

□

Regular Meeting
Monday, November 16, 2020
6:30 PM
Council Chambers
Meeting Agenda

Call Meeting To Order:

1. Mayor Michael

Special Presentations:

2. Presentation of a City Retirement Certificate to Harold (Hal) Dunlap - 11-Years of Service
3. Presentation of a City Retirement Certificate to Mark Donham - 6.33-Years of Service
4. Presentation of a City Retirement Certificate to Rachel Hough - 30.16-Years of Service

Approval Of Minutes:

5. Consider Approval of the November 2, 2020 Regular Meeting Minutes

Agenda Adjustments:

Announced Delegations:

6. Ms. Tiffany Dahle - To Request Road Closures for a Locally Sponsored Downtown Christmas Parade

Unannounced Delegations:

Administrative Reports:

7. Mr. Durham Lewis - To Present the FY 19/20 Albemarle ABC System Audit
8. 2020-21 City of Albemarle Employee United Way Campaign
9. Departmental Monthly Reports

New Business:

10. Stogner Architect Indefinite Contract Extension
11. Consider Meeting Date for Review of Albemarle Business Center

Adjournment:

12. Adjourn until Monday, December 7, 2020 at 6:30 pm

Print

Title – Mayor Michael

Description:

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
No Attachments Available	

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--

Print

Title – Presentation of a City Retirement Certificate to Harold (Hal) Dunlap - 11-Years of Service

Description:

Hal's complete work history with the City is attached.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:	
Name:	Description:
<input type="checkbox"/> scan_mferris_2020-11-03-15-05-41.pdf	Work History

APPROVALS:			
Date/Time:	Approval:	Department:	

Harold (Hal) Dunlap

Last Working Day: 08/31/2020

Retirement Date: 09/01/2020

03/10/2008	Hired as Communications Temp
05/04/2009	Communications/Records Officer
12/19/2014	Resigned
04/11/2016	Hired as Records Specialist
06/06/2016	Evidence Custodian
09/01/2020	Remained in this position until retirement
09/01/2020	Retired with a total of 11 years of service

Print

Title – Presentation of a City Retirement Certificate to Mark Donham - 6.33-Years of Service

Description:

Mark's complete work history with the City is attached.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> scan_mferris_2020-11-03-15-06-15.pdf	Work History

APPROVALS:

Date/Time:	Approval:	Department:	
11/11/2020 2:12 PM	Approved	City Clerk	
11/11/2020 2:12 PM	Approved	Administration	

Mark Donham

Last Working Day: 08/31/2020

Retirement Date: 09/01/2020

04/14/2014

Hired as Director of Economic Development

09/01/2020

Remained in this position until retirement

09/01/2020

Retired with a total of 6.333 years of service

Print

Title – Presentation of a City Retirement Certificate to Rachel Hough - 30.16-Years of Service

Description:

Rachel's complete work history with the City is attached.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

<u>ATTACHMENTS:</u>	
Name:	Description:
<input type="checkbox"/> scan_mferris_2020-11-03-15-05-58.pdf	Work History

<u>APPROVALS:</u>			
Date/Time:	Approval:	Department:	

Rachel Hough

Last Working Day: 09/30/2020

Retirement Date: 10/01/2020

07/16/1990	Hired as Occupancy Specialist
03/18/2012	Director of Housing Management
07/05/2015	Housing Assistance Program Manager
10/01/2020	Remained in this position until retirement
10/01/2020	Retired with a total of 30.16 years of service

Print

Title – Consider Approval of the November 2, 2020 Regular Meeting Minutes

Description:

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> November 2 2020 REGULAR.docx	November 2 2020 minutes

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--

REGULAR MEETING CITY COUNCIL

November 2, 2020

The City Council of the City of Albemarle met in a regular session on Monday, November 2, 2020 at 6:30 p.m. in the Council Chambers of City Hall. Mayor Ronnie Michael presided, and the following members were present, to-wit: Mayor Pro Tempore Martha Sue Hall and Councilmembers Bill Aldridge, Chris Bramlett, Martha E. Hughes, Dexter Townsend, Chris Whitley, and Shirley D. Lowder.

Mayor Michael called the meeting to order.

The Mayor gave the invocation.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Townsend, unanimously carried, the minutes from the October 19th regular and closed meetings were approved as submitted.

PUBLIC HEARING

Consider Conditional Use Permit 20-03 for Bed and Breakfast

Council conducted a quasi-judicial evidentiary hearing to consider request for Conditional Use Permit CUP 20-03: A Request by David M. Scarboro and John T. Williams for a bed and breakfast located at 343 North Second Street (Tax Record 22196).

The Mayor swore in Mr. John T. Williams and Senior Planner Ellie Sheild to provide testimony to Council related to this request.

Ms. Sheild provided a summary of the application to Council, which included the conditional use permit application highlights and Planning and Development Services staff analysis.

Councilmember Aldridge noted to Ms. Sheild that on the conditional use permit application packet on page 2 a bank was cited as "First Bank"; is the bank being referenced First Bank or First Citizen's Bank? Ms. Sheild replied that it is First Citizen's Bank and that the application will be amended to reflect the proper name of the bank.

The Mayor called for any members of the public with standing to come forward to provide their comments. He also asked Council members if there were any conflicts of interest or *ex parte* communications with the applicant to note. No Council members had conflicts of interest or noted *ex parte* communications with the applicant.

Mr. John T. Williams, one of the applicants, came in front of Council and presented some of the history of the property as background for the decision to apply for the conditional use permit for a bed and breakfast. He also summarized the main aspects of operation of the bed and breakfast and assured Council that the property and all of its planned uses (i.e., bed and breakfast, location to rent out the gardens, and a small concert venue) would conform to all City ordinances.

The Mayor asked if there were any other members of the public with standing who would like to speak. He swore in Mr. Ron Perrine, owner of 1891 Inn, a bed and breakfast in Albemarle, and asked him if he had any comments or questions. Mr. Perrine stated that when he submitted a conditional use permit to the City of Albemarle for the bed and breakfast he currently owns, at the time of his application he was told that he needed to reside in the bed and breakfast property. He asked if Mr. Scarboro would be subject to the same requirement.

To address this question, the Mayor swore in Planning and Development Services Director Kevin Robinson, and he and Ms. Sheild provided a response. Mr. Scarboro did confirm with Planning and Development Services staff that he would reside in the bed and breakfast property currently under consideration.

Per the City of Albemarle Code of Ordinances, effective in 2018 with an amendment to the definition of “bed and breakfast”, the City became less stringent than the NC Building Code in terms of the “ownership versus operator in residence” requirement. However, state fire and building codes require the bed and breakfast owner must reside in the property in order to meet the residential structure code definition.

The Mayor asked again if there were any members of the public with standing to come forward. Hearing no more requests to speak, the Mayor moved on to Council discussion of the findings of fact portion of the hearing.

The Mayor called for Council to make a motion for the following findings of fact/conditions required to approve the conditional use permit:

- That the use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved based on staff analysis.

Upon a motion by Councilmember Hall, seconded by Councilmember Whitley, unanimously carried, Council approved the finding for this standard.

- That the use meets all required conditions and specifications based on staff analysis.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Hughes, unanimously carried, Council approved the finding for this standard.

- That the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity based on staff analysis.

Upon a motion by Councilmember Whitley, seconded by Councilmember Aldridge, unanimously carried, Council approved the finding for this standard.

- That the proposed use is in harmony with adjacent uses in terms of location, scale, site design, hours of operation and operating characteristics based on staff analysis.

Upon a motion by Councilmember Hall, seconded by Councilmember Lowder, unanimously carried, Council approved the finding for this standard.

- That the use be in general conformance with adopted plans based on staff analysis.

Upon a motion by Councilmember Hall, seconded by Councilmember Whitley, unanimously carried, Council approved the finding for this standard.

Upon a motion by Councilmember Hall, seconded by Councilmember Bramlett, unanimously carried, Council approved CUP 20-03.

[CUP 20-03 – Bed and Breakfast 343 N Second Street]

ADMINISTRATIVE REPORTS

Adam Kiker, LKC Engineering – To Discuss Sanitary Sewer Rehabilitation, Phase 3

This item was held over from the October 19th meeting. One of the questions asked was the impact on rates. If we were to accept the loan of \$5,538,000 at 1.38% over 20 years, the annual principal and interest payment would be \$322,000. This is equivalent to an across the board water and sewer rate increase of 2.98%. Again, this comparison is in terms of being 100% covered by rates and assumes an equal increase in water and sewer rates, not differing rate changes as we had in 2020.

According to the UNC-Chapel Hill Environmental Finance Center, as of January 2020, 4,000 gallons of water and sewer usage on the City of Albemarle system costs a combined \$34.74. The median bill for 4,000 gallons of water and sewer usage for the 66 utilities within a 50 mile radius is \$64.55.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, and carried with a vote of 6 for the motion and 1 against, Council approved moving forward with the Sanitary Sewer Rehabilitation Project Phases 3-5 as currently advised by LKC Engineering in its proposal to Council, and increasing the project budget from \$3.2 to \$5.5 million as estimated by LKC Engineering and pre-approved by the financing agency. Council members voting for the motion included Hall, Hughes, Townsend, Aldridge, Lowder, and Whitley, with Councilmember Bramlett voting against the motion.

Autumn Extravaganza Report

Mayor Pro Tem Hall asked for a post-event report.

Parks and Recreation Director Lisa Kiser summarized participation/attendance totals for all activities as follows:

- Boo Bingo: 62 children participated.
- Virtual ghost tours: 1,247 people logged in to view the tours on the History Center’s website.
- Virtual costume contest: There were 28 entries, and 2,400+ people voted on the Parks and Recreation Facebook page, bringing in 224 new likes of the page.
- Friday Fright Night food truck and movie event: 8 food trucks participated, with 275 people in attendance, and 103 people who stayed to watch the movie.
- Farmer’s Market/Craft Fair: There were 4 food trucks and 26 vendors who participated, bringing in approximately 600 visitors.

Ms. Kiser gave a shout out to Parks and Recreation employee Cindy Burris for all of her hard work on these events, particularly her efforts in obtaining food truck participation, putting on the movie in City Lake Park, and putting on the craft fair.

Mayor Pro Tem Hall gave a shout out to Ms. Kiser and the Special Events Committee for putting on these events for the community in spite of COVID19 restrictions.

Ms. Kiser gave Council updates on other Parks and Recreation activities. On October 1st, Parks and Recreation went “live” with a new online registration and reservation system. It has worked phenomenally since then with no “hiccups” so far. She gave shout outs to her staff for embracing the change, as well as to the heads of Information Systems and Finance to help obtain the system and bring it online.

The Mayor then asked Ms. Kiser to give a report on which summer/fall athletic leagues were offered and those that were not due to COVID19. There was no soccer season this year, but for youth basketball they are trying to field 4 teams per age group and limit the number of practices from twice a week to once a week, as well as limit the number of guests per child who can attend games. Those changes are more due to gym space at EE Waddell Center, which is being used because the schools are not an option for games this year.

For adult softball, 16 men’s and coed teams participated, which is the double the number of teams from last year.

Finally, Ms. Kiser reminded Council that Parks and Recreation is conducting a middle school remote learning program at EE Waddell Center, and hosting an after school program at the Niven Center Monday through Thursday.

The Mayor stated that Council appreciates Parks and Recreation’s efforts to offer after school and remote learning programs. Ms. Kiser added that Pickleball is currently underway also.

MUNICIPAL CALENDAR

Mayor Michael and Councilmembers received the municipal calendar prior to the meeting. The Mayor asked if Council had any questions or comments about the calendar.

CONSENT AGENDA

The Mayor asked if Council wanted to move any items on the consent agenda. Mayor Pro Tem Hall requested that the Piedmont Gas Easement Proposal for Elizabeth Heights be moved off the consent agenda.

Consider a Request for Payment in Lieu of an Assessment for a Water Line Extension on Dick Street

Mr. Eric Mauldin desires a water line extension to serve property on Dick Street where there are plans for up to three new single family homes. Mr. Mauldin would like to bypass the formal assessment process and is willing to pay the full extension cost in advance of the project. This is similar to other recently approved requests as it saves the City the expense of proceeding through the formal process, provides the same payment to the City, and saves considerable time for all parties.

Piedmont Natural Gas Easement Proposal 333 Pee Dee Avenue

Staff is requesting Council consider granting an easement and accepting compensation package for a gas line replacement through the unopened City right of way off of S. 4th St and at the rear of the City of Albemarle property at 333 Pee Dee Ave. This will replace a preexisting line through this right of way.

Ordinance 20-29 – To Establish an Alleyway and Parking Renovation Project Budget

This Ordinance sets a project budget for the renovation project Council is familiar with. The intent of a Project Budget is to track all costs of the project and does not mean the City will see an out-of-pocket expense of this amount. A few items of note:

- This project refers to the entire area between Main Street and King Avenue and between First Street and Second Street. This includes the section of alleyway we acquired from the County and the large area leased from the King Heirs.
- We are seeking a budget amendment to fund the landscaping, resurfacing so we do not take funds from the current year budget and reduce the amount available for street maintenance and preservation, decorative poles, and contingency. Other supplies and materials, labor, and equipment use will not incur additional out-of-pocket expense but need to be tracked as part of the project nonetheless.

