ideal; however, we can make the groups as large as 20 to accommodate walk-up attendees. Last time, there were a lot of walk-up attendees. Chairman Jackson and Jason Johnson note that there were a lot of no-shows as well. Jason Hardin states that Eventbrite does not do a great job of making tickets available in the event of a cancellation, as it is up to the participant to update their own reservation. Drew Bigelow asks if we should advertise for walk-up reservations. Elizabeth Covell states that we should not advertise for walk-up attendees. Doing so could lead to too many people attending and the event becoming overwhelming. Cindy Dilday asks if we can make a statement regarding inclement weather. Drew Bigelow states that we can add such a statement to the advertisement that will direct participants where to meet in the event of inclement weather.

Jason Hardin asks if the Commission is still on board with the idea of decorating the Governor Reid House for Christmas. The Commission agrees that decorating for Christmas is doable. Jason Hardin asks what kind of budget the Commission is looking to spend on Christmas decorations. One-thousand dollars should cover all of our expenses. The Commission agrees that one-thousand dollars is appropriate.

**A motion was made to allow a one-thousand-dollar budget for Christmas decorations at the Governor Reid House.**

**Motion: Anne Marie Simmons**

**Second: Jason Johnson**

**Vote: Unanimous**

## **ADJOURNMENT OF HISTORIC PRESERVATION COMMISSION**

There being no further business, a motion was made to adjourn the Historic Preservation Commission meeting at 6:25 pm.

**Motion: Marguerite Holt**

**Second: Elizabeth Covell**

**Vote: Unanimous**

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**Drew Bigelow  
Planner I**



**REIDSVILLE ABC BOARD**

**Minutes of July 20, 2023 Board Meeting**

1. The meeting was called to order at 9:15 am by Chairman C. Turner. Members K. Almond, C. Nimmons, GM Langel, Councilwoman S. Walker and Reidsville City Manager Summer Woodard were present.

2. Chairman C. Turner delivered invocation.

3. Chairman C. Turner called for any known conflicts of interest. None were reported.

4. The minutes of the June 2023 meeting were approved as read.

Motion to approve: K. Almond                      Second: C. Nimmons

5. The Board adopted and signed Budget Amendment document. This amendment had previously been approved via email and telephone communications.

Motion to adopt: K. Almond                      Second: C. Nimmons

7. The next meeting of the Board will be August 24, 2023.

8. There being no further business to discuss, the meeting was adjourned at 9:30 am.

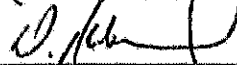
Motion to adjourn: K. Almond                      Second: C. Nimmons

Approved:

Clark Turner, Chairman

  
\_\_\_\_\_

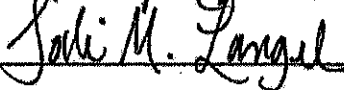
Kelly Almond

  
\_\_\_\_\_

Carolyn Nimmons

  
\_\_\_\_\_

Jodi Langel, General Manager

  
\_\_\_\_\_

**REIDSVILLE ABC BOARD  
AMENDED BUDGET DOCUMENT  
Fiscal Year 2022 - 2023**

The following budget document establishing amended revenues and expense appropriations is hereby adopted and will be effective July 1, 2022, through June 30, 2023.

**Section 1. Estimated Revenues.** It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023 to meet the operational and functional appropriations as set forth in Section 2, in accordance with the chart of accounts prescribed by the state ABC Commission.

	<u>Original</u>	<u>Amend 1</u>	<u>Amend 2</u>	<u>Amend Budget</u>
<b>Estimated Revenues:</b>				
Sales	3,600,000	164,000		3,764,000
<b>Total</b>	<u>3,600,000</u>	<u>164,000</u>		<u>3,764,000</u>

**Section 2. Appropriations.** The following expenses are hereby appropriated for fiscal year 2022 - 2023 and are funded by the revenues made available through Section 1, herein.

<b>Appropriations:</b>			
Taxes Based on Revenue	792,000	64,836	856,836
Cost of Goods Sold	1,908,000	<u>75,050</u>	1,983,050

**Operating Expenses**

Salaries & Benefits	531,000		531,000
Board Member Fees	1,800		1,800
Utilities	30,000		30,000
Interest	34,000	-34,000	0
Repairs & Maintenance	30,000		30,000
Insurance/ General	30,000		30,000
Store/Office Supplies	35,000		35,000
Travel/Convention	12,000		12,000
Professional Fees	10,000	1,000	11,000
Bank/Credit Card Fees	55,000		55,000
Dues	2,000		2,000
Miscellaneous/ Delivery	3,500	2,500	6,000
Contingencies	<u>15,000</u>	<u>-3,500</u>	<u>11,500</u>
<b>Total Operating Expenses</b>	789,300	-34,000	755,300

**Debt Service**

Current Portion of Mortgage	88,800	-15,600 -28,775	44,425
Sale of transferred inventory		164,000	
Mortgage payment		-164,000	
Interest Expense		34,000 <u>15,600</u>	<u>49,600</u>
Total Debt Service	<u>88,800</u>	<u>5,225</u>	<u>90,025</u>
<b>Total Appropriations, Expenses and Debt Service</b>	<b>3,578,100</b>	<b>111,111</b>	<b>3,689,211</b>
<b>Distributions:</b>			
City of Reidsville	55,000		
City of Reidsville, Law Enforcement	25,000		
Rockingham County	3,000		
Rockingham County Library	2,000		
Cone Hospital (Anne Penn)	2,000		
Reidsville Police Dept. (Alcohol Education)	<u>3,500</u>		
Total Distributions	<u>90,500</u>		<u>90,500</u>
<b>Total Appropriations, Expenses, Debt and Dist</b>	<b><u>3,668,600</u></b>	<b><u>111,111</u></b>	<b><u>3,779,711</u></b>

**Recap:**

Total Appropriations, Expenses, Debt and Dist	3,668,600		3,779,711
Working Capital Retained	20,200		28,714
Debt Service/ Current Portion of Mortgage	<u>-88,800</u>		<u>-44,425</u>
<b>Fund Balance</b>	<b><u>3,600,000</u></b>		<b><u>3,764,000</u></b>

<b>Adjustments:</b>	
Interest Expense	49,600
Current Portion of Mortgage	<u>44,425</u>
	94,025
	122,800
	<u>-94,025</u>
Adjustment	28,775

Copies of this Budget Amendments Document shall be furnished to the the NC ABC Commission and the Reidsville ABC Board Finance Officer to be kept on file for their direction.

