

Minutes  
Kinston City Council  
Monday, June 18, 2018  
Work Session at 5:30 pm · Regular Meeting at 7:00 pm

Mayor Don Hardy called the meeting to order at 5:36 pm.

Those present: Councilmembers Sammy Aiken, Joseph Tyson, Kristal Suggs, Mayor Pro Tem Felicia Solomon and Mayor Don Hardy

Those late: Councilmember Robert Swinson arrived at 6:47 pm.

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

Adoption of the Agenda

Councilmember Tyson made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote (4-0) [Councilmember Swinson was absent.], the agenda was adopted.

ITEMS FOR DISCUSSION
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**1. Retail Strategies.....Adam Short**

Adam Short, Planning Director, introduced Wesley Vaughn and Jordan Williams with Retail Strategies and Jennings Gray with ElectriCities. They will discuss their successes and the possibly relationship going forward.

**Wesley Vaughn, Retail Strategies**, stated our firm markets communities to retailers, developers and brokers nationwide to bring them to our client’s communities. We partner with ElectriCities of North Carolina. We hope to get another year on our contract after our initial three year contract. For the first three years, your total investment was \$38,000 which includes a 50% match from ElectriCities. Our contract moving forward would be \$25,000 a year. It is an extra layer of marketing for the City’s economic development to help local property owners to sell or lease their property. We have reached out to over 100 retailers, developers and local property owners. There are about seven retailers currently interested. We spent over \$100,000 on our contact databases and another \$100,000 on attending conferences on behalf of Kinston and our other clients. There are four major conferences that we attend. Unfortunately, we have been out of the [city’s] contract since December, so we were not able to market Kinston directly. We hope to be able to continue the partnership. We helped Game Stop, the second Taco Bell and there are seven others interested in the market. The \$25,000 will include conference representation and 28 other team leaders. The contract does not include the ElectriCities match, but it does include a

discount. It can take 16-18 months to just get a retailer interested. We see ourselves as a positive investment for Kinston.

Councilmember Aiken stated, he personally, after three years, is not in favor of renewing the contract. Most retailers want population of 35,000 to 40,000.

Mr. Vaughn stated one of the ongoing developments is going into the former Radio Shack building. We have talked to the owner and the developer to get it to completion. Once it is completed, it will really put Kinston on the map. We market beyond the city but include the five mile radius and we consider things other than population.

Councilmember Aiken asked if the mall has been advertised. Mr. Vaughn stated they have been talking to the listing agent, but the owner will not come down on the price. It is listed at \$8.9 million. Mr. Sears stated recruitment for the mall is tough because it is for sale.

Mayor Hardy asked the price for a one year contract. Mr. Vaughn stated \$25,000 for a year or \$20,000 a year for three years.

Councilmember Tyson asked if the K-Mart area is still being considered. Mr. Vaughn stated the K-Mart is a thorn in our side because we have worked with K-Mart redevelopment in a lot of our client's communities. The one problem with Kinston's K-Mart is it is not situated on the traffic counts. We have looked at other options but lack of traffic and visibility has been the issue.

Mayor Pro Tem Solomon asked if a property catalog is available. Mr. Vaughn stated he does not have it with him. It is an excel sheet with the property information. We don't usually share it with clients because a lot of the information is confidential. It has not been updated since December 2017 [when the city's contract expired]. We have a marketing flyer. Retailers look for their competitors and they point next to it. They look at contact information and focused categories. They don't look at municipal boundaries, but the five mile radius and ten minute drive time. We work with uptown Greenville to focus on downtown recruitment and we focus on regional retailers.

Jordan Williams, Retail Strategies, stated if the City had a more targeted approach for specific properties, we would get with our marketing team to create something and put it out for the right candidates.

Councilmember Aiken asked if the shirt factory or K-Mart would be more marketable. Mr. Williams stated he believes K-Mart because it is an existing structure and the shirt factory site would require ground up development and that is expensive without outside incentives. It is hard to get a ground up development.

Mr. Sears stated he has spoken to Mr. Gray about a discount grocery store for the shirt factory site.

Mr. Jennings Gray, ElectriCities, stated the numbers did not work, and the discount grocery was not expanding, but those conversations are now continuing.

Councilmember Aiken asked if the former Lowes Food building has been considered. Mr. Vaughn stated earlier this year a national gym looked at the property, but we don't know what they have decided. It could also be a discount grocer location. It is in our property catalog.

Mr. Sears added that the owner of the property is actively marketing the property.

**2. Demolition Update.....Adam Short**

Adam Short, Planning Director, stated we had 50 properties targeted for demolition and it was suggested to have a targeted approach to have a big impact in one area. He showed a map of the properties set to be demolished in the Tower Hill area from Orion to Clay Street. This year we have done 17 demolitions, we expect 12 more to be completed by July 1<sup>st</sup>. 18 additional properties will be ready for demolition as of July 1<sup>st</sup>. We will spend most of the demo budget in the first couple of months in the fiscal year. We will have 27 properties that we need to demolish of the original list of 50.

Councilmember Aiken asked about the \$500,000 for demolition. Mr. Sears stated we had \$125,000 this year, and \$50,000 has been budgeted for next year.

Councilmember Aiken asked the average cost to demolish a house. Mr. Sears stated \$6,000 to \$8,000 is the average price. Mr. Short stated we have done well. We had creative language in the bid package and we were able to group sites and that helped save money and allowed us to demolish more properties.

Councilmember Aiken asked if bids are still be accepted for demolishing houses. Mr. Short stated not for the houses that will be demolished by July 1<sup>st</sup>, but anyone interested in the work should contact the Planning Department. Mr. Sears added bidders have to be bonded and able to do the work within a certain time frame.

Councilmember Aiken asked what properties can be purchased directly from the city. Mr. Short stated the City owns about 1,200 properties, but most are buyout [flood] properties that cannot be conveyed. The remaining properties are a short list. We don't have any vacant buildings that are not in use, it is mostly vacant lots.

Councilmember Aiken asked if the Pride of Kinston has any store front property.

Leon Steele, Executive Director, stated Pride just has one. Mr. Sears added most of the property downtown is in private ownership.