[Ordinance 20-29 - To Establish an Alleyway and Parking Renovation Project Budget]

Ordinance 20-30 – Budget Amendment to Transfer Funds to the Alleyway and Parking Renovation Budget

This ordinance adjusts the Operations Budget in General Fund and Electric Fund for expenditures that will cover the King Alleyway Project. It covers the full cost of all contributions (labor, equipment, cash, grants, supplies, materials, etc.) to the project as well as a contingency.

[Ordinance 20-30 – Budget Amendment to Transfer Funds to the Alleyway and Parking Renovation Budget]

Upon a motion by Councilmember Bramlett, seconded by Councilmember Aldridge, unanimously carried, Council approved the following:

- A request for payment from Mr. Eric Mauldin in lieu of an assessment for a water line extension on Dick Street;
- Granting an easement and accepting compensation package for a gas line replacement through the unopened City right of way off of S. 4th St and at the rear of the City of Albemarle property at 333 Pee Dee Ave;
- Ordinance 20-29 to set a project budget for the King Alleyway and Parking Renovation Project; and
- Ordinance 20-30 budget amendment to transfer funds to the King Alleyway and Parking Renovation Project.

Piedmont Natural Gas Easement Proposal at Elizabeth Heights

Staff is requesting Council consider granting an easement and the proposed compensation package for a gas line replacement on the City of Albemarle Public Housing Property, Elizabeth Heights. The request is for the installation of a PNG gas line slightly off the street right of way onto City property, which is the reason for the proposed compensation. The Director of Public Housing has reviewed the request and has no concerns as it relates to our property or operations.

A typographical error on Exhibit A for the reference to Martin Luther King Jr. Drive in “Stanly, NC” was noted. It will be changed to “Albemarle, NC” before being recorded at the Register of Deeds.

Upon a motion by Councilmember Hall, seconded by Councilmember Townsend, unanimously carried, Council approved the easement proposal at Elizabeth Heights with the change to Exhibit A.

NEW BUSINESS

Consider Easement to Earnhardt Exchange, LLC

Mayor Michael has been contacted about the possibility of an easement encroaching onto the sidewalk related to the construction and renovation project at the corner of West Main Street and North First Street.

The Mayor reported that Earnhardt Exchange, LLC, to comply with the building code for egress, needs to build windows as part of the plans for the proposed apartment complex. On the West Main Street side of the property, window wells will need to be added for windows going in partially below ground level. To protect window wells, a wrought iron fence will be installed along the sidewalk similar to what is there in front of the building.

In order to be able to do this, some of the sidewalk area that is currently there needs to be used. There is precedence for Council approving a sidewalk easement. The area of sidewalk that would be taken away is approximately 6-8". The City Attorney would draft the encroachment agreement when the plans are finalized.

The Mayor then asked for Council to call a motion to approve the sidewalk easement request by Earnhardt Exchange, LLC.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Bramlett, unanimously carried, Council approved the sidewalk easement request by Earnhardt Exchange, LLC.

Discussion of City Christmas Events

Parks and Recreation Director Lisa Kiser provided the update to Council. The Special Events Committee and City staff are recommending the cancellation of the parade and open house due to the continuing concerns and restrictions for COVID-19. Below is a listing of the new planned activities designed to bring attention and customers to the downtown:

- **Virtual tree lighting:** Mayor Michael will ring in the holiday season with the lighting of the Christmas tree in front of Albemarle City Hall. The lighting will also be broadcast live on Facebook for everyone in the community to enjoy. The tree lighting ceremony is scheduled for Saturday, November 28th at 5:30 pm. The Mayor added that if the Charters of Freedom installation project begins before that date, it might affect the ability to conduct the ceremony on that date. He will keep Council and staff updated on that timeline.
- **Letters to Santa:** Kids can write letters to Santa and drop off at the Stanly County Library
- **Holiday Pop Up Shop:** The Main Street Office is again hosting this event at 112 S. 2nd St. (across from Off the Square). The shop will feature several vendors selling handcrafted items, and will again offer FREE gift wrap for ALL downtown store purchases, shopping totes, and other complimentary items. The shop will be open on Saturdays from 10am-2pm, from November 14-December 19.
- **Shopping Bingo:** This two week long activity will target shoppers to get them spending their dollars in downtown stores. This activity will kick off on Small Business Saturday (Nov. 28th) and run through Saturday, Dec. 19th. Similar to the BOO Bingo fall promotion, shoppers will visit participating stores to get their game card stamped after a purchase of \$10 or more. Once a row is filled, the customer brings their card to the ADDC Holiday Pop Up Shop, located at 112 S. 2nd St., to draw for a prize. The ADDC will purchase a variety of gift cards from downtown businesses for customers to draw from.

- **Window Decorating Contest:** Now more than ever, storefront appearance is essential to getting shoppers in the door. A vote will cost \$1, and all funds collected will go to the United Way of Stanly County.
- **Holiday Sounds at the Square:** Starting November 28th through December 12th from 11am until 11pm music will be playing. Food trucks will also be available around the Square since many restaurants are closed due to COVID19.
- **Holiday Tour of Homes:** This is scheduled for December 13th from 4-6pm. The Snuggs and Marks Homes, as well as the YMCA Building and Hull House will participate. Masks will be required to tour homes, and a limit to the number of people will occur to promote safe practices due to COVID19.
- **Nutcracker Stroll:** This will be an afternoon stroll of downtown stores with live scenes from the Nutcracker featuring the Albemarle Academy of Dance scheduled on Saturday November 21st.
- **Christmas Movies @ the ANT:** On Fridays December 4th, 11th and 18th at 6:30pm, Albemarle Parks & Recreation will feature a family-friendly Christmas movie at the Albemarle Neighborhood Theatre. Before the start of each movie, Santa and Mrs. Claus will take the stage to greet kids and read them a Christmas story. Seating will be limited for COVID compliance, and masks will be mandatory.

Council thanked Ms. Kiser for her update.

COMMENTS

The Mayor reminded everyone that now is the final opportunity to vote. He encouraged residents to make their voices heard by voting tomorrow if they have not already done so.

Councilmember Aldridge:

- He echoed the Mayor's message to encourage residents to vote. This is a record setting election phase, so he encouraged residents to go out and vote and make their voices heard.

Councilmember Whitley:

- He noted that the City Manager's weekly email updates are very helpful, in that more information is being provided to Council on a regular basis by staff on projects, making the list of things Council wants updates on smaller.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Whitley, unanimously carried, the meeting was adjourned to Monday, November 9, 2020 at 4:00 p.m. at the Stanly County Senior Center for a Council/Staff strategic planning session.

Print

Title – Ms. Tiffany Dahle - To Request Road Closures for a Locally Sponsored Downtown Christmas Parade

Description:

Ms. Dahle would like to move forward with a locally sponsored downtown Christmas Parade event in lieu of the City's event which Council cancelled during the November 2nd meeting.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> Downtown_Christmas_Parade_2020.pdf	Application Downtown Christmas Parade

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--



Special Event Permit Application
 PO Box 190 Albemarle, NC 28001-0190
www.albemarlenc.gov

SECTION I: GENERAL INFORMATION

Title of Event: #aIBemarleDOWNTOWN Christmas Parade
 Event Website (if applicable): _____ Event Date/s: 12/12/2020 Event Hours: 10am-12pm

**USE ADDITIONAL ATTACHMENTS
 FOR ANY PORTIONS OF APPLICATION AS NEEDED**

Event Category: (please check all that apply) <input type="checkbox"/> Assembly <input type="checkbox"/> Festival/Outdoor Market <input type="checkbox"/> Run/Walk <input checked="" type="checkbox"/> Parade <input type="checkbox"/> Demonstration <input type="checkbox"/> Concert/Performance <input type="checkbox"/> Block Party <input type="checkbox"/> Roadside Solicitation <input type="checkbox"/> Educational <input type="checkbox"/> Other: _____	Special Considerations: (please check all that apply) <input type="checkbox"/> Alcoholic Beverages <input checked="" type="checkbox"/> Food Sales <input type="checkbox"/> Cooking <input checked="" type="checkbox"/> Merchandise Sales <input type="checkbox"/> Pets/Animals <input type="checkbox"/> Use of Electricity <input type="checkbox"/> Sound Amplification <input type="checkbox"/> Tents <input type="checkbox"/> Fireworks/Pyrotechnics <input type="checkbox"/> Portable Restrooms <input type="checkbox"/> Other: _____
---	--

Time Set up Begins: 9 AM	Time Break Down Ends: 1PM
Estimated Event Attendance: 100	Estimated # of People at Peak Periods: 100
Estimated # of Vehicles: 25	Estimated Vehicles at Peak Periods: 25

SECTION II: EVENT ORGANIZATION INFORMATION

Host Organization: Tiffany's at the Boardroom	Applicant Name: Tiffany E. Dahle		
Address: 135 W. Main St	City: Albemarle	State: NC	Zip: 28001
Phone#: 704-985-5119	Mobile#: 704-985-5119	Email: tiffany@eventswithtiffany.com	
Primary On-Site Contact: Tiffany Dahle		Mobile#: 704-985-5119	
Other On-Site Contact Info: Mary Wysocki 704-985-3023		Org. EIN#:	

SECTION III: EVENT DETAILS

Description of the Event: _____
 Christmas parade to promote community and movement in downtown

Location/s of the Event: normal parade route	Site Capacity:
Property Address:	
Property Owner/s:	Owner/s Authorized Use:

SECTION IV: INSURANCE REQUIREMENTS

(COMPLETE ONLY IF STREET CLOSURE, FIREWORKS, OR ALCOHOL BEING REQUESTED)

Name of Policy Holder: Dahle Holdings	Policy#: JJ2521
Policy Amount: 2,500,000.00	Policy Type: Commercial Insurance - Business and umbrella

**A COPY OF POLICY MUST BE PROVIDED WITH THE APPLICATION.
 CITY OF ALBEMARLE MUST BE LISTED AS "ADDITIONAL INSURED" PARTY.**

SECTION V: PERMIT FEES

Tent Permit (\$50)
 Public Assembly (\$25)
 Special Event Permit (\$25)
 Street Closing (\$50)
 Fireworks/Pyrotechnics (\$100 for one time event/\$300 for 6 months)

**Civic Groups or 501c organizations may be fee exempt at discretion of City Council, if requested.
 Proof of federal 501c Status must be submitted with Application.**

Check here for fee waiver request



City of Albemarle Special Event Permit Application (Page 2 of 2)

SECTION VI: SPECIAL CONSIDERATION DETAIL
(CHECK EACH BOX AS APPLICABLE AND PROVIDE DETAIL REQUESTED)

Street Closures (map of proposed closing and route must be provided with application)
NOTE: ALL NCDOT ROADS MUST BE APPROVED BY NCDOT
Reason for Street Closure: Parade
Name of Street to be closed: N. 1st Street from CB Crook Dr to South St.
Additional Street: N. 2nd Street from CB Crook Dr to South St.
of Barricades needed: 12 # of cones needed 20 Dropoff location: barricades at intersections & cones at ymca
Date of Closure: 12/12/2020 Start Time: 8:30 AM to 1 PM
Additional Comments: route map attached- might be mistaken on barricades needed

Trash/Debris Plan: Volunteers will assist with street clean-up

- Alcoholic Beverages*** (check all that apply)
- Free/Host Alcohol
 - Alcohol Sales (ABC Permit must accompany)
 - Host and Sale Alcohol
 - Beer
 - Wine
 - Beer and Wine
 - Liquor

Describe Security Plan to ensure safe sale and distribution of alcohol at your event: _____

Appropriate ABC Permits must accompany application. Failure to submit at time of application will affect approval.

* Applicant must provide a map of proposed designated area with this application. Right to modify area is reserved by the City.