Adopted by the Reidsville ABC Board on June 15, 2023

ON FILE  
 Clark Turner, Chairman *Clark Turner*

ON FILE  
 Kelly Almond *Kelly Almond*

ON FILE  
 Carolyn Nimmons *Carolyn Nimmons*

*Jodi M. Langel* June 28, 2023  
 Jodi M. Langel, General Manager Date

**REIDSVILLE ABC BOARD**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**REIDSVILLE ABC BOARD**  
**Table of Contents**  
**June 30, 2023 and 2022**

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# Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA  
Judy G. Rouse, CPA  
Victor B. Rouse, CPA/PFS  
Trevor C. Gardner, CPA

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## Independent Auditor's Report

Board of Directors  
Reidsville ABC Board  
Reidsville, North Carolina

### Opinions

We have audited the accompanying financial statements of the Reidsville ABC Board, a component unit of Reidsville, which comprise of the Statement of Net Position as of and for the year ended June 30, 2023 and 2022, and the related Statement of Revenues, Expenses and Changes in Net Position, Cash Flows and the notes to the financial statements for the year then ended, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Reidsville ABC Board, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Reidsville ABC Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 15 to the financial statements, the Reidsville ABC Board reported an impairment loss due to the closing of the Diesel Drive property. The auditor's opinion is not modified with respect to the matter emphasized.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reidsville ABC Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reidsville ABC Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reidsville ABC Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

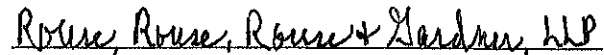
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the Local Government Employees' Retirement System's Proportionate Share of Net Position Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. The Schedule of Store Expenses and Schedule of Revenues and Expenditures – Budget vs. Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenue, Expenses and Income from Operations by Store and Schedule of Revenues and Expenditures – Budget vs. Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Rouse, Rouse, Rouse & Gardner, LLP  
Certified Public Accountants  
Eden, North Carolina  
August 10, 2023



Reidsville ABC Board  
(A Component Unit of the City of Reidsville)  
Management's Discussion and Analysis  
June 30, 2023

**Management's Discussion and Analysis**

This section of the Alcoholic Beverage Control (ABC) Board's (the Board) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2023 and 2022. This information should be read in conjunction with the audited financial statements included in this report.

**Financial Highlights**

- A. The Board closed the Diesel Drive store on March 3, 2023 due to low volume sales. The Board reported an impairment loss in the amount of \$307,647 due to the write-down of the Diesel Drive property valuation reflected in a certified appraisal.
- B. Working capital decreased approximately 17.02% over the prior year.
- C. Approximately 19.58% of profits were expended for law enforcement and alcohol education in the current year.
- D. Retail liquor sales increased by 3.11% in comparison to the previous year.

**Overview of the Financial Statements**

The audited financial statements of the ABC Board consist of 3 components. They are as follows:

- Management's Discussion and Analysis
- Basic Financial Statements
- Additional Information Required by the ABC Commission

The Basic Financial Statements are prepared using the full accrual basis of accounting.

1. **Statement of Net Position**

Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors.

Liquidity and financial flexibility can be evaluated using the information contained in this statement.

2. **Statement of Revenues, Expenses, and Changes in Net Position**

This statement is used in evaluating whether the Board has recovered all of its costs through sales. Its information is used in determining credit worthiness.

3. **Statement of Cash Flows**

This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC Commission requires some schedules in addition to the information required by the generally accepted accounting principles. They include a Schedule of Operating Expenses and a Budget to Actual Reconciliation.

**Financial Analysis of the Reidsville ABC Board**

Net positions are an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources related to pension by \$727,959 in 2023, \$1,031,959 in 2022, and \$952,097 in 2021. The largest component of net position was the unrestricted for 2023 and 2022 and net investment in capital assets for 2021. It amounted to 63.98% of the total net position in 2023, 58.46% for 2022, and 56.77% in 2021. Following is a summary of the Statement of Net Position.

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Management's Discussion and Analysis  
June 30, 2023

Summary of the Statement of Net Position:

**Table 1**  
**Condensed Statement of Net Position**

	June 30, 2023	June 30, 2022	June 30, 2021	\$ Change	% Change
Current Assets	739,459	968,226	632,668	(228,767)	-23.63%
Noncurrent Assets	1,469,369	1,821,859	1,157,213	(352,490)	-19.35%
Deferred Outflows of Resources	129,622	82,905	54,728	46,717	56.35%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>2,338,450</b>	<b>2,872,990</b>	<b>1,844,609</b>	<b>(534,540)</b>	<b>-18.61%</b>
Current Liabilities	196,330	300,186	230,282	(103,856)	-34.60%
Noncurrent Liabilities	1,413,556	1,491,546	662,230	(77,990)	-5.23%
Deferred Inflows of Resources	605	49,299	-	(48,694)	-98.77%
<b>Total Liabilities and Deferred Inflows of Resources Related to Pension</b>	<b>1,610,491</b>	<b>1,841,031</b>	<b>892,512</b>	<b>(230,540)</b>	<b>-12.52%</b>
Net Investment in Capital Assets	149,740	318,967	540,542	(169,227)	-53.05%
Restricted for Working Capital	112,458	109,658	105,956	2,800	2.55%
Unrestricted Net Position	465,761	603,334	305,599	(137,573)	-22.80%
<b>Total Net Position</b>	<b>727,959</b>	<b>1,031,959</b>	<b>952,097</b>	<b>(304,000)</b>	<b>-29.46%</b>

Net Position decreased by 29.46% from prior year. Income from operations decreased by 42.51% from prior year.

