

May 9, 2022 (REGULAR MEETING)

Minutes of the regular meeting of the Mayor and Board of Commissioners of the Town of Elkin, May 9, 2022, 6:00 p.m. at Town Hall.

Present: Mayor Sam Bishop, Commissioners Cicely McCulloch, Robert Ball, Jeff Eidson, Will Gwyn and Tommy Wheeler.

Also present: Town Manager Brent Cornelison, Assistant Town Manager/Recreation Director Adam McComb, Town Attorney Raymond Parker and Town Clerk Cathie Tilley.

Mayor Bishop welcomed everyone and called the meeting to order. He asked Police Chief Monroe Wagoner to lead our Pledge of Allegiance.

CONSENT AGENDA

The following items were presented for the consent agenda:

- Minutes of April 11, 2022 (Regular Meeting)
- Ratify an Interlocal Agreement with Surry County for 911 Services Effective April 27, 2022 (included as Exhibit A)
- Approve BA#2022-18 in the amount of \$1,000 to appropriate a beginning budget amount for the Utility Donation Special Revenues Fund (included as Exhibit B)
- Approve BA#2022-19 in the amount of \$45,000 to appropriate Fund Balance to cover unexpected repairs to the 2014 Pierce Fire Truck (included as Exhibit C)
- Approve BA#2022-20 in the amount of \$32,000 for the additional Airport Coronavirus Response Grant Program (included as Exhibit D)
- Approve BA#2022-21 in the amount of \$270,102 for additional grant funding from the NCDOT-Division of Aviation for State Aid to Airports Block Grant for the construction of Wildlife Fence Phase II (included as Exhibit E)
- Approve BA#2022-22 in the amount of \$16,667 to appropriate FY22 General Fund Contributions to the Airport Capital Projects Fund for NPE matching funds for future Airport Project Grants (included as Exhibit F)

There were no questions regarding the Consent Agenda. A motion by Commissioner McCulloch to approve the Consent Agenda was seconded by Commissioner Eidson, and was unanimously approved. (Note: It was urgent that the Interlocal Agreement with Surry County for 911 Services needed approval prior to our May meeting. Town Manager Cornelison emailed this Agreement to the Mayor and each Commissioner for review and comments along with a request to let him know if they had any objections to the document. Mayor Bishop and Commissioners Ball, Eidson, Gwyn, McCulloch and Wheeler reviewed this document before it was communicated to Surry County [there were no objections from the Board]. Therefore, the Board unanimously ratified the Interlocal Agreement with Surry County for 911 Services effective April 27, 2022.)

SPECIAL RECOGNITIONS

- Mayor Sam Bishop read and presented the following Proclamation:
 - o Honoring Elkin City Schools' 75th Anniversary

PUBLIC COMMENTS

- Mayor Bishop opened the public comments period.
- There being no public comments, Mayor Bishop closed the Public Comments period.

MAYOR AND BOARD COMMENTS FOR STAFF

- Commissioner Gwyn:
 - o Have been working on the improvements at Crater Park.
 - Improvements look good; park is very nice.
 - It has been a pleasure working with town staff.
- Commissioner Wheeler:
 - o Expressed appreciation to everyone who helped during the Blue and Gold All-Alumni Reunion 2022.
 - Was told it was a huge success.
- Commissioner McCulloch:
 - o Feels the same regarding Crater Park.
- Commissioner Ball:
 - o Expressed appreciation to Sarah (Harris) and Leslie (Schlender) for their hard work with inspections and other permits for new businesses locating in Elkin.
- Commissioner Eidson:
 - o Echoed previous comments.
 - o Appreciate the work that has been done so far on our budget.
 - o Staff makes our day-to-day work easier.
- Mayor Bishop:
 - o Agreed with all the comments, especially Crater Park.
 - o Crater Park is the Gateway to our town.

PUBLIC HEARINGS

1. Conduct a Public Hearing to review and adopt a text amendment for Electronic Gaming Ordinance in Highway Business and Light Manufacturing Districts (Sarah Harris)

- This is a legislative hearing, and anyone may speak.
 - o Anyone speaking needs to state their name and address for the record.
- Following the recent ruling of Adult Establishment, staff created an Electronic Gaming Ordinance to address these establishments.
- This is a proposed text amendment to Chapters 2,3 and 11 of the Unified Development Ordinance to establish an Electronic Gaming Ordinance.
- Will be permitted with a Special Use Permit in HB Highway Business and M-1, Light Manufacturing District.
- Public Hearing was advertised in The Elkin Tribune April 20th and April 28th, 2022.
- Planning Board reviewed the proposed ordinance April 25, 2022.