Parade/Run/Walk/Procession/Demonstration
 (map of route required)

- Open Sidewalks only
- Streets w/ temporary traffic interruptions
- Street Closures
- Sidewalk Closures

Start Time: 10 Am End Time: 12 PM
 Purpose: Christmas

- Additional Permit Attachments Included:**
- Site Map of All Activities
 - Parking Plan
 - Emergency Action Plan with site map (required for any downtown event)
 - Security Plan
 - General Liability Insurance
 - ABC Permit
 - Alcohol Beverage Designated Area Map
 - Proof of 501C Status
 - Application Fee
 - Property Owner Authorization
 - Business Notification Form

Tents (Width x Length x Height)
 Dimensions of Tent: _____
Tents greater than 400 square feet require an additional \$50 permit fee
TENT PERMIT ONLY DOES NOT REQUIRE ADDITIONAL SPECIAL EVENT FEE

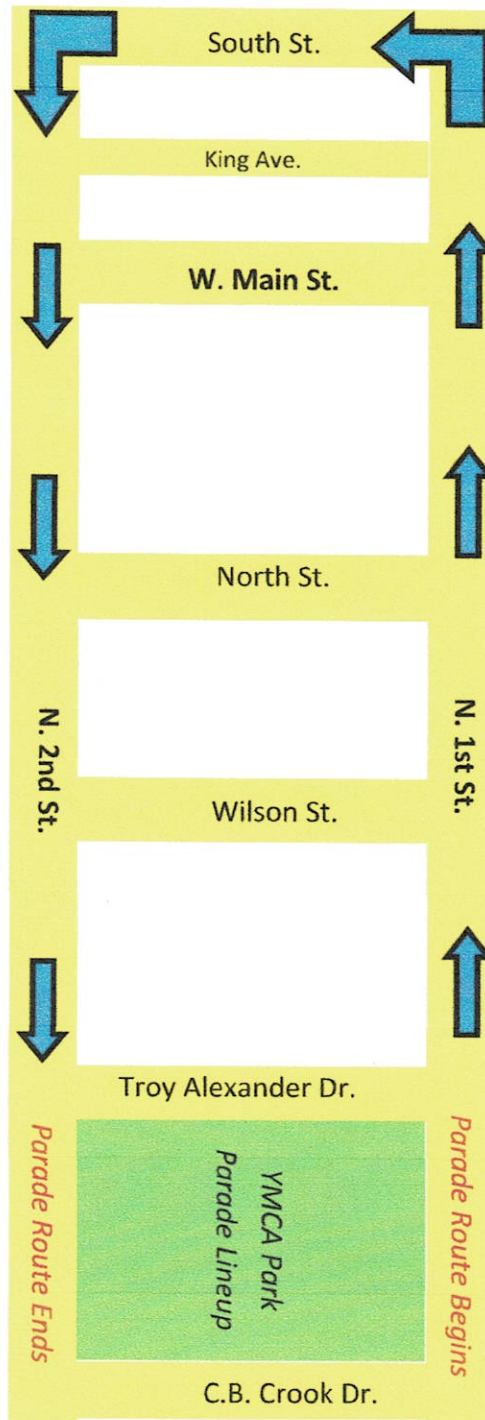
Cooking or Warming Food? (Circle One)
 Method of Heat _____

I certify that the information contained in the foregoing application is true and correct to the best of my knowledge and belief that I have read, understand, and agree to abide by the rules and regulations governing the proposed Special Event under the City of Albemarle Municipal Code and I understand that this application is made subject to the rules and regulations established by the City Council and/or City Manager or City Manager's designee. Applicant agrees to comply with all other requirements by the City, County, State, and Federal Government, and any other applicable entity which may pertain to the use of the Event venue and the conduct of the Event. In the event that a possessory interest subject to taxation is created by virtue of this use-permit, I agree to pay all possessory interest taxes and the City shall not be liable for the payment of such taxes. I further agree that the payment of any such taxes shall reduce and consideration paid to the City pursuant to this use-permit. I agree to abide by these rules, and further certify that I, on behalf of the host organization, am also authorized to commit that organization, and therefore agree to be financially responsible for any costs and fees that may be incurred by or on behalf of the Event to the City of Albemarle. I also understand the application fee is non-refundable and due at the time of application submittal. The submission of this application is not an automatic approval or guarantee.

Print Name of Application/Host Organization: Tiffany's at the Boardroom Title: Owner

Signature _____

Submission Date: 11/13/2020



Print

Title – Mr. Durham Lewis - To Present the FY 19/20 Albemarle ABC System Audit

Description:

Mr. Lewis will present the system's 19/20 audit report.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> ABC Audit FY 19-20.pdf	ABC System Audit

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--

**THE CITY OF ALBEMARLE
BOARD OF ALCOHOLIC BEVERAGE CONTROL
(A COMPONENT UNIT OF THE CITY OF ALBEMARLE)
AUDITED FINANCIAL STATEMENTS**

JUNE 30, 2020 and 2019

**PREPARED BY
DURHAM LEWIS CPA, PLLC
ROCKINGHAM, NORTH CAROLINA**

**The City of Albemarle Board of
Alcoholic Beverage Control**

(A component unit of The City of Albemarle)

Table of Contents

June 30, 2020 and 2019

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-6
Basic Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses, and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	10-23
Supplementary Information	
Schedule of Proportionate Share of Pension Liability (Asset) For the Last Six Years	24
Schedule of Board Contributions to Retirement Plan For the last Six Years	25
Schedule of Store Expenses	26
Schedule of Administrative Expenses	27
Schedule of Warehouse Expenses	28
Schedule of Distributions of Profits	29
Schedule of Revenues and Expenditures - Budget and Actual	30

Durham Lewis CPA, PLLC

PO Box 128
230 South Lawrence Street
Rockingham, NC 28379
Phone: 910-997-3195
Fax: 910-997-3199

Independent Auditor's Report

Board of Directors
Albemarle Board of Alcoholic Beverage Control
Albemarle, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of The City of Albemarle Board of Alcoholic Beverage Control, a component unit of The City of Albemarle, which comprise the Statement of Net Position as of June 30, 2020 and 2019, and the related Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Albemarle Board of Alcoholic Beverage Control as of June 30, 2020 and 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The Schedules of Store Expenses, Administrative Expenses, Warehouse Expenses, Distributions of Profits, and Schedule of Revenues and Expenditures – Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Store Expenses, Administrative Expenses, Warehouse Expenses, Distributions of Profits, and Schedule of Revenues and Expenditures – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Durham Lewis CPA, PLLC
Rockingham, North Carolina
September 01, 2020

Management's Discussion and Analysis

This section of the Albemarle Board of Alcoholic Beverage Control (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2020. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Working capital was approximately \$785,952
- Profit distributions totaling \$340,000 were made or accrued by the Board to the City of Albemarle during the year.

Overview of the Financial Statements

The audited financial statements of the Board consist of 3 components. They are as follows:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Additional Information Required by the ABC Commission*

The *Basic Financial Statements* are prepared using the full accrual basis of accounting. They consist of three statements. The first statement is the **Statement of Net Position**. Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement.

The next statement is the **Statement of Revenues, Expenses, and Changes in Net Position**. This statement is used in evaluating whether the Board has recovered all of its costs through sales. Its information is used in determining credit worthiness.

The final required statement is the **Statement of Cash Flows**. This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash, and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC Commission requires some schedules in addition to the information required by generally accepted accounting principles. They include a **Schedule of Store Expenses**, a **Schedule of Administrative Expenses**, a **Schedule of Warehouse Expenses**, a **Schedule of Distributions of Profits**, and a **Schedule of Revenues and Expenditures – Budget and Actual**.

Financial Analysis of the Board

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows exceeded liabilities and deferred inflows by \$1,842,096 in 2020, by \$1,722,091 in 2019 and \$1,661,657 in 2018. The largest component of net position was the investment in capital assets. It was 52% of the total net position in 2020, 57% in 2019 and 57% in 2018. Following is a summary of the Statement of Net Position:

Table 1
Condensed Statements of Net Position

	6/30/2020	6/30/2019	6/30/2018	\$ Change This Yr over Last Yr	% Change This Yr over Last Yr
Current Assets	\$ 1,212,492	\$ 983,771	\$ 979,439	\$ 228,721	23.25%
Non-current Assets	954,173	980,986	952,368	(26,813)	-2.73%
Total Assets	\$ 2,166,665	\$ 1,964,757	\$ 1,931,807	\$ 201,908	10.28%
Deferred Outflows of Resources	\$ 42,923	\$ 42,300	\$ 27,210	\$ 623	1.47%
Current Liabilities	\$ 250,075	\$ 177,180	\$ 204,446	\$ 72,895	41.14%
Non-current Liabilities	99,600	89,705	73,683	9,895	11.03%
Total Liabilities	\$ 349,675	\$ 266,885	\$ 278,129	\$ 82,790	31.02%
Deferred Inflows of Resources	\$ 17,817	\$ 18,081	\$ 19,231	\$ (264)	-1.46%
Invested in Capital Assets (net)	\$ 954,173	\$ 980,986	\$ 952,368	\$ (26,813)	-2.73%
Restricted Net Position	121,763	103,343	94,226	18,420	17.82%
Unrestricted Net Position	766,160	637,762	615,063	128,398	20.13%
Total Net Position	\$ 1,842,096	\$ 1,722,091	\$ 1,661,657	\$ 120,005	6.97%

Unrestricted Net Position increased by 20.13% from the prior year. Income from operations increased by 18.40% from the prior year. Following is a summary of the changes in net position:

Table 2
Condensed Statements of Revenues, Expenses, and Changes in Net Position

	6/30/2020	6/30/2019	6/30/2018	\$ Change This Yr over Last Yr	% Change This Yr over Last Yr
Operating Revenues	\$ 4,121,372	\$ 3,505,268	\$ 3,195,294	\$ 616,104	17.58%
Less: Taxes on Gross Sales	942,449	808,955	736,608	133,494	16.50%
Net Sales	\$ 3,178,923	\$ 2,696,313	\$ 2,458,686	\$ 482,610	17.90%
Cost of Sales	2,131,327	1,805,003	1,649,592	326,324	18.08%
Gross Profit	\$ 1,047,596	\$ 891,310	\$ 809,094	\$ 156,286	17.53%
Less: Operating Expenses	548,127	469,457	459,507	78,670	16.76%
Income from Operations	\$ 499,469	\$ 421,853	\$ 349,587	\$ 77,616	18.40%
Non-operating Revenues and Expenses	7,362	10,990	101,847	(3,628)	-33.01%
Change in Net Position before Distributions	\$ 506,831	\$ 432,843	\$ 451,434	\$ 73,988	17.09%
Distributions	386,826	372,409	333,291	14,417	3.87%
Change in Net Position	\$ 120,005	\$ 60,434	\$ 118,143	\$ 59,571	98.57%
Net Position, Beginning	1,722,091	1,661,657	1,543,514	60,434	3.64%
Net Position, Ending	\$ 1,842,096	\$ 1,722,091	\$ 1,661,657	\$ 120,005	6.97%

Following is a breakdown of sales by source:

	6/30/2020	6/30/2019	6/30/2018	\$ Change	% Change
Retail Liquor Sales	\$ 3,794,078	\$ 3,125,003	\$ 2,850,854	\$ 669,075	21.41%
Mixed Beverage Sales	313,312	370,245	335,631	(56,933)	-15.38%
Retail Wine Sales	13,982	10,020	8,809	3,962	39.54%
Total Sales	\$ 4,121,372	\$ 3,505,268	\$ 3,195,294	\$ 616,104	17.58%

The percentage of mixed beverage sales, wine sales, and liquor sales remained consistent from the prior year.

Capital Asset and Debt Administration

Capital Assets

Investment in capital assets as of June 30, 2020, totals \$954,173 (net of accumulated depreciation).

Various upgrades to the information and technology system made up the majority of additions to fixed assets along with several smaller additions. Additions for the year totaled \$17,794. Retirements of fixed assets for the year totaled \$7,988. All disposed equipment was fully depreciated.

Table 3
Capital Assets
(net of depreciation)

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 222,167	\$ 222,167	\$ 222,167	\$ -	0.00%
Building	1,080,830	1,080,436	1,054,979	394	0.04%
Equipment	255,929	246,519	206,387	9,410	3.82%
Total Capital Assets	\$ 1,558,926	\$ 1,549,122	\$ 1,483,533	\$ 9,804	0.63%
Less Accumulated Depreciation	(604,753)	(568,136)	(531,165)	(36,617)	6.45%
Total Capital Assets (net)	<u>\$ 954,173</u>	<u>\$ 980,986</u>	<u>\$ 952,368</u>	<u>\$ (26,813)</u>	<u>-2.73%</u>

Additional information on the Board's capital assets can be found in Note 1.G.6 of the Basic Financial Statements.

Debt Administration

The Board had no long-term debt at June 30, 2020 and 2019.

Economic Factors

The effect of the coronavirus pandemic was the leading cause for the increase in revenue.

Requests for Information

This report is intended to provide a summary of the financial condition of the Board. Questions or requests for additional information should be addressed to:

Karen Cranford, Financial Officer
Albemarle Board of Alcoholic Beverage Control
1930 East Main Street
Albemarle, NC 28002

Albemarle Board of Alcoholic Beverage Control
(A component unit of the City of Albemarle)
Statements of Net Position
as of June 30, 2020
and June 30, 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 741,745	\$ 584,426
Inventories	414,283	344,538
Prepaid expenses	10,531	8,874
Net pension asset	45,933	45,933
Total Current Assets	\$ 1,212,492	\$ 983,771
NON-CURRENT ASSETS		
Land	\$ 222,167	\$ 222,167
Buildings & improvements	1,080,830	1,080,436
Furniture & equipment	255,929	246,519
	\$ 1,558,926	\$ 1,549,122
Less: accumulated depreciation	(604,753)	(568,136)
Total Non-Current Assets	\$ 954,173	\$ 980,986
TOTAL ASSETS	\$ 2,166,665	\$ 1,964,757
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of pension plan resources	\$ 42,923	\$ 42,300
Total Deferred Outflows of Resources	\$ 42,923	\$ 42,300
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 122,657	\$ 76,376
Mixed beverage, excise & bottle tax	88,390	67,897
Liquor sales tax payable	6,425	5,470
Accrued expenses	21,115	16,023
Distributions payable	10,726	10,771
Payroll taxes accrued	762	643
Total Current Liabilities	\$ 250,075	\$ 177,180
NON-CURRENT LIABILITIES		
Net pension liability	\$ 99,600	\$ 89,705
Total Liabilities	\$ 349,675	\$ 266,885
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of pension resources	\$ 17,817	\$ 18,081
Total Deferred Inflows of Resources	\$ 17,817	\$ 18,081
NET POSITION		
Net investment in capital assets	\$ 954,173	\$ 980,986
Restricted for working capital	121,763	103,343
Unrestricted	766,160	637,762
Total Net Position	\$ 1,842,096	\$ 1,722,091

The accompanying notes are an integral part of the financial statements.

