

# Kinston City Council AGENDA

Monday, June 15, 2020

Work Session 5:30 pm  
Regular Meeting at 7:00 pm



Mayor Don Hardy

Mayor Pro Tem Felicia Solomon

Councilmembers

Robert Swinson

Sammy Aiken

Antonio Hardy

Kristal Suggs

# Agenda

Kinston City Council  
City Hall · 207 East King Street

**Monday, June 15, 2020**

Work Session at 5:30 pm · Regular Meeting at 7:00 pm

Handicapped parking and access ramp are available for the Independence Street entrance.

**THIS MEETING WILL BE CONDUCTED ELECTRONICALLY IN ZOOM FORMAT AND CAN BE VIEWED AT THE CITY OF KINSTON FACEBOOK PAGE**

Call to Order

Mayor Don Hardy

Adoption of the Agenda

*If a Councilmember wishes to revise the agenda, the Motion to add or delete an item will be entertained prior to Adoption of the Agenda.*

Motion/Second

## ITEMS FOR DISCUSSION

1. LWA Reopening-----Tony Sears
2. Budget Presentation-----Tony Sears

## RECESS UNTIL 7:00 REGULAR MEETING

## REGULAR MEETING

Call to Order-----Mayor Don Hardy

Prayer-----Councilmember Antonio Hardy

Pledge of Allegiance

## CITIZEN COMMENT

Citizens must sign in prior to the start of the meeting if they wish to address the City Council.  
Citizens should state their name and address prior to beginning their comments and may speak up to a maximum of 3 minutes.  
Citizens seeking assistance or asking questions will be contacted by a member of the Governing Body or by appropriate City Staff.

**THERE WILL BE NO IN-PERSON CITIZEN COMMENTS**

**CITIZENS COMMENT FORM MAY BE REACHED BY CLICKING THE LINK BELOW:**

<http://ci.kinston.nc.us/FormsCenter/City-Clerk-Forms-11/Citizens-Comments-106>

**MINUTES**

Consider approval of the minutes of the City Council meeting held on Monday, May 18, 2020-----  
-----Debra Thompson

Motion/Second

**ACTION AGENDA**

1. Conduct a Public Hearing on the proposed FY 2020-2021 Annual Operation Budget-----  
-----Tony Sears

Motion/Second

2. Consider approval of a bid award to STEP Construction in the amount of \$137,000 to make repairs to the Upper Neuse Sewer Pipe including a manhole point repair and section of pipe-----Rhonda Barwick

Motion/Second

3. Consider adoption of the Assistance and Procurement Policy for the Urgent Repair Program-----Adam Short

Motion/Second

4. Consider adoption of a Resolution supporting the Economic Development Agency Grant Application-----Adam Short

Motion/Second

5. Consider adoption of an Ordinance to amend the FY 2019-2020 annual operating budget-----Donna Goodson

Motion/Second

6. Consider adoption of a Resolution authorizing the Grainger Stadium United Carolina Bank Loan Modification-----Donna Goodson

Motion/Second

7. Consider adoption of an Ordinance to establish the capital project for 2020 Road Improvements Project (G9144)-----Donna Goodson

Motion/Second

8. Consider adoption of an Ordinance to amend the FY 2016- 2021 Water Projects (W9116)-----Donna Goodson

Motion/Second

- 9. Consider adoption of an Ordinance to amend the FY 2016-2021 Storm Water Projects (T9301)-----Donna Goodson

Motion/Second

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

MAYOR AND COUNCILMEMBER REPORTS

ADJOURNMENT

# City of Kinston

## City Council Agenda Abstract



**Meeting Date: 6/15/2020**

Agenda Section: Action Agenda

Item Request: Presentation of FY 2020-2021 Budget Ordinance

### Agenda Item to be Considered

Presenter: Tony Sears, City Manager

Subject: Annual Operating Budget and Proposed Adoption of FY2020-2021 Budget Ordinance

Action Requested: Conduct Public Hearing at the June 15, 2020 meeting 7:00 pm regular session.

- 1) Proposed Sewer Rate increase
- 2) Proposed Zoning Violation Fee for Civil Citation – Planning increase to \$100 per day
- 3) Presentation of Annual Budget Ordinance FY 2020-2021.
- 4) Suspend adoption of the budget until \_\_\_\_\_ to allow written public feedback.

Attachments: None

Department Head's Approval \_\_\_\_\_

City Manager's Approval TS 6/11

### Supporting Documentation

**Budgetary Impact:**

Budgeted

Needs Budget Ordinance

**Staff Recommendation:**

**FY 2020-2021 Budget - As advertised in the Kinston Free Press and The Neuse News on Saturday, June 6, 2020**

**TONY SEARS**  
City Manager

# City of Kinston

Mayor **DON HARDY**  
Mayor Pro Tem **FELICIA SOLOMON**

**JAMES P. CAULEY**  
City Attorney

**DEBRA THOMPSON**  
City Clerk



Councilmembers:  
**ROBERT SWINSON**  
**SAMMY AIKEN**  
**KRISTAL SUGGS**  
**JOSEPH M. TYSON**

June 15, 2020  
The Honorable Don Hardy, Mayor  
Members of the City Council  
Kinston, North Carolina

To the Honorable Mayor, Members of City Council, and the Citizens of the **City of Kinston**:

At the June 15<sup>th</sup> meeting the FY2020-2021 budget is presented with a total of all Operating Funds, \$111,486,329.

### Main Elements

General Fund fund balance appropriation \$1,500,000

Road Resurfacing funded at \$200,000

Demolition funded at \$50,000

Management Information System request to replace outdated computers and update Software City wide

Fire Department requests training equipment for Training Facility

Police request for car tablets, fingerprint scanner and SWAT gear

Parks and Recreation request for scoreboards for Holloway and Barnet Park, furniture for facilities and window repairs and Mock Gym

Capital purchases for a sweeping machine for the Warehouse

Residential and Wholesale Sewer increase by 10%

Health insurance for employer share increase of 10% increase

FTE decrease to 379 – elimination of a County funded position

Loss of Revenue: Personal Property Tax negative 2.34% (\$32,000,000)

Service levels will remain the same

We hope that this budget reflects a balance of service levels for the Citizens as well as makes progress towards the growth and improvement of the City so desired by the Board and the community.

Respectfully submitted,

Tony Sears  
City Manager

**4 Yr. Consolidated Financial Schedule  
Manager Recommended Budget**

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Manager Recommended	FY 20-21 % of Budget
<b><u>General Operating</u></b>					
<b>Total Revenue</b>	\$ 24,475,639	\$ 27,716,643	\$ 24,952,172	\$ 24,723,322	22.18%
Salaries and Benefits	\$ 13,896,558	\$ 13,615,242	\$ 15,030,465	\$ 15,470,742	13.88%
Operating Expenditures	\$ 5,441,876	\$ 6,097,772	\$ 6,303,820	\$ 5,933,469	5.32%
Capital Outlay	\$ 1,564,561	\$ 1,200,294	\$ 1,269,387	\$ 761,050	0.68%
Debt Service	\$ 1,089,788	\$ 962,099	\$ 1,324,631	\$ 1,531,551	1.37%
Transfers	\$ 2,810,703	\$ 5,990,247	\$ 1,023,869	\$ 1,026,510	0.92%
<b>Total Expenditures General Fund</b>	\$ 24,803,486	\$ 27,865,654	\$ 24,952,172	\$ 24,723,322	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ (327,847)	\$ (149,011)	\$ -	\$ -	
<b><u>General Fund Capital Reserve</u></b>					
<b>Total Revenue</b>	\$ 1,646,773	\$ 1,621,607		\$ 26,068	0.02%
Transfers	\$ 118,690	\$ 3,407,200	\$ -	\$ 26,068	
<b>Total Expenditures Capital Reserve</b>	\$ 118,690	\$ 3,407,200	\$ -	\$ 26,068	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 1,528,083	\$ (1,785,593)	\$ -	\$ -	
<b><u>Kinston Community Center Fund</u></b>					
<b>Total Revenue</b>	\$ 1,492,918	\$ 1,304,068	\$ 1,453,400	\$ 1,334,408	1.20%
Salaries and Benefits	\$ 631,155	\$ 566,275	\$ 655,028	\$ 721,471	0.65%
Operating Expenditures	\$ 899,295	\$ 817,723	\$ 794,750	\$ 611,800	0.55%
Capital Outlay	\$ -	\$ -	\$ 1,500	\$ -	0.00%
Transfers	\$ 870	\$ 921	\$ 2,122	\$ 1,137	0.00%
<b>Total Expenditures Woodemen</b>	\$ 1,531,320	\$ 1,384,919	\$ 1,453,400	\$ 1,334,408	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ (38,402)	\$ (80,851)	\$ -	\$ -	
<b><u>Community Development Fund</u></b>					
<b>Total Revenue</b>	\$ 632	\$ 615,549	\$ 6,898	\$ 9,798	0.01%
Transfers	\$ -	\$ -	\$ 6,898	\$ 9,798	0.01%
<b>Total Expenditures Community Development</b>	\$ -	\$ -	\$ 6,898	\$ 9,798	0.01%
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 632	\$ 615,549	\$ -	\$ -	
<b><u>Water Resources Fund</u></b>					
<b>Total Revenue</b>	\$ 10,503,025	\$ 10,526,623	\$ 10,338,490	\$ 10,550,795	9.46%
Salaries and Benefits	\$ 1,334,418	\$ 1,284,600	\$ 1,708,875	\$ 1,770,452	1.59%
Operating Expenditures	\$ 5,903,517	\$ 5,765,658	\$ 6,128,700	\$ 6,145,500	5.51%
Capital Outlay	\$ 657,212	\$ 519,787	\$ 183,500	\$ 319,300	0.29%
Debt Service	\$ 318,633	\$ 309,562	\$ 279,016	\$ 266,786	0.24%
Transfers	\$ 1,686,092	\$ 1,465,043	\$ 2,038,399	\$ 2,048,757	1.84%
<b>Total Expenditures Water Resources</b>	\$ 9,899,872	\$ 9,344,650	\$ 10,338,490	\$ 10,550,795	9.46%
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 603,153	\$ 1,181,973	\$ -	\$ -	
<b><u>Water Resources Capital Reserve (Wastewater)</u></b>					
<b>Total Revenue</b>	\$ 416,687	\$ 225,216	\$ 491,200	\$ 259,000	0.23%
Transfers	\$ -	\$ -	\$ 491,200	\$ 259,000	0.23%
<b>Total Expenditures Water Capital Reserve</b>	\$ -	\$ -	\$ 491,200	\$ 259,000	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 416,687	\$ 225,216	\$ -	\$ -	

**4 Yr. Consolidated Financial Schedule  
Manager Recommended Budget**

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Manager Recommended	FY 20-21 % of Budget
<b><u>Wastewater Fund</u></b>					
<b>Total Revenue</b>	\$ 5,817,322	\$ 6,178,457	\$ 6,716,829	\$ 7,052,875	6.33%
Salaries and Benefits	\$ 774,517	\$ 721,361	\$ 887,988	\$ 931,268	0.84%
Operating Expenditures	\$ 816,666	\$ 1,315,450	\$ 1,165,242	\$ 1,126,700	1.01%
Capital Outlay	\$ 958,852	\$ 471,700	\$ 660,000	\$ 502,158	0.45%
Debt Service	\$ 1,443,172	\$ 1,638,157	\$ 1,581,935	\$ 1,648,212	1.48%
Transfers	\$ 2,425,652	\$ 2,588,437	\$ 2,421,664	\$ 2,844,537	2.55%
<b>Total Expenditures Wastewater</b>	\$ 6,418,859	\$ 6,735,105	\$ 6,716,829	\$ 7,052,875	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ (601,537)	\$ (556,648)	\$ -	\$ -	
<b><u>Capital Reserve-Wastewater Fund</u></b>					
<b>Total Revenue</b>	\$ 19	\$ 32	\$ -	\$ -	
Transfers	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenditures Wastewater Capital Reserve</b>	\$ -	\$ -	\$ -	\$ -	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 19	\$ 32	\$ -	\$ -	
<b><u>Electric</u></b>					
<b>Total Revenue</b>	\$ 49,702,006	\$ 51,174,424	\$ 49,822,700	\$ 49,586,855	44.48%
Salaries and Benefits	\$ 1,176,680	\$ 1,255,164	\$ 1,951,132	\$ 2,150,957	1.93%
Operating Expenditures	\$ 35,897,870	\$ 32,584,769	\$ 37,046,359	\$ 37,272,599	33.43%
Capital Outlay	\$ 585,087	\$ 73,314	\$ 640,110	\$ 2,492,719	2.24%
Debt Service	\$ 817,908	\$ 815,803	\$ 700,049	\$ 690,240	0.62%
Transfers	\$ 7,986,631	\$ 10,971,611	\$ 9,485,050	\$ 6,980,340	6.26%
<b>Total Expenditures Electric</b>	\$ 46,464,176	\$ 45,700,661	\$ 49,822,700	\$ 49,586,855	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 3,237,830	\$ 5,473,763	\$ -	\$ -	
<b><u>Electric Capital Reserve</u></b>					
<b>Total Revenue</b>	\$ 2,389,803	\$ 2,078,509	\$ 2,071,400	\$ 2,071,400	1.86%
Transfers	\$ 360,194	\$ 2,376,000	\$ 2,071,400	\$ 2,071,400	1.86%
<b>Total Expenditures Electric Capital Reserve</b>	\$ 360,194	\$ 2,376,000	\$ 2,071,400	\$ 2,071,400	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 2,029,609	\$ (297,491)	\$ -	\$ -	
<b><u>Electric Rate Stabilization Reserve Fund</u></b>					
<b>Total Revenue</b>	\$ -	\$ 2,676,808	\$ 2,668,965	\$ 2,401,953	2.15%
Transfers	\$ -	\$ -	\$ 2,668,965	\$ 2,401,953	2.15%
<b>Total Expenditures Electric Rate Stabilization</b>	\$ -	\$ -	\$ 2,668,965	\$ 2,401,953	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ -	\$ 2,676,808	\$ -	\$ -	
<b><u>Environmental Services</u></b>					
<b>Total Revenue</b>	\$ 3,677,613	\$ 4,202,080	\$ 4,127,899	\$ 4,497,794	4.03%
Salaries and Benefits	\$ 1,018,430	\$ 1,008,466	\$ 1,150,215	\$ 1,209,261	1.08%
Operating Expenditures	\$ 1,177,023	\$ 1,331,259	\$ 1,452,900	\$ 1,495,800	1.34%
Capital Outlay	\$ 16,405	\$ 235,484	\$ -	\$ 416,256	0.37%
Debt Service	\$ 293,806	\$ 264,758	\$ 264,862	\$ 374,292	0.34%
Transfers	\$ 963,644	\$ 987,857	\$ 1,259,922	\$ 1,002,186	0.90%
<b>Total Expenditures Environmental Svcs.</b>	\$ 3,469,308	\$ 3,827,824	\$ 4,127,899	\$ 4,497,795	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 208,305	\$ 374,256	\$ -	\$ (1)	



**4 Yr. Consolidated Financial Schedule  
Manager Recommended Budget**

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Manager Recommended	FY 20-21 % of Budget
<b><u>Stormwater Fund</u></b>					
<b>Total Revenue</b>	\$ 1,074,473	\$ 1,054,758	\$ 1,201,572	\$ 1,060,220	0.95%
Salaries and Benefits	\$ 356,886	\$ 169,029	\$ 481,336	\$ 503,007	0.45%
Operating Expenditures	\$ 131,232	\$ 194,903	\$ 153,400	\$ 164,600	0.15%
Capital Outlay	\$ -	\$ 110,038	\$ 191,900	\$ 60,000	0.05%
Debt Service	\$ 76,701	\$ 55,734	\$ 55,800	\$ 52,482	0.05%
Transfers	\$ 490,630	\$ 305,588	\$ 319,136	\$ 280,131	0.25%
<b>Total Expenditures Stormwater</b>	\$ 1,055,449	\$ 835,292	\$ 1,201,572	\$ 1,060,220	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 19,024	\$ 219,466	\$ -	\$ -	
<b><u>Public Services Fund</u></b>					
<b>Total Revenue</b>	\$ 2,193,190	\$ 2,265,967	\$ 2,265,345	\$ 2,274,702	2.04%
Salaries and Benefits	\$ 1,537,257	\$ 1,610,456	\$ 1,836,539	\$ 1,869,932	1.68%
Operating Expenditures	\$ 295,972	\$ 304,250	\$ 395,900	\$ 393,465	0.35%
Capital Outlay	\$ 55,472	\$ 39,430	\$ 17,200	\$ -	0.00%
Debt Service	\$ 5,942	\$ 5,942	\$ 6,000	\$ -	0.00%
Transfers	\$ 178,620	\$ 9,153	\$ 9,706	\$ 11,305	0.01%
<b>Total Expenditures Public Services</b>	\$ 2,073,263	\$ 1,969,231	\$ 2,265,345	\$ 2,274,702	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 119,927	\$ 296,736	\$ -	\$ -	
<b><u>Employee Health &amp; Insurance</u></b>					
<b>Total Revenue</b>	\$ 694,404	\$ 699,820	\$ 703,341	\$ 706,791	0.63%
Salaries and Benefits	\$ 84,700	\$ 83,348	\$ 105,216	\$ 103,304	0.09%
Operating Expenditures	\$ 550,633	\$ 421,595	\$ 597,475	\$ 590,688	0.53%
Transfers	\$ 290	\$ 307	\$ 650	\$ 12,799	0.01%
<b>Total Expenditures Employee Health</b>	\$ 635,623	\$ 505,250	\$ 703,341	\$ 706,791	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 58,781	\$ 194,570	\$ -	\$ -	
<b><u>Health Self Insurance Fund</u></b>					
<b>Total Revenue</b>	\$ 89,590	\$ 2,469,200	\$ 2,904,876	\$ 3,148,364	2.82%
Operating Expenditures	\$ 11,407	\$ 2,089,332	\$ 2,285,218	\$ 2,720,767	2.44%
Transfers	\$ -	\$ -	\$ 619,658	\$ 427,597	0.38%
<b>Total Expenditures Employee Health</b>	\$ 11,407	\$ 2,089,332	\$ 2,904,876	\$ 3,148,364	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 78,183	\$ 379,868	\$ -	\$ -	
<b><u>Fleet Maintenance</u></b>					
<b>Total Revenue</b>	\$ 670,893	\$ 736,750	\$ 657,468	\$ 656,679	0.59%
Salaries and Benefits	\$ 396,143	\$ 406,148	\$ 502,916	\$ 520,541	0.47%
Operating Expenditures	\$ 145,740	\$ 189,455	\$ 135,300	\$ 132,612	0.12%
Capital Outlay	\$ -	\$ 6,594	\$ 14,100	\$ -	0.00%
Debt Service	\$ 2,125	\$ 2,125	\$ 2,125	\$ -	0.00%
Transfers	\$ 2,890	\$ 3,069	\$ 3,027	\$ 3,526	0.00%
<b>Total Expenditures Fleet Maintenance</b>	\$ 546,898	\$ 607,391	\$ 657,468	\$ 656,679	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 123,995	\$ 129,359	\$ -	\$ -	
<b><u>Fuel Fund</u></b>					
<b>Total Revenue</b>	\$ 490,715	\$ 512,937	\$ 549,900	\$ 576,005	0.52%
Operating Expenditures	\$ 476,398	\$ 492,512	\$ 535,400	\$ 564,005	0.51%
Transfers	\$ -	\$ -	\$ 14,500	\$ 12,000	0.01%
<b>Total Expenditures Fuel Fund</b>	\$ 476,398	\$ 492,512	\$ 549,900	\$ 576,005	
<b>Net Revenues Over/(Under) Expenditures</b>	\$ 14,317	\$ 20,425	\$ -	\$ -	