- Determined the proposed ordinance is consistent with all objectives and policies for growth and development contained in the Town of Elkin Land Use Plan with the following conditions:
 - 2.7 Supplemental Standards by Use:
 - Electronic Gaming Operation (HB, M-1)
 - Separation from Residential Zoning – Electronic Gaming Operations (whether principal uses, or accessory to another use) shall be located no closer than 500 feet in any direction from any property zoned for residential use.
 - Chapter 11 Definition:
 - Electronic Gaming Operation: Any business enterprise, whether as a principal or accessory use, where persons utilize any electronic machines, including, but not limited to computers and gaming terminals, to conduct games including but not limited to sweepstakes, lotteries, games of skill and/or games of chance, and where cash, merchandise, or other items of value are redeemed or otherwise distributed, whether or not the value of such distribution is determined by electronic games played, by predetermined odds or by skill exercises, which have a finite pool of winners. The term includes, but is not limited to internet sweepstakes, video sweepstakes or cyber cafes. This definition does not include any lottery endorsed, approved or sponsored by the State of North Carolina, or arcade games of skill.
- Mayor Bishop opened the Public Hearing and asked anyone in attendance who wished to speak to come to the podium and give your name and address.
 - There were no speakers.
- Ms. Harris explained that ordinances from several municipalities had been looked at before writing the proposed ordinance for Elkin.
 - We included the best portions of ordinances from across the state to make ours.
- Attorney Parker:
 - Gave a brief history of Elkin’s experiences with internet cafes.
 - Stated this ordinance does not undertake to regulate these establishments; it is solely determining where they can be located.
- Mayor Bishop asked for consideration of the Town Council Action sheet.
 - Commissioner Gwyn made a motion to approve the statement that the application is consistent with all of the objectives and policies for growth and development contained in the Town of Elkin Land Use Plan. There were no questions. Upon a second

by Commissioner McCulloch, the motion was unanimously approved.

- Commissioner McCulloch made a motion to approve the statement that the application is both reasonable and in the public interest. There were no questions. Upon a second by Commissioner Gwyn, the motion was unanimously approved. Thus, the Town Council Action Sheet and application were approved. (Copy of Town Council Action sheet included as Exhibit G.)
- Commissioner Gwyn made a motion to approve An Ordinance Amending Chapters Two, Three and Eleven in the Unified Development Ordinance of the Town of Elkin, North Carolina to Establish an Electronic Gaming Ordinance Permitted with a Special Use Permit in HB, Highway Business and M-1, Light Manufacturing District. There were no questions. Upon a second by Commissioner Ball, the motion was unanimously approved (may be found in Ordinance Book 5, Pages 2022-05-0099 through 2022-05-0102).

This concluded the public hearing.

REGULAR MEETING

1. Receive the 2022-23 Budget Message and set a Public Hearing for June 13th (Brent Cornelison)

- Proposed budget represents priorities expressed during our Budget Workshop (April 27th) and Board Retreat (March 4th).
- We will set the budget public hearing for June 13th.
- Highlighted several points including but not limited to:
 - General Fund:
 - General Fund Revenues – \$5,888,576
 - General Fund Expenditures - \$6,445,830
 - Revenue (Shortfall) Overage – (\$557,254)
 - ARP Funds - \$1,278,295
 - Transfer to Fund Balance - \$721,042
 - Water Fund:
 - Water Fund Revenues - \$1,488,449
 - Water Fund Expenditures - \$1,611,284
 - Revenue (Shortfall) Overage – (\$122,835)
 - General Fund Revenue Components:
 - Current Year Property Taxes (incl MV) – 43.9%
 - Prior Year Property Taxes & Penalties – 0.0%
 - General Fund Interest on Investments – 0.1%
 - Garbage and Recycling Fees – 5.2%
 - Recreation Revenue – 3.4%
 - ABC Revenue – 1.7%
 - Intergovernmental Revenues – 0.3%
 - Utility and Cable Franchise – 6.1%
 - General Fund Other Revenues – 6.2%
 - Powell Bill Revenue – 2.0%
 - Sales Tax Revenue – 22.5%

