

Kinston City Council AGENDA

Monday, May 4, 2020
Regular Meeting at 5:30 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, May 4, 2020
Regular Meeting at 5:30 pm

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

REGULAR MEETING

Call to Order-----Mayor Don Hardy

Prayer-----Councilmember Robert Swinson

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

PRESENTATIONS AND RECOGNITIONS

1. COVID-19 Update -----Pamela Brown
County Health Director

MINUTES

Consider approval of the minutes of the City Council meeting held on April 20, 2020 -----
Debra Thompson
Motion/Second

ACTION AGENDA

1. Consider Resolution Supporting Application for BUILD Grant Program 2020----Rhonda Barwick
Motion/Second

2. Consider Approval of FY Ending 2020 Audit Contract ----- Donna Goodson
Motion/Second

CITY MANAGER’S REPORT

CITY ATTORNEY’S REPORT

MAYOR AND COUNCILMEMBER REPORTS

ADJOURNMENT

City of Kinston

City Council Agenda



Meeting Date: Monday, May 04, 2020

Agenda Section: Action Agenda

Agenda Item: Resolution

Action Requested: Adopt Resolution

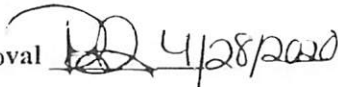
Agenda Item to be Considered

Presenter: Rhonda Barwick, Public Services Director

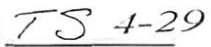
Subject: Consider adopting a Resolution Supporting the City of Kinston's Application for the Federal BUILD Grant Program 2020.

Supporting Documentation: Proposed Resolution

Department Head's Approval

 4/28/2020

City Manager's Approval

 4-29

Budgetary Impact: Other

Staff Recommendation:

RESOLUTION

**A RESOLUTION SUPPORTING THE CITY OF KINSTON APPLICATION
FOR THE FEDERAL BUILD GRANT PROGRAM 2020**

WHEREAS, the City of Kinston has recognized the significance of transportation in and around the City's center core, industrial, educational, medical and commercial areas, and

WHEREAS, the US Department of Transportation has recently solicited project submittals for the Better Utilizing Investments to Leverage Development (BUILD) program, and

WHEREAS, the intent of this program is to help fund projects that increase economic competitiveness, environmental sustainability, safety, and increased quality of life; and

WHEREAS, the City has identified a fixed route transportation project to promote a reliable transportation network for that will address several transportation challenges for residents, visitors, and workforce, and

WHEREAS, the City commits to coordinate efforts to have the project integrated into the required local, regional and state planning documents by September 2022, and

WHEREAS, the City commits to coordinate with the County and other potential partners for ongoing operation and maintenance to financially support the endeavor, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KINSTON, NORTH CAROLINA supports the City of Kinston's USDOT BUILD grant application to promote improved access to reliable, safe and affordable transportation for our community.

Adopted and approved this the _____ day of May 2020.

Mayor

ATTEST:

City Clerk

City of Kinston

City Council Agenda



Meeting Date: Monday, May 04, 2020

Agenda Section: Action Agenda

Agenda Item: Contract

Action Requested: Approve Contract

Agenda Item to be Considered

Presenter: Donna Goodson, Finance Director

Subject: Fiscal Year Ending 2020 Audit Contract

Supporting Documentation: Memo and Contract

Department Head's Approval dlg

City Manager's Approval TS 4/29

Budgetary Impact: No Budgetary Action Required

Staff Recommendation: Approval of Contract

Authorization of City Manager and Finance Director to execute Contract



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: April 28, 2020
To: Tony Sears, City Manager
From: Donna Goodson, Finance Director *dlg*
Subject: Audit Contract with Rives & Associates, LLP

Please consider the request to have City Council authorize the City Manager to execute a contract (copy enclosed) with Rives & Associates, LLP to audit our accounts for the fiscal year ending June 30, 2020. The contract fee is \$43,548 to \$45,048 depending on additional Federal or State Single Audit requirements. The audit report due date is October 31, 2020. The contract must be approved and signed by the City and forwarded to the LGC and approved before any interim field work may begin.

Requested Action

City Council approval at the May 4, 2020 meeting.

City Council approval of attached contract and authorization of City Manager and Finance Director to execute contract.