REIDSVILLE ABC  
Management's Discussion and Analysis  
June 30, 2023

Summary of Changes in Net Position

**Table 2**  
**Condensed Statement of Revenues, Expenses, & Changes in Net Position**

	June 30, 2023	June 30, 2022	June 30, 2021	Change	% Change
Operating Revenues	3,786,859	3,694,088	3,568,249	92,771	2.51%
Less: Taxes on Sales	862,933	842,976	813,404	19,957	2.37%
Net Sales	2,923,926	2,851,112	2,754,845	72,814	2.55%
Cost of Liquor Sales	1,993,241	1,924,585	1,884,379	68,656	3.57%
Gross Profit	930,685	926,527	870,466	4,158	0.45%
Less: Operating Expenses	742,424	599,061	515,974	143,363	23.93%
Net Income From Operations	188,271	327,466	354,492	(139,195)	-42.51%
Add Non-Operating Income	-	-	4,724	-	
Non Operating Expenses	49,593	33,816	30,627	15,777	46.66%
Change in Net Position Before Distributions	138,678	293,650	328,589	(154,972)	-52.77%
Distributions	135,031	213,788	266,666	(78,757)	-36.84%
Change in Net Position before Special Item	3,647	79,862	61,923	(76,215)	-95.43%
Special Item - Impairment Loss	(307,647)	-	-	(307,647)	-100.00%
Change in Net Position	(304,000)	79,862	61,923	(383,862)	-480.66%
Net Position, Beginning	1,031,959	952,097	890,174	79,862	8.39%
Net Position, Ending	727,959	1,031,959	952,097	(304,000)	-29.46%

Following is a breakdown of Sales by source:

	June 30, 2023	June 30, 2022	June 30, 2021	Change	% Change
Retail Liquor Sales	3,584,526	3,476,547	3,371,084	107,979	3.11%
Mixed Beverage Sales	202,333	217,541	197,165	(15,208)	-6.99%
Total Sales	3,786,859	3,694,088	3,568,249	92,771	2.51%

The percentage of Mixed Beverage Sales decreased by 6.99% over the prior year. The percentage of Retail Sales increased by 3.11% over the prior year.

REIDSVILLE ABC  
(A Component Unit of City of Reidsville)  
Management's Discussion and Analysis  
June 30, 2023

Capital Assets and Debt Administration  
Capital Assets

**Table 3**  
**Summary of Changes in Capital Assets**

	June 30, 2023	June 30, 2022	June 30, 2021	Change	% Change
Land	445,410	445,410	445,410	-	0.00%
Buildings	895,366	1,233,372	698,070	(338,006)	-27.41%
Equipment	128,593	143,077	13,733	(14,484)	-10.12%
<b>Total</b>	<b><u>1,469,369</u></b>	<b><u>1,821,859</u></b>	<b><u>1,157,213</u></b>	<b><u>(352,490)</u></b>	<b>-19.35%</b>

Capital Assets decreased by 19.35 % from the prior year.

**Table 4**  
**Summary of Changes in Long-Term Debt**

	6/30/2023	6/30/2022	6/30/2021	Change	% Change
Mortgage Payable	<u>\$1,319,629</u>	<u>\$1,502,893</u>	<u>\$598,623</u>	<u>(183,264)</u>	-12.19%

The decrease in mortgage payable is due to monthly principal payments and a one-time payment of 164,400 from sale of transferred inventory from Diesel Drive store.

The largest component of non-current liabilities is mortgage payable. It decreased by 12.19% from the prior year.

**Request for Information:**

This report is intended to provide a summary of the financial condition of the Reidsville ABC Board. Questions or requests for additional information should be addressed to:

Jodi Langel, General Manager  
Reidsville ABC Board  
102 Durwood Court  
Reidsville, NC 27320  
336.349.6000  
336.349.4266 Fax  
[reidsvilleabc@yahoo.com](mailto:reidsvilleabc@yahoo.com)

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Statement of Net Position  
As of June 30, 2023 and June 30, 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase</u> <u>(Decrease)</u>
<b><u>ASSETS</u></b>			
Current Assets			
Cash and cash equivalents	518,904	612,867	(93,963)
Accounts receivable	1,058	1,114	(56)
Inventories	219,497	354,245	(134,748)
Total Current Assets	<u>739,459</u>	<u>968,226</u>	<u>(228,767)</u>
Noncurrent Assets			
Property and equipment (Net of Accumulated Depreciation)	<u>1,469,369</u>	<u>1,821,859</u>	<u>(352,490)</u>
Total Noncurrent Assets	<u>1,469,369</u>	<u>1,821,859</u>	<u>(352,490)</u>
<u>Deferred Outflows of Resources Related to Pensions</u>	<u>129,622</u>	<u>82,905</u>	<u>46,717</u>
Total Assets & Deferred Outflows of Resources	<u><u>2,338,450</u></u>	<u><u>2,872,990</u></u>	<u><u>(534,540)</u></u>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts Payable	1,832	20,026	(18,194)
Sales Tax and Beverage Tax Payable	89,952	92,995	(3,043)
Payroll Tax Payable	904	1,062	(158)
Distributions payable	14,581	106,238	(91,657)
Current Portion Mortgage	49,365	45,853	3,512
Accrued Vacation Pay	<u>39,696</u>	<u>34,012</u>	<u>5,684</u>
Total Current Liabilities	<u>196,330</u>	<u>300,186</u>	<u>(103,856)</u>
Non-Current Liabilities			
Mortgage Payable	1,270,264	1,457,040	(186,776)
Net Pension Liability	<u>143,292</u>	<u>34,506</u>	<u>108,786</u>
Total Non-Current Liabilities	<u>1,413,556</u>	<u>1,491,546</u>	<u>(77,990)</u>
Total Liabilities	<u>1,609,886</u>	<u>1,791,732</u>	<u>(181,846)</u>
<u>Deferred Inflows of Resources Related to Pension</u>	<u>605</u>	<u>49,299</u>	<u>(48,694)</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	149,740	318,967	(169,227)
Restricted for Working Capital	112,458	109,658	2,800
Unrestricted	<u>465,761</u>	<u>603,334</u>	<u>(137,573)</u>
Total Net Position	<u>727,959</u>	<u>1,031,959</u>	<u>(304,000)</u>
Total Liabilities and Net Position	<u><u>2,338,450</u></u>	<u><u>2,872,990</u></u>	<u><u>(534,540)</u></u>

Stores

The accompanying notes are an integral part of the financial statements.