## 4 Yr. Consolidated Financial Schedule

### Manager Recommended Budget

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Manager Recommended	FY 20-21 % of Budget
<b><u>Facilities &amp; Property Management</u></b>					
<b>Total Revenue</b>	<b>\$ 352,011</b>	<b>\$ 491,903</b>	<b>\$ 571,200</b>	<b>\$ 549,000</b>	0.49%
Operating Expenditures	\$ 332,821	\$ 360,752	\$ 425,600	\$ 453,200	0.41%
Capital Outlay	\$ 57,847	\$ 60,080	\$ 122,400	\$ 53,400	0.05%
Transfers	\$ -	\$ -	\$ 23,200	\$ 42,400	0.04%
<b>Total Expenditures Facilities &amp; Prop. Mgmt.</b>	<b>\$ 390,668</b>	<b>\$ 420,832</b>	<b>\$ 571,200</b>	<b>\$ 549,000</b>	
<b>Net Revenues Over/(Under) Expenditures</b>	<b>\$ (38,657)</b>	<b>\$ 71,071</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>Temple Israel Perpetual Care Fund</u></b>					
<b>Total Revenue</b>	<b>\$ 238</b>	<b>\$ 405</b>	<b>\$ 300</b>	<b>\$ 300</b>	0.00%
Transfers	\$ -	\$ -	\$ 300	\$ 300	0.00%
<b>Total Expenditures Temple Israel</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ 300</b>	
<b>Net Revenues Over/(Under) Expenditures</b>	<b>\$ 238</b>	<b>\$ 405</b>	<b>\$ -</b>	<b>\$ -</b>	
<b><u>Summary All Funds by Type</u></b>					
<b>Total Revenue</b>	<b>\$ 105,687,951</b>	<b>\$ 116,551,756</b>	<b>\$ 111,503,955</b>	<b>\$ 111,486,329</b>	
Salaries and Benefits	\$ 21,206,744	\$ 20,720,089	\$ 24,309,710	\$ 25,250,935	22.65%
Operating Expenditures	\$ 52,080,450	\$ 51,965,430	\$ 57,420,064	\$ 57,605,205	51.67%
Capital Outlay	\$ 3,895,436	\$ 2,716,721	\$ 3,100,097	\$ 4,604,883	4.13%
Debt Service	\$ 4,048,075	\$ 4,054,180	\$ 4,214,418	\$ 4,563,563	4.09%
Transfers	\$ 17,024,906	\$ 28,105,433	\$ 22,459,666	\$ 19,461,744	17.46%
<b>Total Expenditures</b>	<b>\$ 98,255,611</b>	<b>\$ 107,561,853</b>	<b>\$ 111,503,955</b>	<b>\$ 111,486,330</b>	
<b>Net Revenues Over/(Under) Expenditures</b>	<b>\$ 7,432,340</b>	<b>\$ 8,989,903</b>	<b>\$ -</b>	<b>\$ (1)</b>	

## ANNUAL BUDGET ORDINANCE FOR FISCAL YEAR 2020-2021

**BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City's government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021 according to the following summary and schedules.

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$ 24,723,322.00	\$ 24,723,322.00
General Fund Capital Reserve	26,068.00	26,068.00
Kinston Community Center Fund	1,334,408.00	1,334,408.00
Community Development	9,798.00	9,798.00
Water Fund	10,550,795.00	10,550,795.00
Water Resources Capital Reserve Fund	259,000.00	259,000.00
Wastewater Fund	7,052,875.00	7,052,875.00
Wastewater Capital Reserve Fund	-	-
Electric Fund	49,586,855.00	49,586,855.00
Electric Capital Reserve Fund	2,071,400.00	2,071,400.00
Electric Rate Stabilization Reserve Fund	2,401,953.00	2,401,953.00
Environmental Services Fund	4,497,794.00	4,497,794.00
Stormwater Fund	1,060,220.00	1,060,220.00
Public Services Fund	2,274,702.00	2,274,702.00
Employee Health & Insurance Fund	706,791.00	706,791.00
Health Self-Insurance Fund	3,148,364.00	3,148,364.00
Fleet Maintenance Fund	656,679.00	656,679.00
Inventory Fund	576,005.00	576,005.00
Facilities & Property Management Fund	549,000.00	549,000.00
Temple Israel Perpetual Care Fund	300.00	300.00
Subtotal	\$ 111,486,329.00	\$ 111,486,329.00
Less: Internal Service Funds	(7,911,541.00)	(7,911,541.00)
<b>TOTAL BUDGET</b>	<b>\$ 103,574,788.00</b>	<b>\$ 103,574,788.00</b>

Section 2: That for said fiscal year there is hereby appropriated in all funds:

**REVENUES**

**GENERAL FUND**

Property Taxes	\$ 10,135,935.00	
Other Taxes	6,671,057.00	
Intergovernmental	1,249,338.00	
Sales & Service	1,598,429.00	
Shared Services Reimbursement	2,045,404.00	
Other Revenues	450,638.00	
Proceeds From Borrowing	-	
Interfund Transfers	1,072,521.00	
Appropriated Fund Balance	1,500,000.00	
<b>TOTAL GENERAL FUND</b>	<b>1,500,000.00</b>	<b>\$ 24,723,322.00</b>

**GENERAL FUND CAPITAL RESERVE**

Investment Earnings	\$ 44.00	
Interfund Transfers	26,024.00	
Appropriated Fund Balance	-	
<b>TOTAL GENERAL FUND CAPITAL RESERVE</b>	<b>-</b>	<b>\$ 26,068.00</b>

**KINSTON COMMUNITY CENTER FUND**

Sales & Services	\$ 1,334,408.00	
Appropriated Fund Balance	-	
<b>TOTAL WOODMEN COMMUNITY CENTER FUND</b>	<b>-</b>	<b>\$ 1,334,408.00</b>

**COMMUNITY DEVELOPMENT FUND**

Investment Earnings	\$ 3,000.00	
Other Revenues	6,798.00	
<b>TOTAL COMMUNITY DEVELOPMENT FUND</b>	<b>-</b>	<b>\$ 9,798.00</b>

**WATER FUND**

Water Sales	\$ 8,725,000.00	
Investment Earnings	25,000.00	
Other Revenue	274,000.00	
Shared Services Reimbursement	1,468,749.00	
Interfund Transfers	-	
Proceeds From Borrowing	-	
Appropriated Fund Balance	58,046.00	
<b>TOTAL WATER FUND</b>	<b>58,046.00</b>	<b>\$ 10,550,795.00</b>

**WATER RESOURCES CAPITAL RESERVE FUND**

Investment Earnings	\$	9,000.00	
Interfund Transfers		250,000.00	
Appropriated Fund Balance		-	
<b>TOTAL WATER RESOURCES CAPITAL RESERVE FUND</b>			<u><u>\$ 259,000.00</u></u>

**WASTEWATER FUND**

Sewer Charges	\$	6,380,000.00	
Investment Earnings		-	
Other Revenue		672,875.00	
Interfund Transfers		-	
Proceeds From Borrowing		-	
Appropriated Fund Balance		-	
<b>TOTAL WASTEWATER FUND</b>			<u><u>\$ 7,052,875.00</u></u>

**WASTEWATER CAPITAL RESERVE FUND**

Investment Earnings	\$	-	
Interfund Transfers		-	
Appropriated Fund Balance		-	
<b>TOTAL WASTEWATER CAPITAL RESERVE FUND</b>			<u><u>\$ -</u></u>

**ELECTRIC FUND**

Electric Sales	\$	45,778,300.00	
Investment Earnings		5,000.00	
Other Revenue		3,421,200.00	
Interfund Transfers		382,355.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC FUND</b>			<u><u>\$ 49,586,855.00</u></u>

**ELECTRIC CAPITAL RESERVE FUND**

Investment Earnings	\$	6,400.00	
Interfund Transfers		2,065,000.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC CAPITAL RESERVE FUND</b>			<u><u>\$ 2,071,400.00</u></u>

**ELECTRIC RATE STABILIZATION RESERVE FUND**

Investment Earnings	\$	-	
Interfund Transfers		2,401,953.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND</b>			<u><u>\$ 2,401,953.00</u></u>

**ENVIRONMENTAL SERVICES FUND**

Sales & Services	\$	4,086,238.00	
Investment Earnings		5,000.00	
Other Revenue		52,000.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		354,556.00	
TOTAL ENVIRONMENTAL SERVICES FUND			<u>\$ 4,497,794.00</u>

**STORMWATER FUND**

Utility Fees	\$	1,023,300.00	
Investment Earnings		8,000.00	
Other Revenue		24,400.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		4,520.00	
TOTAL STORMWATER FUND			<u>\$ 1,060,220.00</u>

**TEMPLE ISRAEL PERPETUAL CARE FUND**

Investment Earnings	\$	300.00	
TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND			<u>\$ 300.00</u>

**EXPENDITURES**

**GENERAL FUND**

General Government	\$	4,153,647.00	
Planning		606,183.00	
Public Safety		11,240,312.00	
Infrastructure		2,067,930.00	
Engineering		676,225.00	
Parks & Recreation		4,291,670.00	
Interfund Transfers & Shared Services Reimbursement		1,026,510.00	
Organizational Support		660,845.00	
TOTAL GENERAL FUND			<u>\$ 24,723,322.00</u>

**GENERAL FUND CAPITAL RESERVE**

Interfund Transfers & Shared Services Reimbursement	\$	-	
Transfer to Fund Balance		26,068.00	
TOTAL GENERAL FUND CAPITAL RESERVE			<u>\$ 26,068.00</u>

**KINSTON COMMUNITY CENTER FUND**

Kinston Community Center Operations		1,333,271.00	
Interfund Transfers & Shared Services Reimbursement	\$	1,137.00	
Transfer to Fund Balance		-	
TOTAL WOODMEN COMMUNITY CENTER FUND			<u>\$ 1,334,408.00</u>

**COMMUNITY DEVELOPMENT FUND**

Community Development	\$	9,798.00	
TOTAL COMMUNITY DEVELOPMENT FUND			<u>\$ 9,798.00</u>

**WATER FUND**

Water Operations	\$	8,234,952.00	
Interfund Transfers & Shared Services Reimbursement		2,048,757.00	
Debt Service		267,086.00	
TOTAL WATER FUND			<u>\$ 10,550,795.00</u>

**WATER CAPITAL RESERVE FUND**

Transfer to Fund Balance	\$	259,000.00	
TOTAL WATER CAPITAL RESERVE FUND			<u>\$ 259,000.00</u>

**WASTEWATER FUND**

Wastewater Operations	\$	2,559,426.00	
Interfund Transfers & Shared Services Reimbursement		2,844,537.00	
Debt Service		<u>1,648,912.00</u>	
TOTAL WASTEWATER FUND			<u>\$ 7,052,875.00</u>

**WASTEWATER CAPITAL RESERVE FUND**

Transfer to Fund Balance	\$	<u>-</u>	
TOTAL WASTEWATER CAPITAL RESERVE FUND			<u>\$ -</u>

**ELECTRIC FUND**

Electric Operations	\$	41,915,075.00	
Interfund Transfers & Shared Services Reimbursement		6,980,340.00	
Debt Service		<u>691,440.00</u>	
TOTAL ELECTRIC FUND			<u>\$ 49,586,855.00</u>

**ELECTRIC CAPITAL RESERVE FUND**

Interfund Transfers & Shared Services Reimbursement	\$	2,071,400.00	
Transfer to Fund Balance		<u>-</u>	
TOTAL ELECTRIC CAPITAL RESERVE FUND			<u>\$ 2,071,400.00</u>

**ELECTRIC RATE STABILIZATION RESERVE FUND**

Interfund Transfers & Shared Services Reimbursement	\$	-	
Transfer to Fund Balance		<u>2,401,953.00</u>	
TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND			<u>\$ 2,401,953.00</u>

**ENVIRONMENTAL SERVICES FUND**

Environmental Services Operations	\$	3,121,316.00	
Interfund Transfers & Shared Services Reimbursement		1,002,186.00	
Debt Service		<u>374,292.00</u>	
TOTAL ENVIRONMENTAL SERVICES FUND			<u>\$ 4,497,794.00</u>



**STORMWATER FUND**

Stormwater Operations	\$	727,607.00	
Interfund Transfers & Shared Services Reimbursement		280,131.00	
Debt Service		<u>52,482.00</u>	
TOTAL STORMWATER FUND			<u>\$ 1,060,220.00</u>

**TEMPLE ISRAEL PERPETUAL CARE FUND**

Interfund Transfers & Shared Services Reimbursement	\$	<u>300.00</u>	
TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND			<u>\$ 300.00</u>

Section 3: There is hereby levied for the fiscal year ending June 30, 2021, the following rate on each \$100 of assessed valuation of taxable property as listed as of January 1, 2020 for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue, and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.73

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$1,336,000,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 97.16% is based on the previous year’s collections.

Section 4: There is hereby levied for the fiscal year ending June 30, 2021, the following rate of taxes on each \$100 of assessed valuation of property in the Municipal Service District listed as of January 1, 2020 for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.27

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$26,750,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.84% is based on previous year’s collections.

Section 5: There is hereby levied for the fiscal year ending June 30, 2021, the following rate of taxes on each \$100 of assessed valuation of property in the Global Transpark (GTP) Fire Tax listed as of January 1, 2020 for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.045

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$204,765,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.84% is based on previous year’s collections.

Section 6: Privilege licenses and franchise taxes for the privilege of conducting specified businesses and professions within the City of Kinston are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 7: Public Services Streets, Cemetery and Engineering Department fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 8: Department of Planning fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 9: Police Department fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 10: Department of Fire and Rescue and Code Enforcement and Inspections building permit and inspection fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 11: Parks and Recreation Department fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges

Section 12: Miscellaneous fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 13: Kinston Community Center Fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges. The Lion's Water Adventure is hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 14: Water rates are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 15: Wastewater (Sewer) Rates are hereby amended for Residential and Wholesale Service. The Manual of Fees and Charges is hereby amended to reflect the new rate sheet attached.

Section 16: Environmental Service Fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 17: The budget approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 18: The City Manager is hereby authorized to increase the line item appropriation in the attached budget to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 19: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

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Debra Thompson, City Clerk



**EMPLOYEE HEALTH & INSURANCE FUND**  
**INTERNAL SERVICE FUND FINANCIAL PLAN**  
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Employee Health & Insurance Internal Service Fund operations:

**Section 1 Expenditures**

Employee Health	\$ 177,155.00	
Worker's Compensation	378,700.00	
Risk Management	138,137.00	
Shared Services Reimbursement	<u>12,799.00</u>	
TOTAL EMPLOYEE HEALTH & INSURANCE FUND EXPENDITURES		<u>\$ 706,791.00</u>

Section 2: The following are the estimated revenues for the Employee Health & Insurance Internal Service Fund operations:

**Section 2 Revenues**

Investment Earnings	\$ 4,100.00	
Shared Services Reimbursement	702,691.00	
Appropriated Fund Balance	-	
TOTAL EMPLOYEE HEALTH & INSURANCE FUND REVENUES		<u>\$ 706,791.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

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Debra Thompson, City Clerk

**HEALTH SELF INSURANCE FUND**  
**INTERNAL SERVICE FUND FINANCIAL PLAN**  
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Health Self Insurance Fund operations:

**Section 1 Expenditures**

Self Insured Health Benefits	\$ 2,720,767.00	
Transfers to Fund Balance	<u>427,597.00</u>	
TOTAL HEALTH SELF INSURANCE FUND EXPENDITURES		<u>\$ 3,148,364.00</u>

Section 2: The following are the estimated revenues for the Health Self Insurance Fund operations:

**Section 2 Revenues**

Health Insurance Premiums Collected	\$ 3,030,325.00	
Investment Earnings	500.00	
Shared Services Reimbursement	<u>117,539.00</u>	
TOTAL HEALTH SELF INSURANCE FUND REVENUES		<u>\$ 3,148,364.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

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Debra Thompson, City Clerk

**FLEET MAINTENANCE FUND**  
**INTERNAL SERVICE FUND FINANCIAL PLAN**  
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Fleet Maintenance Internal Service Fund operations:

**Section 1 Expenditures**

Fleet Maintenance	\$ 653,153.00	
Shared Services Reimbursement	3,526.00	
Debt Service	<u>-</u>	
TOTAL FLEET MAINTENANCE FUND EXPENDITURES		<u>\$ 656,679.00</u>

Section 2: The following are the estimated revenues for the Fleet Maintenance Internal Service Fund operations:

**Section 2 Revenues**

Shared Services Reimbursement	\$ 652,316.00	
Labor Sales Fleet Maintenance	-	
Appropriated Fund Balance	<u>4,363.00</u>	
TOTAL FLEET MAINTENANCE FUND REVENUES		<u>\$ 656,679.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

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Debra Thompson, City Clerk

**INVENTORY FUND**  
**INTERNAL SERVICE FUND FINANCIAL PLAN**  
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Inventory Internal Service Fund operations:

**Section 1 Expenditures**

Fuel Purchases	\$ 564,005.00	
Transfers to Fund Balance	<u>12,000.00</u>	
<b>TOTAL INVENTORY FUND EXPENDITURES</b>		<u><u>\$ 576,005.00</u></u>

Section 2: The following are the estimated revenues for the Inventory Internal Service Fund operations:

**Section 2 Revenues**

Reimbursement of Fuel Purchases	<u>\$ 576,005.00</u>	
<b>TOTAL INVENTORY FUND REVENUES</b>		<u><u>\$ 576,005.00</u></u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations including capital outlay shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

\_\_\_\_\_  
Debra Thompson, City Clerk



**FACILITIES AND PROPERTY MAINTENANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2020 - June 30, 2021**

Section 1: The following are the estimated expenditures for the Facilities and Property Maintenance Internal Service Fund operations:

**Section 1 Expenditures**

Building and Grounds/City Hall	\$ 201,000.00	
Miscellaneous Properties	113,200.00	
Building and Grounds/Public Service Complex	192,400.00	
Transfers to Fund Balance	<u>42,400.00</u>	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE EXPENDITURES</b>		<b><u><u>\$ 549,000.00</u></u></b>

Section 2: The following are the estimated revenues for the Facilities and Property Maintenance Internal Service Fund operations:

**Section 2 Revenues**

Shared Services Reimbursement	\$ 548,000.00	
Investment Earnings	1,000.00	
Appropriated Fund Balance	<u>                    </u>	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE REVENUES</b>		<b><u><u>\$ 549,000.00</u></u></b>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5 The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

Adopted this 17<sup>th</sup> day of June, 2020.