The	Governing Board City Council
of	Primary Government Unit (or charter holder) City of Kinston
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Rives & Associates, LLP
	Auditor Address 629 Green Valley Road, Suite 201 Greensboro, NC 27408

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slq/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Donna Goodson	Finance Director/City of Kinston	donna.goodson@ci.kinston.nc.us

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of Kinston
Audit Fee	\$ 41,548 to \$43,048
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ 2,000
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$ 32,661

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Rives & Associates, LLP	
Authorized Firm Representative (typed or printed)* Diana Hardy	Signature* <i>Diana Hardy</i>
Date* 04/26/20	Email Address* dhardy@rivescpa.com

GOVERNMENTAL UNIT

Governmental Unit* City of Kinston	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Tony Sears, City Manager	Signature*
Date 04/26/20	Email Address tony.sears@ci.kinston.nc.us

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed) Donna Goodson, Finance Director	Signature*
Date of Pre-Audit Certificate* 04/26/20	Email Address* donna.goodson@ci.kinston.nc.us

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

MINUTES

Monday, April 20, 2020

Minutes
Kinston City Council
City Hall · 207 East King Street
Monday, April 20, 2020
Workshop Cancelled · Regular Meeting at 7:00 pm

(THIS MEETING WAS CONDUCTED ELECTRONICALLY IN ZOOM FORMAT)

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

REGULAR MEETING

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

Mayor Pro Tem Felecia Solomon delivered the prayer, followed by the Pledge of Allegiance.

Present **(Council Chambers)**: Mayor Don Hardy, Mayor Pro Tem Felicia Solomon, Councilmember Sammy Aiken, and Councilmember Antonio Hardy.

Present **(Remote)**: Councilmember Kristal Suggs and Councilmember Robert Swinson.

Present Also: **(Remote)**: Tony Sears, City Manager and James Cauley, City Attorney

The City Clerk and department heads participated remotely.

ACTION AGENDA

Consider Adopting the Remote Participation Policy for Meetings of the Kinston City Council During a Public Health State of Emergency-----Mayor Don Hardy

(THIS ITEM WAS BROUGHT BACK FROM APRIL 6, 2020 MEETING)

Councilmember Sammy Aiken made the motion, seconded by Councilmember Swinson and upon a unanimous vote [5-0], the Remote Participation Policy for Meetings of the Kinston City Council During a Public Health State of Emergency was adopted.

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.

Tony Sears, City Manager requested an addition to the agenda of a closed session for 143-318.11(a) (3)-Litigation on Economic Development.

Councilmember Hardy made the motion, seconded by Councilmember Swinson and upon a unanimous vote [5-0], the agenda was adopted to add a closed session for 143-318.11(a) (3)-Litigation for Economic Development.

PRESENTATIONS AND RECOGNITIONS

1. BUILD Grant Presentation on Proposed Bus Route and Financial Impacts ----- Seth Robertson, P.E., WithersRavenel

Seth Robertson, WithersRavenel introduced Jessica Leggett, a new addition to WithersRavenel and shared that she has played a large role in working on this application and is a Kinston native.

Mr. Robertson shared the information gathered by WithersRavenel and partners working on this project. He related that the partners on the design are the City, Lenoir County, WithersRavenel and RLS and Associates (Engineering/Design/Layout of Bus Route). The total grant application is \$10.6 million with the fixed route bus transit system costing \$1.6 million. Mr. Robertson reviewed the preliminary design for the fixed bus route, the cost of operation and maintenance of the system and the types of commitments needed as part of the application process.

There are two (2) proposed routes with one (1) transfer hub between routes. They will make hourly stops Monday-Saturday from 5:30 am – 6:30 pm. The main hub is in the downtown area. The routes are 1A - W. Vernon/Walmart/Industrial Park (shuttle for drop-off at the industrial businesses) and Route 1B - E. Vernon/MLK. This route consists of 1 bus, 2 shuttles, 10 bus stop shelters, 20 bus stops and 1 transfer point. Route 2A - Plaza/Hospital/GTP (shuttle for drop-off at the Global Transpark businesses) and Route 2B - LCC. This route consists of 1 bus, two shuttles, 7 bus stop shelters, 29 bus stops and 1 transfer point. Mr. Robertson shared that this is included in the BUILD Grant at a cost of \$1,666,773 and would include buses, shuttles, amenities, etc.

Mr. Robertson explained that the estimated annual operations cost of \$510,550 was not covered in the BUILD Grant. This does not include ongoing capital reserves or long term needs for replacement of buses, etc. Operational costs include staffing, electric fare boxes, real-time bus information, maintenance, etc.

The options of covering the needed revenue are ridership fares, taxing (e.g. General Fund Taxes or vehicle taxes). There are also small revenue generators such as partnerships and marketing opportunities on buses and shelters.

Mr. Robertson explained the options of ridership fares. RLS recommended starting with the low end being \$1.00/trip (projected ridership of 55,260 and projected annual revenues of \$55,260). He shared that as the cost goes up the ridership comes down and realistically, we are looking at \$1.00 to \$1.25 for ridership fare. This is in line with other cities across North Carolina. Mr. Robertson discussed the primary potential small revenue generator through partnerships with Lenoir Community College (\$10,000), advertising (\$6,000), UNC Lenoir (\$5,000), Industrial Park/GTP Companies (\$10,000) together with a total of \$31,000. He shared that with this assumption a \$450,000 revenue gap remains.