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended June 30, 2023 and 2022

	June 30, 2023	June 30, 2022
<u>Operating Revenue:</u>		
Liquor sales - Regular	3,584,526	3,476,547
Mixed Beverage Sales	202,333	217,541
Total Gross Sales	3,786,859	3,694,088
<u>Deduct Taxes on Gross Sales:</u>		
State Excise Tax	833,543	811,939
Rehabilitation Tax	10,632	10,450
Mixed Beverage Tax (N.C. Dept. of Revenue)	17,053	18,716
Mixed Beverage Tax (Human Resources)	1,705	1,871
Total Taxes	862,933	842,976
<u>Net Sales:</u>	2,923,926	2,851,112
<u>Deduct Cost of Sales</u>		
Cost of Liquor Sales	1,993,241	1,924,585
Gross Profit on Sales	930,685	926,527
<u>Deduct Operating Expenses:</u>		
Store Expenses other than Depreciation Expense	693,329	572,429
Depreciation Expense	49,085	26,632
Total Operating Expenses	742,414	599,061
<u>Income from Operations</u>	188,271	327,466
<u>Deduct Non-Operating Expenses:</u>		
Interest Expense	49,593	33,816
<u>Change in Net Position before Profit Distributions</u>	138,678	293,650
Deduct:		
Law Enforcement - City of Reidsville	25,000	25,000
Alcohol Rehabilitation and Education -Reidsville Police Dept	2,156	13,194
<u>Change in Net Position after Profit Distributions</u>	111,522	255,456
<u>Profit Distributions:</u>		
City of Reidsville	89,536	145,744
Rockingham County	7,551	12,292
Annie Penn Memorial Hospital	5,394	8,779
Rockingham County Public Library	5,394	8,779
Total Profit Distributions	107,875	175,594
Change in Net Position before Special Items	3,647	79,862
Special Item:		
Impairment of Capital Asset (Note 15)	(307,647)	-
Change in Net Position	(304,000)	79,862
Net Position, Beginning of year	1,031,959	952,097
Net Position, End of Year	727,959	1,031,959

← Full year

The accompanying notes are an integral part of the financial statements.

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Statements of Cash Flows  
For Years Ended June 30, 2023 and June 30, 2022

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
Cash flows from operating activities:		
Cash received from customers	4,037,292	3,937,212
Cash payments to suppliers for goods and services	(3,073,767)	(3,170,521)
Cash payments to employees for services	(343,434)	(291,393)
Cash payments for sales taxes	<u>(250,267)</u>	<u>(240,710)</u>
Net cash provided (used) by operating activities	<u>369,824</u>	<u>234,588</u>
Cash flows from capital and related financing activities		
Acquisition of Capital Assets	(4,240)	(709,326)
Proceeds from Mortgage Payable	25,561	904,271
Payments for Mortgage Payable	(208,825)	
Interest Paid	<u>(49,595)</u>	<u>(33,816)</u>
Net cash provided (used) by capital financing activities	<u>(237,099)</u>	<u>161,129</u>
Cash flows from non-capital financing activities:		
Alcohol Education Distribution	(15,594)	(13,465)
Law Enforcement Distributions	(25,000)	(18,750)
Profit Distributions	<u>(186,094)</u>	<u>(182,401)</u>
Net cash provided (used) by non capital financing activities	<u>(226,688)</u>	<u>(214,616)</u>
Net increase (decrease) in cash and cash equivalents	(93,963)	181,101
Cash and cash equivalents at beginning of the year	<u>612,867</u>	<u>431,766</u>
Cash and cash equivalents at the end of the year	<u><u>518,904</u></u>	<u><u>612,867</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	<u>188,271</u>	<u>327,466</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	49,085	26,632
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	56	1,215
(Increase) decrease in inventory	134,748	(155,672)
(Increase) decrease in deferred outflows of resources	(46,717)	(28,177)
Increase (decrease) in sales and beverage tax payable	(3,043)	9,850
Increase (decrease) in accounts payable	(18,194)	19,728
Increase (decrease) in payroll tax liability	(158)	(295)
Increase (decrease) in accrued vacation pay	5,684	13,643
Increase (decrease) in net pension liability	108,786	(29,101)
Increase (decrease) in deferred inflows of resources for pensions	<u>(48,694)</u>	<u>49,299</u>
Total Adjustments	<u>181,553</u>	<u>(92,878)</u>
Net cash provided (used) by operating activities	<u><u>369,824</u></u>	<u><u>234,588</u></u>

The accompanying notes are an integral part of the financial statements.



Reidsville ABC BOARD  
(A Component Unit of the City of Reidsville)  
Notes to Financial Statements  
June 30, 2023

**Note 1. Summary of Significant Accounting Policies:**

A. Principles used in determining the scope of the entity for financial reporting:

The Reidsville ABC Board, a component unit of the City of Reidsville, is a corporate body with powers outlined by General Statutes [Chapter 18B 701]. The City of Reidsville governing body appoints the ABC Board.

The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the City of Reidsville which represents a financial benefit to the City. Therefore, the Reidsville ABC Board is reported as a discretely presented component unit in the City of Reidsville's financial statements.

B. Organizational History

The board was organized under the provisions of House Bill #879 of the North Carolina Legislature, General Assembly of 1965, May 20, 1965, and implemented by a citywide election held October 23, 1965. The Reidsville City Council appointed three individuals to serve on the Board with initial terms of three years, two years, and one year, with subsequent terms to be for three years.

The Board, as provided by North Carolina Alcoholic Beverage Control laws, operates two retail liquor store. North Carolina General Statute [18B-805(c) (2) (3)] requires that the Board expend at least 5% of profits for law enforcement and at least 7% of the same profits for alcohol education and rehabilitation purposes.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. All sales are made by cash, check, debit or credit card and recorded at the time of sale. Other revenues are recorded when earned. Expenses are recognized when incurred.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net position date, and reported amounts of revenues and expenses during the reporting

period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

#### F. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The ABC Board's employer contributions are recognized when due and the ABC Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

#### G. Assets, Liabilities and Net Position

##### (1) Deposits

All deposits of the Reidsville ABC Board are made in board-designated official depositories and are collateralized as required by state law [G.S. 159-31]. The board may designate as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the board may establish Time deposit accounts such as Now and SuperNow accounts, money market accounts and certificates of deposit.