Councilmember Suggs asked if Morningside Drive property [apartment buildings] is on the list. Mr. Short stated we have not condemned that property and it is not part of our demolition. They have applied for buyout and are somewhat in limbo. They are waiting to see what happens with the buyout process. Mr. Sears stated given the size and number of units, it would be difficult for the City to do the demolition. It is owned by the same person who owns the mall.

Mr. Short stated from the staff perspective, we wanted to wait for the buyout process before we move forward with the condemnation because we don't want to be perceived as forcing their hand, if it is ultimately bought out.

Councilmember Aiken asked if there are more houses that Hope Restoration can rehab. Mr. Short stated he is in constant communications with Hope to help them find properties. We don't own any properties with buildings on them, but if we have identified a house for condemnation, we share it with them. We look to see if it can be foreclosed and then conveyed, otherwise we can't acquire it and sell it directly to them. Mr. Sears added that we work to help broker the acquisition of the properties.

**3. Special Events Permit for Summerfest Concert Series.....Alonzo Jaynes**

Alonzo Jaynes, Police Chief, stated this requires the street closure of Mitchell Street between West North and West Gordon Streets on June 21, July 4, August 2 and August 23.

**4. Special Events Permit for Church of Bethesda Community Outreach.....  
.....Alonzo Jaynes**

Alonzo Jaynes, Police Chief, stated this event is June 30<sup>th</sup> at 214 South East Street and will close South East Street between King and Bright Streets.

**5. Bid Award for Water Meter Materials for Smartgrid project.....Steve Miller**

Steve Miller, Assistant Public Services Director, stated we will replace 9,600 water meters and retrofitting about 2,100 existing meters that are less than five years old. Along with other items such as some of the meter boxes, meter setters and meter box lids. Seven bids, including the base bid and an alternate bid, were received May 24, 2018. The low bidder was TEC Utilities with a bid \$244,938.84 and an alternate bid of \$252,114.52. The funds are in the project.

Councilmember Aiken asked if we had two communities that we have put meters in so far. Mr. Miller stated we had two pilot areas inside of the city limits. We wanted to make sure we could

read the meters and get the communications signals back from the meters to do billing from the office, and it has worked successfully. Meter readers will not have to go out to the site, and it will be automated. We have also seen load management opportunities to monitor loads in our system. Towards the end the project, we will look at putting in new load management switches for customers. We will expand our air conditioning load management program with partial control. We will have an outage system where we will receive a message when a meter, a transformer or an entire circuit loses power.

Councilmember Aiken asked if the computers will need to be upgraded. Mr. Miller stated the data will be stored on a server at ElectriCities. The electric system will cover the cost of the installation and the total cost is around \$6.5 million. We project a savings of around \$600,000 in savings per year and the cost should be recovered in about six or seven years.

#### **6. Bid Award for the installation of Water Meters for Smartgrid project...Steve Miller**

Steve Miller, Assistant Public Services Director, stated we don't have the staff to do the installation in a timely manner, so a contractor will do the installations. Three bids were received May 30<sup>th</sup> and the lowest responsive bidder was Vanguard Utility Service with a base bid of \$452,611.95. The base bid includes changing the meter, installing the antennae and replacing the lid on the box. It does not include the extra work like replacing the box, a bad setter or bad pipe. The contractor provided an hourly rate for extra service. We estimate one quarter of the meters will need some type of extra service. We expect about 2,000 hours for the extra repairs at a rate of \$65 an hour. This will only be spent if they have to do the extra work.

Mr. Sears asked Mr. Miller to explain the replacement process. Mr. Miller stated the electric meters and water will be done in the same neighborhood at the same time. Electric meters will be done by City staff and the water meters by a contractor. City staff will be with the contractors overseeing the work. We are expecting to replace 170 electric and water meters every week. We expect the project will take about a year and a half to do all of the meters. We have about 12,000 of each. Notices will be sent to customer through social media, the website, the newspaper and street signage with a day or two notice. Most customers water interruption should be 15-30 minutes and electric interruptions should be 3-4 minutes, unless there are extraordinary circumstances. When we arrive at a customer's house, we will knock on the door to let them know that we are there to change out the meters.

Councilmember Aiken asked if current meters can be read without going to the meter. Mr. Miller stated some of our meters can be read with a handheld device within the vicinity. With this system all the readings can be done from the office and no one will have to go in the field at all.

Councilmember Tyson asked how many positions will be loss. Rhonda Barwick, Public Services Director, stated we have had a lot of turnover in the meter reading division. We have one

position that is a traditional meter reader. We have had to pull meter technicians to actually do rereads. We believe that attrition will take care of it, but there will be a need for a different type of employee to process the data.

**7. Installation of four-way stop at Mitchell and West Blount Streets...Rhonda Barwick**

Rhonda Barwick, Public Services Director, stated the city received a petition to install a four way stop at this location. Clarice Bryant, Traffic Engineer, compared the need against the Manual of Uniformed Traffic Control Devices (MUTCD) which is a guideline that cities and states use. The intersection does not meet the volume of traffic accidents or other requirements under the MUTCD. The issue that the neighborhood perceives is speed and view obstruction. The community had 111 signatures on the petition.

Councilmember Aiken stated that he would suggest adding the thick white lines at the intersections to help people realize they need to stop.

**Stephen Hill, Petitioner**, stated he hopes that the request is approved. More tourists are coming into town and people are walking in the neighborhood. Residents use Mitchell Street as a bypass and they drive very fast. He has had employees hit at the intersection.

Councilmember Suggs confirmed that wide white lines will be included at the intersection.

**8. FY 2018 Operating Budget Amendment.....Donna Goodson**

Donna Goodson, Finance Director, stated we have several amendments in the City Manager’s office for additional legal expenditures, Grainger Stadium for a fire that occurred in the weight room, and the transfer from the Electric Fund to fund future capital outlay for the Queen Street redesign.

Mayor Pro Tem Solomon asked if expenses for litigation will be less the upcoming year. Mr. Sears stated that is correct, and we should not see that in the future.

**9. Interim Financial Update as of March 31, 2018.....Donna Goodson**

Donna Goodson, Finance Director, stated the report reflects 75% of the year complete from July 1<sup>st</sup> to March 31<sup>st</sup>. The City has received more than \$71 million in revenue and expended \$64 million. Property taxes collected \$8.6 million which is typical of collection trend. State shared revenue and franchise receipts, we have collected \$1.6 million. \$31,000 has been collected for debt set off. Surplus sales were \$114,000. We are showing spending around 65%.