There was discussion and examples of ridership, small revenue generators, the City of Kinston and/or Lenoir County property tax increase and vehicle fees to cover the revenue gap and provide some additional buffer.

Mr. Robertson stated when submitting the application, there is a part referencing the long term operating and maintenance costs and we do not have to identify how it will be paid, but we do need to have a commitment that says if this project is funded, these are the parties that will make this happen. He explained that the fixed route bus transit would never be self-sufficient; it will be subsidized and will have reasonable cost every year.

Mr. Sears requested information about how this anchors the overall BUILD Grant application. Mr. Robertson shared that the fixed bus routes system makes it viable and pulls it all together. During the preliminary discussions this was what made everyone interested and made the streetscapes, pedestrian bridge competitive. This was the highest scoring part of the application and makes a reason for them to occur. He said that he would say there is not an application without the fixed bus route system.

Councilman Swinson asked if there was a specific radius that was targeted to accommodate. Mr. Robertson stated some was thinking of key areas to serve. He said the eastern part of Kinston was underserved and was a key to serve and Walmart was a clear anchor on one side. The Global Transpark and LCC was to get people to work, school and off-campus facilities and they were important as partners and scoring as well.

Councilmember Hardy asked if this would affect the medical community. Mr. Robertson stated part of the route is laid out to include key medical areas. He thinks it is feasible to connect the places people would need and like to visit.

Mr. Sears stated some may question whether the City has had any conversation with the County. The answer is yes, they have had conversation with the Transit Director and the County Manager. They have been in part of the meetings. They have been helpful in getting information that could be integrated in the project. He said they have not spoken with the Commissioners.

Councilmember Aiken asked if there will be any travel to Greenville or Goldsboro. Mr. Sears stated this plan will just be for Kinston.

Mayor Hardy asked if the routes would be able to be adjusted once the system was up and running. Mr. Robertson answered this was preliminary minimal and viable and this does not preclude for additions to be added later.

Councilmember Aiken had questions regarding the old shirt factory property that the City owns and wondered if there could possibly be a hub at that location that the Greyhound Bus Company could also use. Mr. Sears shared that there has been conversation regarding them using one of the bus stops and how to integrate them. Mr. Aiken asked if the buses would utilize green fuel. Mr. Sears stated there would be room for options. He noted this would be in conjunction with Lenoir County as we would not continue to own the buses; Lenoir County will continue to own and operate the bus system. He said the City is getting the grant.

Mr. Sears talked about past conversation of moving people (bus station, transit, airport the anchor and in looking at other Goldsboro, Wilson and Greenville regarding their getting this things, they had items similar to the fixed route system to anchor their application. The other components will be peripherals on this. We do not have to conclude whether the City will find it in the budget or raise taxes \$0.01, there are other options to look at. This presentation needs to be taken to Lenoir County, but we need support that we want to do this. He stated he did not advise the City to undertake this unilaterally. This is a benefit to Lenoir County citizens; we are all Lenoir County citizens (we pay Lenoir County tax) and they must be a part of what is being provided to all citizens.

Councilmember Aiken asked if the buses would be able to be chartered as during the BBQ Festival. Mr. Sears said the routes could be changed but that was something that would be on with Lenoir County.

Councilmember Swinson asked if this would be buying or leasing the buses. Mr. Sears said the grant would propose to purchase the buses, bus stops, software, etc. There would be no additional capital costs we only need operational costs.

Councilmember Hardy stated that the County does Moss Hill, Seven Springs, Pink Hill, etc. Mr. Sears stated we were not eliminating anything Lenoir County has, we will be adding to the platform they already have.

Mayor Hardy asked if the next conversation would be with the County. Mr. Sears stated that was correct.

Mr. Robertson informed everyone that the deadline to get the application to get the application submitted by May 18, 2020.

Mr. Swinson asked if the County had gotten this presentation. Mr. Sears said management is aware and hopes to get this presentation to their next meeting.

Mayor Hardy asked how the conversation was with the Global Transpark. Mr. Robertson stated he thinks the partners are all onboard and he felt good about the anchors as well.

Councilmember Aiken asked if this was the old TIGER Grant. Mr. Robertson said it was renamed the BUILD Grant. Mr. Aiken shared that East Kinston has been deemed the most distressed neighborhood in North Carolina and there were people riding bicycles to work. Mr. Sears said that will be one of the cornerstones for the grant application.

Mayor Hardy thanked Mr. Robertson for his presentation.

MINUTES

**Consider approval of the minutes of the City Council meeting held on April 6, 2020 -----
Debra Thompson**

Mayor Pro Tem Felicia Solomon made the motion, seconded by Councilmember Swinson and upon a unanimous vote [5-0], the minutes were approved for April 6, 2020.