All of the board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the board's agent in the board's name. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the board, these deposits are considered to be held by the board agent in the board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the board or the escrow agent.

Because of the inability to measure the exact amount of collateral pledged for the board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2023, the ABC board's deposits had a carrying amount of \$513,467 and a bank balance of \$588,571. All of the bank balance was covered by federal depository insurance, the pooling, or dedicated method.

At June 30, 2022, the ABC board's deposits had a carrying amount of \$605,995 and a bank balance of \$719,864. All of the bank balance was covered by federal depository insurance, the pooling, or dedicated method.

## (2) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Reidsville ABC Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

## (3) Inventories

Inventories are valued at the lower of cost (FIFO) or market.

## (4) Accounts Receivable

The amount reported as accounts receivable is an overpayment of payroll taxes due from the Internal Revenue Service.

## (5) Capital Assets:

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Asset Impairment</u>	<u>Ending Balance</u>
<b>Capital Assets not being depreciated</b>					
Land – Diesel Dr.	\$247,727				\$ 247,727
Land – Durwood Ct.	<u>197,683</u>				<u>197,683</u>
Total Capital Assets not being depreciated	<u>445,410</u>				<u>445,410</u>
<b>Capital Assets being depreciated</b>					
Building-Durwood Ct.	540,304				540,304
Building-Diesel Dr.	958,104	4,242		307,647	654,699
Equipment & Furniture-Durwood Ct	56,990				56,990
Equipment & Furniture-Diesel Dr	<u>137,445</u>				<u>137,445</u>
Total Capital Assets being depreciated	<u>1,692,843</u>	<u>4,242</u>		<u>307,647</u>	<u>1,389,438</u>
<b>Less accumulated depreciated for:</b>					
Building – Durwood Ct	261,859	15,354			277,213
Building – Diesel Dr	3,177	19,247			22,424
Equipment & Furniture-Durwood Ct	49,411	2,804			52,215
Equipment & Furniture –Diesel Dr	<u>1,947</u>	<u>11,680</u>			<u>13,627</u>
Total Accumulated Depreciation	<u>316,394</u>	<u>49,085</u>			<u>365,479</u>
Total Capital Assets Being Depreciated, Net	<u>1,376,449</u>				<u>1,023,959</u>
<b>Capital Assets, Net</b>	<u>1,821,859</u>				<u>1,469,369</u>

The useful lives are as follows:

Building	39 & 50 years
Store Equipment & Computers	5, 10 or 15 Years

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

#### (6) Net Position

Net position consists of the following:

- a. Net investment in capital assets - This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- b. Restricted for law enforcement - This applies only when the ABC board employs its own ABC officer.
- c. Restricted for capital improvements - State law {G.S.18B-805(d)} requires approval of the appointing authority to establish this fund, outside of working capital, for specific capital improvements.
- d. Restricted for working capital - North Carolina Alcoholic Beverage Control Commission Rule (.0902) defines working capital as the total of cash, investments and inventory less all unsecured liabilities. An ABC board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year or greater than (1) four months' average gross sales of the last fiscal year for boards with gross sales less than \$1,500,000 (2) three months of the latest fiscal year for boards with gross sales greater or equal to \$1,500,000 and less than \$50,000,000 (3) two months of the latest fiscal year for boards with gross sales equal to or greater than \$50,000,000. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State law {G.S. 18B-805(b),(2),(3), and (4)}.
- e. Unrestricted net position - This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

#### **Note 2. Pension Plan Obligations**

##### **A. Local Governmental Employees' Retirement System**

*Plan Description.* The ABC Board is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend

benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The ABC Board's contractually required contribution rate for the year ended June 30, 2023, was 0% of compensation for law enforcement officers and 12.16% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the ABC Board were \$38,435 for the year ended June 30, 2023.

*Refunds of Contributions.* Board employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2023, the Board reported a liability of \$143,292 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Board's proportion was .00254%, which was an increase of .00029% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Board recognized pension expense of \$51,810. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	6,174	605
Change of assumptions	14,297	
Net difference between projected and actual earnings on pension plan investments	47,360	
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,356	
Employer contributions subsequent to the measurement date	38,435	
Total	<u>129,622</u>	<u>605</u>

\$129,622 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to

pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 31,965
2025	26,681
2026	9,373
2027	22,563
2028	-
	<u>\$90,582</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2021.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.500 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Reidsville ABC Board's proportionate share of the net pension liability (asset)	\$258,674	\$143,252	(\$48,252)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

#### B. Supplemental Retirement Income Plan

*Plan Description.* All employees may participate in the Supplemental Retirement Income Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Article 5 of (G.S. Chapter 135) assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

*Funding Policy.* For each full-time employee the Board has elected to contribute an amount equal to 5% of annual salary. Employees are eligible immediately upon becoming a voluntary contributing member. Contributions for the year ended June 30, 2023 were \$21,849 which consisted of \$15,649 from the board and \$6,200 from the employees. Contributions for the year ended June 30, 2022 were \$16,529 which consisted of \$12,029 from the board and \$4,500 from the employees.



C. Death Benefits

The Board has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Board has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The Board considers these contributions to be immaterial.

**Note 3. Vacation and Sick Leave Compensation**

Employees of The City of Reidsville Board of Alcoholic Control may accumulate up to thirty days of earned vacation and such leave is fully vested when earned. Accumulated earned vacation at June 30, 2023 and June 30, 2022 amounted to \$39,696 and \$34,012, respectively.

Employees accumulate sick leave at the rate of one day per month worked. An unlimited amount of sick leave may be accumulated. Sick leave may be used in the determination of length of service for retirement benefit purposes. Since the board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**Note 4. Distributions of Income**

The Board has accrued distributions since inception in 1965 as follows:

	Current Year	Total to Date June 30, 2022	Total to Date June 30, 2023
City of Reidsville	\$ 89,536	\$ 4,958,206	\$ 5,047,742
Rockingham County	7,551	1,406,852	1,414,403
Annie Penn Memorial Hospital	5,394	356,806	362,200
Rockingham County Public Library	5,394	356,806	362,200
	\$ 107,875	\$ 7,078,670	\$ 7,186,545

North Carolina General Statute [18B-805] requires that the minimum distribution set aside in (c)(1) and any profit remaining after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the appointing authority.