CLOSED SESSION

Councilmember Suggs made the motion, seconded by Councilmember Tyson and upon a unanimous (4-0) vote (Councilmember Swinson was absent.), City Council entered into closed session pursuant to NCGS 143-318 11(a)(3); Litigation Update, at 6:45 pm.

**Note: Councilmember Swinson arrived for the Closed Session.**

Councilmember Aiken made the motion, seconded by Councilmember Swinson and upon a unanimous vote (5-0) the City Council returned to opens session at 7:02 pm.

RECESS UNTIL 7:00 REGULAR MEETING

REGULAR MEETING

Mayor Don Hardy called the meeting back to order at 7:06 pm.

Councilmember Kristal Suggs led the prayer followed by the Pledge of Allegiance.

CITIZEN COMMENT

**Jerry Kanter, 1007 Harvey Circle,** expressed concerns about if the City accepts the Woodmen donation that the appropriate staff should be obtained to maintain the chemical and water balance in the pool.

**John Nix, 3003 Hillman Road,** expressed his appreciation to City Council for holding the public forum. He expressed several concerns, the City spending tax dollars operating the Woodmen Center; City being in direct competition with private business; it not being the function of the City’s to operate a waterpark and gym; Woodmen’s is contractually obligation; Woodmen has not said they will close; and he would prefer to see Woodmen operated by a private entity. He asked the City Council to please do the fiscally responsible thing.

**Carolyn Dawson** thanked Mayor Hardy, City Council and the Police Chief for attending the Renewing of the Mind forum at Fairfield on June 6th. We are looking forward to having another one to train parents and youth in the community to make it a better place.

**Nicholas Harvey, 1002 N. Queen Street,** stated Woodmen is an emotional decision because it involves our children. He stands in support of the City accepting the Woodmen because it gives our children opportunities. Let’s give our children opportunities they may not have without it.

**Rose Clark, 606 College Street,** expressed her support of the requested for the four way stop at Mitchell at Blount Streets.

**Cassandra Perry, 503 LaRoque Avenue**, expressed her concern about Emma Webb Park. She wants to ensure Emma Webb will be repaired. She is not against Woodmen, just want a resolution and balance.

**Galen Treble, Interim Park and Recreation Director**, stated a busing program has started from Emma Webb to Holloway daily, and we are transporting about 15 children a day.

**Bill Ellis, 2106 Emerson Road**, thanked the Woodmen of the World Foundation and Pat Dees. This community owes them a debt of gratitude because they have taken a beating to do the right thing. Public Parks and Recreation is one of the most important things that we do. We can spend \$75,000 to house a kid in prison or give Parks and Recreation \$250 and give the kid experiences. To some children in our community, Woodmen is as close to Disneyland as they will ever get.

MINUTES

**Consider approval of the minutes of the City Council meeting held Monday, June 4, 2018.....Monique Hicks**

Councilmember Tyson made the motion, seconded by Councilmember Swinson and upon a unanimous vote (5-0) the minutes were approved.

CONSENT AGENDA

- 1. **Consider approval of the Special Events Permit for the Summerfest Concert Series.....Alonzo Jaynes**
- 2. **Consider approval of the Special Events Permit for the Church of Bethesda’s Community Outreach on June 30, 2018.....Alonzo Jaynes**
- 3. **Consider approval of a bid award to TEC Utilities in the amount of \$252,114.52 for the purchase of water meter materials as part of the Smartgrid project.....Steve Miller**
- 4. **Consider approval of a bid award to Vanguard Utility Services in the amount of \$582,611.95 for the installation of water meters for the Smartgrid project.....Steve Miller**
- 5. **Consider adoption of an Ordinance to install a four way stop at the intersection of Mitchell Street and West Blount Street.....Rhonda Barwick**

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES  
OF THE CITY OF KINSTON

**BE IT AND IT IS HEREBY ORDAINED** by the City Council of the City of Kinston that **Section 21-32** of



the Code of Ordinances be amended as follows:

**Section 1.** That the “Stop before entering certain street intersections” provision be amended by including the following:

<u>NAME OF STREET ON WHICH DRIVER IS PROCEEDING</u>	<u>NAME OF INTERSECTING STREET</u>
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	Mitchell Street Blount Street
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**Section 2.** That this Ordinance shall become effective upon its adoption.

**6. Consider adoption of an Ordinance to amend the FY 2017-18 annual operating budget.....Donna Goodson**

**AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET**

**WHEREAS**, the City Council adopted the annual operating budget on June 19, 2017 authorizing appropriations for the General Fund, General Fund Capital Reserve, and Electric 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 City Manager division of the General Fund for additional professional fees due to the City’s involvement in several in-depth matters requiring additional professional services. This will be funded with revenue from an appropriation of General Fund Balance, and

**WHEREAS**, it is necessary to appropriate funds in the Grainger Stadium division of the General Fund to cover the expenses related to a fire in the new weight room at the Grainger Stadium maintenance shop. This will be funded with revenue from an appropriation of General Fund Balance, and

**WHEREAS**, it is necessary to appropriate funds in the Transfers division of the General Fund to the General Fund Capital Reserve to support the desire of the Board to fund future capital outlay pertaining to the Queen Street Redesign. This will be funded with revenue from an appropriation of revenue in Transfers from Electric Fund, and

**WHEREAS**, it is necessary to appropriate funds in the General Fund Capital Reserve Fund Transfers division to set aside funds for future capital outlay relating to the Queen Street Redesign. This will be funded with revenue from an appropriation of Transfer from the General Fund, and