Albemarle Board of Alcoholic Beverage Control
(A component unit of The City of Albemarle)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020
and June 30, 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Liquor sales - regular	\$ 3,794,078	\$ 3,125,003
Mixed beverage sales	313,312	370,245
Wine sales	13,982	10,020
Total Gross Sales	<u>\$ 4,121,372</u>	<u>\$ 3,505,268</u>
DEDUCT TAXES ON GROSS SALES		
State excise tax	\$ 899,637	\$ 761,130
Mixed beverage tax - NCDHHS	27,469	3,323
Mixed beverage tax - NCDOR	2,747	33,232
Rehabilitation tax (bottle)	11,688	10,637
Sales & use tax - wine	908	633
Total Taxes	<u>\$ 942,449</u>	<u>\$ 808,955</u>
NET SALES	<u>\$ 3,178,923</u>	<u>\$ 2,696,313</u>
DEDUCT COST OF SALES		
Cost of liquor sold	\$ 2,122,276	\$ 1,798,531
Cost of wine sold	9,051	6,472
Total Cost of Sales	<u>\$ 2,131,327</u>	<u>\$ 1,805,003</u>
GROSS PROFIT ON SALES	<u>\$ 1,047,596</u>	<u>\$ 891,310</u>
DEDUCT OPERATING EXPENSES		
Store expenses	\$ 464,950	\$ 400,234
Warehouse expenses	5,651	6,908
Administrative expenses	32,921	25,345
Depreciation expense	44,605	36,970
Total Operating Expenses	<u>\$ 548,127</u>	<u>\$ 469,457</u>
INCOME FROM OPERATIONS	<u>\$ 499,469</u>	<u>\$ 421,853</u>
Non-operating Revenues (Expenses)		
Interest income	\$ 7,362	\$ 10,990
Gain on disposal of fixed assets	-	-
Total Non-operating Revenues (Expenses)	<u>\$ 7,362</u>	<u>\$ 10,990</u>
CHANGE IN NET POSITION BEFORE DISTRIBUTIONS	<u>\$ 506,831</u>	<u>\$ 432,843</u>
DEDUCT DISTRIBUTIONS		
Law enforcement	\$ 19,510	\$ 16,677
Alcohol education & rehab	27,316	23,346
Change in Net Positions Before Profit Distributions	<u>\$ 460,005</u>	<u>\$ 392,820</u>
Profit Distributions - City of Albemarle	<u>340,000</u>	<u>332,386</u>
CHANGE IN NET POSITION	<u>\$ 120,005</u>	<u>\$ 60,434</u>
NET POSITION - JULY 01	1,722,091	1,661,657
NET POSITION - JUNE 30	<u>\$ 1,842,096</u>	<u>\$ 1,722,091</u>

The accompanying notes are an integral part of the financial statements.

Albemarle Board of Alcoholic Beverage Control
(A component unit of The City of Albemarle)
Statements of Cash Flows
For the Years Ended June 30, 2020
and June 30, 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 4,121,372	\$ 3,505,268
Cash payments to suppliers for goods & services	(2,155,651)	(1,854,641)
Cash payments to employees for services	(291,790)	(260,583)
Other operating expenses	(198,244)	(174,538)
Taxes paid	(921,065)	(810,142)
Net Cash Provided By Operating Activities	<u>\$ 554,622</u>	<u>\$ 405,364</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	\$ (17,794)	\$ (65,589)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (17,794)</u>	<u>\$ (65,589)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Law enforcement & alcohol education distributions	\$ (44,485)	\$ (48,560)
Profit distributions to Albemarle	(342,386)	(330,000)
Net Cash (Used) by Non-Capital Financing Activities	<u>\$ (386,871)</u>	<u>\$ (378,560)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on investments	\$ 7,362	\$ 10,990
NET INCREASE (DECREASE) IN CASH	\$ 157,319	\$ (27,795)
CASH - Beginning of Year	584,426	612,221
CASH - End of Year	<u>\$ 741,745</u>	<u>\$ 584,426</u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities		
Net Income from Operations	\$ 499,969	\$ 421,853
Adjustments to reconcile income from operations to net cash provided by operating activities		
Depreciation expense	44,605	36,970
Pension expense	9,008	(218)
Changes in Assets and Liabilities		
(Increase) decrease in inventory	(69,746)	(31,522)
(Increase) decrease in prepaid expenses	(1,657)	(540)
Increase (decrease) in liquor taxes payable	20,493	748
Increase (decrease) in accounts payable	45,966	(23,391)
Increase (decrease) in payroll taxes payable	119	-
Increase (decrease) in accrued liabilities	5,093	3,400
Increase (decrease) in liquor sales tax payable	772	(1,936)
Net Cash Provided by Operating Activities	<u>\$ 554,622</u>	<u>\$ 405,364</u>

The accompanying notes are an integral part of the financial statements.

Albemarle Board of Alcoholic Beverage Control
(A component unit of The City of Albemarle)
Notes to the Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies

A. Principles used in determining the scope of the entity for financial reporting

The Albemarle Board of Alcoholic Beverage Control, (the Board), a component unit of The City of Albemarle, is a corporate body with powers outlined by General Statutes [Chapter 18B-701]. The governing body of Albemarle appoints the members of the ABC Board.

The Board is required by State Statute to distribute its surpluses to the general fund of the City of Albemarle, which represents a benefit to the City. Therefore, the Board is reported as a discretely presented component unit in the City's financial statements.

B. Organizational History

The Board was organized under the provisions of the North Carolina Legislature, as revised by Chapter 259, Session of Laws 1979 and Senate Bill 981, ratified by the North Carolina General Assembly on July 18, 1993. A referendum was held on February 10, 1998 in which voters approved the establishment of a liquor control store in Albemarle. The chairman and two other members of the Board are approved by the City Council. Each member serves a 3-year term. The store opened for business on November 2, 1998.

The Board, as provided by North Carolina Alcoholic Beverage Control laws, operates one liquor store and through its law enforcement division, investigates violations of such laws. North Carolina [18B-805 (c) (2) (3)] requires that the Board expend at least 5% of profits for law enforcement and at least 7% of same profits for alcohol education and rehabilitation purposes.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or the change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. All sales are made for cash (or bank card) and recorded at the time of sale; revenues are recorded when earned, expenses are recognized when incurred. As permitted, the Board has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its proprietary operation, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net position date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

F. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan and member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

G. Assets, Liabilities, and Net Position

(1) Deposits

All deposits of the Board are made in board-designated official depositories and are collateralized as required by State law [G.S. 159-31]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. The Board may also establish Time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Board's agent in the Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State

Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the Board agent in the Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2020, the Board's deposits had a carrying amount of \$792,620 and a bank balance of \$792,640. The portion of the bank balance that was not covered by FDIC insurance was collateralized under the pooling method.

At June 30, 2019, the Board's deposits had a carrying amount of \$581,940 and a bank balance of \$546,268. The portion of the bank balance that was not covered by FDIC insurance was collateralized under the pooling method.

(2) Investments

State law [G.S. 159-30(c)] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered (2a-7) money market mutual fund.

(3) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(4) Accounts Receivable

All retail transactions are point of sale paid by cash or bank card. The Board does not sell any items on credit.

(5) Inventories

Inventories are valued at the lower of cost (FIFO) or market.

(6) Capital Assets

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Useful life</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets not being depreciated					
Land	NA	\$ 222,167	\$ -	\$ -	\$ 222,167
Total Capital Assets not being depreciated		<u>\$ 222,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,167</u>
Capital Assets being depreciated					
Buildings & improvements	40 years	\$ 1,080,436	\$ 395	\$ -	\$ 1,080,831
Store equipment	5-10 years	200,689	7,777	(6,822)	201,644
Office Equipment	5-10 years	45,830	9,621	(1,166)	54,285
Total Capital Assets being depreciated		<u>\$ 1,326,955</u>	<u>\$ 17,793</u>	<u>\$ (7,988)</u>	<u>\$ 1,336,760</u>
Less accumulated depreciation for:					
Buildings & improvements		\$ (377,510)	\$ (33,088)	\$ 6,822	\$ (403,775)
Store equipment		(150,757)	(9,648)	1,166	(159,240)
Office Equipment		(39,869)	(1,869)		(41,739)
Total Capital Assets being depreciated, net		<u>\$ 758,819</u>	<u>\$ (26,812)</u>	<u>\$ -</u>	<u>\$ 732,006</u>
Capital Assets, net		<u>\$ 980,986</u>			<u>\$ 954,173</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

(7) Net Position

Net position consists of the following:

- Restricted for law enforcement – this applies only when the Board employs its own ABC officer.
- Restricted for capital improvements – State Law [G.S. 18B-805 (d)] requires approval of the appointing authority to establish this account.
- Restricted for working capital – North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments, and inventory less all unsecured liabilities. An ABC Board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year nor greater than three months' average gross sales of the last

fiscal year. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State Law [G.S. 18B-805 (b) (2), (3) and (4)].

- d. Net investment in capital assets - this component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same assets component as the unspent proceeds.
- e. Unrestricted net position – this component of net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt.

Note 2. Stewardship, Compliance and Accountability

Compliance with N.C. General Statutes

- A. No instances of non-compliance with NC General Statutes were noted during the audit.

Note 3. Detail Notes on All Funds

Pension Plan Obligations

A. Local Government Employees' Retirement System

Plan Description - Local Government Employees' Retirement System. The Board is a participant employer in the statewide Local Government Employees' Retirement System (LGERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employee and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees which consists of thirteen members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing the office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided - LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with twenty five years of creditable service, or at any age with thirty years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with twenty years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed twenty years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate benefit for life or a return of the member's contributions.

The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions - Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2019, was 9.040% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$17,481 for the year ended June 30, 2019.

Refunds of Contributions – Board employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Board reported a liability of \$99,600 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension asset was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the

projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Board's proportion was .00223%, which was a decrease of .00008% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Board recognized pension expense of \$20,911. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,428	
Changes of assumptions	9,926	
Net difference between projected and actual earnings on pension plan investments	1,485	
Changes in proportion and differences between contributions and proportionate share of contributions	8,459	
The Board's contributions subsequent to the measurement date	20,911	
Total	<u>\$ 51,209</u>	<u>\$ -</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 13,569
2021	5,792
2022	7,944
2023	2,994
2024	-
Thereafter	-
Total	<u>\$ 30,299</u>

Actuarial Assumptions - The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officers) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2018.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate - The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Board's proportionate share of the net pension liability(asset)	\$139,288.00	\$60,900.00	-\$4,257.00

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Note 4. Leases

The Board had no leases in effect at June 30, 2020 and 2019.

Note 5. Long-Term Debt

As of June 30, 2020 and 2019, the Board had no long-term debt.

Note 6. Related Party Transactions

There were no related party transactions for the fiscal years ended June 30, 2020 and 2019.

Note 7. Vacation and Sick Leave Compensation

Earned but unused vacation cannot be carried forward to the next calendar year. All vacation must be taken by the last week of November each year. Accumulated earned vacation at June 30, 2020 amounted to approximately \$13,186.

Employees are not limited in the amount of sick leave that can be accumulated. Sick leave does not vest but unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulation of sick leave until it is actually taken, no accrual for sick leave has been made.

Note 8. Distributions of Income

NC General Statute 18B-805 (e) requires that the entire net income, after deducting amounts required for law enforcement and education and retaining proper working capital, be paid quarterly to the appropriate local government entity. Under Senate Bill 981 ratified by the 1993 General Assembly, the distributions to be made by the Albemarle ABC Board were to be divided as follows:

Rehabilitation	10%
Public Schools	25%
Stanly County General Fund	15%
City of Albemarle – Capital Improvement	25%
City of Albemarle – General Fund	15%
(To promote tourism & economic development)	
City of Albemarle – General Fund	10%
Total	100%

The General Assembly of North Carolina, in their 2003 session, enacted House Bill 187, which amended the method of division of distributions made by the Albemarle ABC Board. For distributions paid or accrued after June 2, 2004, the City of Albemarle General Fund receives 100% of the distribution.

The Board has made distributions since inception of \$2,352,000 which are summarized as follows:

	Current Year	Inception to Date
Rehabilitation	\$ -	\$ 5,000
Public Schools	-	12,500
Stanly County General Fund	-	7,500
City of Albemarle - Capital Improvement	-	12,500
City of Albemarle - General Fund	-	7,500
(To promote tourism & economic development)		
City of Albemarle - General Fund	340,000	2,307,000
Totals	\$ 340,000	\$ 2,352,000

State law [G.S. 18B-805] requires that the minimum distribution set aside in (c) (1) and any profit remaining after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the appointing authority.

Note 9. Law Enforcement and Alcohol Education Expenses

The Board is required by law to expend at least 5% of its profits for law enforcement and 7% of its profits for education of the excessive use of alcoholic beverages and for rehabilitation of alcoholics. Profits are defined by law for these calculations as income before law enforcement and education expenses, less 3 ½% markup provided in G.S. 18B-804 (b) (5) and the bottle charge provided for in G.S. 18B-804 (b) (6b). The following schedule summarizes the Board's expenditures for these items during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Income before required distributions	\$ 506,831	\$ 432,833
Less 3 1/2% tax & bottle charge	116,632	99,324
Profit subject to expense percentages	<u>\$ 390,199</u>	<u>\$ 333,509</u>
Law Enforcement Expenditures	\$ 19,510	\$ 16,677
Actual % of Profit	5%	5%
Provision for Alcoholic Education & Rehabilitation	\$ 27,314	\$ 23,346
Actual % of Profit	7%	7%

Note 10. Disbursement of Taxes Included in Selling Price

A state excise tax, at the rate of 30% on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales).