- Appropriated Fund Balance – 8.6%
- Tax Rate:
 - Projected 2% increase in tax base for FY'23
 - Tax rate will remain unchanged at \$0.55/\$100 valuation
 - Projected tax revenue - \$2,828,147 (includes motor vehicle taxes of \$201,967)
 - MSD Taxes:
 - Tax rate remains at \$0.10/\$100 valuation
 - Projected revenue - \$12,500
- Health Insurance – 6% increase in premiums
- Personnel – Proposed budget includes 5% COLA and up to 2% merit increase for each employee (average 6.6%)
- Fees – propose two fee changes based on a per garbage can basis:
 - Residential garbage collection fee – increase \$1/month
 - Commercial garbage collection fee – increase \$2/month
- General Fund Expenditures:
 - Governing Body, Administration, Finance Department, Legal, Public Buildings, Garage, Sanitation, Library, Cemetery and Non-Departmental
 - No major changes
 - Planning: \$40,000 to contract help with Code Enforcement
 - Economic Development: New display, new trails and planning for information pods at the Heritage and Trails Center
 - Police Department: ARP funds will be used to pay the majority of the salaries for FY'23; capital items are included for normal routine placement of radios and IT equipment
 - Fire Department: Capital items included for normal routine replacement emergency gear
 - Streets: Included is a brush chipper and leaf truck chassis
 - Powell Bill: An increase in revenue is included this fiscal year
 - Recreation and parks: Paving and curb work of parking areas at the municipal park, replastering of swimming pool and resurfacing tennis court
 - Airport: Expect additional Coronavirus money from NCDOT-Aviation
 - Debt Service: No debt service payments in this budget
 - Recreation and Parks Capital Reserve Fund: Appropriate \$5,000 this year
 - Economic Development Capital Reserve Fund: No contribution this year (current balance is \$300,000)
- Water Fund Fees:
 - Volumetric Water Rate: No increase

- Bulk rate for Ronda will increase to \$7.00 per 1,000 gallons
 - Minimum Water Bill: No increase
 - Debt Service: This will be the third year of the raw waterline project debt payment schedule
 - Non-Departmental: Water Fund will contribute \$50,000 to the Water Fund Capital Reserve Fund (will bring reserve balance to \$350,000)
 - Admin and Billing and Water Operations: No major changes
 - Water Operations: No major changes
 - Capital: Budgeted \$250,000 to replace high service pump, backwash pump and controls and the valve actuator
 - Tap Fee Changes: Propose eliminating separate fees for commercial, residential and out-of-town designations; proposed fee changes are:
 - All Commercial and Residential
 - ¾" water – \$1,500 plus cost of materials
 - 1" water – \$2,000 plus cost of materials
 - 2" water T-10 meter – \$4,000 plus cost of materials
 - 2" water compound meter – \$5,000 plus cost of materials
 - LGC recommends municipalities maintain a Fund Balance level of at least 8% when compared to annual General Fund expenditures.
 - Ours was 70% at the end of June 30, 2021.
 - Expect ours to be met at June 30, 2022 and June 30, 2023.
 - Commissioner Eidson made a motion to approve the abovementioned tap fees as proposed. There were no questions. Upon a second by Commissioner McCulloch, the motion was unanimously approved.
 - Commissioner Wheeler made a motion to set a public hearing on June 13th to consider the proposed Fiscal Year 2022-2023 Budget. There were no questions. Upon a second by Commissioner Ball, the motion was unanimously approved.
2. Consider Approval of BA#2022-17 in the amount of \$14,000 for the preparation and application for Accessibility for Parks (AFP) Grant through the NC Parks and Recreation Trust Fund (Adam McComb)
- Explained the N. C. Parks and Recreation Trust Fund has been allocated ten million dollars to grant to counties and municipalities to develop recreation facilities for public use.
 - Grants can be used to build special recreation facilities or adapt existing facilities that meet unique needs of children and/or veterans with physical and developmental disabilities.
 - Requires local match of at least one dollar of local funds for every five dollars in grant funding.

- This will continue improvements at Crater Park.
 - Had two proposals—Luttman Architecture was the less of the two.
 - Presented a proposal from Luttman Architecture, Inc. for the following work:
 - o Produce preliminary study for the site that will depict those reasonable variations in configuration and arrangement that will meet the program and design criteria - \$2,500.
 - o Final master plan 2D color rendering with cost estimation - \$2,000.
 - o Accessibility for park (AFP) and grant preparation - \$9,500.
 - Total - \$14,000
 - This is recommended by staff and by the Recreation and Parks Advisory Board.
 - Commissioner Eidson made a motion to approve Budget Amendment #2022-17 in the amount of \$14,000 to pay Luttman Architecture for preparation and application for the Accessibility for Parks Grant through the NC Parks and Recreation Trust Fund for a new splash pad at Crater Park. There were no questions. Upon a second by Commissioner McCulloch, the motion was unanimously approved (copy of BA#2022-17 included as Exhibit H).
3. *Consider approving an amended Grant Project Budget Ordinance for the Town of Elkin American Rescue Plan (ARP) Act of 2021; Coronavirus State and Local Fiscal Recovery Funds to replace the ARP Special Revenue Fund adopted on 5/10/21 (Dina Reavis)*
- This request is to approve an ordinance to replace a previous grant project ordinance that will establish a budget for a project to be funded by ARP Act/CSLFRF.
 - o Town will receive a total allocation of \$1,278,295.45.
 - o Proposed budget ordinance specifies that the Town wants to elect the Standard Allowance to replace lost revenue and extend all ARP/CSLFRF funds for the provision of government services which includes salaries and benefits for Law Enforcement Services for the period of March 3, 2021 to December 31, 2024.
 - Commissioner Eidson made a motion to approve a Grant Project Budget Ordinance for the Town of Elkin American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds. There were no questions. Upon a second by Commissioner Wheeler, the motion was unanimously approved. (Copy of Ordinance maybe found in Ordinance Book 5, Pages 2022-05-0103 and 2022-05-0104.
4. *Consider approving Resolution Adopting policies for the ARP/CSLFRF monies (Dina Reavis)*
- The Final Rule for the American Rescue Plan was issued January 6, 2022, and contains regulations, policies and procedures that must be followed by local governments when expending Federal Funds.
 - Town Manager Cornelison told the Board that these documents came from the School of Government and Town Attorney Parker has reviewed each of them.
 - Commissioner Ball made a motion to approve a Resolution Adopting Nondiscrimination Policy (Resolution may be found in Resolution Book