**WHEREAS**, it is necessary to appropriate expenditures in the Transfers division of the Electric Fund to transfer funds to the General Fund for future capital outlay relating to the Queen Street Redesign. This will be funded with revenue from an appropriation of Fund Balance in the Electric 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>			
Transfer from Electric Fund	\$ 800,000.00	\$ 2,300,000.00	\$ 1,500,000.00
Appropriated Fund Balance	1,925,106.01	2,081,206.01	156,100.00
Total Other General Fund Revenues	<u>22,917,016.00</u>	<u>22,917,016.00</u>	-
Total Revenues	<u>\$ 25,642,122.01</u>	<u>\$ 27,298,222.01</u>	<u>\$ 1,656,100.00</u>
<b>Expenditures:</b>			
City Manager - Administration			
Salaries and Benefits	\$ 401,663.00	\$ 469,263.00	\$ 67,600.00
Professional Services - Legal	105,600.00	165,100.00	59,500.00
Professional Services - Other	-	5,000.00	5,000.00
Other City Manager-Administration Expenditures	43,771.01	43,771.01	-
Recreation - Stadium			
Claims and Adjustments	1,000.00	25,000.00	24,000.00
Other Recreation - Stadium Expenditures	344,849.00	344,849.00	-
Transfers to Other Funds			
Transfer to Capital Reserve	145,311.00	1,645,311.00	1,500,000.00
Other Transfers Expenditures	1,165,392.00	1,165,392.00	-
Total Other General Fund Expenditures	<u>23,434,536.00</u>	<u>23,434,536.00</u>	-
Total Expenditures	<u>\$ 25,642,122.01</u>	<u>\$ 27,298,222.01</u>	<u>\$ 1,656,100.00</u>
<b>General Fund - Capital Reserve Fund</b>			
<b>Revenues:</b>			
Transfer from General Fund	\$ 145,311.00	\$ 1,645,311.00	\$ 1,500,000.00
Total Other Gen Fund Capital Res. Fund Revenues	<u>118,990.00</u>	<u>118,990.00</u>	-
Total Revenues	<u>\$ 264,301.00</u>	<u>\$ 1,764,301.00</u>	<u>\$ 1,500,000.00</u>
<b>Expenditures:</b>			
Transfers to Other Funds			
Transfers to Fund Balance	\$ 145,611.00	\$ 1,645,611.00	\$ 1,500,000.00
Total Other Transfers to Other Funds	<u>118,690.00</u>	<u>118,690.00</u>	-
Total Expenditures	<u>\$ 264,301.00</u>	<u>\$ 1,764,301.00</u>	<u>\$ 1,500,000.00</u>
<b>Electric Fund</b>			
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 481,916.71	\$ 1,981,916.71	\$ 1,500,000.00
Total Other Electric Revenues	<u>49,230,483.00</u>	<u>49,230,483.00</u>	-
Total Revenues	<u>\$ 49,712,399.71</u>	<u>\$ 51,212,399.71</u>	<u>\$ 1,500,000.00</u>
<b>Expenditures:</b>			
Transfers to Other Funds			
Transfer to General Fund	\$ 800,000.00	\$ 2,300,000.00	\$ 1,500,000.00
Total Other Transfers Expend.	<u>8,330,608.00</u>	<u>8,330,608.00</u>	-
Total Other Electric Fund Expend.	<u>40,581,791.71</u>	<u>40,581,791.71</u>	-
Total Expenditures	<u>\$ 49,712,399.71</u>	<u>\$ 51,212,399.71</u>	<u>\$ 1,500,000.00</u>

Councilmember Tyson made the motion, seconded by Councilmember Suggs and upon a unanimous vote (5-0) the **six items on the Consent Agenda** were approved.

**ACTION AGENDA**

- 1. Conduct a Public Hearing and consider approval of a Conditional Use Permit for a sand pit on two parcels totaling 153 acres located on New Bern Highway/Highway 70 near Skinner’s Bypass.....Adam Short**

Adam Short, Planning Director, stated we received this request from Ernest Everett. The actual impacted area is about 21 acres. Property is zoned I-2, General Industrial. All areas are flood plain areas.

Mayor Hardy declared the public hearing open.

**Ernie Everett, Ernie Everett Site Prep and Demolition**, stated the sand pit is similar to what we have done in Happersville. A pond will be built. Sand pit will be used for building and providing sand for multiple concrete plants. We have gone through the Army Corps of Engineers and DENR. It should have a positive impact on future flooding to give water more displacement. It will be an 18 acre lake and sloped back. It will have to be bonded through the Water Quality

Division and DENR. We will have the banks sloped back to a safe elevation and we will not have to worry about erosion.

**Clifton Grant, Owner of property on Highway 70 across from the site**, stated he does not want to hold up progress, but want to make sure that his building will not be interrupted. He suggested putting a retaining wall around his property because his property was there before the sand pit. He wants to make sure the project will not upset his property in any way. All he has is invested in his property. He has the plans coming to build a new building. If the water comes up, it could damage the building. He would ask Mr. Everett to build a retaining wall around his property before he starts to dig to give assurance that his property will not be damaged.

Mr. Short showed the property owned by Clifton Grant on the map which is on the opposite side of Highway 70.

After no one else speaking in favor of or in opposition, the public hearing was closed.

Councilmember Aiken asked Mr. Everett if he is willing to build the wall. Mr. Everett confirmed the location of Mr. Grant's property. He stated that he is held by the Army Corps of Engineers and DENR and the pit has been designed so that there is no run off of water and we have special aprons to let water go through so that make sure erosion doesn't go through. DENR has issued an erosion design permit for the pond. There is no way it will bother his property because it is on the other side of the highway. If anything would flood, we would be helping the situation. There is a mound of dirt across the property about 14 feet high. If the area floods, this project will give the water an additional space to go. He is not sure why he [Mr. Grant] needs a berm around his property on the other side of the road. If something is needed in the future, we will, but our project will not impact his property. We are under strict guidelines. Anytime we disturb over an acre, we have to adhere to vigorous guidelines to ensure we don't impact our neighbors. Even if we were on his side of the road, it would improve the situation.

Councilmember Aiken asked how long it will take to sand pit 18 acres. Mr. Everett stated probably 3-4 years, depending on the economy. David Sutton, Neuse Sand and Gravel, is retiring and I'm taking over his customers and he is helping me with this project.

Councilmember Tyson asked if there is another sand pit in Lenoir County. Mr. Everett stated there are multiple, they are all over. They are everywhere up and down Neuse Road. We did one in the Happersville area about eight years ago, and it is now used for fishing. Once we get out all of the sand that we can get, we could possibly turn it into a recreational area and donate it to the City.