ACTION AGENDA

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

Donna Goodson, Finance Director stated she was bringing to the Council an amendment for the Second Point of Delivery (E9127) project so that we can continue with the construction of the 115KV circuit. The bids came in higher than budgeted and is asking for is to account for the additional \$1,573,330. Revenue would be appropriated from the Electric Fund.

Mr. Sears shared that this project was started in 2015 and it was delayed by property acquisition. The economy is not the same today and the labor prices increased.

Mayor Hardy asked to have the POD explained. Ms. Barwick detailed that we have one Point of Delivery and they are referred to as POD’s. Ours today is on Atlantic Avenue (the old power plant). Our substation behind it brings all the power into the City that is distributed to our eight substations and then down to the customers for use. This is very risky and in a city our size you would normally find 2-3 POD’s. Earlier this year, Duke Energy had to make corrections to their side of the POD, and we were out for 15 minutes. If we would have had a second POD at that time, we could have shifted power to the other one and still served everyone while they made their repairs.

Councilmember Aiken asked if she would share that the land acquisition was the main holdup to the project. Ms. Barwick said that anytime you put transmission lines you may not find existing right-of-way or existing easement where you need it, so you must negotiate with property owners. Everyone wants the market value for their property, and we have had to work through that. She stated we still have some easements we are working through and those have been the delays.

Council Member Aiken made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote [5-0], the Ordinance for Capital Project Amendment-Second Point of Delivery (POD) (E9127) in the amount of \$1,573,330 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 completion of the construction of the 115KV transmission circuit. 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	\$ 3,644,184.00	\$ 5,217,514.00	\$ 1,573,330.00
Total Revenues	<u>\$ 3,644,184.00</u>	<u>\$ 5,217,514.00</u>	<u>\$ 1,573,330.00</u>
Expenditures:			
Construction 115 KV Transmission Circuit	\$ 1,845,359.00	\$ 3,418,689.00	\$ 1,573,330.00
Construct Breaker Station	973,700.00	973,700.00	-
Engineering Fees	825,125.00	825,125.00	-
Total Expenditures	<u>\$ 3,644,184.00</u>	<u>\$ 5,217,514.00</u>	<u>\$ 1,573,330.00</u>

Adopted this 20th day of April, 2020

2. Consider Bid Award for Second POD -----Rhonda Barwick

Rhonda Barwick, Public Services Director stated that on March 31, 2020 the bids were opened for the labor to build the 115KV transmission loop from the Second POD site on Louise Pollock Road to the Falling Creek Substation (approx. 4 miles). The City received three bids from: Carolina Power & Signalization, C.W. Wright Construction Company and Line Tec Services. The low bidder was C.W. Wright Construction and they are out of Chester, VA with offices in Raleigh. The bid was in the amount of \$1,956,851.91. They are a firm with extensive experience in building transmission lines and have the necessary equipment. Due to the nature of construction and the pending issues that we have with the easements, it could lead to some minor route changes in the future. Ms. Barwick asked the Council to consider a 15 percent contingency fee making the total award \$2,250,379.69. The need to have this in the original award allows us if things should change on the fly, the contractor does not have to leave and charge an exorbitant amount to remobilize. Councilmember Swinson asked if the normal contingency fee was 8-10 percent. Ms. Barwick answered we usually do about 10 percent. With this and all the changes we have been through, Mr. Botkin, Electrical Consultant and the engineers thought this was necessary and not unusual. Mr. Swinson asked if this company has been vetted. Ms. Barwick explained that they are a very well-known firm that does this work and Mr. Botkin was familiar with them.

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote [5-0] the bid for the Second POD was awarded to C. W. Wright Construction Company, LLC in the amount of \$2,250,370.69.

CITY OF KINSTON
KINSTON, NORTH CAROLINA
POD #2 TO FALLING CREEK
115KV TRANSMISSION LINE

LABOR AND MATERIALS CONTRACT - TABULATION OF BIDS

BIDDERS	Carolina Power & Signal (bids) ⁽¹⁾	C.W. Wright Construction Company, LLC	Linette Services, LLC
Bid Bond or Check - \$26 (Includes Value of Owner Furnished Materials)	Yes	Yes	Yes
Transmission Units	\$ 4,964,433.65	\$ 1,624,134.14	\$ 2,582,332.25
Distribution Units	\$ 434,468.25	\$ 332,972.77	\$ 333,263.65
Addenda No. 1-4	Yes	Yes	Yes
LABOR AND CONTRACTOR-FURNISHED MATERIAL	\$ 5,422,351.90	\$ 1,957,106.91	\$ 2,915,595.90
Value of Owner Furnished Materials ⁽²⁾	\$ 799,450.00	\$ 799,450.00	\$ 799,450.00
TOTAL	\$ 6,221,801.90	\$ 2,756,556.91	\$ 3,715,045.90

THIS IS TO CERTIFY THAT AT 2:00 P.M. P.M. P.M. TUESDAY, MARCH 24, 2020, THE RE-TABULATED BIDS WERE PUBLICLY OPENED, READ, CHECKED, AND THE ABOVE TOTALS ARE CORRECT. ALL RECOGNIZED BIDS WERE ACCOMPANIED BY AN ACCEPTABLE CHECK OR BID BOND. ANY IRREGULARITIES IN BIDS RECEIVED ARE NOTED UNDER REMARKS.