Transactions for this account for the years ended June 30, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Taxes payable – beginning of year	\$ 63,483	\$ 63,480
Taxes collected during the year	899,636	761,130
Taxes remitted to NC Dept. of Revenue	879,020	760,767
Taxes payable – end of year	<u>\$ 84,099</u>	<u>\$ 63,843</u>

The excise tax is computed in accordance with G.S. 18B-805 (i).

The accrued North Carolina excise tax at June 30, 2020, was remitted to the North Carolina Department of Revenue on July 01, 2020.

A bottle charge of one cent on each bottle containing 50 milliliters or less and five cents on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the fiscal year as indicated, payments to the county were based on the following bottle sales:

For the year ended June 30, 2020			
Regular Bottles	193,151	@.05	\$ 9,658
Mixed Beverage Bottles	14,558	@.05	728
Miniature Bottles	130,270	@.01	1,303
Total Tax Collected for Year ended June 30, 2020			<u>\$ 11,688</u>

A "mixed beverage tax" at the rate of \$20.00 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the North Carolina Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the NC Department of Health and Human Services.

The mixed beverage taxes for the years ended June 30, 2020 and 2019 was:

	<u>2020</u>	<u>2019</u>
NC Department of Revenue (50%)	\$ 27,470	\$ 33,233
NC Department of Health and Human Services (5%)	2,747	3,323
Profit Retained (45%)	24,723	29,910
Total	<u>\$ 54,940</u>	<u>\$ 66,466</u>

At June 30, taxes payable were:

	<u>2020</u>	<u>2019</u>
NC Department of Revenue - Mixed Beverage & Excise Tax	\$ 87,065	\$ 66,720
NC Department of Health and Human Services - Mixed	296	288
Stanly County - Bottle Tax	1,029	889
Total	<u>\$ 88,390</u>	<u>\$ 67,897</u>

Note 11. Surcharge Collected

The total amount of surcharge collected for the fiscal year was \$26,227. The bailment surcharge rate was \$1.40 per case during the year.

Note 12. Liquor Sales Tax

The total amount of sales tax collected by the Board and remitted to the Department of Revenue for the fiscal year was \$265,716. The current sales tax rate is 7%.

Note 13. Retail Outlets

The Albemarle Board of Alcoholic Beverage Control operated with one retail outlet:

1930 East Main Street, Albemarle, North Carolina 28002
Gross Sales \$4,121,372 Change in Net Position \$120,005

Note 14. Working Capital

The Board is required by the Alcoholic Beverage Control Commission rule [.0902] to set its working capital requirements at not less than two weeks average gross sales of the last fiscal year. (Gross sales are gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b) (2), (3), and (4)).

The Board's position on this requirement is as follows:

Minimum Amount	\$ 121,763
Maximum Amount	\$ 791,462
Actual Amount	\$ 785,952

The Albemarle Board of Alcoholic Beverage Control has met the minimum amount of working capital for the year.

Note 15. Breakage Expense

Breakage and shrinkage expense absorbed by the Board for the year was \$1,458.

Note 16. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has property, general liability, liquor legal liability insurance and worker's compensation coverage and employee health coverage.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each Board member is bonded in the amount of \$50,000, secured by a corporate surety.

Note 17. Subsequent Events

Subsequent events have been evaluated through September 01, 2020, which is the date the financial statements were available to be issued.

■

SUPPLEMENTARY INFORMATION

Albemarle Board of Alcoholic Beverage Control
Schedule of Proportionate Share of Pension Liability (Asset)
Required Supplementary Information
For the Last Six Years*

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability (asset)(%)	0.00223%	0.00215%	0.00229%	0.00249%	0.00277%	0.00289%
Board's proportion of the net pension liability (asset)(\$)	\$ (60,900)	\$ (51,005)	\$ (34,985)	\$ (52,846)	\$ (11,848)	15288
Board's covered - employee payroll	\$ 204,206	\$ 193,371	\$ 175,834	\$ 165,594	\$ 160,182	145926
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-29.82%	-26.38%	-19.90%	-31.91%	-7.40%	10.48%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

* The amount presented for each fiscal year was determined as of the prior year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

Albemarle Board of Alcoholic Beverage Control
Schedule of Board Contributions to Retirement Plan
Required Supplementary Information
For the Last Six Years

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 20,911	\$ 17,480	\$ 15,456	\$ 14,142	\$ 12,750	\$ 12,199
Contributions in relation to the contractually required contribution	20,911	17,480	15,456	14,142	12,750	12,199
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered - employee payroll	\$ 204,206	\$ 193,370	\$ 175,834	\$ 165,594	\$ 160,182	\$ 145,926
Contributions as a percentage of covered-employee payroll	10.24%	9.04%	8.79%	8.54%	7.96%	8.36%

Albemarle Board of Alcoholic Beverage Control
Schedule of Store Expenses
For the Years Ended June 30, 2020
and June 30, 2019

	<u>2020</u>	<u>2019</u>
Salaries & wages	\$ 296,883	\$ 263,983
Payroll tax	22,322	19,924
Group insurance	19,701	19,005
Retirement	29,919	17,263
Utilities	10,097	10,362
Repairs & maint - bldg	7,601	220
Repairs & maint - equip	-	2,715
Janitorial service	3,576	3,609
Store supplies	8,941	7,744
Insurance - general	16,767	15,982
Bank card fees	48,263	38,939
Cash short (over)	50	(4)
Uniforms	451	37
Training expense	-	184
Unemployment insurance	116	146
License	263	125
Total Store Expenses	<u>\$ 464,950</u>	<u>\$ 400,234</u>

Albemarle Board of Alcoholic Beverage Control
Schedule of Administrative Expenses
For the Years Ended June 30, 2020
and June 30, 2019

	<u>2020</u>	<u>2019</u>
Payroll tax	\$ 306	\$ 296
Professional services	4,920	4,885
Directors' fees	4,000	3,725
Office supplies	6,199	5,263
Dues & subscriptions	2,608	1,892
Travel	1,519	804
Postage	1,023	977
Board expenses	2,107	150
Alarm services	2,048	900
Maintenance agreements	8,191	6,453
Total Administrative Expenses	<u>\$ 32,921</u>	<u>\$ 25,345</u>

Albemarle Board of Alcoholic Beverage Control
Schedule of Warehouse Expenses
For the Years Ended June 30, 2020
and June 30, 2019

	<u>2020</u>	<u>2019</u>
Utilities	\$ 5,651	\$ 6,908
Total Warehouse Expense	<u>\$ 5,651</u>	<u>\$ 6,908</u>

Albemarle Board of Alcoholic Beverage Control
Schedule of Distributions of Profits
For the Year Ended June 30, 2020

Distribution	Recipient	Amount	Date of Distribution	Restrictions on Use
Law Enforcement	City of Albemarle	\$ 3,494	07/19/19	None
	City of Albemarle	5,063	10/15/19	None
	City of Albemarle	5,569	01/13/20	None
	City of Albemarle	<u>4,409</u>	04/16/20	None
Total paid during year		<u>\$ 18,535</u>		
Alcohol Education	Safe Kids Stanly County	\$ 4,891	07/24/19	Funds are to be spent on qualified alcohol education programs
	Safe Kids Stanly County	7,089	10/15/19	Funds are to be spent on qualified alcohol education programs
	Safe Kids Stanly County	7,797	01/13/20	Funds are to be spent on qualified alcohol education programs
	Safe Kids Stanly County	<u>6,173</u>	04/16/20	Funds are to be spent on qualified alcohol education programs
Total paid during year		<u>\$ 25,950</u>		
Distributions to The City Of Albemarle				
	City of Albemarle	\$ 20,000	07/10/19	None
	City of Albemarle	2,386	08/13/19	None
	City of Albemarle	20,000	08/13/19	None
	City of Albemarle	20,000	09/05/19	None
	City of Albemarle	20,000	10/09/19	None
	City of Albemarle	20,000	10/21/19	None
	City of Albemarle	15,000	11/30/19	None
	City of Albemarle	20,000	12/05/19	None
	City of Albemarle	20,000	01/13/20	None
	City of Albemarle	20,000	02/05/20	None
	City of Albemarle	20,000	03/10/20	None
	City of Albemarle	20,000	04/16/20	None
	City of Albemarle	20,000	04/29/20	None
	City of Albemarle	45,000	05/11/20	None
	City of Albemarle	20,000	06/19/20	None
	City of Albemarle	40,000	06/30/20	None
Total paid during year		<u>\$ 342,386</u>		
Total Distributions Paid		<u>\$ 386,871</u>		
Reconciliation of amounts paid to amounts shown on Statement of Revenues, Expenses, and Changes in Net Position				
	Law Enforcement	Alcohol Education	Profit Distribution to Primary Government	
Beginning overpayment (payable)	\$ (3,494)	\$ (4,891)	\$ (2,386)	
Paid during year	18,535	25,950	342,386	
Total payments	<u>\$ 15,041</u>	<u>\$ 21,059</u>	<u>\$ 340,000</u>	
Required distribution for the year	<u>19,510</u>	<u>27,316</u>	<u>340,000</u>	
Ending overpayment (payable)	<u>\$ (4,469)</u>	<u>\$ (6,257)</u>	<u>\$ -</u>	

Albemarle Board of Alcoholic Beverage Control
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	2020 Original Budget	2020 Revised Budget	2020 Actual	Variance Positive (Negative)
Revenues				
Operating Revenues:				
Sales	\$ 3,433,800	\$ 4,141,800	\$ 4,121,372	\$ (20,428)
Non-operating Revenues:				
Interest				-
Other Income	11,000	8,000	7,362	(638)
Total Revenues	<u>\$ 3,444,800</u>	<u>\$ 4,149,800</u>	<u>\$ 4,128,734</u>	<u>\$ (21,066)</u>
Expenditures:				
Taxes based on revenue:	\$ 800,376	\$ 953,376	\$ 942,449	\$ 10,927
Cost of Goods Sold	\$ 1,820,930	\$ 2,155,930	\$ 2,131,327	\$ 24,603
Operating Expenses:				
Salaries and benefits	\$ 335,400	\$ 370,400	\$ 360,123	\$ 10,277
Board member expense	5,000	5,000	4,000	1,000
Unemployment insurance	2,000	2,000	116	1,884
Cash short/over	500	500	50	450
Repairs & maintenance	30,000	30,000	19,368	10,632
Utilities	20,000	20,000	17,855	2,145
Insurance - general & bonds	18,000	18,000	16,767	1,233
Store/office supplies	18,500	20,500	19,034	1,466
Travel	4,525	4,525	3,567	958
Professional fees	6,000	6,000	4,920	1,080
Bank card fees	43,000	51,000	48,263	2,737
Uniforms	500	600	451	149
Security services	1,000	3,000	-	3,000
Contingencies	15,000	3,000	-	3,000
Capital Outlay	45,000	45,000	17,793	27,207
Total Operating and Capital Outlay	<u>\$ 544,425</u>	<u>\$ 579,525</u>	<u>\$ 512,307</u>	<u>\$ 67,218</u>
Distributions				
Distributions	\$ 283,000	\$ 415,000	\$ 386,826	\$ 28,174
Total	<u>\$ 283,000</u>	<u>\$ 415,000</u>	<u>\$ 386,826</u>	<u>\$ 28,174</u>
Total Expenditures & Distributions	<u>\$ 3,448,731</u>	<u>\$ 4,103,831</u>	<u>\$ 3,972,909</u>	<u>\$ 130,922</u>
Other financing (uses):				
Capital Reserve Fund	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Working Capital retained	\$ (43,931)	\$ 5,969	\$ -	\$ 5,969
Revenues over Expenditures and other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,825</u>	<u>\$ 115,825</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Fixed Assets			17,793	
Depreciation			(44,605)	
Pension			(9,008)	
Increase in capital reserve fund			<u>40,000</u>	
Change in net position			<u>\$ 120,005</u>	

Print

Title – 2020-21 City of Albemarle Employee United Way Campaign

Description:

Tanner Denton in the Albemarle Finance Department continues to serve as the City of Albemarle's United Way campaign coordinator. He will present his request for incentives to be provided for the employee campaign again this year.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> 20-21_Campaign_to_Council.pdf	Memo

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--

P | 704.984.9455
F | 704.984.9448



www.albemarlenc.gov
PO Box 190
144 North Second Street
Albemarle, NC 28001

MEMORANDUM TO CITY COUNCIL

DATE: October 30, 2020
FROM: Tanner Denton, United Way Campaign Coordinator
SUBJECT: United Way Campaign, 2020-2021

City of Albemarle's 2020-2021 United Way of Stanly County campaign will soon be underway. In past years Council graciously granted a day off for each fair share giver. I would like to request that Council consider granting the same incentive again this year. United Way of Stanly County's success is heavily dependent upon employee contributions. City of Albemarle has historically been one of the top campaigns for United Way. This is due to generous employees and the great incentives provided to donors.