Councilmember Swinson made the motion, seconded by Councilmember Aiken and upon a unanimous vote (5-0) the following Conditional Use Permit was approved:

**ORDER GRANTING A CONDITIONAL USE PERMIT  
FOR A SAND PIT AT 601 WEST NEW BERN ROAD**

**WHEREAS**, following due advertisement announcing a public hearing as provided by law, the City Council for the City of Kinston, North Carolina held said public hearing June 18, 2018 to consider an application for a Conditional Use Permit for a Sand Pit located at 601 West New Bern Road (NC PINs 452405083596 & 452405181950).

The City Council, having heard all of the evidence and arguments presented and reports from City Officials pertaining to said application, makes the following:

**FINDINGS OF FACT**

1. That the proposed sand pit would be allowable in the I-2 (General Industrial) zoning district with the approval of a Conditional Use Permit in accordance with the City of Kinston Unified Development Ordinance;
2. A Public Hearing before the City Council was held on June 18, 2018 to consider the issuance of a Conditional Use Permit;
3. The Planning Board recommended approval of the request at their specially scheduled meeting held on June 14, 2018 by unanimous vote;
4. No evidence has been presented indicating that the project, if completed as proposed, will endanger public health or safety;
5. No evidence has been presented indicating the project will reduce or injure the values of adjoining or abutting properties;
6. No evidence has been presented to indicate that the project, if completed as proposed, will not be in harmony with other development and uses within the area;
7. No evidence has been presented indicating proposed use is not in general conformity with the city's land use plan and other plans officially adopted;

Based upon the foregoing FINDINGS OF FACT, the City Council makes the CONCLUSION that the proposed use does satisfy the general conditions imposed on the Council in its deliberations by the Unified Development Ordinance for issuing a Conditional Use Permit. In support of this action the Council makes the following additional CONCLUSIONS:

1. All of the general and specific conditions pursuant to the issuance of a Conditional Use Permit have been satisfied.
2. The Applicant can fully comply with all the specific requirements stated in the Unified Development Ordinance for the proposed use.
3. The development will not endanger the public health or safety.
4. The development will not injure the value of adjoining or abutting property.
5. The development will be in harmony with the existing development and uses within the area in which it is to be located.
6. The proposed use is in general conformity with the city's land use plan and other plans officially adopted.

THEREFORE, because the City Council concludes that all of the general and specific conditions precedent to the issuance of a Conditional Use Permit have been satisfied, IT IS ORDERED that the application dated March 2, 2018 by Ernest Everett for the issuance of a Conditional Use Permit BE GRANTED, subject to technical corrections by city staff.

**2. Consider adoption of a Resolution authorizing the sale of 920 Herbert Drive for \$600 to Clyde and Mary Noble.....James Cauley**

James Cauley, City Attorney, stated this was approved for advertising a few weeks ago and there were no upset bids.

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote (5-0) the following Resolution was approved.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KINSTON  
AUTHORIZING SALE OF REAL PROPERTY**

**WHEREAS**, the City of Kinston is the owner of the hereinafter described real property in the City of Kinston, Lenoir County, North Carolina, bearing Lenoir County Tax Parcel no. 453510470551, and being the property located at 920 Herbert Drive, Kinston, North Carolina.

**WHEREAS**, the City Council of the City of Kinston has no further need or use for said property, and it would be in the best interests of the citizens of the City of Kinston for said real property to be sold by the negotiated offer, advertisement and upset bid method; and

**WHEREAS**, a notice was published in the Kinston Free Press, setting forth the offer to purchase said real property for a purchase price of Six Hundred Dollars, (\$600.00); and

**WHEREAS**, the public notice invited other individuals and entities to increase the bid, and more than ten (10) days have lapsed since the notice was published in the Kinston Free Press and no one has increased the bid, and the City Council desires to confirm and approve the sale.

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

1. The sale of the hereinbefore real property to Clyde Noble and Mary Noble is hereby ratified and affirmed with the selling price being Six Hundred Dollars, (\$600.00).
2. The City Attorney shall cause a deed to be prepared from the City of Kinston to Clyde Noble and Mary Noble, or their assigns, and shall be authorized to tender the deed upon payment of the purchase price by the buyer.
3. That the Mayor and City Clerk shall execute said deed and such other documents as may be necessary on behalf of the City of Kinston to accomplish this transaction.

**3. Consider adoption of a Resolution to accept a donation of real property.....James Cauley**

James Cauley, City Attorney, stated this has been worked on for some time. We had an opportunity for public comments. Mr. Dees from Woodmen Life is here and can answer any questions that you may have.

**Patrick Dees, Woodmen Life President, CEO and Chairman**, stated our organization was founded 128 years ago with the principle of supporting family, community and patriotic endeavors. Our organization has offered to acquire the Woodmen Community Center property from the Woodmen Foundation and in turn donate it to the City. It is very much in line with what we do and what we value as Woodmen of the World. We are very grateful to the City for its operation of the facility to date. It is a beautiful and world class facility. I would encourage City Council to take action and accept our gift.

Mayor Pro Tem Solomon stated it was a pleasure to have the opportunity to talk with Mr. Dees and hear his expressed heart and also for him to clarify some questions. We are grateful for you reaching out.

Councilmember Tyson made the motion to accept the donation made by Woodmen to the City of Kinston, second by Councilmember Swinson and upon a MAJORITY roll call vote (4-1, Mayor Pro Tem Solomon voted no.), the following resolution was adopted.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KINSTON  
TO ACCEPT DONATION OF REAL PROPERTY**

**WHEREAS**, Woodmen of the World Life Insurance Society (“Donor”) owns or anticipates owning certain real property within the corporate limits of the City of Kinston located at 2602 West Vernon Ave, Kinston, North Carolina and bearing Lenoir County Tax Parcel #451509252226 (the “Property”); and

**WHEREAS**, The Donor desires to give unto the City of Kinston a donation of the Property, and

**WHEREAS**, The City Council of the City of Kinston finds it in the best interest of the City to accept the donation of Property from the Donor.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KINSTON**, that

1. The Property referenced herein shall be accepted as a donation to the City of Kinston from Donor on the terms presented to the City Council.
2. The proposed conveyance documents presented to the City Council are hereby approved but subject to such further revisions or amendments as deemed necessary and approved by the City Attorney.
3. The Mayor, Manager, City Clerk, Finance Officer, City Attorney and other municipal officials are authorized and directed to execute and deliver to the Donor such documents as are necessary or accomplish this transaction.