REMARKS:

- Corrections made to this bid's proposed calculations due errors in their spreadsheet.
- Value of Owner-Furnished Materials, due to Bids at Sec. 69, is \$ 799,450.00

Clayton S. Barwick
Mayor & Manager, P.E., P.E.P.

M-20-000000
Apr 2020

Barwick Associates LLC

3. Consider Adoption of Resolutions Required in Applications for State Funding -----
Rhonda Barwick

- Resolution adopting the Water Capital Improvement Plan
- Resolution adopting the Wastewater Capital Improvement Plan and Wastewater Asset Management Plan

Rhonda Barwick, Public Services Director this is regarding the State's Spring Funding Cycle. In order to apply, the application must be accompanied by certain City plans. They include the Water and Sewer System Capital Improvement Plan, and the Wastewater System Capital Improvement Plan and Wastewater Asset Management Plan.

Ms. Barwick asked that these two most current versions be adopted.

Councilmember Hardy made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote [5-0] the resolutions in 3a & 3b were adopted.

**RESOLUTION BY CITY OF KINSTON CITY COUNCIL
ADOPTING WATER SYSTEM CAPITAL IMPROVEMENT PLAN**

WHEREAS, The City of Kinston operates and maintains a potable water supply and distribution system under permits issued by the State of North Carolina, and

WHEREAS, The City of Kinston has developed a Water Capital Improvement Plan to identify needed capital improvements and their costs.

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

That, the City of Kinston City Council hereby adopts the Water System Capital Improvement Plan as a guidance document for pursuing capital improvement funds to keep the potable water supply and distribution system in good operating order.

That city staff, under the direction of the City Manager, shall regularly review and update the Water System Capital Improvement Plan in accordance with all federal, state and local regulations.

Adopted this the 20th of April, 2020, at Kinston, North Carolina.

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Kinston does hereby certify: That the above/attached resolution is a true and correct copy of the resolution adopted at a legally convened meeting of the Kinston City Council duly held on the 20th day of April, 2020; and, further, that such resolution has been fully recorded in the Journal of proceedings and records in my office. **IN WITNESS WHEREOF,** I have hereunto set my hand this 20th day of April, 2020.

**RESOLUTION BY CITY OF KINSTON CITY COUNCIL
ADOPTING WASTEWATER SYSTEM CAPITAL IMPROVEMENT PLAN AND
WASTEWATER ASSET MANAGEMENT PLAN**

WHEREAS, The City of Kinston operates and maintains a wastewater collection and treatment system under NPDES permits issued by the State of North Carolina, and
WHEREAS, The City of Kinston has developed a Wastewater System Capital Improvement Plan to identify needed capital improvements and their costs, and
WHEREAS, The City of Kinston has also developed a Wastewater Asset Management Plan to keep track of the wastewater system assets and their conditions and provide guidance to city staff on the proper care and maintenance of the assets.

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

That the City of Kinston City Council hereby adopts the 2020 Wastewater System Capital Improvement Plan as a guidance document for pursuing capital improvement funds to keep the wastewater collection and treatment system in good operating order. That the City of Kinston City Council hereby adopts the Wastewater Asset Management Plan and directs city staff to continually operate and manage the wastewater collection and treatment system in accordance with the Plan. That city staff, under the direction of the City Manager, shall regularly review and update both the Wastewater System Capital Improvement Plan and the Wastewater Asset Management Plan to ensure compliance with all federal, state and local regulations.

Adopted this the 20th of April, 2020, at Kinston, North Carolina.

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Kinston does hereby certify: That the above/attached resolution is a true and correct copy of the resolution adopted at a legally convened meeting of the Kinston City Council duly held on the 20th day of April, 2020; and, further, that such resolution has been fully recorded in the Journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of April, 2020.