**Note 5. Law Enforcement and Alcoholic Education Expenses**

The Board is required by law to expend at least 5% of its profits for law enforcement and not less than 7% for alcohol education (alcohol education requirement follows local enabling act). Profits are defined by law for these calculations as changes in net position before law enforcement and educational expenses, less the 3 ½% markup provided in [G.S. 18B-804(b)(5)] and the bottle charge provided for in [G.S. 18B-804(b)(6b)].

	<u>2023</u>	<u>2022</u>
Profit before required distributions	\$ 138,678	\$ 293,650
Less: 3 1/2% tax & bottle charge	\$ 107,875	\$ 105,169
	<u>-----</u>	<u>-----</u>
Profit subject to expense Percentages	\$ 30,803	\$ 188,481
	<u>=====</u>	<u>=====</u>
Amount Required to be paid for law enforcement	\$ 2,156	\$ 9,424
Amount actually paid for law Enforcement	\$ 25,000	\$ 25,000
Amount Required to be paid for Alcohol Education	\$ 2,156	\$13,194
Amount Actually Paid for Alcohol Education	\$ 2,156	\$13,194

**Note 6. Disbursement of Taxes Included in Selling Price**

A state excise tax, at the rate of 30% on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales).

Transactions for this account for the year are summarized as follows:

Taxes payable July 1, 2022	\$ 69,419
Taxes collected during the year	\$ 833,542
Taxes remitted to Department of Revenue (June - May Reports)	<u>\$ (836,240)</u>
Taxes payable June 30, 2023	<u>\$ 66,721</u>

The excise tax is computed in accordance with [G.S. 18B-805(i)].

The accrued North Carolina excise tax at June 30, 2023 was remitted to the North Carolina Department of Revenue on July 7, 2023.

A bottle charge of one cent (.01) on each bottle containing 50 milliliters or less and five cents (.05) on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the fiscal year ended June 30, 2022, payments to the county were based on the following bottle sales:

Regular Bottles	185,295 @ 5 cents = \$ 9,265
Mixed Beverage Bottles	9,009 @ 5 cents = \$ 450
Miniature Bottles	91,653 @ 1 cents = \$ 917
	-----
Total payment for the year ended	\$ 10,632
	=====

A "mixed beverage tax" at the rate of \$20 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the Department of Human Resources.

The mixed beverage tax for the year ended June 30, 2023:

Department of Revenue (50%)	\$ 17,054
Department of Human Resources (5%)	\$ 1,705
Profit Retained (45%)	\$ 15,349
	-----
Total	\$ 34,108
	=====

**Note 7. Surcharge Collected**

The total amount of Surcharge collected for the fiscal year ended June 30, 2023 was \$22,360. The bailment surcharge rate is \$1.15 per case.

**Note 8. Liquor Sales Tax**

The total amount of sales tax collected by the ABC Board and remitted to the Department of Revenue for the fiscal year was \$250,433. The current sales tax rate is 7%.

**Note 9. Retail Outlets**

The Reidsville ABC Board operates two retail outlet.

Store #1 - 102 Durwood Court, Reidsville, NC 27320

Gross Sales	<u>\$3,292,514</u>
Change in Net Position	( <u>\$187,314</u> )

Store #2 – 150 Diesel Drive, Reidsville, NC 27320 \*

Gross Sales	<u>\$494,345</u>
Change in Net Position	( <u>\$116,686</u> )

\* Store #2 operated only five months in fiscal year.

**Note 10. Working Capital**

The Reidsville ABC Board is required by the Alcoholic Beverage Control Commission Rule [.0902] to set its working capital requirements at not less than two weeks average gross sales nor greater than the following:

- Four months of the latest fiscal year for boards with gross sales less than \$1,500,000.
- Three months of the latest fiscal year for boards with gross sales greater than or equal to \$1,500,000 and less than \$50,000,000.
- Two months of the latest fiscal year for boards with gross sales equal to or greater than \$50,000,000.

Gross sales are gross receipts from the sale of alcoholic beverages less distributions as defined in [G.S. 18B-805(b)(2), (3), and (4)].

The Reidsville ABC Board's position on this requirement is as follows:

Minimum Amount	\$ 112,458
Maximum Allowed	\$ 730,983
Actual Working Capital	\$ 591,436

The Reidsville ABC Board has met the minimum amount of working capital required by ABC law.

**Note 11. Breakage Expense**

There was no breakage expense absorbed by the board for the year ended June 30, 2023.

**Note 12. Risk Management**

The Reidsville ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, worker's compensation, and employee health coverage. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S.18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

**Note 13. Mortgage Payable**

On May 15, 2019, the board purchased land that is the site of an additional store location. A loan was approved in the amount of \$1,506,500, for the cost of the land and new building. Borrower is retiring this loan in accordance with the following payment schedule, with interest calculated on the unpaid principal balances using an interest rate of 3.250% with a balloon payment of \$1,198,305 due November 15, 2025.

The amortization schedule for the loan is shown as follows:

Year Ending	Principal	Interest
June 30,		
2024	\$ 49,365	\$44,653
2025	53,676	40,342
2026	18,283	16,290
Balloon Payment	<u>1,198,305</u>	<u>-</u>
Total	<u>\$1,319,629</u>	<u>\$101,285</u>

**Note 14. Subsequent Events**

Subsequent events were reviewed through the date of the issuance of the financial statements. No disclosures are required.

**Note 15. Special Item:**

During the Board of Directors meeting on March 2, 2023, the Board voted unanimously to permanently close the Diesel Drive ABC Store due to poor financial position and future outlook. The lending institution which financed the construction (which was changed to a mortgage) obtained a certified appraisal of the property on Diesel Drive. The appraisal was \$880,000 and the net book value of the asset was \$1,187,649. Thus, the impairment of the asset is shown on the statement of net position and the statement of revenues, expenses, and changes in net position as a reduction in the amount of \$307,649.