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Debra Thompson, City Clerk

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Action Agenda

**Agenda Item:** Bid Award

**Action Requested:** Approve Bid Award

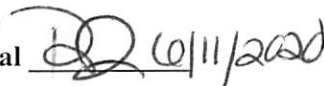
**Agenda Item to be Considered**

**Presenter:** Rhonda Barwick, Public Services Director

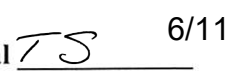
**Subject:** Consider awarding bid to STEP Construction in the amount of \$137,000 to make repairs to the Upper Neuse Sewer Pipe including a manhole point repair and lining a section of pipe.

**Supporting Documentation:** Departmental Memo, Map

Department Head's Approval

 6/11/2020

City Manager's Approval

 6/11

**Budgetary Impact:** Budgetary Action Required

Finance Director is submitting a Project Budget Amendment to allocate funds.

**Staff Recommendation:** Staff recommends approval.



# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

## MEMORANDUM

TO: Rhonda Barwick, Public Services Director

FROM: Steve Miller, Asst. Public Services Director

DATE: June 10, 2020

RE: Upper Neuse Sewer Emergency Repairs

### **Background:**

The Water Operations Division staff has found a sinkhole over the Upper Neuse Sewer Outfall in a field between the Neuse River and the railroad tracks, south of the Vernon Avenue/Hull Road intersection, as shown on the attached map. A hole is visible in the top of the pipe. A camera has been inserted in the pipe and revealed the top of the pipe has collapsed, but there is no obstruction to flow in the pipe. The area has been barricaded for safety and it is not currently losing sewerage.

The pipe is 24 inch diameter concrete pipe, approximately 15 feet below the ground, and remaining pipe upstream of the break is showing severe corrosion inside the pipe. This will result in additional collapses in the near future. To make repairs, bypass pumping must be set up to stop flow inside the pipe. The same bypass pumping is required to fix the hole and to address the corrosion inside the pipe. If both repairs are done at the same time, bypass pumping will only have to be set up one time. The city will be performing bypass pumping separately from the repair bids to reduce costs.

Expedited bidding has been done to obtain prices for the repairs. This involved electronic posting of the bids on our website and direct contact with local contractors. Separate bids were advertised for the repair of the broken pipe and for lining the corroded pipe. Three contractors attended a Pre-bid meeting on site on Monday, June 8, 2020. The following bids were received:

### **Point Repair at Manhole 6E**

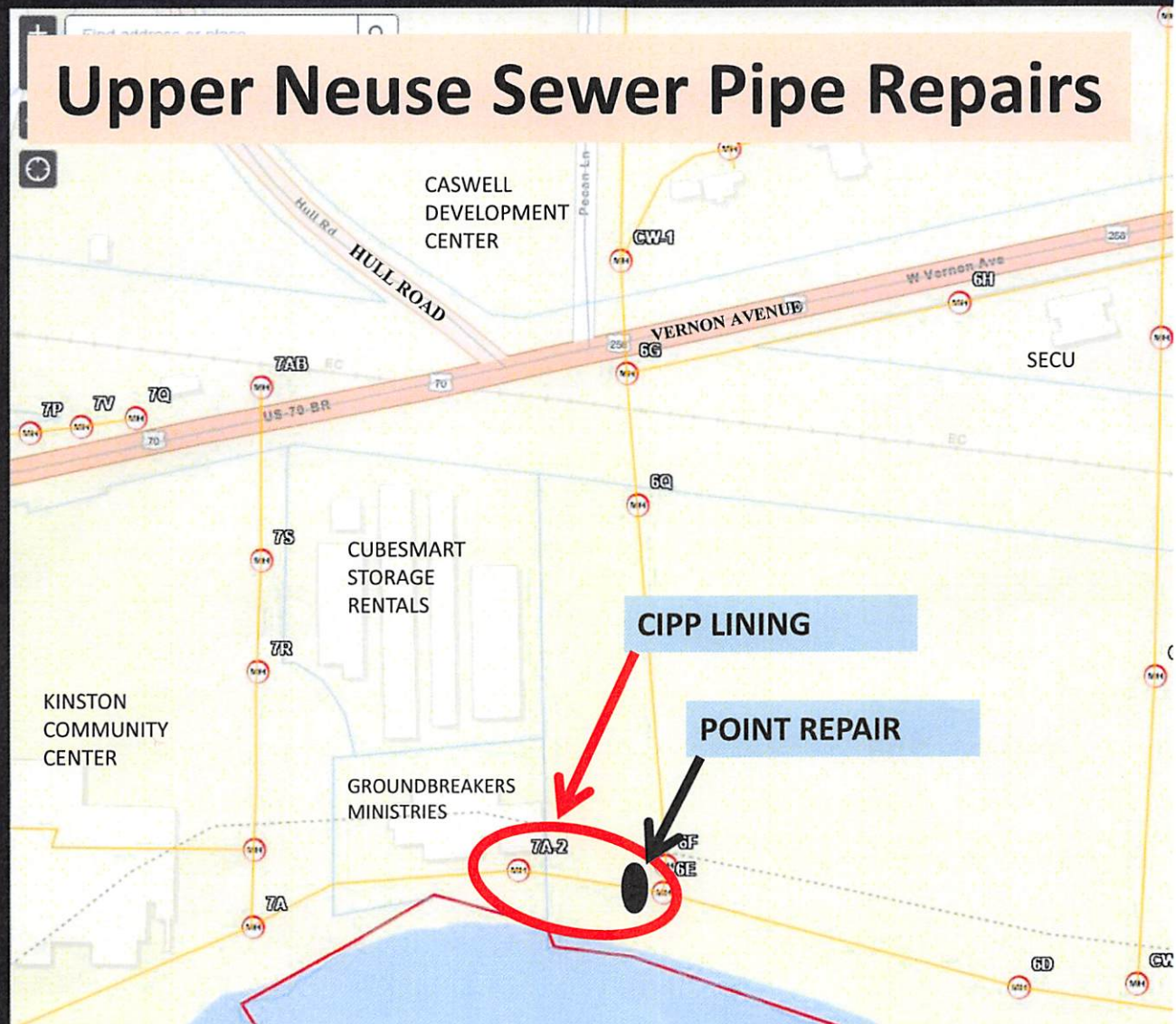
<b>BIDDER</b>	<b>BID AMOUNT</b>
STEP Construction	\$33,750.00
Ernie Everett Site Prep	\$59,693.00

### **CIPP: Manhole 6E to Manhole 7A-2**

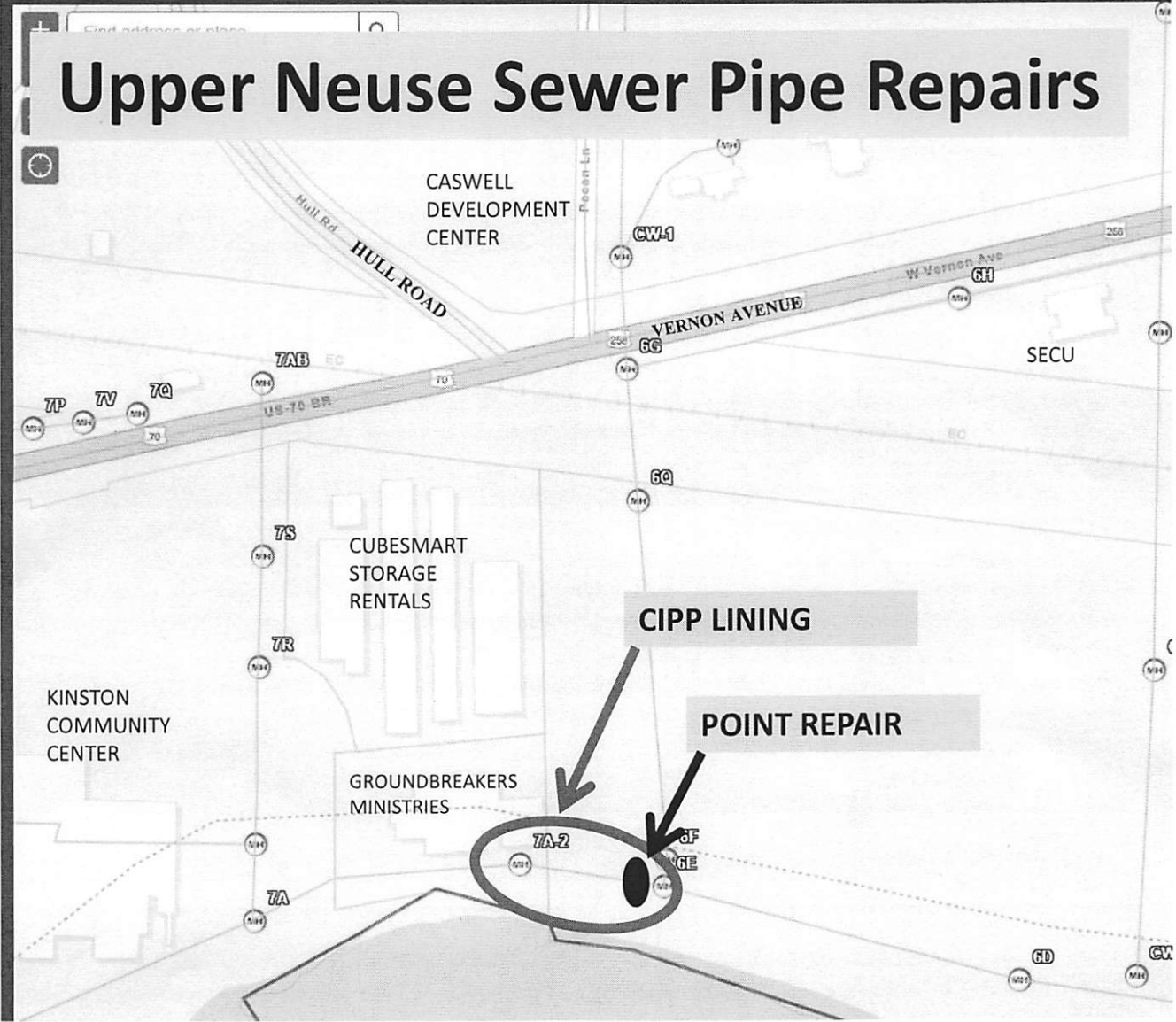
<b>BIDDER</b>	<b>BID AMOUNT</b>
STEP Construction	\$103,250.00

I recommend both bids be awarded to STEP Construction, for a combined total of \$137,000. Funds for the work have been identified within the Water Operations Budget (6100-7103) and are being requested to be moved to a project budget in a separate agenda item being presented by Donna Goodson at the June 15<sup>th</sup> City Council meeting.

# Upper Neuse Sewer Pipe Repairs



# Upper Neuse Sewer Pipe Repairs



**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Consent Agenda

**Agenda Item:** Other

**Action Requested:** Approve Request

**Agenda Item to be Considered**

**Presenter:** Adam Short, Planning Director

**Subject:** NCHFA – Urgent Repair Policy Approvals

**Supporting Documentation:** Draft Assistance Policy; Draft Disbursement Policy

**Department Head's Approval**

Handwritten signature "AS" in blue ink, followed by the date "6/10" in blue ink.

**City Manager's Approval**

Handwritten signature "T96-10" in blue ink.

**Budgetary Impact:** Choose an item.

**Staff Recommendation:**



# City of Kinston

Post Office Box 339  
Kinston, North Carolina 28502



**DON HARDY**  
Mayor

**TONY SEARS**  
City Manager

**JAMES P. CAULEY III**  
City Attorney

**DEBRA THOMPSON**  
City Clerk

## MEMORANDUM

**TO:** Honorable Mayor and City Council  
**FROM:** Adam Short, Planning Director  
**DATE:** June 10, 2020  
**SUBJECT:** NCHFA – Urgent Repair Policy Approvals

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### **Background:**

As you may recall, the City of Kinston was awarded admittance into the NC Housing Finance Agency's (NCHFA) Urgent Repair Program (URP). As part of this, the City is required to adopt some documents in order to maintain compliance with the programmatic regulations.

Staff is presenting the assistance and procurement policy for your consideration and adoption. These are standardized forms, which have been developed and reviewed by NCHFA.

### **Action Requested:**

Consider approval of Assistance and Procurement Policy

### **Attachments:**

Draft Assistance and Procurement Policy

## Instructions for use of the URP Model Assistance Policy-2020 Cycle

1. The **yellow highlighting** in the document is used by NCHFA to show specific reference items which must be reviewed and likely revised. The **pink highlighting** in the document indicates required program changes for 2020.
2. To facilitate reduced NCHFA approval times for content changes your organization makes to the policy, use **green** or other color highlighting to show changes to your organization's assigned NCHFA case manager.
3. Date submitted: \_\_\_\_\_
4. Person for NCHFA to contact concerning revisions: \_\_\_\_\_
5. Provide any notes to your NCHFA case manager below:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. When adopting (getting your local signed approval for) this policy:
  - a. Please review to ensure that the policy mirrors the way that your organization functions.
  - b. Change all personnel, location, income and date references as needed, at minimum, and **delete all highlighting**.
  - c. Once all adjustments are made and your NCHFA case manager has approved your URP Policy, delete this page prior to adoption.

*Last updated: 4/23/2020*



City of Kinston  
**DRAFT**  
**Assistance Policy**  
**For the 2020 Cycle of the**  
**Urgent Repair Program**

**What is the Urgent Repair Program?** City of Kinston has been awarded \$100,000 by the North Carolina Housing Finance Agency (“NCHFA”) under the 2020 cycle of the Urgent Repair Program (“URP20”). This program provides funds to assist very-low and low-income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low-income homeowners with special needs such as frail elderly and persons with disabilities. A total of 10 households will be assisted under URP20.

This Assistance Policy describes who is eligible to apply for assistance under URP20, how applications for assistance will be rated and ranked, what the form of assistance is and how the repair/modification process will be managed. The City has designed this URP20 project to be fair, open, and consistent with the City’s approved application for funding and with NCHFA’s URP Program Guidelines.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund. Additional funds for contracted administrative and service delivery costs are provided by the City of Kinston in the amount of \$10,000.

**Eligibility** To be eligible for assistance under URP20 applicants:

- 1) must reside within the City limits or Extra Territorial Jurisdiction (ETJ) of the City of Kinston and own and occupy the home in need of repair.
- 2) must have a household income which does not exceed 50% of the “North Carolina Housing Trust Fund, Income Limits by household size” for the household size (see income limits below).
- 3) must have a special need (i.e. be elderly,  $\geq$  62 years old, handicapped or disabled, a single parent with a dependent living at home, a Veteran, a large family with  $\geq$ 5 household members. To be deleted: or a household with a child below the age of six with lead hazards in the home).
- 4) must have urgent repair needs, which cannot be met through other state or federally-funded housing assistance programs

**URP20 Income Limits\* for City of Kinston**

Number in Household	30% of Median (very-low income)	50% of Median (low income)
1	\$13,900	\$23,150
2	\$15,900	\$26,500
3	\$17,850	\$29,800
4	\$20,850	\$33,100
5	\$21,450	\$35,750
6	\$23,050	\$38,450
7	\$24,650	\$41,050
8	\$26,200	\$43,700

\*Income limits are subject to change based on annually published HUD HOME Limits and will be updated each year. This update will not require a re-approval of the governing authority.

**Outreach Efforts of the Urgent Repair Program** City of Kinston will advertise or publish an article about the Urgent Repair Program in the local newspaper serving the City (The Kinston Free Press), provide project information to senior centers throughout the City, City's partner referral agencies, and on the City's website.

**Selection of applicants** The City has devised the following priority system to rank eligible applicants, determine which of them will be selected for assistance and in what order. Under this system, applicants will receive points for falling into certain categories of special need and income. The applications will be ranked according to which receive the most points.

**Priority Ranking System for City of Kinston's URP20**

<i>Special Needs (for definitions, see below)</i>	<i>Points</i>
Elderly Head of Household (62 or older)	8
Veteran Head of Household	8
Disabled Head of Household	8
Elderly Household Member (not Head of Household, 5 points for each elderly member)	5
Veteran Household Member (not Head of Household, 5 points for each veteran member)	5
Disabled Household Member (not Head of Household, 5 points for each veteran member)	5
Single-Parent Household (with one or more children in the home)	6
Large Family (5 or more permanent residents)	4
To be deleted: Emergency (may submit without regard to application deadlines)	2
To be deleted: Child under six years of age with lead hazards in the home	2
<i>Income (See Income Table above)</i>	<i>Points</i>
Less than 30% of City Median Income	10
30% to 50% of City Median Income	5
Applicant has never received public housing assistance	5

Under NCHFA Program Guidelines, a minimum of 50% of households assisted must have incomes which are less than 30% of the area median income for the household size, and no household with an income exceeding 50% of the area median income will be eligible. This guideline will be adhered to strictly and will be the primary factor in the selection of those households to be assisted under URP20.

Recipients of assistance under the URP20 will be chosen by the above criteria without regard to race, color, religion, national origin, sex, familial status and disability.

**The definitions of special needs** populations under URP20 are:

- *Elderly:* An individual aged 62 or older.
- *Emergency:* A situation in which a household member has an immediate threat of being evicted or removed from a home due to health or safety issues within a time frame that the program can complete a repair to stop eviction or removal. These applications will

be received at any time during the funding cycle and evaluated on the ability of the program to complete the work in a timely manner that meets the goal of assisting homeowners to remain in their home.

- *Disabled:* A person who has a physical, mental or developmental disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment.
- *Large Family:* A large family household is composed of five or more individuals; at least four are immediate family members.
- *Head of Household:* The person or persons who own(s) the house.
- *Household Member:* Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- *Occupant:* An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of occupancy); or non-immediate family member who has resided in the dwelling at least 3 months prior to the submission of the family's application.
- *Single-Parent Household:* A household in which one and only one adult resides with one or more dependent children.
- *Veteran:* A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.
- *Child with lead hazards in the home:* a child below the age of six living in the applicant house which contains lead hazards.

**Client Referral and Support Services** Many homeowners assisted through the Urgent Repair Program may also need other services. When the Urgent Repair Program staff meet the homeowner during the work write-up process, they will provide the applicant with a resource page with contacts/resources that are available.

**What is the form of assistance under URP20?** The City will provide assistance to homeowners, whose homes are selected for repair/modification in the form of a loan. Homeowners will receive an unsecured deferred, interest-free loan, forgiven at a rate of \$2,000 per year, until the principal balance is reduced to zero.

**What is the amount of the loan?** The amount of the loan will depend on the scope of work necessary to address the identified imminent threats to life and/or safety, and that will be determined by the City's rehabilitation specialist. There is no minimum to the amount of the loan; however, the maximum life-time limit according to the guidelines of URP20 is \$10,000.