- 4. Consider Adoption of Resolutions for submittal for State's Spring Cycle - Clean Water State Revolving Fund and Drinking Water State Revolving Fund ----Rhonda Barwick

- a. NCGTP Terminal Area Water Line Replacement Project
- b. Briary Run Phase V Sanitary Sewer Rehabilitation Projects
- c. Kinston Lift Station Mitigation Project

Rhonda Barwick, Public Services Director during a previous meeting Steve Miller directed Council about the upcoming funding cycle for the Clean Water State Revolving Fund as well as the State Drinking Water Revolving Fund. The deadline remains April 30th. We have learned that in this cycle there will be \$63 million in ASADRA Funding. (Additional Supplemental Appropriation for Disaster Recovery Act). When Mr. Miller spoke to Council, he proposed three projects: Briary Run Phase V - \$2.9 million; NCGTP Terminal Area Water Line Replacement - \$720,000; and Oliver Glass Forcemain Project. Ms. Barwick shared that after learning the amount of the ASADRA money would be available they would like to pull Oliver Glass Forcemain out of

contention and replace it with the Kinston Lift Station Mitigation Project - 1.8 million. This would improve three of the lift stations (Barrus, Briery Run and Hampton Inn). The project would change out the pumps to submersible pumps, raise electronic controls and other things to allow stations to better sustain damages that might come from a hurricane of flood. She feels it will score very well in the ASADRA and may be eligible for at least \$100,000 or principal forgiveness.

Ms. Barwick asked the Council to adopt the resolutions as submitted knowing they include the Kinston Lift Station Mitigation instead of Oliver Glass.

Mayor Pro Tem Solomon made the motion, seconded by Councilmember Aiken and upon a unanimous vote [5-0] the resolutions in 4a, 4b & 4c as listed in the agenda by Ms. Barwick were adopted.

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159-G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of a drinking water distribution system, and

WHEREAS, The City of Kinston has need for and intends to construct a drinking water distribution system project described as the NCGTP Terminal Water Line Replacement Project, and

WHEREAS, The City of Kinston intends to request state loan assistance for the project, in the amount of \$716,300.00

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

That, the City of Kinston, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Kinston to make scheduled repayment of the loan, to withhold from the City of Kinston any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Tony Sears, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan to aid in the construction of the project described above.

That the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 20th of April, 2020, at Kinston, North Carolina.

RESOLUTION BY GOVERNING BODY OF APPLICANT

- WHEREAS,** The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NOGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of (state whether a wastewater treatment works, wastewater collection system, stream restoration, stormwater treatment, drinking water treatment works, and/or drinking water distribution system or other "green" project), and
- WHEREAS,** The City of Kinston has need for and intends to construct a wastewater collection system project described as the Brfery Run Phase V Sewer Rehabilitation Project, and
- WHEREAS,** The City of Kinston intends to request state grant/loan assistance for the project, in the amount of \$2,905,630.00

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

That, the City of Kinston, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State grant/loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Kinston to make scheduled repayment of the loan, to withhold from the City of Kinston any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Tony Sears, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant/loan to aid in the construction of the project described above.

That the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 20th of April, 2020, at Kinston, North Carolina.

Don Hardy, Mayor

RESOLUTION BY GOVERNING BODY OF APPLICANT

- WHEREAS,** The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 1596) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of (state whether a wastewater treatment works, wastewater collection system, stream restoration, stormwater treatment, drinking water treatment works, and/or drinking water distribution system or other "green" project), and
- WHEREAS,** The City of Kinston has need for and intends to construct a wastewater collection system project described as the Kinston Lift Station Mitigation Project, and
- WHEREAS,** The City of Kinston intends to request state grant/loan assistance for the project, in the amount of \$1,800,000.00

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

That, the City of Kinston, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State grant/loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Kinston to make scheduled repayment of the loan, to withhold from the City of Kinston any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Tony Sears, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant/loan to aid in the construction of the project described above.

That the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 20th of April, 2020, at Kinston, North Carolina.

Don Hardy, Mayor

5. Consider Adoption of Resolution – Designation of Primary and Secondary Agents for COVID-19 FEMA-4487-DR-NC ----- Donna Goodson

Donna Goodson, Finance Director shared that on March 23rd the City filed a request for public assistance with FEMA to begin the process of receiving assistance from FEMA and the State for eligible protective measures taken in response to the COVID-19 emergency. In order to move forward we do have to declare a primary and secondary agent for the purpose of executing and filing applications on behalf of the City. Ms. Goodson asked for consideration of naming her and Steve Miller, Public Services Assistant Director as agents for the City.

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote [5-0] the resolution to designate Donna Goodson and Steve Miller as Primary and Secondary Agents for COVID-19 FEMA-4487-DR-NC was adopted.

**CITY OF KINSTON
RESOLUTION AUTHORIZING AND DESIGNATING CITY OFFICIALS TO EXECUTE
APPLICATIONS, REPORTS AND ADMINISTRATIVE DOCUMENTS FOR FEDERAL
AND/OR STATE FINANCIAL ASSISTANCE RELATED TO
COVID-19 DISASTER (FEMA-4487-DR-NC)**

WHEREAS, Roy Cooper, Governor of North Carolina, declared a state of emergency on March 10, 2020 via Executive Order No. 116, based on the public health emergency posed by the coronavirus (COVID-19), and

WHEREAS, the President of the United States, declared a national emergency on March 13, 2020 for the COVID-19 pandemic, and

WHEREAS, the Federal Emergency Management Agency (FEMA) urges officials to, without delay, take appropriate actions that are necessary to protect the public health and safety pursuant to public health guidance and conditions and capabilities in their jurisdictions

WHEREAS, the City filed a Request for Public Assistance with FEMA on March 23, 2020 to begin the process of receiving Public Assistance from FEMA and from the State of North Carolina for eligible emergency protective measures taken to respond to the COVID-19 emergency, and

WHEREAS, it is necessary to declare a Primary and Secondary agent for the purpose of executing and filing applications on behalf of the City.