Reidsville ABC Board  
 Proportionate Share of Net Pension Liability (Asset)  
 Required Supplementary Information  
 Last Ten Fiscal Years\*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ABC Board's proportional share %	0.00254%	0.00225%	0.00178%	0.00184%	0.00197%	0.00210%	0.00198%	0.00206%	0.00207%	0.00210%
ABC Board's proportion of the net pension liability (asset) (\$)	\$ 143,292	\$ 34,506	\$ 63,607	\$ 50,249	\$ 46,735	\$ 32,082	\$ 42,023	\$ 9,245	\$ (12,208)	\$ 25,313
ABC Board's covered-employee payroll	\$ 316,077	\$ 277,137	\$ 236,503	\$ 202,429	\$ 192,721	\$ 183,769	\$ 185,341	\$ 179,434	\$ 165,444	\$ 183,377
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	45.33%	12.45%	26.89%	24.82%	24.25%	17.46%	22.67%	5.15%	7.38%	13.80%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

Reidsville ABC Board  
 ABC Board's Contributions  
 Required Supplementary Information  
 Last Ten Fiscal Years\*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	38,435	31,691	24,171	18,239	15,052	13,911	13,623	12,184	11,697	12,965
Contributions in relation to the contractually required contribution	38,435	31,691	24,171	18,239	15,052	13,911	13,623	12,184	11,697	12,965
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
ABC Board's covered-employee payroll	316,077	277,137	236,503	202,429	192,721	183,769	185,341	179,434	165,444	183,377
Contributions as a percentage of covered-employee payroll	12.16%	11.44%	10.22%	9.07%	7.81%	7.57%	7.35%	6.79%	7.07%	7.07%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Schedule of Operating Expenses  
For the Years Ended June 30, 2023 and 2022

	June 30, 2023	June 30, 2022
Salaries	349,118	305,036
FICA Taxes & Medicare	26,176	22,218
State Pension	51,810	23,712
401 K Contribution	15,649	12,029
Unemployment Tax	306	-
Group Insurance	94,299	61,922
Utilities	15,539	12,689
Telephone	3,631	3,594
General Supplies & Expense	15,933	25,759
Office Supplies	12,104	9,284
Travel	3,465	2,293
Board Fees	1,650	1,750
Bank Service Charges	2,251	2,736
Dues	1,804	1,726
Repairs & Maintenance - Equipment & Office	14,756	16,245
Professional Fees	10,920	9,095
Insurance	25,565	18,867
Credit/Debit Card Fees	42,616	39,409
Miscellaneous	5,737	4,065
	<u>693,329</u>	<u>572,429</u>



REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Schedule of Operating Expenses  
For the Year Ended June 30, 2023

	Durwood Ct Store #1	Diesel Dr Store # 2	Total
Salaries	276,565	72,553	349,118
FICA Taxes & Medicare	21,214	4,962	26,176
State Pension	41,937	9,873	51,810
401 K Contribution	12,662	2,987	15,649
Unemployment Tax	306	-	306
Group Insurance	60,423	33,876	94,299
Utilities	10,057	5,482	15,539
Telephone	2,619	1,012	3,631
General Supplies & Expense	13,359	2,574	15,933
Office Supplies	7,567	4,537	12,104
Travel	3,465	-	3,465
Board Fees	1,650	-	1,650
Bank Service Charges	2,251	-	2,251
Dues	1,804	-	1,804
Repairs & Maintenance - Equipment & Office	9,610	5,146	14,756
Professional Fees	10,920	-	10,920
Insurance	18,044	7,521	25,565
Credit/Debit Card Fees	37,169	5,447	42,616
Miscellaneous	3,817	1,920	5,737
	<u>535,439</u>	<u>157,890</u>	<u>693,329</u>

REIDSVILLE ABC BOARD  
(A Component Unit of the City of Reidsville)  
Statements of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2023

	Durwood Court Store # 1	Diesel Drive Store # 2	Total
<u>Operating Revenue:</u>			
Liquor sales - Regular	3,141,220	443,306	3,584,526
Mixed Beverage Sales	151,294	51,039	202,333
<b>Total Gross Sales</b>	<b>3,292,514</b>	<b>494,345</b>	<b>3,786,859</b>
<u>Deduct Taxes on Gross Sales:</u>			
State Excise Tax	727,761	105,782	833,543
Rehabilitation Tax	9,289	1,343	10,632
Mixed Beverage Tax (N.C. Dept. of Revenue)	12,686	4,367	17,053
Mixed Beverage Tax (Human Resources)	1,270	435	1,705
<b>Total Taxes</b>	<b>751,006</b>	<b>111,927</b>	<b>862,933</b>
<u>Net Sales:</u>	2,541,508	382,418	2,923,926
<u>Deduct Cost of Sales</u>			
Cost of Liquor Sales	1,732,547	260,694	1,993,241
<b>Gross Profit on Sales</b>	<b>808,961</b>	<b>121,724</b>	<b>930,685</b>
<u>Deduct Operating Expenses:</u>			
Store Expenses other than Depreciation Expense			-
Salaries	276,565	72,553	349,118
FICA Taxes & Medicare	21,214	4,962	26,176
State Pension	41,937	9,873	51,810
Unemployment Tax	306	2,987	3,293
401 K Contribution	12,662	-	12,662
Group Insurance	60,423	33,876	94,299
Utilities	10,057	5,482	15,539
Telephone	2,619	1,012	3,631
General Supplies & Expense	13,359	2,574	15,933
Office Supplies	7,567	4,537	12,104
Travel	3,465	-	3,465
Board Fees	1,650	-	1,650
Bank Service Charges	2,251	-	2,251
Dues	1,804	-	1,804
Repairs & Maintenance - Equipment & Office	9,610	5,146	14,756
Professional Fees	10,920	-	10,920
Insurance	18,044	7,521	25,565
Credit/Debit Card Fees	37,169	5,447	42,616
Miscellaneous	3,817	1,920	5,737
Depreciation Expense	18,158	30,927	49,085
<b>Total Operating Expenses</b>	<b>553,597</b>	<b>188,817</b>	<b>742,414</b>
<u>Income from Operations</u>	255,364	(67,093)	188,271
<u>Add Non-Operating Income</u>			
<u>Deduct Non-Operating Expenses:</u>			
Interest Expense	-	(49,593)	(49,593)
<u>Change in Net Position before Profit Distributions</u>	<u>255,364</u>	<u>(116,686)</u>	<u>138,678</u>

The accompanying notes are an integral part of the financial statements.