**What kinds of work will be done?** Only repairs that address imminent threats to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed under the City's URP. Please understand that all deficiencies in a home will likely not be able to be repaired with the available funds.

All work that is completed under URP20 must meet or exceed NC Residential Building Code.

**Who will do the work on the homes?** The City is obligated under URP20 to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet those very difficult requirements, the City will invite bids only from contractors who are part of an "approved contractors' registry". Please request a copy of the City's Procurement and Disbursement Policy for further information.

(Homeowners who know of quality rehabilitation contractors that are not on the City's Approved Contractors Registry are welcome to invite them to apply.)

A minimum of three approved contractors will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract. "Responsive and responsible" is described in the Procurement and Disbursement Policy.

**What are the steps in the process, from application to completion?** Now that you have the information about how to qualify for the City of Kinston's URP20 Project, what work can be done, and who will do it, let's go through all the major steps in the process:

- 1. Completing an Application form:** Homeowners who wish to apply for assistance must do so by September 30, 2020. Apply by contacting Adam short, Planning Director, at (252) 939-3269. Proof of ownership and income will be required. Those who have applied for housing assistance from the City in the past will not automatically be reconsidered. A new application will need to be submitted.
- 2. Preliminary inspection:** The City's Rehabilitation Specialist will visit the homes of the top twelve potential loan recipients (based on the points system detailed on page 2) to determine the need and feasibility of repairs/modifications. Additional, applicants will be considered if recipient/alternate goals are not met or funds remain available.
- 3. Screening of applicants:** Applications will be rated and ranked by the City based on the priority system outlined on page 2. The households to be assisted will be selected by October 21, 2020. Household income will be verified for program purposes only (information will be kept confidential). Ownership of property will be verified along with other rating factors. From this review, the ten (10) most qualified applicants will be chosen according to the priority system described above. There will also be a list of alternates in the order of qualification. Applicants not receiving notification by October 28, 2020 that they were chosen may contact Brendan Nolan, Project Manager/Rehabilitation Specialist, at (252) 757-1096 to confirm the disposition of the application.
- 4. Applicant interviews:** Approved applicants will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with their project at this informational interview.
- 5. Work write-up:** The City's Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The Rehabilitation Specialist will prepare complete and detailed work specifications (known

as the "work write-up". A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bidding is completed.

6. **Formal agreement:** After approval of the work write-up, the homeowner will sign a formal agreement that will explain and govern the repair/modification process and an explanation of the Promissory Note, which is considered a forgivable loan. This agreement will define the roles of the parties involved throughout the process.
7. **Bidding:** The work write-up and bid documents will be sent to a minimum of three contractors on the Approved Contractors' Registry who will be given a minimum of one week in which to inspect the property and prepare bid proposals. The names of the invited contractors will be supplied to the homeowner. Each will need access to those areas of the house, in which work is to be performed, in order to prepare a bid. A bid opening will be conducted at the City Hall at a specified date and time, with all bidders and the homeowner invited to attend.
8. **Contractor selection:** Within 72 hours of the bid opening and after review of bid breakdowns and timing factors, the winning bidder(s) will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the City's cost estimate, (4) any support or contingency costs that will be included in the loan amount, and (5) if other than the lowest bidder is selected, the specific reasons for the selection.
9. **Execution of loan and contract:** The loan will be executed as well as the repair/modification contract prior to work beginning on the project. This contract will be between the contractor and homeowner, with the City signing as an interested third party. The cost of the actual work and project related support costs up to the maximum amount of \$1000 will be included in the loan document.
10. **Pre-construction conference:** A pre-construction meeting will be held at the home. At this time, the homeowner, contractor and program representatives will be present and discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.). If the contract has been executed, the City will issue a "proceed order" formally instructing the contractor to commence by the agreed-upon date within 24 hours of the pre-construction meeting.
11. **Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Code Enforcement Officers will inspect new work for compliance with the State Building Code as required by the guidelines of URP20. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.

**12. Change Orders:** All changes to the scope of work must be reduced to writing as a contract amendment ("change order") and approved by all parties to the contract: the owner, the contractor and two representatives of the City of Kinston. If the changes require an increase in the loan amount, a loan modification stating these changes in the contract amount must be completed by the City and executed by the owner. If the changes result in a decrease in the loan amount, an estoppel informing the homeowner of these changes in the contract amount will be completed by the City and conveyed to the owner.

**13. Payments to contractor:** The contractor will be paid following inspection of and satisfactory completion of all items on the work write-up and change orders, if any, as outlined in the City's Procurement and Disbursement Policy.

**14. Post-construction meeting:** Following construction, the contractor and the Rehabilitation Specialist will sit down with the homeowner one last time. At this meeting the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work and the loan.

**15. Closeout:** Once each item outlined in section 13 has been satisfied and the homeowner has signed a Certificate of Satisfaction, the job will be closed out (fully completed).

**What are the key dates?** If, after reading this document, you feel that you qualify for this program and wish to apply, please keep the following dates in mind:

- Applications available to the public starting July 29, 2020.
- Applications must be turned in at the City of Kinston's Planning Department by 5:00 PM on September 30, 2020.
- Households selected from applications on October 21, 2020.
- All rehabilitation work must be under contract by October 15, 2021.
- All rehabilitation work must be completed by December 31, 2021.

**How do I request an application?** Just contact:

Adam Short, Planning Director  
City of Kinston  
207 East King Street  
Kinston, NC 28502  
Phone: (252) 939-3269

Or pick up an application at the City of Kinston's Planning Department, 207 East King Street Kinston, NC.

**Is there a procedure for dealing with complaints, disputes and appeals?** Although the application process and repair/modification guidelines are meant to be as fair as possible, the City of Kinston realizes that there is still a chance that some applicants or

participants may feel that they were not treated fairly. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact Adam Short, Planning Director within five days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. A written appeal must be made within 10 business days of the initial decision on an application.
3. The City of Kinston will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the repair/modification process:

1. If the homeowner feels that repairs or modifications are not being completed per the contract, he/she must inform the contractor and the Rehabilitation Specialist.
2. The Rehabilitation Specialist will inspect the work in question. If it is found that the work is not being completed according to contract, the Rehabilitation Specialist will review the contract with the contractor and ask the contractor to remedy the problem.
3. If problems persist, a mediation conference between the homeowner and the contractor may be convened by the Rehabilitation Specialist and facilitated by the City's Planning Director.
4. Should the mediation conference fail to resolve the dispute, the Planning Director will render a written final decision.
5. If the Rehabilitation Specialist finds that the work is being completed according to contract, the complaint will be noted and the Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Rehabilitation Specialist's decision.

**Will the personal information provided remain confidential?** Yes. All information in applicant files will remain confidential. Access to the information will be provided only to City employees who are directly involved in the program, the North Carolina Housing Finance Agency and auditors.

**What about conflicts of interest?** No officer, employee or other public official of the City, or member of the City Council, or entity contracting with the City that exercises any functions or responsibilities with respect to URP20 shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with program funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of City employees, City Council and others closely identified with the City, may be approved for rehabilitation assistance only upon public disclosure before the City Council and written permission from NCHFA.

**What about favoritism?** All activities under URP20, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability

**Who can I contact about URP20?** Any questions regarding any part of this application or program should be addressed to:

Adam Short, Planning Director  
City of Kinston  
207 East King Street  
Kinston, NC 28502  
Phone: (252) 939-3269

Brendan Nolan, Project Manager  
The Wooten Company  
301 W. 14<sup>th</sup> Street  
Greenville, NC 27834  
Phone: (252) 757-1096

These contacts will do their utmost to answer questions and inquiries in the most efficient and correct manner possible.

This Assistance Policy is adopted this \_\_\_\_ day of \_\_\_\_\_ 2020.

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Dontario Hardy, Mayor  
City of Kinston

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Attest



## **Instructions for use of the URP Procurement and Disbursement Policy**

1. This is a very basic document. You can use it if you do not have applicable procurement and disbursement policies already in place for your organization. Otherwise, please modify this document to conform to your actual procedures as they specifically apply to URP. Before submitting the final document to us for PAD approval, be sure that your organization's authority has approved its content.
2. To facilitate reduced NCHFA approval times for content changes your organization makes to the policy, use **green** or other highlighting color to show changes to your organization's assigned NCHFA case manager.
3. Date submitted: \_\_\_\_\_
4. Person for NCHFA to contact concerning revisions: \_\_\_\_\_
5. Provide any notes to your NCHFA case manager below:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. When adopting (getting your local signed approval for) this policy:
  - a. Please review to ensure that the policy mirrors the way that your organization functions.
  - b. Change all personnel, location, income and date references as needed, at minimum, and **delete all highlighting**.
  - c. Once all adjustments are made and your NCHFA case manager has approved your URP Policy, delete this page prior to adoption.

**Kinston**  
**DRAFT**

**Procurement and Disbursement Policy**  
**URGENT REPAIR PROGRAM**

**PROCUREMENT POLICY**

1. To the maximum extent practical, the Kinston (the City) promotes a fair, open and competitive procurement process as required under the North Carolina Housing Finance Agency's Urgent Repair Program (URP). Bids are invited from Contractors who are part of the City's approved contractor registry. (To be on the registry, a contractor must complete an application, have their recent work inspected, reviewed and approved by the Rehabilitation Specialist and submit proof of insurance.) Any contractor listed with and approved by the City and in good standing will receive automatic approval status on the contractor registry.
2. At least three eligible contractors on the City's approved contractor registry shall be invited to bid on each job and the lowest responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means (a) the contractor is deemed able to complete the work in a timely fashion, (b) the bid is within 15%, in either direction, of the City's cost estimate, and (c) there is no conflict of interest (real or apparent).
3. Although bid packages may be bundled for multiple job sites, the bids for multiple job sites shall be considered separate and apart when awarded and shall be awarded to the lowest responsive and responsible bidder(s) for each job site.
4. Bid packages shall consist of an invitation to bid, work write up(s) and bid sheet(s) for each job.
5. Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Discrepancies must be reconciled prior to a contract being awarded.
6. Any change to the original scope of work must be reduced to writing in the form of a change order to be agreed upon and signed by all parties to the original contract and two representatives of the City. The change order must also detail any changes to the original contract price.
7. No work may begin prior to a contract being awarded and a written order to proceed provided to the contractor. In addition, a pre-construction conference and "walk thru" shall be held at the work site prior to commencement of repair work.
8. The City reserves the right to reject any or all bids at any time during the procurement process.
9. In the event of a true emergency situation, the City reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking telephone quotes, faxed bids and the like. Should such methods ever become necessary the transaction will be fully documented.
10. All sealed bids will be opened publicly at a time and place to be announced in the bid invitation. All bidders are welcome to attend.

**DISBURSEMENT POLICY**

1. All repair work must be inspected by (a) the City's Rehabilitation Specialist, and (b) the homeowner prior to any payments to contractors. If all work is deemed satisfactory and all other factors and written agreements are in order, payment shall be issued upon presentation of an original invoice from the contractor. Contractor should allow 21 business days for processing of the invoice for payment.
2. If any of the work is deemed unsatisfactory, it must be corrected prior to authorization of payment. If the contractor fails to correct the work to the satisfaction of the City's Rehabilitation Specialist, payment may be withheld until such time the work is satisfactory. (Contractors may follow the City's Urgent Repair Program Assistance Policy if a dispute occurs; however, contractors shall abide by the final decision as stated in the policy).
3. The City assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.
4. All contractors, sub-contractors and suppliers must sign a lien waiver prior to disbursement of funds.

The Procurement and Disbursement Policies are adopted this the \_\_\_\_\_ day of \_\_\_\_\_ 2020.

**Kinston**

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_

**CONTRACTORS STATEMENT:**

I have read and understand the attached Procurement and Disbursement Policy.

BY: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

WITNESS: \_\_\_\_\_

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Consent Agenda

**Agenda Item:** Other

**Action Requested:** Adopt Resolution

**Agenda Item to be Considered**

**Presenter:** Adam Short, Planning Director

**Subject:** EDA- Public Works and Economic Adjustment Assistance Grant

**Supporting Documentation:** PWEAA Application Support Resolution

**Department Head's Approval**

AS 6/10

**City Manager's Approval**

TS 6-10

**Budgetary Impact:** No Budgetary Action Required

**Staff Recommendation:**



# City of Kinston

Post Office Box 339  
Kinston, North Carolina 28502



**DON HARDY**  
Mayor

**TONY SEARS**  
City Manager

**JAMES P. CAULEY III**  
City Attorney

**DEBRA THOMPSON**  
City Clerk

## MEMORANDUM

**TO:** Honorable Mayor and City Council  
**FROM:** Adam Short, Planning Director  
**DATE:** June 10, 2020  
**SUBJECT:** EDA– Public Works and Economic Adjustment Assistance Grant

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### Background:

The Economic Development Agency has announced a funding opportunity for their Public Works and Economic Adjustment Assistance Program (PWEAA), which funds strategic investments to support economic development, foster job creation, and attract private investment in economically distressed areas of the United States. There is also special consideration in this cycle for communities impacted by COVID-19 and projects that respond to those impacts.

Staff is proposing a project that would cover start-up and two-year operating costs for updated permitting software for the Planning, Inspections, and Code Enforcement Departments; the project would also cover equipment and software that supports remote video conferencing and remote data collection. These investments to our “digital infrastructure” will improve the services the Planning, Inspections and Code Enforcement Departments are able to offer residents and contractors interested in development in Kinston, as well as maintain these services online after serious events like natural disasters or social distancing requirements make the office inaccessible. This software investment also provides the option to consolidate the Planning, Inspections, and Code Enforcement Departments’ permitting software with the Fire Department and Public Services’ permitting needs in the future.

The grant amount is \$100,000 and has a match requirement that is at most \$30,000. Staff hopes to reduce this number but will not know the match requirement until the city’ application’s economic distress criteria has been reviewed.

### Action Requested:

Consider approval of PWEAA Application

### Attachments:

PWEAA Application Support Resolution

**DRAFT RESOLUTION IN SUPPORT OF THE CITY OF KINSTON'S APPLICATION  
TO THE EDA ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM**

**WHEREAS**, the Public Works and Economic Adjustment Assistance Program (PWEAA) is a program administered by the Economic Development Agency; and

**WHEREAS**, the PWEAA is a federal EDA program, which funds strategic investments to support economic development, foster job creation, and attract private development; and

**WHEREAS**, the City of Kinston is dedicated to supporting economic development in the city and surrounding region; and

**WHEREAS**, the City of Kinston is dedicated to supporting residents and developers build and revitalize the community in alignment with North Carolina Code and City ordinances; and

**WHEREAS**, the City of Kinston supports the maintenance and construction of all homes at or above the standards in the North Carolina Minimum Housing Code; and

**WHEREAS**, the City of Kinston is dedicated to improving infrastructure that will allow residents and developers to interact easily with city departments and in accordance with any future public health recommendations; and

**WHEREAS**, the City of Kinston will obligate \$30,000 in matching funds to be expended specifically on the purchase and use of permitting software and of digital infrastructure for city departments involved in development.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Kinston City Council supports the application to the Economic Development Agency for funds from the Public Works and Economic Adjustment Assistance to help fund digital infrastructure in Kinston.

**DULY ADOPTED** by the \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

**Attest:** \_\_\_\_\_

**City Clerk, Debra Thompson**

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Work Session AND Consent

**Agenda Item:** Ordinance

**Action Requested:** Adopt Ordinance

**Agenda Item to be Considered**

**Presenter:** Donna Goodson, Finance Director

**Subject:** FY2020 Operating Budget Amendment

**Supporting Documentation:** Memo and Ordinance

Department Head's Approval dhg

City Manager's Approval TS 6/11

**Budgetary Impact:** Budgeted Item(s)

**Staff Recommendation:** Approval



**City of Kinston**  
Post Office Box 339  
Kinston, North Carolina 28502  
Phone: 252.939.3147 Fax: 252.939.1679

**DON HARDY**  
Mayor

**TONY SEARS**  
City Manager

**JAMES P. CAULEY III**  
City Attorney

**DEBRA THOMPSON**  
City Clerk

## **FINANCE OFFICE**

**Date:** June 11, 2020, 2020  
**To:** Tony Sears, City Manager  
**From:** Donna Goodson, Finance Director *dlg*  
**Subject:** FY19-20 Operating Funds Budget Amendment

### **General Fund (1100) City Council (4111)**

At the February 17, 2020 City Council meeting, the City Council authorized an agreement with WithersRavenel for the preparation and submission of a funding application to the U.S. Department of Transportation for the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants Program. To assist with the Transit Route Development Assistance portion of the Grant application, RLS & Associates was contracted to provide additional consulting services. The total cost of both services totals \$37,531.00. I am requesting the expenditures be appropriated to the Professional Service – Other line item in the City Council Organization. The expenditures will be funded with an Appropriation from Fund Balance.

### **City Manager-Administration (4120)**

The City Manager has requested a budget amendment for unanticipated additional legal services associated with various pending legal matters concerning the City. The additional services are estimated at \$50,000.00. Mr. Sears is requesting the expenditures be appropriated to the Professional Service – Legal line item in the City Manager-Administration Organization. The expenditure will be funded with an Appropriation from Fund Balance.

### **Street Maintenance (4252)**

#### **Transfers to Other Funds (8000)**

In February, 2020, the City Council was presented with a list of streets to be included in the 2020 Road Improvements Project. The estimated costs associated with the road improvements projects totals \$529,000.00. Rhonda Barwick, Public Services Director, has requested that a 2020 Road Improvements Project be established to manage the costs associated with the road improvements. Ms. Barwick is requesting the expenditure be appropriated to the Transfers to Capital Projects line item in the Transfers to Other Funds Organization. The expenditure will be funded with lapsed salaries in the amount of \$57,000.00 and unspent monies in Street Resurfacing, Repairs, Maintenance Contracts and Fleet Fuel Charges (total unspent funds of \$472,000) in the Street Maintenance Organization.



**Public Safety-Admin/Support (4370)****Law Enforcement (4371)****Fire & Rescue (4372)**

The salaries and benefits for certain positions in the Law Enforcement and the Fire & Rescue Organizations were originally appropriated to the Public Safety-Admin/Support salaries and benefits line items. The directors of Law Enforcement and Fire & Safety have requested that appropriations be transferred from the Public Save-Admin/Support line items (\$185,000.00) to the appropriate line items in the Law Enforcement (\$75,000.00) and Fire & Safety (\$110,000.00) Organizations.

**Law Enforcement (4371)**

Two police vehicles were damaged in collisions and were deemed total losses. The total insurance proceeds collected for the two vehicles is \$46,775.00 which is sufficient to be able to procure replacement vehicles. In an effort to maintain an adequate vehicle fleet, Tim Dilday, Chief of Police has requested an expenditure of \$46,775.00 be appropriated to the Capital Outlay-Motor Vehicles line item in the Law Enforcement Organization. The expenditure will be funded with Insurance Proceeds.