I thank Council for their continuous support of our yearly United Way Campaigns.



Print

Title – Departmental Monthly Reports

Description:

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
<input type="checkbox"/> ALL_Depts_October_monthly_reports.pdf	October 2020 departmental monthly reports

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--



To: Michael Ferris, City Manager
From: Keith Tunnell, Economic Development
Re: Monthly Report
Date: 11/12/20

Economic Development October, 2020 Monthly Report

Albemarle Business Center

- Reviewed plan for ABC industrial park and discussed plans with Chambers Engineering and others.
- Reviewed ABC cost estimates. Requested estimates be updated prior to presentation on ABC to Council in December workshop. Requested two other engineering/GC firms review plans and cost estimates to ensure accuracy.
- Reviewed ABC reports, survey, geotechnical, etc.
- Completing ABC presentation to City Council for December workshop session.
- Initial discussions with potential public-private partners should Council approve speculative building program.

Main Street Program/ADDC/Operations/Marketing/Outreach

- Attended the City Retreat
- Attended ADDC Board Meetings and met with ADDC Executive Committee to discuss working relationships, improved programs and events, and future planning and cooperation.
- Continuing work on content, design, and budgeting for economic development website to better promote the downtown and industrial recruitment.
- Requested and received proposal for GIS Webtech/ESRI add-on to Economic Development website.
- Continuing to work on site and building flyers to market City retail and industrial properties.
- Continue to work on developing work plans for Joy Almond and Akii Crump. Expectation of completed work plans and possible changes to job descriptions by Dec. 1, 2020.
- Review with Joy Arnold of all City and ADDC events and programs with goal of improved marketing of events and programs, adding new programs or events, and improving marketing of events. Review and implement best practices.
- Made contact with several allies pertaining to downtown properties and industrial properties, including contact with developers and consultants.

- Met with Stanly Community College President and have scheduled visit with SCC ED team and broadcast team.
- Assessed marketing and public relations plan for Main Street Program/Downtown with suggestions on ways to improve in these areas.
- Initial conversations with staff and some in downtown area regarding a City of Albemarle Downtown App to support downtown businesses and market the app locally, regionally, and nationally to visitors including Air National Guard and Pfeiffer students and visitors but also promote downtown to Charlotte residents seeking a day or weekend trip. Will present proposal to ADDC and other potential partners in December.
- Have staff updating contact lists for downtown building owners, downtown businesses, industry, allies, etc. Updated contact lists will be used to more effectively communicate to these groups and receive feedback.
- Have had discussions with the new director of the Stanly CC Business Development Center on several subjects including how best to work together to support downtown and business development.
- Completing work on Revolving Loan program, application process, review and approval process, etc. Plan to present this to Council in December after input from Stanly CC Business Development Center director and others.
- Working on development of a Strategic Plan that will include a Business Retention & Expansion program to improve outreach and communication for:
 - Downtown/Main Street Program
 - 24/27 Retail Corridor
 - Industrial Development
- Attended and continue to schedule visits with other Departments and Department heads.
- Attended and continue to schedule visits with leadership, allies, and business community.
- Took part in Stanly County broadband plan virtual meeting to learn more about broadband plans for the City.
-

Projects

Industrial

Economic Development has submitted properties on the following industrial projects. Can provide more detailed information on projects in closed session if needed:

- Project Cotton
- Project USA1
- Project USA2
- Project Global
- Project Prado

Main Street Program Area/Downtown/24-27 Corridor

Staff has met with and/or worked with owners/developers on these projects for the downtown area. I can provide more detail on each in closed session:

- Earnhardt Project
- Project House
- Project Motor
- Project NAI
- Project Show

###

CITY OF ALBEMARLE

Financial Analysis

October 2020

Budget vs. Actual Revenues and Expenditures

Fund	Budget Appropriation	YTD Revenues	Percent Collected	YTD Expenditures & Encumbrances	Percent Expended	Net Increase (Decrease) Revenues over Expenditures	Percent Increase (Decrease)
General	17,263,074	6,397,381	37.1%	5,723,475	33.2%	673,906	3.9%
Powell Bill	548,135	237,041	43.2%	82,241	15.0%	154,800	28.2%
Water & Sewer	11,159,074	3,363,204	30.1%	3,143,969	28.2%	219,236	2.0%
Electric	32,723,335	9,150,440	28.0%	10,564,549	32.3%	(1,414,109)	-4.3%
Landfill	2,830,421	1,189,889	42.0%	1,093,053	38.6%	96,837	3.4%
Public Housing	1,408,255	537,017	38.1%	449,073	31.9%	87,943	6.2%
Section 8	1,576,044	467,596	29.7%	421,493	26.7%	46,103	2.9%
Self Insurance Fund	3,519,722	1,071,022	30.4%	1,085,194	30.8%	(14,172)	-0.4%
Total	71,028,060	22,413,591	31.6%	22,563,046	31.8%	(149,456)	-0.2%

Note: October is the 4th month of the fiscal year, and equates to 33% of the fiscal year. However, the above information does not reflect all of the revenues and/or expenditures due to the delay of information being received from outside agencies.

Cash and Investments All Funds **43,485,211**

Investment Earnings	Tax Levy	10/31/2020	MSD
Budget			
Appropriation	78,209	2020 Tax Levy	6,480,982
YTD Earnings	20,880	YTD Collections	4,354,337
Percentage Collected	26.7%	Percentage Collected	67.19%

Utility Revenue/Billing	12,794,751		
Utility Bad Debt Expense	14,203	<i>nothing written off in July or August yet</i>	fiscal year to date
Percentage of bad debt	0.111%	Debt set off	\$1,122

The Electric Revenue Figure excludes the NCMPA Rebate.



ALBEMARLE

NORTH CAROLINA
Water. Air. Land. Opportunity.

October 2020-Monthly Updated for City Council

Current Budget: \$3,837,448 **Remaining Budget:** \$2,703,795 **YTD Expended:** 29.5%

Priority Area 1: Enhance Talent & Compensation Management to Build & Retain a Diverse Workforce

- Fire Department Staffing:
Application process has opened for Firefighter positions until 11/30/2020
Increasing opportunity for talent pool with focus on underrepresented class
- Continued working on staffing model

Priority Area 2: Build Organizational Capacity and Efficiency to Support Effective City Government

- Continued working on Equipment Replacement Model
- Continued working on 2021-2022 Budget Enhancements
- Working with county to form an incident Response Team for major incidents

Priority Area 3: Advance Resources Designed To Protect our Residents and Safeguard our City

- Will revisit mutual aid/auto aid agreements during Stanly County Chief's Meeting
- Apparatus: Annual apparatus service completed (fire pump, ground ladders, aerial ladder)
- Firefighter SCBA Face piece testing complete

Response:

Total Calls: 195 Fire 73 EMS 122 Mutual Aid: Given 2 Received 6

Average Arrival Time: 0:04:23 Average Turn-out Time: 0:01:23

Total response value: \$1,144,149 Total value loss: \$84,100 (7%)

Community Risk Reduction/Education:

- Programs 5
- Safety Inspections 116
- Pre-Fire Survey 6

Training:

Total Hours: 858 Chief Officer Training: 50 Company Training: 808



HUMAN RESOURCES DEPARTMENT

Monthly Activity Report
October 2020

Council Priority Area 1: Enhance Talent and Compensation Management to Build and Retain a Diverse Workforce

HR Activity – Recruiting and Development

Total Job Postings/Applications Rec'd by Role			
	Job	Closing Date	Apps
1	Police Officer I	OTF	79
2	Utility Maintenance Oper	11/9	8
3	Academic Ach Program Assistant	OTF	6
4	Asst PU Director	OTF	36
5	Landfill Scale Operator		45
6	Concrete Finisher/Mason	OTF	0
7	Housing Assistance Prog Manager	10/19	15
8	Parks Superintendent	10/19	20
9	Planning Specialist	11/5	8
10	Firefighter	11/30	7
11	Parks Maintenance Worker	12/7	6
Total			230

Total New Hires for 2020: 44

Current Retention Rate: 90%

Current Voluntary Turnover Rate: 28 Voluntary Terms; 10% (Key Benchmark: 10%; 2019 Voluntary Turnover: 10%)

The City's goal is to keep annual turnover under 10%. Average annual turnover for the period 2009-2019 was 19%.

New Hires

	Name	Position	Dept	Status	Date
1	Robert Miller	Police Officer I	PD	FT	10/5
2	Jacob Treece	Police Officer I	PA	FT	10/5

Terminations

	Name	Position	Dept	Status	Date
1	Eddie Baldwin	Site Supervisor – TEMP EE TERM	P&R	PT	10/7
2	Colton Smith	Police Officer I – RESIGNATION	PD	FT	10/8
3	Tony Thompson	Parks Maint Wkr – RESIGNATION	P&R	FT	10/8
4	Joseph Hoffheimer	Planning Specialist – RESIGNATION	Plan	FT	10/12

5	Hunter Griffith	Police Officer II – RESIGNATION	PD	FT	10/12
6	Karen Eubanks	Landfill Scale Operator - RESIGNATION	PW	FT	10/29
7	Angela Eury	Police Officer I – TERMINATION	PD	FT	10/29

Payroll Summary

Full-Time - 269

Part-Time Regular - 11

Part-Time Temp - 16

Elected - 8

Appointed - 10

TOTAL – 314

Personnel Actions Processed – 37

HR Activity – Compensation and Benefits Management

- 1) It is recommended that the City enter into a contract with Management Analyst David Hill (former Caldwell County Human Resources Director and associate of the Piedmont Triad Regional Council [PTRC]). David has been working with PTRC for the past 7 years and regularly conducts compensation studies with similar sized municipalities across the state of NC.

Additional information will be provided to Council on the timing and scope of the comp study. Mr. Hill will be available to speak to Council on December 7.

- 2) An employee benefits survey will be distributed the week of 11/16 to better understand what benefits are most valued by employees. Results from this survey will be reported to Council and employees.
- 3) With the City's transition to One Digital as our benefits broker, we will be able to consolidate benefits open enrollment. Going forward open enrollment will occur in May of each year. Additional information will be forthcoming regarding this change.

Benefit Summary

<i>Program</i>	<i># of Participants</i>	<i>% FT Emp Participation</i>
<u>BCBS Group Medical Insurance</u>		
Active Employees	265	100%
Council Members	4	
Retirees	38	
Separation Allowance	14	
Guardian Dental Insurance	198	77%
CEC Vision	157	58%
<u>401K</u>	165	65%
<u>457</u>	96	34%
Lincoln (Term Life Insurance)	274	100%
Credit Union	28	11%
<u>Colonial Insurance (Optional)</u>		
Pre-tax	144	56%
Post-tax	157	61%
<u>Flexible Benefits Management</u>		
<u>(Medical Reimbursement)</u>	45	17%
<u>(Dependent Care)</u>	1	
Legal Shield	6	3%

Council Priority Area 3: Advance Resources Designed to Safeguard our City

Safety Statistics – 0 employee incident reported in October

Department	Safety Inspections Completed	Safety Committee Reports
Public Utilities	6	3
Public Works	4	4
Fire Dept.	3	3
Police Dept.	5	4

HR Items of Note

Impact to Council Priority Area 1: Build and Retain a Diverse Workforce

- 1) The following employees will participate in the City's Employee Action Group and Leadership Development Group for this fiscal year:

Department	Employee Action Group	Leadership Development
IS (1)	Amanda Lukach	Giovanni Svette
Planning and Development (1)	Jay Voyles	Ellie Sheild
HR (1)	Tanya Luther	Leslie Kinley
Accounting/Finance (1)	Kim Speight	Tanner Denton
Parks and Rec (1-2)	Cindy Burris	Leon Strickland
Public Housing (1-2)	Sandy Cook	Tony Poplin
Public Works (2-3)	Mark Rowles, Travis Ridenhour, Adam Hudson	Nick Lambert, Randy Huneycutt
Public Utilities (3-4)	Audrey Barringer, Jody Cook	Dennis Curlee, Chris Palmer, Josh Herring, Jason Culp, Jason Cagle
Police	Tangela Gramling, Doug Hicks	Julie Long, David Esposito
Fire	Daniel Isenhour, Mike Hinson	Patrick Stone, Hall Laton
Admin/Econ Dev	Akii Crump	Cindy Stone
Total	16	18

City of Albemarle

Information Systems Department Project Report

Project Name / Title:	Review of IS Service Tickets for October, 2020
Department / Division:	Information Systems Department
Prepared By:	Owen Squires
Project Budget:	FY 2020-2021
Anticipated Completion Date:	November 2020 – Service continues...
Council Priority Area:	Build Organizational Capacity and Efficiency to Support Effective City Government
Project Description: Briefly describe the project and benefits.	
Ongoing report to communicate the volume and efficiency of technology-related operations.	
Project Status: Briefly describe the status of the project.	
<p>We continue working on how to most effectively communicate both the volume of operational support that Information Systems is involved with, and the ongoing changes that citywide operations are facing with technology-based efforts.</p> <p>The ticketing system is broken down into three areas:</p> <ol style="list-style-type: none"> 1) Service Desk Requests: this is when a new application, a new piece of hardware, is being requested by a department or person. 2) Incident Reporting: this is when something has happened, something has broken or a service/application has stopped responding. 3) Project Management: we are spending a lot of time identifying and categorizing projects (as opposed to a Service Desk Request). We will share more on project categories soon. 	