Mayor Pro Tem Solomon stated this vote is not whether or not the Woodmen Center should close, but the vote is for if we should take the gift. Without question we want it to remain open. If we don’t get this right, we will take a beating. She would like to see a plan in place because it is a big responsibility. With a gift as wonderful as this, it is important to have all ducks in a row to make sure we are able to properly take care of the gift.

Councilmember Aiken suggested a committee be formed to discuss a business plan.

Councilmember Suggs thanked Mr. Dees for conversing with City Council today. We need to hold ourselves and our staff accountable. Transparency is important and is imperative. This was my very first issue after being sworn in. We have to step up and hold each other accountable for a level of transparency that has to be met. I’m determined to make sure that transparency will not be a question when it comes to the citizens in our community.

**4. Conduct a Public Hearing and consider adoption of the proposed FY 2018-2019 Annual Operating Budget Ordinance .....Tony Sears**

Tony Sears, City Manager, stated the budget was presented at the last City Council meeting. This budget will be \$116 million and our property tax will remain the same at \$.70 per \$100 valuation. We used \$674,000 of Fund Balance to balance the budget. There will be a Sewer fee increase of 10% and Environmental Services will have a 15% increase. There will be a new dump truck for Water Operations, 2 garbage trucks for Environmental Services, and a bucket truck for Electric Operations. A milestone for this budget is the creation of a Health Self-funded insurance and rate service plan. We will be self-insured moving forward. We have an Electric Rate Stabilization Fund. The City still has 380 full-time employees. The budget also includes the purchase of a Ladder Truck for \$1.5 million. Also, there is a reclassification of the Budget Analyst, Catherine Gwynn, to Assistant City Manager to oversee the Finance department.

Councilmember Tyson confirmed the reclassification does not include a salary adjustment.

Mayor Hardy opened the public hearing, and after no one speaking in favor of or in opposition, the public hearing was closed.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a - unanimous vote (5-0) the following budget Ordinance was adopted to approve the FY 2018-2019 Annual Operating Budget:

**ANNUAL BUDGET ORDINANCE  
FOR FISCAL YEAR 2018-19**

**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, 2018 and ending June 30, 2019 according to the following summary and schedules.

**Section 1**

<b><u>SUMMARY</u></b>	<b><u>REVENUES</u></b>	<b><u>APPROPRIATIONS</u></b>
General Fund	\$ 25,995,646.00	\$ 25,995,646.00
General Fund Capital Reserve	1,881,424.00	1,881,424.00
Community Development	1,615,500.00	1,615,500.00
Woodmen Community Center Fund	6,898.00	6,898.00
Water Fund	10,516,094.00	10,516,094.00
Water Resources Capital Reserve Fund	219,619.00	219,619.00
Wastewater Fund	6,880,356.00	6,880,356.00
Wastewater Capital Reserve Fund	233.00	233.00
Electric Fund	51,183,636.00	51,183,636.00
Electric Capital Reserve Fund	2,376,000.00	2,376,000.00
Electric Rate Stabilization Reserve Fund	2,668,965.00	2,668,965.00
Environmental Services Fund	4,703,270.00	4,703,270.00
Stormwater Fund	1,325,508.00	1,325,508.00
Public Services Fund	2,265,147.00	2,265,147.00
Employee Health & Insurance Fund	694,469.00	694,469.00
Health Self-Insurance Fund	2,801,868.00	2,801,868.00
Fleet Maintenance Fund	646,454.00	646,454.00
Inventory Fund	571,188.00	571,188.00
Facilities & Property Management Fund	570,200.00	570,200.00
Temple Israel Perpetual Care Fund	300.00	300.00
Subtotal	\$ 116,922,775.00	\$ 116,922,775.00
Less: Internal Service Funds	<u>(7,549,326.00)</u>	<u>(7,549,326.00)</u>
TOTAL BUDGET	<u>\$ 109,373,449.00</u>	<u>\$ 109,373,449.00</u>

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



**REVENUES****GENERAL FUND**

Property Taxes	\$	9,967,045.00	
Other Taxes		6,987,966.00	
Intergovernmental		1,181,833.00	
Sales & Service		1,698,879.00	
Shared Services Reimbursement		1,919,749.00	
Other Revenues		279,248.00	
Proceeds From Borrowing		556,953.00	
Interfund Transfers		2,729,921.00	
Appropriated Fund Balance		674,052.00	
TOTAL GENERAL FUND			\$ 25,995,646.00

**GENERAL FUND CAPITAL RESERVE**

Investment Earnings	\$	800.00	
Interfund Transfers		1,674,224.00	
Appropriated Fund Balance		206,400.00	
TOTAL GENERAL FUND CAPITAL RESERVE			\$ 1,881,424.00

**WOODMEN COMMUNITY CENTER FUND**

Sales & Services	\$	1,615,500.00	
Appropriated Fund Balance		-	
TOTAL WOODMEN COMMUNITY CENTER FUND			\$ 1,615,500.00

**COMMUNITY DEVELOPMENT FUND**

Investment Earnings	\$	100.00	
Other Revenues		6,798.00	
TOTAL COMMUNITY DEVELOPMENT FUND			\$ 6,898.00

**WATER FUND**

Water Sales	\$	8,676,000.00	
Investment Earnings		13,000.00	
Other Revenue		277,100.00	
Shared Services Reimbursement		1,549,994.00	
Interfund Transfers		-	
Proceeds From Borrowing		-	
Appropriated Fund Balance		-	
TOTAL WATER FUND			\$ 10,516,094.00

**WATER RESOURCES CAPITAL RESERVE FUND**

Investment Earnings	\$	1,200.00	
Interfund Transfers		218,419.00	
Appropriated Fund Balance		-	
<b>TOTAL WATER RESOURCES CAPITAL RESERVE FUND</b>			<u><u>\$ 219,619.00</u></u>

**WASTEWATER FUND**

Sewer Charges	\$	6,100,000.00	
Investment Earnings		6,500.00	
Other Revenue		499,600.00	
Interfund Transfers		-	
Appropriated Fund Balance		274,256.00	
<b>TOTAL WASTEWATER FUND</b>			<u><u>\$ 6,880,356.00</u></u>