**Transfers to Other Funds (8000)**

The City has been setting aside savings from the declining debt service on the Wells Fargo loan on Grainger Stadium after an agreement was reached with Rangers Kinston, LLC. The savings are slated to be used for future improvement at key times in the lease agreement. The annual savings are to be transferred to the General Fund Capital Reserve Fund until such time as the future improvements are completed. The estimated calculation of declining debt service was adjusted in fiscal year 2019 after the new debt service was finalized and the first debt payment was made in fiscal year 2020. The increased savings of \$51,676 is due to be transferred to the General Fund Capital Reserve Fund. I am requesting the expenditure be appropriated to the Transfers to Capital Reserve line item. The expenditure will be funded with an Appropriation from Fund Balance.

At the August 6, 2018 City Council meeting the Council approved an ordinance establishing the Capital Project Fund for Queen Street Redesign & Construction to enhance the aesthetic design of Queen Street to be completed ahead of the street paving to be performed by the NC Department of Transportation. The total projected cost was \$3,200,000.00 that was funded with an appropriation from a transfer from the General Fund Capital Reserve of moneys that were set aside specifically for the infrastructure project in FY2018 (\$1,500,000), FY2019 (\$1,600,000.00) and the balance (\$100,000) to be transferred in FY2020. The Finance Department is requesting the expenditure be appropriated to the Transfers to Capital Reserve line item. The Expenditure will be funded with a transfer from the Electric Fund.

**Capital Outlay-(Non-recurring) (9500)**

On August 3, 2009, the City of Kinston and Lenoir County entered into an Economic Development Agreement with Sanderson Farms, Inc., at their site in Lenoir County designated as the "Hatchery". According to the Calculation Methodology of the agreement, the performance is measured based on the total number of jobs created for the calendar year. The total shall be expressed as a percentage of the total projected goal for the category. Should the percentage of the projected goal be less than 100% in any given year, the City was only required to pay the calculated performance percentage and the City was to accrue the amounts of funds budgeted but unearned until such year the Site attained at least 100% of its total projected goal. For the year 2019, the Hatchery attained 100% of its projected goal. Therefore the unpaid amount that accrued in prior years in the amount of \$12,300.00 is now required to be paid. It has been the City's policy to budget each year only the specified amounts per the agreement with the understanding that a budget amendment would be necessary to appropriate the accrued unearned incentive payments. The Finance Department is requesting an appropriation of \$12,300 in the Economic Development Reimbursement line item of the Capital Outlay-(Non-recurring) Organization with a corresponding revenue appropriation to Appropriated Fund Balance.

**Appropriated Fund Balance**

Please find an analysis of General Fund Appropriated Fund Balance for FY2019-2020 below:

City of Kinston  
Fund Balance - General Fund  
2020

	Description	Adopted
6/17/2019	FY2019-2020 Adopted Budget - Appropriated Fund Balance General Fund	\$ 431,496.00
8/5/2019	PO Rollover Fy19 to Fy20	444,436.00
1/21/2020	Stadium Equipment & System Improvements	90,000.00
1/21/2020	BVP Grant Special Revenue Fund (P9129) Amendment	5,996.10
1/21/2020	Jetstream Fire Protection Special Revenue Fund (W9118)	93,650.00
1/21/2020	Economic Development Reimbursement	40,663.00
3/16/2020	Transfer to Hurricane Dorian Special Revenue Fund	\$ 168,000.00
	Current Year Appropriations	<u>\$ 1,274,241.10</u>
6/15/2020	Professional Service - Other BUILD Grant	37,531.00
6/15/2020	Professional Service - Legal	50,000.00
6/15/2020	Transfer to Capital Reserve Fund	51,676.00
6/15/2020	Economic Development Reimbursement	12,300.00
	Proposed	<u>\$ 151,507.00</u>
	Current Year with Proposed	<u>\$ 1,425,748.10</u>

**Capital Reserve Fund (1110)**  
**Transfers to Other Funds (8000)**

The savings from the declining debt service on the Wells Fargo loan on Grainger Stadium is set aside for future improvements of Grainger Stadium. The increased savings of \$51,676 is to be transferred from the General Fund. The expenditure will be appropriated to the Transfers to Fund Balance of the Capital Reserve Fund.

At the August 6, 2018 City Council meeting the Council approved an ordinance establishing the Capital Project Fund for Queen Street Redesign & Construction to enhance the aesthetic design of Queen Street to be completed ahead of the street paving to be performed by the NC Department of Transportation. The total projected cost was \$3,200,000.00 that was funded with an appropriation from a transfer from the General Fund Capital Reserve of moneys that were set aside specifically for the infrastructure project in FY2018 (\$1,500,000), FY2019 (\$1,600,000.00) and the balance (\$100,000) to be transferred in FY2020. The balance is to be transferred from the General Fund. The expenditure will be appropriated to the Transfers to Fund Balance of the Capital Reserve Fund.

**Water Fund (6100)**  
**Water Operations (7103)**  
**Transfers to Other Funds (8000)**

In the last few months, several serious water and sewer infrastructure problems have been discovered requiring immediate attention. The estimated costs associated with the three repair projects totals \$390,000. Rhonda Barwick, Public Services Director, has requested that a 2020 Sewer Improvements Project be established to manage the costs associated with the repairs. Ms. Barwick is requesting the expenditure be appropriated to the Transfers to Capital Projects line item in the Transfers to Other Funds Organization. The expenditure will be funded with lapsed salaries and benefits in the Water Operations Organization.

**Electric Fund (6300)**  
**Transfers to Other Funds (8000)**

At the April 20, 2020 and the May 8, 2020 City Council meetings, the City Council approved Project Amendment Ordinances for the Second Point of Delivery Capital Project Fund necessary for the completion of the construction of the 115KV transmission circuit. The amendments totalled \$1,839,330. In addition, legal fees of \$40,000 have been incurred to assist with easement purchase agreements and title searches. Rhonda Barwick, Director of Public Services, requested the additional costs to the project be funded from the Electric Capital Reserve Fund. To accommodate the request, the expenditure will be appropriated to the Transfers to Capital Projects line item. The expenditure will be funded with a Transfer from the Electric Capital Reserve Fund.

**Electric Capital Reserve Fund (6320)**  
**Transfers to Other Funds (8000)**

At the April 20, 2020 and the May 8, 2020 City Council meetings, the City Council approved Project Amendment Ordinances for the Second Point of Delivery Capital Project Fund necessary for the completion of the construction of the 115KV transmission circuit. The amendments totalled \$1,839,330. In addition, legal fees of \$40,000 have been incurred to assist with easement purchase agreements and title searches. Rhonda Barwick, Director of Public Services, requested the additional costs to the project be funded from the Electric Capital Reserve Fund. To accommodate the request, the expenditure will be appropriated to the Transfers to Electric Fund line item. The expenditure will be funded with Appropriation from Fund Balance.

**Environmental Services Fund (6400)**  
**Transfers to Other Funds (8000)**

At the August 5, 2019 City Council meeting, the City Council approved an Installment Purchase Agreement with SunTrust Bank for the acquisition, purchase and financing of certain property consisting of public service vehicles and equipment and public safety vehicles and equipment that were appropriated in fiscal years 2018, 2019, and 2020. The City of Kinston entered into installment financing for a commercial side loader and a commercial front loader for the Environmental Services Fund in the Commercial Solid Waste Division that were appropriated in the fiscal year ending June 30, 2019. The City has requested and received all of the funding for the vehicles and equipment that were purchased in fiscal years 2018 and 2019. The debt proceeds for the two commercial loaders in the amount of \$489,130 were not included in the original budget for fiscal year 20. The expenditure will be appropriated to the Transfers to Fund Balance of the Environmental Services Fund.

**Stormwater Fund (6500)**  
**Stormwater Operations (7501)**  
**Transfers to Other Funds (8000)**

Funds for the Massey Drive Stream Project were appropriated as part of the operating budget of the Stormwater Fund for current fiscal year. The project is going through the permitting process at this time and it will not be possible to have the project under contract by June 30, 2020. Rhonda Barwick, Public Services Director, is requesting the funds for the project (\$178,000.00) be appropriated to the Transfers to Capital Projects Line Item in the Stormwater Transfers to Other Funds Organization. The expenditure will be funded with a reduction in the Capital Outlay-Other line item of the Stormwater Operations Organization.

**Health Self-Insurance Fund (7120)**  
**HR-Self Insured Health Benefits (4145)**  
**Transfers to Other Funds (8000)**

We are in the second year of funding the City of Kinston Self Insured Health Benefits program. The medical claims that have been processed in this current fiscal year have exceeded projections provided to us from our health insurance actuaries by \$400,000.00, primarily due to three high cost claims. Gloria Blake, Human Resources Director, is requesting an appropriation to the Self-Insurance – Claims line item of the HR-Self Insured Health Benefits. The expenditure will be funded with a decrease in the Transfer to Fund Balance.

**Requested Action**

City Council approval of the attached operating funds budget amendment at the June 15, 2020 meeting.

**AN ORDINANCE AMENDING THE ANNUAL  
OPERATING BUDGET**

**WHEREAS**, the City Council adopted the annual operating budget on June 17, 2019 authorizing appropriations for the General Fund, Capital Reserve Fund, Water Fund, Electric Fund, Electric Capital Reserve Fund, Environmental Services Fund, and Stormwater Fund, and

**WHEREAS**, amendments by the City Council may become necessary during the year as conditions change, and

**WHEREAS**, it is necessary to appropriate funds in the Professional Service – Other line item of the City Council division of the General Fund to fund expenditures for the preparation and submission of a funding application for the BUILD Transportation Discretionary Grants Program. This will be funded with revenue from an Appropriation of Fund Balance in the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Professional Service – Legal line item of the City Manager-Administration division of the General Fund to fund expenditures for additional legal fees incurred in the current fiscal year. This will be funded with revenue from an Appropriation of Fund Balance in the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the salaries and benefits line items of the Law Enforcement division of the General Fund to fund positions originally appropriated to the Public Safety-Admin/Support division of the General Fund. This will be funded with unspent salaries and benefits originally appropriated in the Public Safety-Admin/Support division of the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the salaries and benefits line items of the Fire & Rescue division of the General Fund to fund positions originally appropriated to the Public Safety-Admin/Support division of the General Fund. This will be funded with unspent salaries and benefits originally appropriated in the Public Safety-Admin/Support division of the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Capital Projects line item of the Transfers to Other Funds division of the General Fund to establish a 2020 Road Improvements Project. This will be funded with lapsed salaries and unspent monies in Street Resurfacing, Repairs, Maintenance Contracts and Fleet Fuel Charges in the Street Maintenance division of the General Fund , and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Capital Reserve line item of the Transfers to Other Funds division of the General Fund to transfer the savings from the declining debt service on the Wells Fargo loan on Grainger Stadium that will be set aside for future improvements to the Stadium in the Capital Reserve Fund. This will be funded with revenue from an Appropriation of Fund Balance in the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Capital Reserve line item of the Transfers to Other Funds division of the General Fund to transfer the remaining funding for the Queen Street Redesign & Construction Project. This will be funded with revenue from a Transfer from the Electric Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Economic Development Reimbursement line item of the Capital Outlay-Non-Recurring division of the General Fund to fund prior year accrued unearned incentive payments. This will be funded with revenue from an Appropriation of Fund Balance in the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Fund Balance line item of the Capital Reserve Fund for future improvements to Grainger Stadium. This will be funded with a transfer from the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Fund Balance line item of the Capital Reserve Fund for the final payment for the Queen Street Redesign & Construction Project. This will be funded with a transfer from the General Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Capital Projects line item of the Transfers to Other Funds division of the Water Fund to establish a 2020 Sewer Improvements Project. This will be funded with lapsed salaries in the Water Operations division of the Water Fund , and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to the Capital Projects line item in the Transfers to Other Funds division of the Electric Fund to fund additional costs necessary for the completion of the construction of the 115KV transmission circuit for the Second Point of Delivery Capital Project Fund. This will be funded with revenue from a Transfer from the Electric Capital Reserve Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Electric Fund line item of the Transfers to Other Funds division of the Electric Capital Reserve Fund to fund additional costs to the Second Point of Delivery Capital Project Fund. This will be funded with revenue from an Appropriation of Fund Balance in the Electric Capital Reserve Fund, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Fund Balance line item of the Transfers to Other Funds division of the Environmental Services Fund for debt proceeds to reimburse prior year capital purchases of two commercial loaders. This will be funded with revenue from Debt Issued, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers to Capital Projects line item of the Transfers to Other Funds division of the Stormwater Fund to establish a project in the FY16-21 Stormwater Projects. This will be funded with unspent monies in the Capital Outlay-Other line item in the Stormwater Operations division of the Stormwater Fund , and

**WHEREAS**, it is necessary to appropriate funds in the Self-Insurance - Claims line item of the HR-Self Insured Health Benefits division of the Health Self-Insurance Fund to cover increased costs in medical claims. This will be funded a decrease in the Transfer to Fund Balance line item of the Transfers to Other Funds division of the HR-Self Insured Health Benefits Fund, and

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the annual operating budget ordinance be amended as follows:

<b>General Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Insurance Proceeds	\$ 37,578.00	\$ 84,353.00	\$ 46,775.00
Transfer From Electric Fund	\$ 800,000.00	\$ 900,000.00	\$ 100,000.00
Appropriated Fund Balance	1,274,241.10	1,425,748.10	151,507.00
Total Other General Fund Revenues	23,783,098.00	23,783,098.00	-
<b>Total Revenues</b>	<b>\$ 25,894,917.10</b>	<b>\$ 26,193,199.10</b>	<b>\$ 298,282.00</b>
<b>Expenditures:</b>			
City Council			
Professional Service - Other	5,800.00	43,331.00	37,531.00
Other City Council Expenses	176,800.00	176,800.00	-
City Manager-Administration			
Professional Service - Legal	138,000.00	188,000.00	50,000.00
Other City Manager Expenses	407,849.00	407,849.00	-
Street Maintenance			
Salaries and Benefits	441,799.00	384,799.00	(57,000.00)
Street Resurfacing Repair and Maintenance	300,000.00	-	(300,000.00)
Street Prevention Repair and Maintenance	311,000.00	159,000.00	(152,000.00)
Service and Maintenance Contracts	115,998.00	105,998.00	(10,000.00)
Fleet Fuel Charges	38,300.00	28,300.00	(10,000.00)
Other Street Maintenance Expenses	762,540.00	762,540.00	-
Public Safety-Admin/Support			
Salaries and Benefits	788,718.00	603,718.00	(185,000.00)
Other Public Safety-Admin/Support Expenses	269,350.00	269,350.00	-
Law Enforcement			
Salaries and Benefits	4,718,466.00	4,793,466.00	75,000.00
Capital Outlay-Motor Vehicles	396,545.00	443,320.00	46,775.00
Other Law Enforcement Expenses	1,052,761.00	1,052,761.00	-
Fire & Rescue			
Salaries and Benefits	2,871,792.00	2,981,792.00	110,000.00
Other Fire & Rescue Expenses	991,892.00	991,892.00	-
Recreation-Administration			
Salaries and Benefits	241,445.00	261,445.00	20,000.00
Other Recreation-Administration Expenses	34,550.00	34,550.00	-
Recreation-Programs			
Salaries and Benefits	770,259.00	750,259.00	(20,000.00)
Other Recreation-Programs Expenses	191,150.00	191,150.00	-
Transfers to Other Funds			
Transfers to Capital Projects	-	529,000.00	529,000.00
Transfers to Capital Reserve	-	151,676.00	151,676.00
Other Transfers to Other Funds	7,322,160.00	7,322,160.00	-
Capital Outlay-Non-Recurring			
Economic Development Reimbursement	519,474.00	531,774.00	12,300.00
Other Capital Outlay-Non-Recurring	90,000.00	90,000.00	-
Total Other General Fund Expenses	2,938,269.10	2,938,269.10	-
<b>Total Expenditures</b>	<b>\$ 25,894,917.10</b>	<b>\$ 26,193,199.10</b>	<b>\$ 298,282.00</b>

<b>General Capital Reserve Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
Transfer from General Fund	\$ -	\$ 151,676.00	\$ 151,676.00
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 151,676.00</b>	<b>\$ 151,676.00</b>
Expenditures:			
Transfers to Fund Balance	-	151,676.00	151,676.00
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 151,676.00</b>	<b>\$ 151,676.00</b>

<b>Water Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
<b>Total Revenues</b>	<b>\$ 10,689,476.00</b>	<b>\$ 10,689,476.00</b>	<b>\$ -</b>
Expenditures:			
Water Operations			
Salaries and Benefits	\$ 1,348,684.00	\$ 958,684.00	\$ (390,000.00)
Other Water Operations Expenses	1,138,743.00	1,138,743.00	-
Transfers to Other Funds			
Transfers to Capital Projects	\$ -	\$ 390,000.00	\$ 390,000.00
Other Transfers to Other Funds Expenses	2,134,849.00	2,134,849.00	-
Total Other Electric Fund Expenses	6,067,200.00	6,067,200.00	-
<b>Total Expenditures</b>	<b>\$ 10,689,476.00</b>	<b>\$ 10,689,476.00</b>	<b>\$ -</b>

<b>Electric Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
Transfer from Electric Cap Reserve Fund	\$ -	\$ 1,879,330.00	\$ 1,879,330.00
Total Other Electric Revenues	50,521,234.00	50,521,234.00	-
<b>Total Revenues</b>	<b>\$ 50,521,234.00</b>	<b>\$ 52,400,564.00</b>	<b>\$ 1,879,330.00</b>
Expenditures:			
Transfers to Other Funds			
Transfers to Capital Projects	\$ -	\$ 1,879,330.00	\$ 1,879,330.00
Other Transfers to Other Funds Expenses	9,765,050.00	9,765,050.00	-
Total Other Electric Fund Expenses	40,756,184.00	40,756,184.00	-
<b>Total Expenditures</b>	<b>\$ 50,521,234.00</b>	<b>\$ 52,400,564.00</b>	<b>\$ 1,879,330.00</b>



<b>Electric Capital Reserve Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
Appropriated Fund Balance	\$ -	\$ 1,879,330.00	\$ 1,879,330.00
Total Other Electric Capital Reserve Revenues	2,071,400.00	2,071,400.00	-
<b>Total Revenues</b>	<b>\$ 2,071,400.00</b>	<b>\$ 3,950,730.00</b>	<b>\$ 1,879,330.00</b>
Expenditures:			
Transfers to Other Funds			
Transfers to Electric Fund	\$ -	\$ 1,879,330.00	\$ 1,879,330.00
Other Transfers to Other Funds Expenses	2,071,400.00	2,071,400.00	-
Total Other Electric Fund Expenses	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,071,400.00</b>	<b>\$ 3,950,730.00</b>	<b>\$ 1,879,330.00</b>

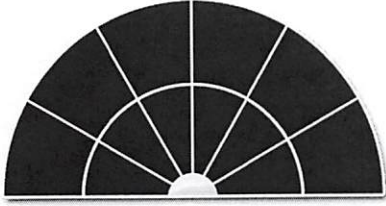
<b>Environmental Services Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
Debt Issued	\$ -	\$ 489,130.00	\$ 489,130.00
Total Other Environ Svc Revenues	4,431,907.00	4,431,907.00	-
<b>Total Revenues</b>	<b>\$ 4,431,907.00</b>	<b>\$ 4,921,037.00</b>	<b>\$ 489,130.00</b>
Expenditures:			
Transfers to Other Funds			
Transfers to Fund Balance	\$ 228,194.00	\$ 717,324.00	\$ 489,130.00
Other Transfers to Other Funds Expenses	984,428.00	984,428.00	-
Total Other Environ Svc Fund Expenses	3,219,285.00	3,219,285.00	-
<b>Total Expenditures</b>	<b>\$ 4,431,907.00</b>	<b>\$ 4,921,037.00</b>	<b>\$ 489,130.00</b>

<b>Stormwater Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
Revenues:			
<b>Total Revenues</b>	<b>\$ 1,205,172.00</b>	<b>\$ 1,205,172.00</b>	<b>\$ -</b>
Expenditures:			
Stormwater Operations			
Capital Outlay-Other	\$ 178,000.00	\$ -	\$ (178,000.00)
Other Stormwater Operations Expenses	648,636.00	648,636.00	-
Transfers to Other Funds			
Transfers to Capital Projects	\$ -	\$ 178,000.00	\$ 178,000.00
Other Transfers to Other Funds Expenses	322,736.00	322,736.00	-
Total Other Environ Svc Fund Expenses	55,800.00	55,800.00	-
<b>Total Expenditures</b>	<b>\$ 1,205,172.00</b>	<b>\$ 1,205,172.00</b>	<b>\$ -</b>

<b>Health Self-Insurance Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Total Revenues	\$ 2,904,876.00	\$ 2,904,876.00	\$ -
<b>Expenditures:</b>			
HR-Self Insured Health Benefits			
Self-Insurance - Claims	\$ 1,800,000.00	\$ 2,200,000.00	\$ 400,000.00
Other HR-Self Insured Health Benefits Expenses	485,218.00	485,218.00	-
Transfers to Other Funds			
Transfers to Fund Balance	\$ 619,658.00	\$ 219,658.00	\$ (400,000.00)
Total Expenditures	\$ 2,904,876.00	\$ 2,904,876.00	\$ -

Adopted this 15th day of June, 2020

\_\_\_\_\_  
Debra Thompson, City Clerk



# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

TO: Rhonda Barwick, Public Services Director

FROM: Steve Miller, Asst. Public Services Director *SM*

DATE: May 12, 2020

RE: Transfer of Funds for 2020 Road Improvements Project

In February, 2020, we presented City Council with a list of streets to be included in the above project and sources of funds to be used. This included \$102,000 in funds from vacancies in the Street Section up to that time. Unfortunately, we have continued to have multiple vacancies in the section. There are now additional unused funds from the vacancies that could be added to the project allowing us to make improvements to additional streets. These vacancies have affected our operations, drastically limiting work we can complete in house. The table below shows additional funds that can be transferred to this project.