Recent Progress: Briefly describe recent progress or activities on project.

This report is a report of the October tickets that were submitted. Some tickets may have been a one-hour resolution; some of these are mini-projects that were several days to complete.

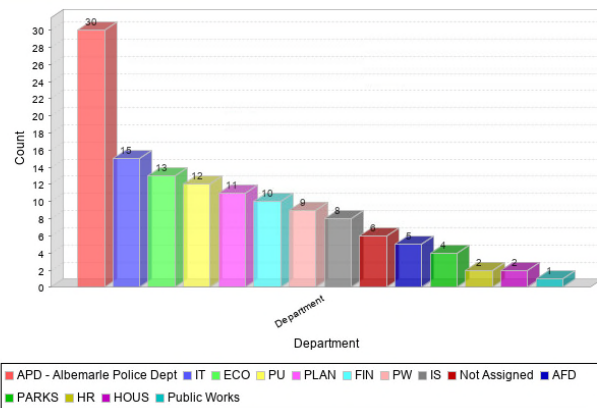
September was a busy month for Albemarle PD.



City Of Albemarle

Requests by Department

Generated by Squires, Owen on : 2020/11/12 07:51
Total records : 128
Created Time : From 2020/10/01 00:00 To 2020/10/31 23:59



Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.

Work on building a series of effective reports for both Service Requests and Incidents. As always, a challenge is to report our work but not publicly identify our technology infrastructure details.

PROGRAM REPORT

Council Priority Area 6: Enhance Community Amenities to Engage Multiple Generations

Athletics

	# Leagues Offered	# Registered	# Participants	# Volunteers	# Volunteer Hours
Youth (0-17 yrs)	0	0	0	0	0
Adult (18-49 yrs)	2	44	1320	0	0
Seniors (50+ yrs)	1	10	38	0	0

Programs

	# Offered	# Registered	# Participants	# Volunteers	# Volunteer Hours
Youth (0-17 yrs)	4	41	543	0	0
Adult (18-49 yrs)	8	175	805	0	0
Seniors (50+ yrs)	2	20	155	0	0

Special Events

Name of Event	# Attendees	# Volunteers	# Volunteer Hours	Sponsorship \$ received
Employee Appreciation	300	0	0	0
One Pitch Softball Tournament	330	0	0	\$ 750
Fright Night	363	0	0	0
EEWC Halloween Event	300	0	0	0
Community Clean Up	30	30	90	0

Pools

	# Days Open	# Attendees	# Swim Lessons	# Rentals	\$ Cost Recovery
Chuck Morehead	0	0	0	0	0
Rock Creek	0	0	0	0	0

Facility Rentals

	# Rentals	# Attendees	\$ Cost Recovery
Niven Center	13	342	\$ 646
Waddell Community Center	7	350	\$2275

Picnic Shelter Rentals

	# Rentals	# Attendees	\$ Cost Recovery
City Lake Park	9	240	\$ 300
Rock Creek Park	0	0	\$ 0
Chuck Morehead Park	1	25	\$ 25
Don Montgomery Park	0	0	\$ 0

- FY21 will provide for the collection of baseline data. This data will provide benchmarks with metrics in upcoming fiscal years.

BUDGET REPORT:

Revenue: \$ 10,799.

The Parks and Recreation Department collected during the month, broken down as follows:

<u>Revenue Item</u>	<u>Amount</u>	<u>Description</u>
Program Fees	\$ 3043.	Regular Programs
Building Rentals	\$ 2565.	Waddell and Niven Center Facility Rentals
Park Rentals	\$ 270.	Picnic Shelter and Athletic Field Rentals
Special Events	\$ 731.	
Contributions and Donations	\$ 1,100.	
Senior Games Sponsors	\$ 90.	Program Fees
Tournament/Fundraising	\$ 900.	Softball tournament
Concessions	\$ 0.	
Admission	\$ 0.	
CTC Rental	\$ 2100.	

Expenses: FY 2020-21

<u>(as of 11/6/2020)</u>	<u>Starting</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Remaining</u>	<u>% Expended</u>
Recreation Budget	\$844,792	\$243,429.	\$15,998.	\$585,364.	30.7%
Parks Budget	\$1,211,748	\$399,751.	\$23,178.	\$788,817.	34.9%

Central Auditorium

Council Priority Area 6: Enhance Community Amenities to Engage Multiple Generations

Rentals/Performances	Dates	Attendance	Revenue
Upcoming Rentals/Programs	Dates	Type of Performance	
Christmas Movie/Santa Claus	12/4/2020		
Christmas Movie/Santa Claus	12/11/2020		
Christmas Movie/Santa Claus	12/18/2020		
Bryan Saint	January 30, 2021	Illusionist/Magician	

* Albemarle Parks & Recreation sponsored program

Monthly Operational Costs

	August	September	October
<i>Rent</i>	\$1000	\$1000	\$1000
<i>Utilities</i>	\$78	\$201	\$169
<i>Insurance</i>	\$11	\$11	\$11
<i>Total Operational Costs</i>	\$1089	\$1212	\$1180

Monthly Revenues

	August	September	October
<i>Revenue</i>	\$70	\$0	\$0

Expenses: FY 2020-21

(as of 11/6/2020)	<u>Starting</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Remaining</u>	<u>% Expended</u>
Central Auditorium	\$49,200	\$4,835.	\$0.	\$44,364.	9.8%

PROJECT REPORTS:

Departmental Project Summary Reports



Project Name / Title:	Roger F. Snyder Greenway Project
Budget Priority Area	<i>Council Priority Area 5 & 6: Develop Community and City Assets to Grow the Economy and Improve Community Appearance; Enhance Community Amenities to Engage Multiple Generations</i>
Department / Division:	Parks and Recreation
Prepared By:	Lisa Kiser
Project Budget:	Varies by phase and scope
Anticipated Completion Date:	Ongoing

Project Description: Briefly describe the project and benefits.

Development of pedestrian paths that will connect parks, schools, downtown, and neighborhoods throughout Albemarle.

Project Status: Briefly describe the current status of the project.

Greenway Commission has recommended to wait on moving forward with northern trail construction until NSRR status is clear. COA staff from P&R, Admin, PW, and Planning are working to develop walking routes through downtown.

Recent Progress: Briefly describe recent progress or activities on project.

Working with Planning Department to identify parcels and easements where Greenway can be expanded. Downtown walking routes have been established. Gathering quotes for inset sidewalk markers as wayfinding and a kiosk for maps and information related to the new walking routes. Presentation to City Council about walking routes. Sidewalk medallions have been received. All sidewalk repairs and curb cuts have been installed. All routes have been marked. Kiosk has been completed with concrete pad and benches. Maps have been printed and installed.

Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.

Hold Ribbon Cutting Ceremony.

Project Name / Title:	Don Montgomery Park Repairs
Budget Priority Area	<i>Council Priority Area 4, 5 & 6: Invest in Infrastructure to Ensure Quality Service Delivery; Develop Community and City Assets to Grow the Economy and Improve Community Appearance; Enhance Community Amenities to Engage Multiple Generations</i>
Department / Division:	Parks and Recreation
Prepared By:	Lisa Kiser
Project Budget:	\$500,000 (funding reimbursement from FEMA)
Anticipated Completion Date:	12/1/2020

Project Description: Briefly describe the project and benefits.

Rebuild Don Montgomery Park baseball field and park due to damage from Hurricane Florence.

Project Status: Briefly describe the current status of the project.

Grading of the field took place January 28 and 29th. Irrigation is in process of being installed. Waiting to receive quotes on fencing. Replacement equipment has been ordered and delivered. Waiting on dry ground to begin work at Optimist Field.

Recent Progress: Briefly describe recent progress or activities on project.

Dirt for DM and Opt delivered; staff have been working to spread the dirt on the fields; fencing has been installed. Babe Ruth League will play at Don Montgomery Park this summer.

Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.

Backstop netting; batting cages to be repaired/ordered; repair fencing

Project Name / Title:	EE Waddell Center HVAC Installation
Budget Priority Area	<i>Council Priority Area 4 & 6: Invest in Infrastructure to Ensure Quality Service Delivery; Enhance Community Amenities to Engage Multiple Generations</i>
Department / Division:	Parks and Recreation
Prepared By:	Lisa Kiser
Project Budget:	\$156,000
Anticipated Completion Date:	9/15/2020
Project Description: Briefly describe the project and benefits.	
Install HVAC system at EE Waddell Center Gymnasium to provide climate control during the summer.	
Project Status: Briefly describe the current status of the project.	
Have met with mechanical engineering firm. Waiting on a proposal for a design build project. Engineering firm will work as a construction manager in charge. They will design the unit and bid out the build and installation of the unit.	
Recent Progress: Briefly describe recent progress or activities on project.	
Met with mechanical engineering firm. Waiting on proposal. Received proposal. Attorney is looking over contract. Held pre-design meeting with Miles-McClellan. Schematic design is completed. Full design plans have been submitted for review. Construction informal bids went out on 3/3/2020. Construction began on 5/26/2020. Concrete pad and fence posts have been poured and set. Electrical system has been upgraded to three phase. Duct work has been installed. Unit has been placed on concrete pad. Gas line has been installed. Construction passed final inspection. Once controls are set up with COA network, this project will be completed.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Computer control set-up.	

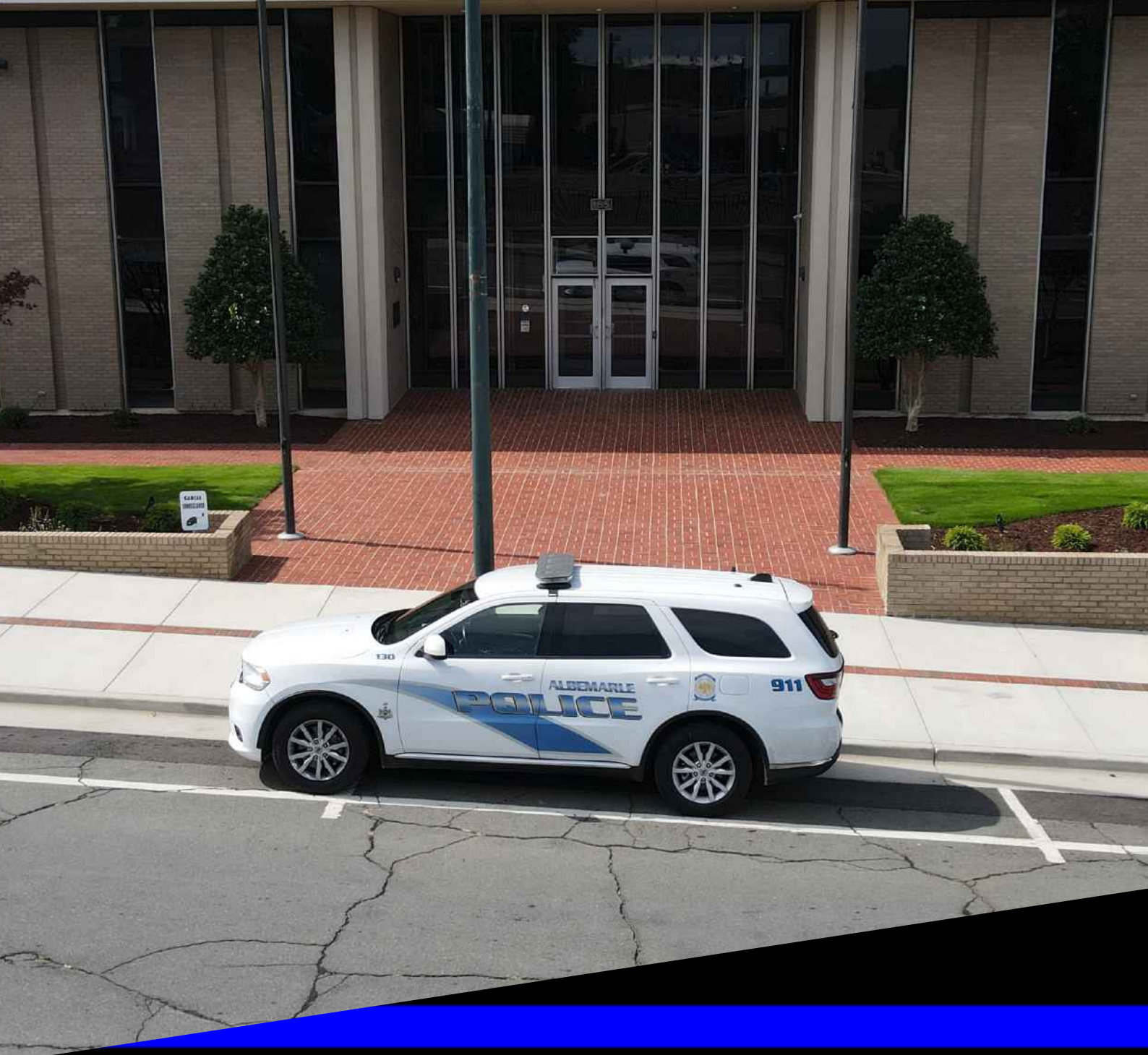
Project Name / Title:	EE Waddell Center Roof Replacement
Budget Priority Area	<i>Council Priority Area 4 & 6: Invest in Infrastructure to Ensure Quality Service Delivery; Enhance Community Amenities to Engage Multiple Generations</i>
Department / Division:	Parks and Recreation
Prepared By:	Lisa Kiser
Project Budget:	\$131,000
Anticipated Completion Date:	11/13/2020
Project Description: Briefly describe the project and benefits.	
Replace roof at EE Waddell Community Center Main Building	
Project Status: Briefly describe the current status of the project.	
Received quotes from 4 vendors for this work. All Phase Exteriors had the lowest and best bid. City Attorney looked over and approved contract. All Phase began removing old roof on 10/27/2020.	
Recent Progress: Briefly describe recent progress or activities on project.	
Old roof removed and disposed of. Work on replacing roof has begun.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Contractors will continue to work on this project. Staff will inspect work once completed.	