**WASTEWATER CAPITAL RESERVE FUND**

Investment Earnings	\$	233.00	
Interfund Transfers		-	
Appropriated Fund Balance		-	
<b>TOTAL WASTEWATER CAPITAL RESERVE FUND</b>			<u><u>\$ 233.00</u></u>

**ELECTRIC FUND**

Electric Sales	\$	45,311,700.00	
Investment Earnings		5,000.00	
Other Revenue		3,490,936.00	
Interfund Transfers		2,376,000.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC FUND</b>			<u><u>\$ 51,183,636.00</u></u>

**ELECTRIC CAPITAL RESERVE FUND**

Investment Earnings	\$	6,400.00	
Interfund Transfers		2,065,000.00	
Appropriated Fund Balance		304,600.00	
<b>TOTAL ELECTRIC CAPITAL RESERVE FUND</b>			<u><u>\$ 2,376,000.00</u></u>

**ELECTRIC RATE STABILIZATION RESERVE FUND**

Investment Earnings	\$	-	
Interfund Transfers		2,668,965.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND</b>			<u><u>\$ 2,668,965.00</u></u>

**ENVIRONMENTAL SERVICES FUND**

Sales & Services	\$	4,105,270.00	
Investment Earnings		1,000.00	
Other Revenue		69,000.00	
Proceeds From Borrowing		528,000.00	
Appropriated Fund Balance		-	
TOTAL ENVIRONMENTAL SERVICES FUND			<u>\$ 4,703,270.00</u>

**STORMWATER FUND**

Utility Fees	\$	1,016,280.00	
Investment Earnings		2,100.00	
Other Revenue		134,364.00	
Proceeds From Borrowing		127,000.00	
Appropriated Fund Balance		45,764.00	
TOTAL STORMWATER FUND			<u>\$ 1,325,508.00</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	\$	4,259,566.00	
Planning		307,640.00	
Public Safety		10,921,316.00	
Infrastructure		2,057,185.00	
Engineering		656,262.00	
Parks & Recreation		4,290,567.00	
Interfund Transfers & Shared Services Reimbursement		2,834,110.00	
Organizational Support		669,000.00	
<b>TOTAL GENERAL FUND</b>			<b>\$ 25,995,646.00</b>

**GENERAL FUND CAPITAL RESERVE**

Interfund Transfers & Shared Services Reimbursement	\$	207,200.00	
Transfer to Fund Balance		1,674,224.00	
<b>TOTAL GENERAL FUND CAPITAL RESERVE</b>			<b>\$ 1,881,424.00</b>

**WOODMEN COMMUNITY CENTER FUND**

Interfund Transfers & Shared Services Reimbursement	\$	921.00	
Woodmen Community Center Operations		1,614,579.00	
<b>TOTAL WOODMEN COMMUNITY CENTER FUND</b>			<b>\$ 1,615,500.00</b>

**COMMUNITY DEVELOPMENT FUND**

Community Development	\$	6,898.00	
<b>TOTAL COMMUNITY DEVELOPMENT FUND</b>			<b>\$ 6,898.00</b>

**WATER FUND**

Water Operations	\$	8,717,357.00	
Interfund Transfers & Shared Services Reimbursement		1,489,037.00	
Debt Service		309,700.00	
<b>TOTAL WATER FUND</b>			<b>\$ 10,516,094.00</b>

**WATER CAPITAL RESERVE FUND**

Transfer to Fund Balance	\$	219,619.00	
<b>TOTAL WATER CAPITAL RESERVE FUND</b>			<b>\$ 219,619.00</b>

**WASTEWATER FUND**

Wastewater Operations	\$	2,329,973.00	
Interfund Transfers & Shared Services Reimbursement		2,561,783.00	
Debt Service		1,988,600.00	
TOTAL WASTEWATER FUND			<u>\$ 6,880,356.00</u>

**WASTEWATER CAPITAL RESERVE FUND**

Transfer to Fund Balance	\$	233.00	
TOTAL WASTEWATER CAPITAL RESERVE FUND			<u>\$ 233.00</u>

**ELECTRIC FUND**

Electric Operations	\$	39,394,632.00	
Interfund Transfers & Shared Services Reimbursement		10,971,611.00	
Debt Service		817,393.00	
TOTAL ELECTRIC FUND			<u>\$ 51,183,636.00</u>

**ELECTRIC CAPITAL RESERVE FUND**

Interfund Transfers & Shared Services Reimbursement	\$	2,376,000.00	
Transfer to Fund Balance		-	
TOTAL ELECTRIC CAPITAL RESERVE FUND			<u>\$ 2,376,000.00</u>

**ELECTRIC RATE STABILIZATION RESERVE FUND**

Interfund Transfers & Shared Services Reimbursement	\$	-	
Transfer to Fund Balance		2,668,965.00	
TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND			<u>\$ 2,668,965.00</u>

**ENVIRONMENTAL SERVICES FUND**

Environmental Services Operations	\$	3,133,778.00	
Interfund Transfers & Shared Services Reimbursement		1,304,734.00	
Debt Service		264,758.00	
TOTAL ENVIRONMENTAL SERVICES FUND			<u>\$ 4,703,270.00</u>

**STORMWATER FUND**

Stormwater Operations	\$	756,020.00	
Interfund Transfers & Shared Services Reimbursement		513,688.00	
Debt Service		55,800.00	
TOTAL STORMWATER FUND			<u>\$ 1,325,508.00</u>

**TEMPLE ISRAEL PERPETUAL CARE FUND**

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

Section 3: There is hereby levied for the fiscal year ending June 30, 2019, the following rate on each \$100 of assessed valuation of taxable property as listed as of January 1, 2018 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 \$.70

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$1,367,000,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.95% is based on the previous year's collections.

Section 4: There is hereby levied for the fiscal year ending June 30, 2019, the following rate of taxes on each \$100 of assessed valuation of property in the Municipal Service District listed as of January 1, 2018 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 \$26,300,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.95% is based on previous year's collections.