Account	Description	Current Budget	Funds to Transfer
1100-4252-61210	Salaries-regular	\$284,804	\$32,000
1100-4252-61810	Social Security Contribution	\$29,400	\$9,000
1100-4252-61820	Retirement Contribution	\$29,800	\$6,000
1100-4252-61830	Group Insurance Contribution	\$60,896	\$10,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$57,000</b>

EXISTING PROJECT FUNDS			
Account	Description	Current Budget	Project Funds
1100-4252-73570	Street Resurfacing	\$300,000	\$300,000
1100-4252-73600	Street Prevention Repair	\$152,000	\$152,000
1100-4252-74400	Service & Maintenance Contracts	\$115,998	\$10,000
1100-4252-74820	Fleet Fuel Charges	\$38,300	\$10,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$472,000</b>

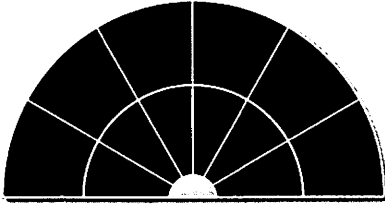
With these transfers, total funds for the project will total \$529,000. I would like to request the excess funds and the existing project funds be transferred to a capital project fund. Bid documents are being prepared now, but a bid award may not be possible before June 30, 2020. Streets to be added will be selected by City Council upon receipt of the bids.

Please let me know if you have any questions.

<b>Account</b>	<b>Description</b>	<b>Budget Amount</b>	<b>Funds to Transfer</b>
6100-7103-61210	Salaries-regular	\$772,367	\$285,000
6100-7103-61810	Social Security Contribution	\$74,200	\$15,000
6100-7103-61820	Retirement Contribution	\$86,800	\$20,000
6100-7103-61830	Group Insurance Contribution	\$180,864	\$70,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$390,000</b>

I would like to request the excess funds be transferred to a project budget to perform the above projects. Work will be bid immediately upon approval of the funds transfer. Contracts could be awarded in July.

Please let me know if you have any questions.



# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

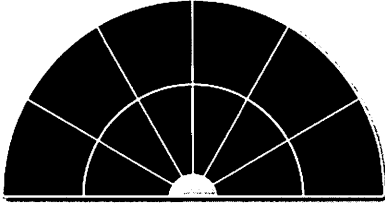
TO: Rhonda Barwick, Public Services Director  
FROM: Steve Miller, Asst. Public Services Director *SM*  
DATE: May 12, 2020  
RE: Transfer of Funds for Water/Sewer Improvements

*# W 9/116*

The Water Operations Division performs all water and sewer system repairs and lift station maintenance for our utility systems. It has 24 full time positions, but unfortunately during this fiscal year has consistently had 10-13 vacancies, primarily in Maintenance Worker and Equipment Operator positions. This has resulting in our remaining staff working extended hours just to provide emergency repairs and perform required work to meet our state permit requirements. In the last few months, several serious infrastructure problems have been discovered requiring attention as soon as possible. Here briefly is a description of these problems:

- 1) **East Washington Street Sewer Pipe Repairs** (Davis St to Quinerly Street): This was first discovered last Fall when sinkholes developed in the middle of the road due to poor pipe conditions. The holes were temporarily patched until the pipe could be fixed. Repairs will involve replacing the sewer from Quinerly across Dr. Martin Luther King Jr. Boulevard (including a bore under this road). Estimated cost is \$190,000.
- 2) **Vernon Avenue Sewer Repairs**: NCDOT plans to resurface Vernon Avenue in the near future. Our staff has been inspecting sewer conditions to make repairs of any serious deficiencies prior to the resurfacing. The work will involve small repairs with possible replacement of some manholes and sections of sewer pipe. A cost estimate is not finalized for this project yet.
- 3) **Upper Neuse Outfall Joint Failure**: A sinkhole has been found on the 24 inch diameter sewer outfall near the river south of the Vernon Avenue/Hull Road intersection. The concrete pipe is approximately 40 years old. Although there is only one sinkhole right now, video inspection has shown the pipe sections near the sinkhole are very corroded. The estimated cost for the point repair is \$60,000. The estimated cost for the point repair and lining this pipe section is \$110,000.

The vacancies have resulted in a significant amount of unused salary and benefit funds in the budget. These funds can be used to resolve the repair projects mentioned above. The amounts shown below can be assigned to a project budget to complete these projects.




# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

TO: Rhonda Barwick, Public Services Director  
FROM: Steve Miller, Asst. Public Services Director   
DATE: May 12, 2020  
RE: Transfer of Funds for Massey Drive Stream Project

Funds for the above project were appropriated as part of the FY1920 operating budget. The project is going through the permitting process at this time. It will not be possible have the project under contract by June 30, 2020.

I am requesting the funds for this project (\$178,000 in account 6500-7501-75990) be moved to a capital project budget.

Please let me know if you have any questions.

# T9301

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Work Session AND Action

**Agenda Item:** Ordinance

**Action Requested:** Adopt Ordinance

**Agenda Item to be Considered**

**Presenter:** Donna Goodson, Finance Director

**Subject:** Grainger Stadium United Carolina Bank Loan Modification

**Supporting Documentation:** Ordinance and Supporting Documentation

Department Head's Approval dhg

City Manager's Approval TS 6/11

**Budgetary Impact:** Budgeted Item(s)

**Staff Recommendation:** Approval

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN  
AMENDMENT TO THE INSTALLMENT FINANCING AGREEMENT,  
DATED AS OF AUGUST 16, 2018,  
BETWEEN THE CITY OF KINSTON AND UNITED COMMUNITY BANK**

BE IT RESOLVED by the City Council (the "Council") for the City of Kinston, North Carolina (the "City"):

Section 1. The Council does hereby find and determine as follows:

(a) The City and United Community Bank (the "Lender") have entered in an Installment Financing Agreement, dated as of August 16, 2018, (the "Original Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended to finance certain improvements to Grainger Stadium as described therein (the "Project"). Pursuant to the Original Agreement, the Lender has advanced moneys to the City in an amount sufficient to pay the cost of the Project, and the City has agreed to repay the advancement in installments, with interest (the "Installment Payments").

(b) The City and the Lender have agreed to enter into an Amendment to the Installment Financing Agreement (the "Amendment") to amend the terms of the Original Agreement to reduce the interest rate on the principal components of the Installment Payments from the current rate thereunder to a rate of 3.50% per annum.

(c) There has been presented to the Council at this meeting a form of the Amendment to be entered between the City and the Lender.

Section 2. The City is hereby authorized to enter into the Amendment for the purposes described above. The City shall continue to repay the principal installments falling due under the Original Agreement in the amounts and at the times set forth in the Agreement. The interest installments falling due under the Original Agreement shall be amended to reflect the new interest rate for the Installment Payments in the amounts and at the times set forth in the Original Agreement.

Section 3. The Council hereby approves the Amendment in substantially the form presented at this meeting. The Mayor, City Manager, City Clerk and Finance Director of the City are each hereby authorized to execute and deliver on behalf of the City the Amendment in substantially the form presented at this meeting, containing such insertions, deletions and filling in of blanks as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the Council of any such changes. The City Clerk is hereby authorized and directed to affix the official seal of the City to the Amendment and to attest the same.

Section 4. The Mayor, City Manager, City Clerk, Finance Director, City Attorney and any other officers, agents and employees of the City, are hereby authorized and directed to execute and deliver such closing and other certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transaction described above.



Section 5. This resolution shall take effect immediately upon its passage.

CITY OF KINSTON

By: \_\_\_\_\_  
Mayor Dontario Hardy

ATTEST:

\_\_\_\_\_  
Debra Thompson, City Clerk

**To** City of Kinston, North Carolina  
**From** Davenport & Company LLC  
**Date** June 15, 2020  
**Subject** 2018 Installment Financing Agreement Interest Rate Modification

**Background**

On August 16, 2018, the City of Kinston (“the City”) entered into an Installment Financing Agreement (“IFA”) with United Community Bank (“UCB”) for \$2,500,000 to finance renovations at Historic Grainger Stadium and pay related costs of issuance. The IFA has an interest rate of 4.60% and a final maturity of August 1, 2033. In order to assess opportunities for Debt Service Savings, Davenport, at the direction of staff, reached out to UCB to discuss the potential to modify the existing interest rate.

**Interest Rate Modification Proposal**

Based on the current interest rate environment, UCB has provided a term sheet (see Appendix A) proposing to lower the existing interest from the current 4.60% to 3.50%. All other terms of the original financing, including the principal payments and prepayment provisions would remain the same. In order to accomplish the refinancing, the City would be required to pay accrued interest at the old rate and any costs associated with the interest rate modification at closing, which has been proposed for July 2<sup>nd</sup>, 2020.

**Summary of Results**

The chart on the following page outlines the details of the Modification, including total Debt Service Savings of \$168,729.19 through the Final Maturity of the loan. The estimated modification costs of \$10,500 would be paid at closing (FY 2021) resulting in \$158,229.19 of Debt Service Savings net of costs.

**Recommendation**

Based on discussions with City staff and the City attorney, Davenport recommends pursuing the interest rate modification with United Community Bank.

**Next Steps**

June 15 <sup>th</sup>	City Council Meeting- Council considers approval of Interest Rate Modification.
Late June	Finalize Documentation and Closing Logistics.
July 2 <sup>nd</sup>	Close on Interest Rate Modification.

June 15, 2020

Table 1: Summary of Modification Proposal

A	B
Loan	2018 Taxable IFA
1	
2 Amount Outstanding	\$2,334,000
3 Final Maturity	8/1/2033
4 Modification Date	7/2/2020
5 Prepayment Penalty (%)	0.00%
6 Old Rate	4.60%
7 New Rate	3.50%
8	
9 <b>Required to be Paid at Modification Date:</b>	
10 Accrued Interest from 8/1/2019 to 7/2/2020 at 4.60%	\$ 98,715.23
11 Prepayment Penalty (\$)	-
12 Costs of Issuance	10,500.00
13 <b>Total</b>	<b>\$ 109,215.23</b>
14	
15 <b>Cash Flow Savings After the Modification Date</b>	
16 FY 2021	\$ 2,068.19
17 FY 2022	23,837.00
18 FY 2023	22,000.00
19 FY 2024	20,163.00
20 FY 2025	18,326.00
21 FY 2026	16,489.00
22 FY 2027	14,652.00
23 FY 2028	12,815.00
24 FY 2029	10,978.00
25 FY 2030	9,141.00
26 FY 2031	7,304.00
27 FY 2032	5,478.00
28 FY 2033	3,652.00
29 FY 2034	1,826.00
30 FY 2035	-
31 <b>Total</b>	<b>\$ 168,729.19</b>
32	
33 <b>Cash Flow Savings Net of Costs Paid at the Modification Date</b>	
34 Total Cash Flow Savings	\$ 168,729.19
35 Less: Costs of Issuance Paid at Modification Date	(10,500.00)
36 <b>Savings Net of Costs</b>	<b>158,229.19</b>
37 NPV Savings	132,051.01
38 % NPV Savings	5.66%

Appendix A:  
United Community Bank Modification Term Sheet

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CITY OF KINSTON, NORTH CAROLINA

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**Outline of Terms and Conditions  
\$2,334,000.01 for Loan Repricing**

June 5, 2020

*The following summary of terms and conditions should not be construed as a commitment to lend. This term sheet is for the purpose of outlining the proposed facilities. The definitive terms and conditions upon which Agent and Lenders might extend credit to the Borrower are subject to satisfactory completion of due diligence, final credit approval, satisfactory review and execution of documentation and such other terms and conditions as may be determined by Agent, Lenders and their respective counsels.*

- 
- Issuer/Borrower:** City of Kinston, North Carolina
- Lender:** United Community Bank (“UCB”)
- Credit Facility:** The Credit Facility has a current principal loan balance of \$2,334,000.01 and accrued interest to July 2, 2020 of \$98,715.23.  
Proceeds in the original amount of \$2,500,000 were used to finance renovations at Historic Grainger Stadium and pay related costs of issuance.
- Maturity:** August 1, 2033 – no changes to existing maturity date.
- Repayment:** No changes to existing repayment schedule. Annual principal payments due each August 1<sup>st</sup>, in an amount to fully amortize the debt at Maturity with a final principal payment due August 1, 2033. Annual interest payments due on August 1<sup>st</sup> of each calendar year, with a final maturity of August 1, 2033.
- Prepayment Penalty:** None. No change to current prepayment language referenced in Installment Financing Agreement dated August 16, 2018, Article X, Section 10.1.
- Security:** No changes. The 2018 IFA will be secured by a Deed of Trust on the site of Grainger Stadium, and will be subordinate to the existing Lease Agreement with the Rangers Kinston LLC (Tenant and owner of the Wood Ducks baseball team).
- Interest Rate:** A Fixed Rate of 3.50% for the term of the loan.
- Tax Status:** Taxable.
- Closing Fees:** No Bank fees.
- Conditions Precedent To Funding:**
- All matters related to the legal and borrowing status of the Borrower shall be determined to be entirely satisfactory to UCB and its Legal Counsel to include but not limited to: authority to borrow in the manner

June 5, 2020

**City of Kinston, North Carolina  
Outline of Terms and Conditions**

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contemplated herein, and compliance with all relevant laws and regulations.

- The negotiation, execution and delivery of all relevant documentation to include loan documentation satisfactory in form and substance to Lender and respective counsel. Among other documentation, the Lender will require an opinion of counsel on the Borrower and financing in form satisfactory to Lender and its counsel.

Accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2020

City of Kinston, North Carolina: Authorized Signature

By:

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

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

Upon acceptance please return to:

F. Todd Simpson  
Senior Vice President

United Community Bank  
4711 Six Forks Road  
Raleigh, NC 27609  
[Todd\\_Simpson@UCBI.com](mailto:Todd_Simpson@UCBI.com)  
984.239.6068

June 15, 2020

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 01.13.14 | CC BD MB TC

UNITED COMMUNITY BANK (128)  
 4711 SIX FORKS RD  
 RALEIGH NC 27609

UNITED COMMUNITY BANK [07]  
 6144 US 301 SOUTH  
 FOUR OAKS NC 27524

CITY OF KINSTON NORTH CAROLINA  
 207 E KING STREET  
 KINSTON NC 28502

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### Loan Payoff Statement

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Loan Payoff for:	Loan Number:	5128100057
CITY OF KINSTON NORTH CAROLINA	Date Quoted:	Jun 02, 2020
207 E KING STREET	Payoff Good To:	Jul 02, 2020
KINSTON NC 28502	Method:	6/0

Collateral: 400 E GRAINGER AVE KINSTON NC 28501

Principal:	\$2,334,000.01
Interest To Jul 02, 2020:	\$98,715.23
<b>Net Amount Due:</b>	<b>\$2,432,715.24</b>

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### Additional Information

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One Day's Interest:	\$298.23
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**MODIFICATION OF PROMISSORY NOTE**

**Name of Borrower:** CITY OF KINSTON, NORTH CAROLINA  
**Address of Borrower:** 207 EAST KING STREET, KINSTON, NC 28502

**Description of Note to be modified (the "Note"):**  
**Note Number:** 5128100057  
**Note Date:** 08/16/2018  
**Original Principal Amount:** \$2,500,000.00

**THIS MODIFICATION OF PROMISSORY NOTE** (this "Modification") is made as of this 2ND day of JULY, 2020, by and between Borrower, and **UNITED COMMUNITY BANK**, a Georgia banking corporation ("Lender").

**Statement of Facts**

Borrower is indebted to Lender under the Note (as amended, restated, supplemented or otherwise modified from time to time, the "Note"), and Borrower and Lender desire to modify the Note in certain respects in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

**Statement of Terms**

**1. Amendment(s) of Note.** Subject to the fulfillment of the conditions precedent to the effectiveness of this Modification which are set forth below, the Note shall be amended from and after the date of this Modification as follows (check each applicable box):

- The maturity date is extended from \_\_\_\_\_ to \_\_\_\_\_.
  - Extend existing payment schedule through maturity with next payment effective \_\_\_\_\_.
  - Bill total due at maturity.

The interest rate is changed from a fixed rate of 4.600% to a fixed rate of 3.500% effective 07/02/2020.