THEREFORE BE IT RESOLVED BY the governing body of the City of Kinston, a public entity duly organized under the laws of the State of North Carolina, that Donna H. Goodson, Director of Finance, and Steve Miller, Assistant Public Services Director, are hereby authorized to execute and file applications for federal and/or state assistance on behalf of the City of Kinston for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or as otherwise available.

BE IT FURTHER RESOLVED that the above-named agents are authorized to represent and act for the Organization in all dealings with the State of North Carolina and the Federal Emergency Management Agency for all matters pertaining to such disaster assistance required by the grant agreements and the assurances (Attachment 1).

BE IT FINALLY RESOLVED THAT the above-named agents are authorized to act severally.

PASSED AND APPROVED this 20th day of April, 2020.

6. Consider Adoption of Resolution in Support of Business Highway Corridors along Vernon Avenue and Queen Street – Formally Business Highway 70 and 258-----
Adam Short
(THIS ITEM WAS VOTED ON IN THE CITY MANAGER’S REPORT)

**RESOLUTION IN SUPPORT OF THE REMOVAL OF BUSINESS HIGHWAY
CORRIDORS ALONG VERNON AVENUE AND QUEEN STREET – FORMALLY
BUSINESS HIGHWAYS 70 AND 258**

WHEREAS, the North Carolina Department of Transportation maintains roadways throughout the City of Kinston; and

WHEREAS, the North Carolina Department of Transportation maintains the business routes of Highway 70 and Highway 258 also identified locally as Vernon Avenue and Queen Street respectively; and

WHEREAS, the City of Kinston has invested substantial local dollars to improve Vernon Avenue and Queen Street and the City is dedicated to continuing to improve Vernon Avenue and Queen Street by improving public safety by reducing the volume of business through-traffic and eliminating unnecessary clutter and signage; and

WHEREAS, in the interests of public safety, elimination of property damage and visual improvements, the City of Kinston supports and requests the removal of the current business routes of Highway 70 and Highway 258 and moving them to the existing Highway 70 bypass corridor; and

WHEREAS, the City of Kinston supports removal of “Business Highway” signage along both Vernon Avenue and Queen Street.

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Kinston hereby requests and supports the removal by the North Carolina Department of Transportation of the Business Highways 70 and 258 designations from Vernon Avenue and Queen Street respectively.

ADOPTED by the City Council for the City of Kinston on this 20th day of April, 2020.

CITY OF KINSTON

CITY MANAGER’S REPORT

1. Mr. Sears shared that there has been an issue of DOT having to put a massive road sign in one of the flower basins for one of our trees. After having a conversation, they proposed a solution that is beneficial for them. Mr. Sears asked Mr. Short to present to the Council.

Adam Short, Director of Planning, Inspections and Code Enforcement shared a proposed resolution that resulted from having issues with several of the signs on Queen Street, particularly the one at the corner of Queen and King Streets. Mr. Short explained that once the signs are hit, they must be relocated. Last week the sign that was hit was encased in the sidewalk concrete and their initial change was to move it to one of our tree pits. This is problematic because we need room for the trees to grow and it is not always a good idea to drive posts in the ground where there are electrical lines and lights. They met on site with DOT and the idea to remove the business routes of 70 and 258 through downtown. This would eliminate the needs for those signs and much of the signage at Queen & King and King & Vernon. They will move much of the business route to the

Highway 70 Bypass. He stated nothing would change for the City other than the signage that is available and the maintenance of the roads would stay DOT maintained roads.

Mr. Sears added that highway signs are not as important as in the past with GPS. This will mean less work for DOT and it does help clean up Queen Street which we spent a lot of money and time on.

Councilmember Aiken noted that this is the second incident to his knowledge and questioned if this will change the design of where the trucks as turning. Mr. Sears stated that the fundamental traffic pattern will not change. He stated that DOT legally must post the information, but this is a DOT solution.

Councilmember Suggs made the motion, seconded by Councilmember Hardy and upon a unanimous vote [5-0], the resolution to Support the Removal of Business Highway Corridors Along Vernon Avenue and Queen Street – Formally Business Highways 70 and 258 was adopted.