**Reidsville ABC BOARD**  
**(A Component Unit of City of Reidsville)**  
**Schedule of Distributions of Income**  
**For the Year Ended June 30, 2023**

<u>Distribution</u>	<u>Recipient</u>	<u>Amount</u>	<u>Date of Distribution</u>	<u>Restrictions on Use</u>
Law Enforcement	City of Reidsville Law Enforcement	\$ 6,250.00	10/18/2022	Law Enforcement
	City of Reidsville Law Enforcement	\$ 6,250.00	1/25/2023	Law Enforcement
	City of Reidsville Law Enforcement	\$ 6,250.00	4/24/2023	Law Enforcement
	City of Reidsville Law Enforcement	\$ 6,250.00	8/18/2023	Law Enforcement
	Total Law Enforcement	<u>\$ 25,000.00</u>		
Alcohol Education	City of Reidsville Law Enforcement	\$ 2,800.00	10/18/2022	Alcohol Education
	City of Reidsville Law Enforcement	\$ 2,800.00	1/25/2023	Alcohol Education
	City of Reidsville Law Enforcement	\$ 2,800.00	4/24/2023	Alcohol Education
	City of Reidsville Law Enforcement	\$ (6,244.00)		Alcohol Education
	Total Alcohol Education	<u>\$ 2,156.00</u>		
City/Municipality	City of Reidsville	\$ 25,000.00	10/18/2022	None
	City of Reidsville	\$ 25,000.00	1/25/2023	None
	City of Reidsville	\$ 25,000.00	4/24/2023	None
	City of Reidsville	\$ 14,536.00	8/18/2023	None
	Total City/Municipality	<u>\$ 89,536.00</u>		
Alcohol Rehabilitation	Rockingham County	\$ 2,500.00	10/18/2022	Alcohol Rehabilitation
	Rockingham County	\$ 2,500.00	1/25/2023	Alcohol Rehabilitation
	Rockingham County	\$ 2,500.00	4/24/2023	Alcohol Rehabilitation
	Rockingham County	\$ 51.00	8/18/2023	Alcohol Rehabilitation
	Total City/Municipality	<u>\$ 7,551.00</u>		
Other	Rockingham County Public Library	\$ 1,800.00	10/18/2022	None
	Rockingham County Public Library	\$ 1,800.00	1/25/2023	None
	Rockingham County Public Library	\$ 1,800.00	4/24/2023	None
	Rockingham County Public Library	\$ (6.00)		None
	Total Public Library	<u>\$ 5,394.00</u>		
Other	Annie Penn Hospital	\$ 1,800.00	10/18/2022	None
	Annie Penn Hospital	\$ 1,800.00	1/25/2023	None
	Annie Penn Hospital	\$ 1,800.00	4/24/2023	None
	Annie Penn Hospital	\$ (6.00)		None
	Total Hospital	<u>\$ 5,394.00</u>		
Total Distributions For the Year Ended June 30, 2023		<u>\$ 135,031.00</u>		

Reidsville ABC Board  
Statement of Revenues and Expenditure - Budget and Actual  
For the Year Ended June 30, 2023

	Original Budget Year Ended June 30, 2023	Revised Budget Year Ended June 30, 2023	Actual Year Ended June 30, 2023	Variance Favorable (Unfavorable)
Operating revenue:				
Total Gross Sales	3,600,000	3,764,000	3,786,859	22,859
Deduct taxes on gross sales:				
Taxes Based on Revenue	792,000	856,836	862,933	(6,097)
Net Sales	2,808,000	2,907,164	2,923,926	16,762
Cost of Sales	1,908,000	1,983,050	1,993,241	(10,191)
Gross profit on sales	900,000	924,114	930,685	6,571
Operating expenditures:				
Salaries and Benefits	531,000	531,000	518,299	12,701
Board Fees	1,800	1,800	1,650	150
Repairs and Maintenance	30,000	30,000	14,756	15,244
Utilities	30,000	30,000	19,170	10,830
General Insurance	30,000	30,000	25,565	4,435
Store/Office Supplies	35,000	35,000	28,037	6,963
Travel/Convention	12,000	12,000	3,465	8,535
Professional Fees	10,000	11,000	10,920	80
Dues	2,000	2,000	1,804	196
Credit/Bank Fees	55,000	55,000	44,867	10,133
Misc	3,500	6,000	5,737	263
Interest Expense		49,600	49,593	7
Contingencies	15,000	11,500	-	11,500
Total Operating Expenses	755,300	804,900	723,863	81,037
Debt Service:				
Principal payments on mortgage	88,800	208,425	208,825	(400)
Capital Outlay			4,240	(4,240)
Change in Net Assets Before Distributions	55,900	(89,211)	(6,243)	82,968
Distributions				
Law Enforcement City of Reidsville	25,000	25,000	25,000	-
Alcohol Education and Rehab Rockingham County	3,000	3,000	7,551	(4,551)
Annie Penn Hospital	2,000	2,000	5,394	(3,394)
Library	2,000	2,000	5,394	(3,394)
City of Reidsville	55,000	55,000	89,536	(34,536)
Police Dept	3,500	3,500	2,156	1,344
Total Distributions	90,500	90,500	135,031	(44,531)
Other Financing Sources:				
Working Capital Expend (unrestricted funds)	34,600	179,711	-	(179,711)
Bank Loan Proceeds			25,561	25,561
	34,600	179,711	25,561	(154,150)
Revenue over expenditures and other financing sources	-	-	(115,713)	(115,713)
Reconciling from budgetary basis (modified accrual) to full accrual:				
Reconciling items				
Depreciation			(49,085)	
Increase in accrued vacation			(5,684)	
Purchase of Capital Assets			4,240	
Bank Loan Proceeds			(25,561)	
Principal payments on mortgage			208,825	
Increase in deferred outflows of resources - pension			46,717	
Increase in net pension liability			(108,786)	
Decrease in deferred inflows of resources - pension			48,694	
Impairment Loss			(307,647)	
Change in Net Position			(304,000)	