- The interest rate is changed from a variable rate of \_\_\_\_\_% to a variable rate of \_\_\_\_\_% effective \_\_\_\_\_.
- The index is changed from \_\_\_\_\_ to \_\_\_\_\_ effective \_\_\_\_\_.

- The rate change frequency is changed from \_\_\_\_\_ to \_\_\_\_\_ effective \_\_\_\_\_. ie: weekly, monthly, quarterly, semi-annual or annual.
- The margin is changed from \_\_\_\_\_% to \_\_\_\_\_% effective \_\_\_\_\_.
- The rate floor is changed from \_\_\_\_\_% to \_\_\_\_\_% effective \_\_\_\_\_.
- The rate ceiling is changed from \_\_\_\_\_% to \_\_\_\_\_% effective \_\_\_\_\_.

- The payment amount is changed from \_\_\_\_\_ to \_\_\_\_\_ for each \_\_\_\_\_ effective \_\_\_\_\_. If the interest rate or the maturity date are not modified, this may result in a larger balance due at maturity.
  - Continue existing payment schedule effective \_\_\_\_\_.
  - Bill new payment amount through maturity.

- The payment date is changed from \_\_\_\_\_ to \_\_\_\_\_. All subsequent payments are due on the same day of each \_\_\_\_\_ after that. If the payment amount is not modified, this may result in a larger balance due at maturity.

- Other:

**General Terms:**

In consideration of Bank accepting the modifications agreed to above, Borrower agrees to pay Bank fee(s) of **\$0.00** in connection with such modification. Borrower authorizes Bank to:

- Debit Deposit Account # \_\_\_\_\_ for the amount of such fees; or
- Customer agrees to pay fees in cash.

**2. No Other Amendments.** Except for the amendment(s) expressly set forth in Section 1, above, the Note shall remain unchanged and in full force and effect. Nothing in this Modification is intended, or shall be construed, to constitute a novation or an accord or satisfaction of the Note or any indebtedness evidenced thereby or to modify, affect or impair the perfection or continuity of Lender's security interests, security titles or other liens in, to or on any real or personal property collateral for this Note.

**3. Reaffirmation and Waiver.** Borrower confirms, reaffirms and ratifies his/her respective obligations contained in the Note and the Loan Documents and represents that he/she has no claims, defenses, counterclaims or rights of setoff or recoupment against Lender under the Note or the Loan Documents or otherwise and hereby waive any such claims, defenses, counterclaims or rights of setoff or recoupment.

**4. Conditions Precedent to Effectiveness of this Modification.** The effectiveness of this Modification and the amendment(s) provided in Section 1, above, are subject to the fulfillment of the following conditions precedent: (a) Lender shall have received one or more counterparts of this Modification duly executed and delivered by the Borrower; and (b) if and to the extent required by Lender, any and all guarantors of the Note shall have consented to the execution, delivery and performance of this Obligation and all of the transactions contemplated hereby by signing one or more counterparts of this Modification in the appropriate space indicated below and returning the same to Lender.

**5. Counterparts.** This Modification may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

**6. Governing Law.** This Modification shall be governed by, and construed in accordance with, the internal laws of the State of North Carolina applicable to contracts made and performed in such state.

**7. Entire Agreement.** The Note as amended from time to time and by this Modification embodies the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior agreements, representations and understandings, if any, related to the subject matter hereof.

**8. Release of Claims and Covenant Not to Sue.**

(a) Each of Borrower and the undersigned guarantor(s) (collectively, the "Loan Parties," and each, a "Loan Party"), on behalf of itself and its successors, assigns and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Lender and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (the Lender and all such other Persons being hereinafter referred to collectively as the "Releasees," and individually as a "Releasee"), of and from any and all demands, actions, causes of action, suits, controversies, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which such Loan Party or any of its successors, assigns or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date that this Modification is executed by all parties, in each case solely for or on account of or relating to the Note, any of the other loan, collateral, guaranty or other agreements, instruments or documents relating thereto or the transactions thereunder or related thereto.

(b) Each Loan Party, on behalf of itself and its successors, assigns and other legal representatives, hereby absolutely, unconditionally and irrevocably covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Borrower pursuant to Section 7(a) above. If any Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, such Loan Party, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result

of such violation, all reasonable attorneys' fees and costs incurred by any affected Releasee as a result of such violation.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have caused this Modification to be duly executed under seal and delivered as of the day and year specified at the beginning hereof.

**BORROWER:**

CITY OF KINSTON, NORTH CAROLINA

By: \_\_\_\_\_ (SEAL)  
Name: TONY SEARS  
Title: CITY MANAGER

By: \_\_\_\_\_ (SEAL)  
Name: JOANNA ROSE  
Title: DEPUTY CITY CLERK

**LENDER:**

**UNITED COMMUNITY BANK**

By: \_\_\_\_\_  
Name: TODD SIMPSON  
Title: COMMERCIAL RELATIONSHIP MGR.

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Action Agenda

**Agenda Item:** Ordinance

**Action Requested:** Adopt Ordinance

**Agenda Item to be Considered**

**Presenter:** Donna Goodson, Finance Director

**Subject:** Capital Project Ordinance 2020 Road Improvements Project

**Supporting Documentation:** Memo, Ordinance and Attachment

Department Head's Approval           *dlg*          

City Manager's Approval           *TS*           6/11

**Budgetary Impact:** Budgetary Action Required

**Staff Recommendation:** Approval of Resolution

**AN ORDINANCE ESTABLISHING THE CAPITAL PROJECT FUND  
FOR 2020 ROAD IMPROVEMENTS PROJECT (G9144)**

**WHEREAS**, the City of Kinston desires to improve and maintain the roads throughout the City of Kinston to provide safe and attractive transportation routes, and

**WHEREAS**, the City Council has been provided with a list of streets to be considered for selection upon receipt of bid documents

**WHEREAS**, the improvements and renovation will be funded from a Transfer from the General Fund

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following capital project budget ordinance is hereby adopted:

**2020 Road Improvements Project (G9144)**

Revenues:

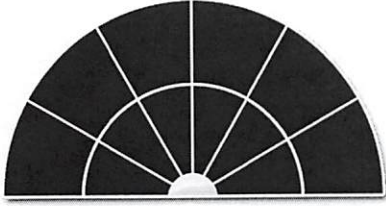
Transfer From General Fund	\$ 529,000.00
Total Revenues	<u>\$ 529,000.00</u>

Expenditures:

Street Resurfacing	\$ 529,000.00
Total Expenditures	<u>\$ 529,000.00</u>

Adopted this 15th day of June, 2020

\_\_\_\_\_  
Debra Thompson, City Clerk



# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

TO: Rhonda Barwick, Public Services Director

FROM: Steve Miller, Asst. Public Services Director *SM*

DATE: May 12, 2020

RE: Transfer of Funds for 2020 Road Improvements Project

In February, 2020, we presented City Council with a list of streets to be included in the above project and sources of funds to be used. This included \$102,000 in funds from vacancies in the Street Section up to that time. Unfortunately, we have continued to have multiple vacancies in the section. There are now additional unused funds from the vacancies that could be added to the project allowing us to make improvements to additional streets. These vacancies have affected our operations, drastically limiting work we can complete in house. The table below shows additional funds that can be transferred to this project.

Account	Description	Current Budget	Funds to Transfer
1100-4252-61210	Salaries-regular	\$284,804	\$32,000
1100-4252-61810	Social Security Contribution	\$29,400	\$9,000
1100-4252-61820	Retirement Contribution	\$29,800	\$6,000
1100-4252-61830	Group Insurance Contribution	\$60,896	\$10,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$57,000</b>

EXISTING PROJECT FUNDS			
Account	Description	Current Budget	Project Funds
1100-4252-73570	Street Resurfacing	\$300,000	\$300,000
1100-4252-73600	Street Prevention Repair	\$152,000	\$152,000
1100-4252-74400	Service & Maintenance Contracts	\$115,998	\$10,000
1100-4252-74820	Fleet Fuel Charges	\$38,300	\$10,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$472,000</b>

With these transfers, total funds for the project will total \$529,000. I would like to request the excess funds and the existing project funds be transferred to a capital project fund. Bid documents are being prepared now, but a bid award may not be possible before June 30, 2020. Streets to be added will be selected by City Council upon receipt of the bids.

Please let me know if you have any questions.



<b>Account</b>	<b>Description</b>	<b>Budget Amount</b>	<b>Funds to Transfer</b>
6100-7103-61210	Salaries-regular	\$772,367	\$285,000
6100-7103-61810	Social Security Contribution	\$74,200	\$15,000
6100-7103-61820	Retirement Contribution	\$86,800	\$20,000
6100-7103-61830	Group Insurance Contribution	\$180,864	\$70,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$390,000</b>

I would like to request the excess funds be transferred to a project budget to perform the above projects. Work will be bid immediately upon approval of the funds transfer. Contracts could be awarded in July.

Please let me know if you have any questions.

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Action Agenda

**Agenda Item:** Ordinance

**Action Requested:** Adopt Ordinance

**Agenda Item to be Considered**

**Presenter:** Donna Goodson, Finance Director

**Subject:** Capital Project Amendment – W9116 FY16-FY21 Water Projects

**Supporting Documentation:** Memo and Ordinances

Department Head's Approval           *dhg*          

City Manager's Approval           *TS*           6/11

**Budgetary Impact:** Budgetary Action Required

**Staff Recommendation:** Approval

**AN ORDINANCE TO AMEND THE  
FY16-FY21 WATER PROJECTS (W9116)**

**WHEREAS**, on June 20, 2016 a fund was established to maintain small water/sewer projects that will extend beyond a single fiscal year and will be completed within the FY2016 - FY2021 time allowance, and

**WHEREAS**, these projects will be funded with a transfer from the Water Fund as well as other funding sources as approved for the scope of work the projects entail, and

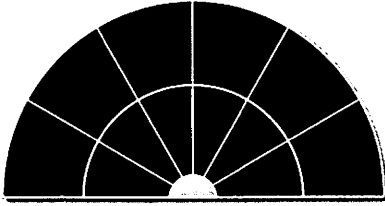
**WHEREAS**, it is necessary to appropriate expenditures related to the various 2020 Sewer Improvements

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following Capital Project Budget Ordinance Amendment is adopted as follows:

<b>FY16-FY21 Water Projects</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Transfer from Water Fund	\$ 280,000.00	\$ 670,000.00	\$ 390,000.00
<b>Total Revenues</b>	<b>\$ 280,000.00</b>	<b>\$ 670,000.00</b>	<b>390,000.00</b>
<b>Expenditures:</b>			
Water-Well #14 Reactivation Cost	\$ 90,000.00	\$ 90,000.00	\$ -
Lawrence Hts Water Line Replacement	190,000.00	190,000.00	
2020 Sewer Improvements	-	390,000.00	390,000.00
<b>Total Expenditures</b>	<b>\$ 280,000.00</b>	<b>\$ 670,000.00</b>	<b>\$ 390,000.00</b>

Adopted this 15th day of June, 2020

\_\_\_\_\_  
Debra Thompson, City Clerk



# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

TO: Rhonda Barwick, Public Services Director  
FROM: Steve Miller, Asst. Public Services Director *SM*  
DATE: May 12, 2020  
RE: Transfer of Funds for Water/Sewer Improvements

*# W 9/16*

The Water Operations Division performs all water and sewer system repairs and lift station maintenance for our utility systems. It has 24 full time positions, but unfortunately during this fiscal year has consistently had 10-13 vacancies, primarily in Maintenance Worker and Equipment Operator positions. This has resulting in our remaining staff working extended hours just to provide emergency repairs and perform required work to meet our state permit requirements. In the last few months, several serious infrastructure problems have been discovered requiring attention as soon as possible. Here briefly is a description of these problems:

- 1) **East Washington Street Sewer Pipe Repairs** (Davis St to Quinerly Street): This was first discovered last Fall when sinkholes developed in the middle of the road due to poor pipe conditions. The holes were temporarily patched until the pipe could be fixed. Repairs will involve replacing the sewer from Quinerly across Dr. Martin Luther King Jr. Boulevard (including a bore under this road). Estimated cost is \$190,000.
- 2) **Vernon Avenue Sewer Repairs**: NCDOT plans to resurface Vernon Avenue in the near future. Our staff has been inspecting sewer conditions to make repairs of any serious deficiencies prior to the resurfacing. The work will involve small repairs with possible replacement of some manholes and sections of sewer pipe. A cost estimate is not finalized for this project yet.
- 3) **Upper Neuse Outfall Joint Failure**: A sinkhole has been found on the 24 inch diameter sewer outfall near the river south of the Vernon Avenue/Hull Road intersection. The concrete pipe is approximately 40 years old. Although there is only one sinkhole right now, video inspection has shown the pipe sections near the sinkhole are very corroded. The estimated cost for the point repair is \$60,000. The estimated cost for the point repair and lining this pipe section is \$110,000.

The vacancies have resulted in a significant amount of unused salary and benefit funds in the budget. These funds can be used to resolve the repair projects mentioned above. The amounts shown below can be assigned to a project budget to complete these projects.

<b>Account</b>	<b>Description</b>	<b>Budget Amount</b>	<b>Funds to Transfer</b>
6100-7103-61210	Salaries-regular	\$772,367	\$285,000
6100-7103-61810	Social Security Contribution	\$74,200	\$15,000
6100-7103-61820	Retirement Contribution	\$86,800	\$20,000
6100-7103-61830	Group Insurance Contribution	\$180,864	\$70,000
<b>TOTAL FUNDS TO TRANSFER</b>			<b>\$390,000</b>

I would like to request the excess funds be transferred to a project budget to perform the above projects. Work will be bid immediately upon approval of the funds transfer. Contracts could be awarded in July.

Please let me know if you have any questions.

**City of Kinston**  
**City Council Agenda**



**Meeting Date: Monday, June 15, 2020**

**Agenda Section:** Action Agenda

**Agenda Item:** Ordinance

**Action Requested:** Adopt Ordinance

**Agenda Item to be Considered**

**Presenter:** Donna Goodson, Finance Director

**Subject:** Capital Project Amendment – T9301 FY16-FY21 Stormwater Projects

**Supporting Documentation:** Memo and Ordinances

Department Head's Approval           *dhg*          

City Manager's Approval           *TS*           6/11

**Budgetary Impact:** Budgetary Action Required

**Staff Recommendation:** Approval

**AN ORDINANCE TO AMEND THE  
FY16-FY21 STORMWATER PROJECTS (T9301)  
CAPITAL PROJECT FUND**

**WHEREAS**, the City Council established the FY16-Fy21 Stormwater Projects fund on June 20, 2016 to maintain small projects that will extend beyond a single fiscal year and will be completed within the FY2016 - FY2021 time allowance, and

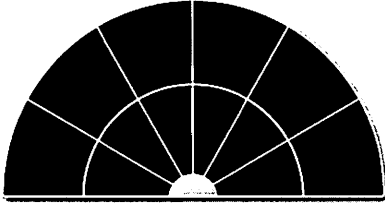
**WHEREAS**, it is necessary to appropriate expenditures related to the rehabilitation of the Massey Drive Stream Project. These expenditures will be funded with a transfer from the Stormwater fund.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following Capital Project Budget Ordinance is amended as follows:

<u>FY16-FY21 Stormwater Projects</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Transfer from Stormwater Fund	\$ 300,000.00	\$ 478,000.00	\$ 178,000.00
Total Revenues	<u>\$ 300,000.00</u>	<u>\$ 478,000.00</u>	<u>\$ 178,000.00</u>
Expenditures:			
George St. Stormwater Rehabilitation	\$ 110,000.00	\$ 110,000.00	\$ -
Oriental Avenue Stormwater Rehabilitation	130,000.00	130,000.00	-
Tiffany Street Stormwater Rehabilitation	60,000.00	60,000.00	-
Massey Drive Stream Project	-	178,000.00	178,000.00
Total Expenditures	<u>\$ 300,000.00</u>	<u>\$ 478,000.00</u>	<u>\$ 178,000.00</u>

Adopted this 15 day of June, 2020

\_\_\_\_\_  
Debra Thompson, City Clerk




# KINSTON PUBLIC SERVICES

Buildings & Grounds, Business Office, Electric, Engineering, Environmental Services,  
Fleet Maintenance, Meter Reading, Stormwater, Streets, Wastewater, and Water



*Kinston, the right place ... Kinston Public Services, the right choice.*

TO: Rhonda Barwick, Public Services Director  
FROM: Steve Miller, Asst. Public Services Director   
DATE: May 12, 2020  
RE: Transfer of Funds for Massey Drive Stream Project

Funds for the above project were appropriated as part of the FY1920 operating budget. The project is going through the permitting process at this time. It will not be possible have the project under contract by June 30, 2020.

I am requesting the funds for this project (\$178,000 in account 6500-7501-75990) be moved to a capital project budget.

Please let me know if you have any questions.

# T9301



# MINUTES

MONDAY, MAY 18, 2020

**Minutes**  
Kinston City Council  
City Hall · 207 East King Street  
Monday, May 18, 2020  
Work Session Cancelled    Regular Meeting at 7:00 pm

Handicapped parking and access ramp are available for the Independence Street entrance.

**THIS MEETING WAS CONDUCTED ELECTRONICALLY IN ZOOM FORMAT AND CAN BE VIEWED AT THE CITY OF KINSTON'S WEBSITE AND FACEBOOK PAGE**

**REGULAR MEETING**

Mayor Don Hardy called the meeting to order at 7:00 pm.

Councilmember Sammy Aiken delivered the prayer, followed by the Pledge of Allegiance.

**Councilmember Roll Call**

Present: Councilmembers Sammy Aiken, Kristal Suggs, Antonio Hardy, and Robert Swinson

Debra Thompson explained how the public can access a form for Citizens Comments through the website. The link is posted under the new form and read on alert on the City's website (ci.kinston.nc.us) and the link to the form is <http://ci.kinston.nc.us/FormCenter/City-Clerk-Forms-11/Citizens-Comments-106>

Present Also: Tony Sears, City Manager and James Cauley, City Attorney

Absent: Mayor Pro Tem Felicia Solomon

Adoption of the Agenda

*If a Councilmember wishes to revise the agenda, the Motion to add or delete an item will be entertained prior to Adoption of the Agenda.*

**Councilmember Suggs made the motion, seconded by Councilmember Aiken and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the agenda was adopted.**

**CITIZEN COMMENT**

Citizens must sign in prior to the start of the meeting if they wish to address the City Council.

Citizens should state their name and address prior to beginning their comments and may speak up to a maximum of 3 minutes.

Citizens seeking assistance or asking questions will be contacted by a member of the Governing Body or by appropriate City Staff.

Please visit: <http://ci.kinston.nc.us/FormCenter/City-Clerk-Forms-11/Citizens-Comments-106> to complete a comment form prior to the scheduled Council Meeting. The form expires two (2) hours before the meeting.

There were no citizen comments.