(THIS ITEM WAS MOVED TO THE ACTION AGENDA AS ITEM #6)

2. Mr. Sears shared information regarding the PARTF Grant in the absence of Corey Povar, Parks and Recreation Director. He stated that the grant is that it is up to \$1million (dollar for dollar grant). He detailed the grant to mean if PARTF gives us \$500,000, we must match that \$500,000. He noted we can have any range under that number that we want, but for Council to remember it is a dollar for dollar match. Mr. Sears asked if the Council had a dollar range that they are willing to gravitate to.

Mayor Hardy asked what the grant would cover and suggested approximately \$750,000. Mr. Sears stated there have been conversations on a pool or splash pad. That will eat up a large portion of the grant and we wanted to move forward with the project knowing that at some point at the desire of the Council we would have some type of aquatics there. He said they are looking at a gymnastics rehab., walking track, work needs to happen inside the pool house and those types of things.

Councilmember Suggs spoke on a tentative plan confirming the revamping of the pool house. There were a few meetings with individuals from different spectrums of the community to get a vision for the park. They want to include some type of water activity (pool or splash pad) however, there is not an official proposal for this plan. She stated she was along the same lines as the Mayor and would ask for \$700,000 with a match of \$350,000. Ms. Solomon asked where the matching grant would come from. Mr. Sears stated we do have some funds available that we could tap into. He was looking for a ballpark of where we were.

Councilmember Aiken asked if the last estimate for the pool was around \$658,000 and if this money would be able to go toward the scoreboard. Mr. Sears answered that was the ballpark for the estimate, but the money would not be used for the ballpark.

Councilmember Swinson asked if there were previous numbers for a splash pad of around \$350,000. Mr. Sears stated that was correct for the splash pad.

Mr. Hardy asked for clarification on if this included features other than a splash pad. Mr. Sears said at this point it was not the intention of the group to move forward with the water feature. They were looking to create a space to maximize usage year-round.

Councilmember Swinson asked if there were rough numbers for the gym, track and lighting. Mr. Sears said he did not, but Mr. Povar does have those numbers.

Councilmember Aiken asked if we have had any more applications for the KABOOM Grant. He stated the first one went to Lovitt Hines and the second to Pearson Park. Mr. Short answered that the grant was for one-day build of playgrounds; they were not for anything other than playground equipment.

Mr. Sears stated he heard a consensus from the Council of an amount of roughly \$300-\$400,000.

CITY ATTORNEY'S REPORT

There was no City Attorney's Report.

MAYOR AND COUNCILMEMBER REPORTS

Councilmember Aiken encouraged everyone to be safe and follow the Governor's and local regulations. He asked if you know Senior Citizens, check on them and let us help each other out. Also, he felt the need to compile a list places providing food and meals.

Councilmember Hardy thanked the staff for the great job they are doing.

Mayor Pro Tem Solomon asked Councilmember Suggs to share information on the event Kinston Teens is preparing for on Saturday. Ms. Suggs related that they are in the process of working out a plan for food distribution in partnership with the City of Kinston and Food Banks Across America to move a mobile food distribution here in Kinston. Once the logistics are complete, she will make sure it is platformed on all means possible to get the word out. She thanked the Mayor and the Manager for accepting this quest and moving forward this quickly. Mr. Sears shared he had contacted City staff to do what we can to help to make this a success. Councilmember Hardy said they have his support as well.

Mayor Hardy thanked the staff and stated we will make it through, and we will be more resilient when we come out. He asked all those listening to follow social-distancing guidelines. He notified everyone that there will be daily updates from the Governor's Office, from him and/or the elected officials they are listening to now. Mayor Hardy asked for understanding that the first responders were working hard and are under stress from COVID-19. He asked that they make sure to thank them for what they are doing. Mayor Hardy shared that he along with others are advocating for Direct Funding for cities and towns (under 50,000 people). He thanked the staff for what they were doing every day, because without them we would not be able to continue to do the things we do.

Councilmember Aiken asked if the City has any incentives to keep Lenox China here in Kinston. He stated it was sad to see them leave and over 155 employees lose their job. He asked area businesses and organizations to assist in employment for those unemployed. Mayor Hardy thanked Lenox for their years here and people employed there have expressed how good Lenox has been to them through the years.

CLOSED SESSION

Mayor Pro Temp Solomon made the motion, seconded by Councilmember Suggs and upon a unanimous vote [5-0], closed session for NC General Statute 143-318.11(a)(3) – Litigation for Economic Development was entered at 8:35 pm.

Councilmember Swinson made the motion, seconded by Councilmember Hardy and upon a unanimous vote [5-0], the Council returned to open session at 8:50 pm.

ADJOURNMENT

Councilmember Swinson made the motion, seconded by Councilmember Hardy and upon a unanimous vote [5-0], the Kinston City Council Meeting was adjourned at 8:51 pm.

Respectfully submitted,

Debra Thompson, City Clerk