Section 5: There is hereby levied for the fiscal year ending June 30, 2019, 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, 2018 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 \$205,520,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.95% 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 amended for zoning violations, voluntary annexation, variance and landmark applications. The Manual of Fees and Charges is hereby amended to reflect the new rate sheet attached.

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: Woodmen 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.

Section 14: Water rates will have an increase in Large Industrial Rate only due to the expiration of an economic development agreement. The Manual of Fees and Charges is hereby amended to reflect the new rate sheets attached.

Section 15: Wastewater (Sewer) Rates will increase 10% (ten percent) in all rate classes and steps including Wholesale Sewer Rates. Sewer tap fees will have a decrease to comply with requirements of North Carolina Session Law 2017-138. The Manual of Fees and Charges is hereby amended to reflect the new rate sheets attached.

Section 16: Environmental Service Fees will increase 15% (fifteen percent) per month for Residential fees and Commercial fees. The Manual of Fees and Charges is hereby amended to reflect the new rate sheets attached.

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, 2018, 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.

**PUBLIC SERVICES FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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

**Section 1 Expenditures**

Administration	\$	803,390.00	
Business Office		930,180.00	
Meter Reading		516,481.00	
Shared Services Reimbursement		9,153.00	
Debt Service		5,943.00	
<b>TOTAL PUBLIC SERVICES FUND EXPENDITURES</b>		<b>2,265,147.00</b>	<b>\$ 2,265,147.00</b>

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

**Section 2 Revenues**

Shared Services Reimbursement	\$ 2,250,248.00	
Investment Earnings	8,250.00	
Appropriated Fund Balance	6,649.00	
<b>TOTAL PUBLIC SERVICES FUND REVENUES</b>		<u><u>\$ 2,265,147.00</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, 2018, 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.

**EMPLOYEE HEALTH & INSURANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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

**Section 1 Expenditures**

Employee Health	\$ 185,651.00	
Worker's Compensation	378,200.00	
Risk Management	118,986.00	
Shared Services Reimbursement	11,632.00	
<b>TOTAL EMPLOYEE HEALTH &amp; INSURANCE FUND EXPENDITURES</b>		<u><u>\$ 694,469.00</u></u>

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

**Section 2 Revenues**

Appropriated Fund Balance	\$ -	
Investment Earnings	4,100.00	
Shared Services Reimbursement	690,369.00	
<b>TOTAL EMPLOYEE HEALTH &amp; INSURANCE FUND REVENUES</b>		<u><u>\$ 694,469.00</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, 2018, 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.

**HEALTH SELF INSURANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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

**Section 1 Expenditures**

Self Insured Health Benefits	\$ 2,137,295.00	
Transfers to Fund Balance	<u>664,573.00</u>	
<b>TOTAL HEALTH SELF INSURANCE FUND EXPENDITURES</b>		<b><u>\$ 2,801,868.00</u></b>

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

**Section 2 Revenues**

Health Insurance Premiums Collected	\$ 2,706,609.00	
Investment Earnings	100.00	
Shared Services Reimbursement	<u>95,159.00</u>	
<b>TOTAL HEALTH SELF INSURANCE FUND REVENUES</b>		<b><u>\$ 2,801,868.00</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, 2018, 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

**FACILITIES AND PROPERTY MAINTENANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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	\$ 267,700.00	
Miscellaneous Properties	96,800.00	
Building and Grounds/Public Service Complex	205,700.00	
Transfers to Fund Balance	-	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE EXPENDITURES</b>		<b><u>\$ 570,200.00</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	\$ 489,200.00	
Investment Earnings	1,350.00	
Appropriated Fund Balance	79,650.00	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE REVENUES</b>		<b><u>\$ 570,200.00</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, 2018, 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.

**FLEET MAINTENANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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

**Section 1 Expenditures**

Fleet Maintenance	\$ 641,260.00	
Shared Services Reimbursement	3,069.00	
Debt Service	2,125.00	
<b>TOTAL FLEET MAINTENANCE FUND EXPENDITURES</b>		<b><u>\$ 646,454.00</u></b>

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

**Section 2 Revenues**

Shared Services Reimbursement	\$ 529,117.00	
Labor Sales Fleet Maintenance	117,337.00	
Appropriated Fund Balance	<u>-</u>	
<b>TOTAL FLEET MAINTENANCE FUND REVENUES</b>		<b><u>\$ 646,454.00</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, 2018, 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.

**INVENTORY FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2018 - June 30, 2019**

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

**Section 1 Expenditures**

Fuel Purchases	\$ 553,661.00	
Transfers to Fund Balance	<u>17,527.00</u>	
<b>TOTAL INVENTORY FUND EXPENDITURES</b>		<b><u>\$ 571,188.00</u></b>

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

**Section 2 Revenues**

Reimbursement of Fuel Purchases	<u>\$ 571,188.00</u>	
<b>TOTAL INVENTORY FUND REVENUES</b>		<b><u>\$ 571,188.00</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, 2018, 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.

CITY MANAGER'S REPORT
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Tony Sears, City Manager, stated he will be out of town for the July 16, 2018 meeting.

CITY ATTORNEY'S REPORT
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The City Attorney had no report.

MAYOR AND COUNCILMEMBER REPORTS
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Councilmember Swinson apologized for his late arrival and casual attire due to a flight delay.

Councilmember Aiken asked about National Night Out. Alonzo Jaynes, Police Chief, stated that National Night Out is scheduled for Tuesday, August 7<sup>th</sup> at Pearson Park.

Councilmember Aiken stated a great lady, Shirley Herring, passed away. She had worked with the Pride of Kinston for 28 years. When you travel Herritage Street, you will see the hanging baskets and the planters on Queen Street, they were Ms. Herring's ideas. There will be a celebration of life for her Thursday at Queen Street Church.

Mayor Hardy recognized Lenoir County Commissioner Roland Best who was in attendance.

Mayor Hardy thanked North Carolina Department of Labor Secretary Cheri Berry. The City was recognized and received 12 certificates for safety. He thanked City staff for staying safe.

Mayor Hardy stated we must not continue to make excuses about the things we can't change, we must change them.

ADJOURNMENT
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Councilmember Tyson made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote (5-0) the City Council meeting adjourned at 8:01 pm.

Respectfully submitted,

Monique Hicks, City Clerk