MINUTES

Consider approval of the minutes of the City Council meeting held on May 4, 2020 -----Debra Thompson

**Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the agenda for City Council meeting held on May 4, 2020, was approved.**

**(THE FOLLOWING MOTION CLARIFIES THE PREVIOUS APPROVAL OF THE MINUTES)**

**Councilmember Swinson made the motion, seconded by Councilmember Hardy and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the minutes for City Council meeting held on May 4, 2020, were approved.**

ACTION AGENDA

- 1. Consider Adopting Ordinance for Capital Project Amendment – Second Point of Delivery (POD) (E9127) -----  
Donna Goodson

Donna Goodson, Finance Director shared that the budget amendment is to increase the project budget by \$266,000 to complete the right-of-way-acquisitions for the remaining easements.

Councilmember Aiken reviewed that this project has been ongoing for about four years and explained that the second POD was an addition to the one line coming into the City (by the old Power Plant). This makes us more profitable for industries coming into the City. He asked if this is the last piece of land we needed to acquire, and Ms. Barwick confirmed that it was.

**Councilmember Swinson made the motion, seconded by Councilmember Hardy and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the Ordinance for Capital Project Amendment-Second Point of Delivery (POD) was adopted.**

**AN ORDINANCE TO AMEND THE  
SECOND POINT OF DELIVERY CAPITAL PROJECT FUND**

**WHEREAS**, on March 7, 2016 the City Council Created the Electric capital project fund for the Second Point of Delivery, and

**WHEREAS**, it is necessary to appropriate expenditures necessary to fund the remaining easements required for the Second POD project. This appropriation will be funded with a transfer from the Electric Fund.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following capital project budget ordinance is amended as follows:

<u>Second Point of Delivery</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Transfer from Electric Fund	\$ 5,217,514.00	\$ 5,483,514.00	\$ 266,000.00
Total Revenues	<u>\$ 5,217,514.00</u>	<u>\$ 5,483,514.00</u>	<u>266,000.00</u>
Expenditures:			
Construction 115 KV Transmission Circuit	\$ 3,418,689.00	\$ 3,684,689.00	\$ 266,000.00
Construct Breaker Station	\$ 973,700.00	973,700.00	
Engineering Fees	\$ 825,125.00	825,125.00	-
Total Expenditures	<u>\$ 5,217,514.00</u>	<u>\$ 5,483,514.00</u>	<u>\$ 266,000.00</u>

Adopted this 18th day of May, 2020

2. Consider Adopting Resolution for the Neuse River Basin Regional Hazard Mitigation Plan Update ----- Adam Short

Adam Short, Director of Planning, Code Enforcement and Inspections presented a resolution to participate in the update of the Neuse River Basin Regional Hazard Mitigation Plan and shared that the original plan was adopted in 2015. This will keep us in compliance with that plan and more importantly, it keeps us eligible for Federal and State disaster assistance. He related that they have shifted the model from a county approach to a regional one and this will keep us in participation.

**Councilmember Aiken made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the resolution for the Neuse River Basin Regional Hazard Mitigation Plan Update was adopted.**

**CITY OF KINSTON RESOLUTION ADOPTING THE  
NEUSE RIVER BASIN REGIONAL HAZARD MITIGATION PLAN**

WHEREAS, the City of Kinston is vulnerable to an array of natural hazards that can cause loss of life and damages to public and private property; and

WHEREAS, the County and participating municipal jurisdictions desire to seek ways to mitigate situations that may aggravate such circumstances; and

WHEREAS, the development and implementation of a hazard mitigation plan can result in actions that reduce the long-term risk to life and property from natural hazards; and

WHEREAS, it is the intent of the City of Kinston City Council to protect its citizens and property from the effects of natural hazards by preparing and maintaining a local hazard mitigation plan; and

WHEREAS, it is also the intent of the City of Kinston City Council to fulfill its obligation under North Carolina General Statutes, Chapter 166A: North Carolina Emergency Management Act and Section 322: Mitigation Planning of the Robert T. Stafford Disaster Relief and Emergency Assistance Act to remain eligible to receive state and federal assistance in the event of a declared disaster affecting the City of Kinston; and

WHEREAS, the City of Kinston actively participated in the planning process for the Neuse River Basin Regional Hazard Mitigation Plan and has prepared a regional hazard mitigation plan update with input from the appropriate local and state officials; and

WHEREAS, the North Carolina Division of Emergency Management and the Federal Emergency Management Agency have reviewed the Neuse River Basin Regional Hazard Mitigation Plan for legislative compliance and have approved the plan pending the completion of local adoption procedures;

NOW, THEREFORE, be it resolved that the City Council of City of Kinston hereby:

1. Adopts the Neuse River Basin Regional Hazard Mitigation Plan; and
2. Vests the City Manager or his designee with the responsibility, authority, and the means to:
  - (a) Inform all concerned parties of this action.
  - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map, and identify floodplain or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain and/or flood-related erosion areas in order to prevent aggravation of existing hazards.
3. Appoints the City Manager or his designee to assure that, in cooperation with the other participating jurisdictions, the Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to assure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the City of Kinston City Council for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the 2020 Neuse River Basin Regional Hazard Mitigation Plan.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

**(THIS ITEM WAS VOTED ON OUT OF ORDER)**

**Councilmember Hardy made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the site plan for the renovation of Emma Webb Park was approved.**

**4. Consider Request to Approve Application for a \$350,000 PARTF (Parks & Recreation Trust Fund) Grant ----- Corey Povar  
(THIS ITEM WAS VOTED ON OUT OF ORDER)**

Corey Povar, Director of Parks and Recreation asked for approval on a \$700,000 PARTF Grant with the City’s portion being \$350,000 on a dollar for dollar match.

Mr. Sears asked Mr. Povar to share his screen of the map showing what we were looking for and trying to do. Mr. Povar complied and stated that Emma Webb was completed in 1936 and we were due for some improvements. The map showed a proposed walking trail, the existing playground that they are looking at expanding, the opportunity for a green pavilion and garden space, and the open space.

Councilmember Aiken asked where the pool was to be located. Mr. Povar shared the future water feature in orange and was not included in this grant proposal. In discussion with the Planning Department, there are options for another grant opportunity to potentially do and help with the aquatics feature as well as the bathhouse. Mr. Aiken asked if the grant was all monetary or could it be in-kind to which Mr. Povar answered that our portion would be monetary. Mr. Aiken asked if they were thinking about having an entrance gate as pictured and Mr. Povar stated that it was included to point out that they were looking at a high-quality entrance to show that the park would be of high quality for everyone to enjoy.

Mr. Hardy asked if we were committing this amount of money for the lighting and the picnic area and still looking at the \$500,000 or \$680,000 cost of the pool. Mr. Povar said there was the possibility of securing a CDBG Grant (like the one used for Holloway) which has no matching responsibility and Planning is working on an application. He shared that he would hate to put in a feature and have a struggling park around it. We have a responsibility to have a park that is all-encompassing and felt that this was the new norm of what we would see in parks.

Mr. Sears stated we were talking about two ideas that could not converge at this time. With the PARTF Grant we can go after a water feature or the park, but not both at the same time. There are other grant opportunities available, but they are not anymore guaranteed than the PARTF Grant. He feels that it is easier to attempt to receive funding for a water feature through an alternate grant process. Mr. Sears said this project is around \$700,000 and the pool is around \$700,000 for a total of \$1.4 million. He said splitting the project into two parts was the best way moving forward but there was no guarantee that they would be approved.

Councilmember Aiken said he saw more people when the pool was there. Mr. Sears said they were trying to increase foot traffic and with the lighting to provide an ambiance this will help the dance, and gymnastics programs as well. He stated they were looking for quality over quantity and were looking for a way to have a more urban park inside the city center.

Councilmember Suggs had concerns regarding the bridge, the parking, the trench, and other amenities not being covered in the diagram. Mr. Povar stated those items would be discussed in his PowerPoint presentation. Mr. Sears added regarding the stream, there are grants for stream restoration and mitigation and they are looking to apply for other dollars to address that issue and noted that the open space will be addressed as well.

Councilmember Aiken asked when the application needed to be submitted. Mr. Povar said that it was June 1<sup>st</sup>.

Mr. Povar shared the PowerPoint presentation which included expanding the play area to create a destination for a playground experience. The water feature was to be determined (either pool or splash pad), plantings, and interesting water elements. He stated with the possibility of the CDBG Grant would assist with the renovation of the bathhouse with bathrooms and hoped to create a rentable event space that will allow us to make some money. Mr. Povar presented photos of a splash pad with differing water depths and natural water features that allowed water enjoyment for the entire family.

Councilmember Swinson asked if we would be looking to charge for the water feature in the future and if there would be any room to make changes. Mr. Povar acknowledged that these were up for discussions in trying to figure out ways to be as inclusive as possible and the best practices for use and cost.

Mr. Povar discussed the open space and indicated that planting grass and making the space event and user-friendly will make people want to have family reunions and visit and hang out. There are areas in the field that grading and making the low areas and making it a usable space for all the time for families that want to spend time or sit down and have a picnic. He cited that COVID-19 has pointed recreation efforts in different directions and one of them is creating open space and casual art space.

Mr. Povar shared information on the potential for the construction of a new pavilion and incorporating a children's garden in that space. Because we are an agriculturally focused area, this can be used as a teaching and programming area.

Next, Mr. Povar spoke on an example for the bridge that makes you can see from the road and makes you want to walk around the trail. There has been discussion on 2,000 linear ft. of the paved walking trail with a lot of lighting and distance markers are included. They have also priced out about six to eight pieces of exercise equipment to have along the trail.

Councilmember Aiken asked if there were handicap requirements in the grant. Mr. Povar said it did not specify those requirements, but to submit a competitive application they added the paving for accessibility for all abilities.

Councilmember Hardy questioned the placement of restroom facilities. Mr. Povar stated this was something to address with the CDBG Grant (the pool house) which will serve as our restrooms as well as the aquatic features. This is considered "Phase II" of this project. Mr. Sears stated unfortunately this is the same problem we have at Pearson Park; there are no outdoor facilities there either. However, unlike Pearson Park this park does have facilities there, we will just have to figure out how to open and not open. Mr. Povar stated that with minimal dollars

could be made usable for the park. It is in their plans moving forward. Mr. Swinson pointed out that in the gymnastics building there were bathrooms at one time. He asked if they were still there. Mr. Povar stated they were and with minimal maneuvering, we could create access to. Mr. Swinson shared that previously those bathrooms were open to the public during softball games.

Councilmember Aiken provided insight regarding future conversations on not having facilities downtown. Mr. Povar said moving forward he would be happy to look at ways to get restrooms either in Pearson Park or other locations downtown. Mr. Aiken shared that he was in favor of the pool at the start, thinking that would be the attraction, but the beautification can be an attraction as well; he could see it both ways. Mayor Hardy asked if he was correct in saying the time frame was for June 1<sup>st</sup>. Mr. Povar stated he was correct and he had to provide Council support and approval and support and approval for the site plan and to apply for the grant in this cycle, the application needed to be submitted by 5:00 pm on June 1<sup>st</sup>.

Councilmember Swinson asked if we moved forward, was this carved in stone; we can make changes once approved. Mr. Povar stated we do have options, but for the general plan, we would need to be close to the site plan.

Councilmember Aiken asked if we were able to reapply for the Zumba grant that was previously received for Pearson Park. Mr. Sears shared that it was a partnership grant and we were able to reapply.

**Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the request to approve the application for the \$350,000 PARTF Grant for Parks and Recreation with a \$350,000 was approved.**

APPOINTMENTS

- 1. Consider Reappointment to Neuse Regional Water and Sewer Authority Board of Directors ----- Rhonda Barwick

Rhonda Barwick, Public Service Director shared that the City of Kinston has four voting members for the WASA Board, and they were Ms. Barwick, Councilmember Aiken, Steve Miller, and Bruce Parson (LCC). They are reappointed every three years and asked the Council to consider her reappointment to the Board.

Councilmember Aiken stated that WASA provided water to six different entities water and for three years in a row the water was designated the best water facility in the state of North Carolina. He shared that the decision for Social House Vodka coming here was our water. Mr. Aiken explained that the number of hookups determined the number of people on the board and we have over 11,000 hookups which is more than any of the other entities.

**Councilmember Aiken made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Hardy, and Swinson – Yes) [4-0], the**



**reappointment of Rhonda Barwick to the Neuse Regional Water and Sewer Authority Board of Directors was approved.**

**3. Appointment of Jeremy Barnett to the Parks & Recreation Commission (County)---  
Corey Povar**

Corey Povar, Director of Parks and Recreation stated they were filling this County seat on the Recreation Commission.

**Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a roll call vote (Councilmembers Aiken, Suggs, Swinson, and Hardy – Yes) [4-0], the appointment of Jeremy Barnett to the Parks and Recreation Commission (County) was approved.**

**CITY MANAGER'S REPORT**

1. Mr. Sears discussed Phase II and III as the government continues to make changes, we are looking at and working in conjunction with Swim Club about how to go about opening the Water Park, the pool at Holloway, and summer camps. This is something that we do plan on doing. The earliest we are looking at opening pool facilities is +/- the second week of June. They are also looking at when we are released (depending on the regulations), how are we going about opening summer camps; how do go about breaking them up in smaller groups. We are looking at finding ways that are going to be creative. As parents begin to return to work, what do we do for child-care; that is a pressure that is still in our community and we want to find ways to be proactive in how we can help with that as best we can while meeting the restrictions. Mr. Povar added that we are trying to be creative in how we offer programming and opportunities for parents to bring their kids to a location as we would do in a typical day camp setup, but at the same time limiting the size of the groups. They will be rolling out some options for the summer and complying with COVID-19 regulations. Mr. Sears shared some of the ideas that included having smaller groups spread throughout the City to create separation rules that adhere to the regulations. Mr. Povar gave examples of small groups and some schedules of attendance that will allow us to serve a large group and not have large groups together. They are trying to serve all areas of the community and do it appropriately.

Councilmember Hardy asked if the temporary workers were scheduled to return to work. Mr. Sears responded that they will not return to work until we can offer the programs. They may come in several days before for safety training and instruction on how to adhere and respond to COVID-19 issues.

Councilmember Hardy asked Mr. Short where we were on the Holloway Project. Mr. Short said the notice to proceed was issued last week and they were mobilizing at the end of last week.

Councilmember Suggs stated she appreciated the optimism for summer programming. She said she will stand as firmly as possible, being as hesitant as possible on the likelihood of a resurgent of the virus. Ms. Suggs said she is not hopeful. She will become abreast of all the health advisories and protocols and make sure to address those regularly because she does not foresee it being a possibility this summer. Mr. Sears stated that the rules and regulations set forth by the State and Federal government will dictate what we do or do not do. He stated they may be to a restrictive point that we cannot, but we are moving forward, and if there is a way, we will try to find one. Mr. Povar to reiterate that we are trying to. We are trying to make sure that our parks are as clean and as ready to go as they can be. He constantly has the programmers exploring new options and staying up with the industry standards are and what the industry trends will be. The folks here are working as if we were opening tomorrow. Mr. Povar stated they are trudging forward optimistically in hopes that we can put our folks from programming out there and have them participate and are ready for when that day comes. Councilmember Hardy added that he is also concerned until we get more testing. He recommended everyone to be tested before opening or this may get out of hand. Councilmember Aiken asked if he meant starting with the staff.

Mayor Hardy shared that we may not go to Phase II and it is appreciated that everyone was looking forward to possibly the second week of June, but he doubted that would happen. He said in conversations he has had everyone thinks that if a wrong decision is made there will be a spike; from being in the ER he knows the cases are not decreasing. Mayor Hardy related that the three W's are real. He asked to keep in mind that hurricane season is here as well. He expressed his thanks to everyone for the work they do.

2. Mr. Sears started the discussion on budget meetings and hopes to have the packet to everyone by Friday at the latest. He shared that this was not pretty; there are tons of stuff not in the budget. With that, it is easily the hardest budget he has ever been a part of. He thanked his staff for the work they put into this budget. He said his preference was to have 2-3 staff presentations via Zoom to the Council preferably on the 26<sup>th</sup>-28<sup>th</sup>. After further discussion, the meeting was scheduled for Tuesday, May 26<sup>th</sup> from 5:30 pm until.

#### CITY ATTORNEY'S REPORT

There was no City Attorney's report.

#### MAYOR AND COUNCILMEMBER REPORTS

Councilmember Aiken stated the members of the Council have had conversations at different intervals with Mr. Short and Mr. Sears regarding the removal of abandoned/dilapidated cars on personal property. Some of the questions asked by citizens were can you get an extension – yes; and, is going in my backyard trespassing – Code Enforcement staff will knock but work days (8 am-5 pm) when owners may be at work or out. If no answer after knocking staff may enter the yard to place a sticker on the vehicle. Mr. Aiken noted that they notice immediately if there is 3 ft. of grass around the vehicle and suggested if a vehicle is disabled in your yard cut the grass around it, inflate the tires, etc. He stated you are allowed one untagged vehicle that is not an eyesore. Councilmember Suggs stated that most of these occurrences are neighbor initiated, not just for vehicles but for weed abatement and other ordinances as well. Her suggestion was to communicate with your neighbor before getting the City involved.

Councilmember Aiken asked Mr. Short to give some statistics on the number tagged and towed. Mr. Short said over the past 4-5 months there have been 198 cars, and of that 198 there was 91% compliance and only had to tow 18. Compliance means that either the car was made drivable or it was removed from the property by the owner. He added that this is an effort to clean up neighborhoods. In the same way they look at abandoned houses they look at abandoned cars as this is depressing on a neighborhood and they would like to do their part to help clean that up. Mr. Short expressed his appreciation for the level of compliance they have received so far. He added if you need more time please call him at 252-939-3269 and they will work with you. Councilmember Aiken directed everyone if they could not remember the number to look on the trash can and ask for Planning.

Councilmember Swinson instructed all citizens with questions on ordinances or other information, please use 252-939-3282 and they will guide you to the department you need.

Councilmember Suggs shared that there was a petition on change.org that some seniors have generated trying to get the support of the City if they could have a parade. She stated this is not a challenge, they are just trying to garner support. They are rightfully in their feelings and would like the opportunity to showcase that they have reached this milestone in their life and get the support of everyone around them. She will talk with them more and reiterated that it is not a challenge, just a reach for support. She stated if the park and camps can be a possibility, then hopefully somehow, we can bring this to fruition for these high school seniors across our county to be able to showcase their achievements. Mayor Hardy asked if this was a car parade and if so, he thought this was a good thing. He suggested getting with Mr. Sears, Chief Dilday, and Chief Locklear. Ms. Suggs said they do have a letter addressed to the Mayor and the City Manager and she was proud of them. Councilmember Hardy says that this idea was brought to him as well. Chief Dilday said this is something that the Police and Fire Departments have been involved in every weekend. He stated he would be glad to participate.

Councilmember Suggs encouraged everyone to please complete the bus route survey that has been extended to the end of this month. This survey takes about 4 minutes to complete.

Councilmember Aiken asked that we check on our neighbors and our Senior Citizens.

ADJOURNMENT

Mayor Hardy recessed the meeting at 8:29 pm until Tuesday, May 26, 2020, at 5:30 pm.

Respectfully submitted,

Debra Thompson, City Clerk