4, Page 2022-05-0273; policy included as Exhibit I), a Records Retention Policy—Documents Created or Maintained Pursuant to the ARP/CSLFRF Award (included as exhibit J), a Conflict of Interest Policy—Applicable to Contracts and Subawards of the Town of Elkin Supported by Federal Financial Assistance (included as Exhibit K), a Resolution Adopting ARP/CSLFRF Eligible Projects Policy (may be found in Resolution Book 4, Pages 2022-05-0274 and 2022-05-0275), an Eligible Project Policy for the Expenditure of American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds by Town of Elkin (included as Exhibit L), a Resolution Adopting a Policy for Allowable Costs and Cost Principles for Expenditures of ARP/SCLFRF (may be found in Resolution Book 4, Pages 2022-05-0276 through 2022-05-0278) and a Town of Elkin Allowable Costs and Costs Principles Policy (included as Exhibit M). There were no questions. Upon a second by Commissioner Eidson, the motion was unanimously approved.

5. Review potential lease agreement revisions beginning in 2023 for the Northwest Regional Library and the Yadkin Valley Chamber of Commerce (Brent Cornelison)

- As requested by the Board, Town Attorney Parker reviewed our current lease agreements with the Library and Chamber and made revisions to include maintaining the HVAC systems.
- We currently pay about \$1,200/year on the HVAC system at the library.
 - o The Northwest Library pays rent to the Town.
- Attorney Parker stated the wording is standard for any lease.
- Town Manager Cornelison said adding the HVAC system maintenance was the only change in the lease for the library.
- The HVAC system maintenance was added to the lease for the Chamber along with Item 2 that addresses their hours of operation.
 - o We are starting a schedule so the building will be open and staffed when we are open.
 - o We want the visitors' center open throughout the year.
- Following discussion, there was consensus among the Board Members that Town Manager Cornelison and staff meet with representatives from the library and Chamber of Commerce to let them know about the revisions in their respective leases.
 - o Once the leases are signed, bring them back to the Board of Commissioners for approval.

MANAGER UPDATES

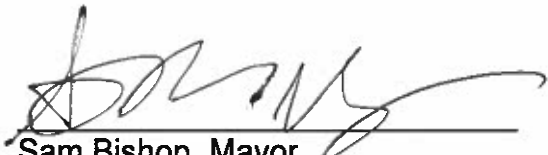
- Employee cookout will be May 20th from 11:00 a.m. until 1:00 p.m.
- Had planned to be out of work part of this week, but plans changed and I will be here all week.
- Met with the Town of Jonesville and the Piedmont Regional Council regarding a grant for a pedestrian footbridge.
 - o Adam (McComb) has also met with them
 - o This is quite a large grant.
 - Hinges on whether we get help from the State.

COMMISSIONS AND BOARDS

- Minutes Included:
 - o ABC Board – March 25, 2022


Mayor Bishop said the Board needed to go into closed session for a few minutes. Commissioner McCulloch made a motion to go into closed session in accordance with NCGS 143-318.11(a)(5), real property. Upon a second by Commissioner Wheeler, the motion was unanimously approved and the Board went into closed session at 6:45 p.m.

The Board returned to the regular meeting at 7:00 p.m. Mayor Bishop reconvened the meeting. There being no further business, Commissioner Ball made a motion to adjourn. Upon a second by Commissioner McCulloch, the motion was unanimously approved. The meeting adjourned at 7:00 p.m.



Sam Bishop, Mayor

Attest:



Catherine C. Tilley, Town Clerk