Planning and Development Services Monthly Report

October 2020

<u>Monthly Meetings</u>	<u>Dates Attended</u>
City Council	10/5/20 & 10/19/20
Planning & Zoning Board	10/1/20
Historic Resources Commission	10/12/20
Staff Meetings	10/23/20
Priority Area 5: Develop Community and City Assets to Grow the Economy and Improve Community Appearance	met with Downtown developers/property owners, and participated in zoning trainings, multiple collaborate meetings with Economic Development, Participated in Albemarle Community Survey Committee, Website Design Committee

<u>Permits</u>	<u>Number</u>	<u>Enforcement</u>	<u>Number</u>
Driveway	2	Min. Housing Initiated	2
Sign	4	Min. Housing Resolved	2
Coordination Forms	30	Min. Housing re-inspections	26
Auth. of Power	2	Sign Violations	
Addresses Assigned	6	Sign Removal in ROW	56
Zoning Verification	1	Nuisance Initiated	14
Floodplain	2	Nuisance Abated	13
COA	2	City Abatement	3
<u>Inquiries</u>	<u>Number</u>	Zoning Cases Initiated	1
Zoning	49	Zoning Cases Resolved	1
Development	35	Litigation	
Nuisance	31	<u>Development</u>	<u>Development</u>
Subdivision	12	Plans Submitted	5
Floodplain	3	Plans Approved	4
Watershed	5	Erosion Control Inspections	6
Historic District	7	Zoning Site Inspections	62
General Inquiries	21	Maps Created	8
Signs	8	Subdivision Review	4



ALBEMARLE POLICE

MONTHLY REPORT

OCTOBER 2020



Priority Area 6: Enhance Community Amenities to Engage Multiple Generations
Priority Area 1: Enhance Talent & Compensation Management to Build & Retain a Diverse Workforce

CITIZEN ENGAGEMENT

at the police department



Non-enforcement community engagement activities make a considerable contribution to building and maintaining lasting relationships and community trust. The fact that an officer goes out of his or her way to participate in something important to a particular segment of the community shows that the officers care about the community members, not just about enforcing laws.



Priority Area 6: Enhance Community Amenities to Engage Multiple Generations
Priority Area 1: Enhance Talent & Compensation Management to Build & Retain a Diverse Workforce

CITIZEN ENGAGEMENT

outside the police department

One of the most critical components of effective law enforcement is the establishment and maintenance of public trust. Though vital to public safety, its existence is often taken for granted. But as recent events have demonstrated, examining your relationships with your community is essential to maintaining law and order.



Priority Area 3: Advance Resources Designed to Protect our Residents and Safeguard our City



Month	2020	Total in Grams
Jan		6067
February		12127
March		8852
April		6255
May		7429
June		3989
July		14470
August		18212
September		21401
October		15823
November		
December		
Total YTD		114625



Date	Type
3/9/2020	Rules of Conduct
6/1/2020	Rules of Conduct
7/15/2020	False Arrest
7/20/2020	Abuse of Power
10/22/2020	Misuse of Taxpayer Resources

If you feel you have been mistreated by an Albemarle Police Department (APD) Police Officer, you may file a complaint about the incident. All complaints are sent to the Chief of Police for investigation. The Chief is responsible for accepting, assigning, and investigating all alleged misconduct complaints against the Albemarle Police Department employees. The fundamental purpose of filing a complaint is to assure the protection of rights and fair treatment of the public while maintaining the police department's integrity and employees.





PINK PATCH PROJECT

The Pink Patch Project is an innovative public awareness campaign designed to bring attention to the fight against breast cancer and support breast cancer research organizations in combating this devastating disease.

With the help of Friendly Chevrolet, APD turned their patches pink and will donate money, out of their own pockets, to Hospice of Stanly County. Officers can wear their pink patches for September (Pediatric Cancer), October (Breast Cancer), and November. During November, APD Officer can grow a beard in support of Cancer Awareness.

Stay tuned next month when we will have photos to show our officers who grew a beard and wore pink patches.

In December, we will have a donation to present to Hospice of Stanly County.



Priority Area 3: Advance Resources Designed to Protect our Residents and Safeguard our City

**ALBEMARLE POLICE DEPARTMENT ACTIVITY REPORT
OCTOBER 2020**

	CURRENT MONTH	SAME MONTH LAST YEAR	LAST YEAR TO DATE	TOTAL YTD	LAST YEAR vs THIS YEAR	
GENERAL	CALLS FOR SERVICE	1706	1733	16422	16337	-0.52%
	BUSINESS CONTACTS / SURVEYS	173	240	2578	1732	-32.82%
	NUMBER OF BUSINESSES FOUND UNLOCKED	1	2	35	30	-14.29%
	HAZARDS REPORTED	1	1	13	28	115.38%
	COMMITMENTS	32	57	470	398	-15.32%
	ESCORTS	79	84	667	751	12.59%
	FUNERAL PROCESSIONS LED	5	11	148	111	-25.00%
	ALARMS (10-46)	108	101	1153	1071	-7.11%
	EMS RESPONSES	118	176	1880	1101	-41.44%
	SPECIAL DETAILES / PROGRAMS	120	182	1339	1679	25.39%
	BUSINESS CHECKS / INSPECTIONS	590	745	7141	6532	-8.53%
	HOUSE CHECKS	86	92	1200	955	-20.42%
	DOMESTIC VIOLENCE RESPONSE (COUNT AS INITIAL DISPATCH ALSO)	12	14	127	131	3.15%
	MISCELLANEOUS...INCLUDING ALL OF THE ABOVE LISTING	723	812	7859	7326	-6.78%
HOURS	NUMBER OF INTOXILYZER EXAMINATIONS	5	5	37	40	8.11%
	TRAINING: HOURS IN CLASSROOM OR FIELD, INCLUDING TEACHING	598.3	1003.5	5524.3	4016.6	-27.29%
	COURT: ON-DUTY AND/OR OFF-DUTY HOURS	35.3	36.0	427.8	604.5	41.32%
	SURVEILLANCE HOURS	6.0	113.5	347.3	549.5	58.22%
CRIMINAL	INCIDENT REPORTS	245	304	3116	2684	-13.86%
	FIELD INTERVIEWS / WITNESS STATEMENTS	678	476	3036	4740	56.13%
	CASE CONTACTS	158	127	1386	1359	-1.95%
	WARRANTS ISSUED (COUNT TOTAL CHARGES MADE)	32	72	855	592	-30.76%
	FELONY ON VIEW ARRESTS	24	39	391	265	-32.23%
	FELONY WARRANTS SERVED	39	55	444	379	-14.64%
	MISDEMEANOR ON VIEW ARRESTS	63	95	918	696	-24.18%
	MISDEMEANOR WARRANTS SERVED	109	78	1046	725	-30.69%
	ASSISTS ON ARRESTS	83	109	1035	1023	-1.16%
	SUBPOENAS AND NOTICE OF HEARINGS SERVED	80	70	583.25	595	2.01%
	AMOUNT OF STOLEN PROPERTY RECOVERED (DOLLARS)	\$93,936	\$13,227	\$115,513	\$269,090	132.95%
	ORIGINAL JUVENILE INVESTIGATIONS	4	3	14	12	-14.29%
	JUVENILE CONTACTS	11	8	46	31	-32.61%
JUVENILE CASES CLOSED WITH NO PROSECUTION	0	1	3	0	-100.00%	
JUVENILE CASES CLOSED WITH PETITION	6	4	14	15	7.14%	
SEIZURES	MARIJUANA (grams)	221.3	167.7	7969.0	1734.6	-78.23%
	COCAINE (grams)	13.0	32.5	587.6	246.9	-57.98%
	PILLS (DU)	20.0	35.0	866.1	2416.5	179.01%
	HEROIN	61.0	69.0	475.6	382.1	-19.66%
	METHAMPHETAMINE	5.0	*N/A	*N/A	119.2	#VALUE!
	OTHER DRUGS	1.0	49.0	1438.3	33.4	-97.68%
	FIREARMS	9	1	85	85	0.00%
	MONEY	\$33,782	\$646	\$72,808	\$199,986	174.68%
	VEHICLES	3	1	25	16	-36.00%
SEARCHES	PERSONS	151	165	1882	1815	-3.56%
	VEHICLES	64	106	961	815	-15.19%
	STRUCTURES	17	35	262	286	9.16%
	K-9 USAGES	3	1	30	29	-3.33%
TRAFFIC	TRAFFIC STOPS	247	420	3706	2357	-36.40%
	DRIVING WHILE IMPAIRED	7	6	69	56	-18.84%
	SPEEDING	31	20	196	123	-37.24%
	SEATBELT VIOLATIONS	1	2	70	39	-44.29%
	CHILD RESTRAINT VIOLATIONS	2	6	44	35	-20.45%
	NOL AND DWLR	78	103	1172	770	-34.30%
	RECKLESS DRIVING	6	*N/A	*N/A	34	#VALUE!
	ALL OTHER CITATIONS	107	215	2319	1012	-56.36%
	WARNING TICKETS ISSUED	5	23	165	51	-69.09%
	CHECKING STATIONS	0	5	64	14	-78.13%
	PARKING VIOLATIONS / CIVIL PENALTIES ISSUED	0	0	9	130	1344.44%
	MOTOR VEHICLE ACCIDENTS WORKED	84	79	895	740	-17.32%
ASSISTS IN ALL TRAFFIC ACTIVITIES	220	220	2059	2170	5.39%	

*Not counted in 2019



Public Housing Department
October Monthly Report

Housing Choice Voucher Program

Total HAP Paid October 1, 2020	210
September Housing Assistance Payments (HAP)	\$ 87,869.00
September Utility Assistance Payments (URP)	\$ 3,031.00
Total Payments for September	\$ 90,900.00
Average HAP	\$ 418.42
Number of Owner Payments.....	103
Total on Waitlist as of 9/30/2020.....	529

*waitlist closed Dec. 2017

Public Housing

Total Number of Units.....	200	Total Vacant Units as of 10/30/2020.....	2
		*301 S. Bell offline – Family Life Center	
Total Accounts Receivable.....	\$48,875.00	Total Accounts delinquent as of 10/30/2020 ...	13
		Total Amount Delinquent as of 10/30/2020.....	\$15,439.77
Number of units leased	0		
Number of move-outs	2		
Number of Transfers.....	3		
		Number of Applications received	10
		Total on Waitlist as of 10/30/2020	268
Interims Complete.....	7		
Number of workorders Completed.....	110		



-
- A fire on October 7, 2020 resulted in the displacement of three families. One family was rehoused within the community and the other two family's submitted written documentation surrendering their units. Remediation services of the building/units are in progress, due to be complete mid-November. Soon afterwards, architect and staff will be working together to secure a contractor for renovations.
 - Installation of new playground equipment commenced at the end of October involving staff from Parks and Recreation, Public Works and Public Housing. (Priority Areas: Infrastructure and Multigenerational Engagement)
 - As of 10/27/2020, HEMCO has completed the installation of interior doors in 70 units. 1010 doors have been replaced and painted. Contractor is still waiting on the delivery of exterior doors and dummy levers. Overall, the project is moving as smooth as can be expected due to constraints poised by pandemic. No change orders or major issues from owner or residents. (Priority Area: Infrastructure)
 - Public Housing Staff retreat scheduled for Wednesday, December 9th and Thursday, December 10th
 - New P/T Administrative Housing Assistant (Jennifer Bowman) started Monday, November 2, 2020
 - Interviews in progress for Housing Assistance Program Manager
 - Staff in 80% complete with the inspection of all public housing units



Public Utilities

October 2020 Monthly Report

ELECTRIC DIVISION

COUNCIL PRIORTIY AREAS 3&4: ADVANCE RESOURCES DESIGNED TO PROTECT OUR RESIDENTS AND SAFEGUARD OUR CITY; INVEST IN INFRASTRUCTURE TO ENSURE QUALITY SERVICE DELIVERY.

- Electric crews were able to exchange all street lights to LED lights (11) Snuggs Park Road, (8) Leonard Avenue, (10) Austin Street-These particular streets were recommended by Police Chief Dulin
- Combination of (69) outdoor rental lights and street lights were repaired
- Meter/substation crew worked on street light circuit and Christmas lighting circuits on the east side of North 1st Street
- Underground crew continued installing underground lines and padmount transformers for Uwharrie Trail Apartments on Barney Poplin Drive for 80 new electric customers: underground crew installed the pad mount transformer for the new State Credit Union building at NE Connector & Hwy 740
- Crews installed and connected (14) permanent services and (10) temporary services
- Meter/substation crew tested (36) electric meters from customers complaints
- Line crew changed out (15) high priority dangerous poles found by Sawyer Services which included bad cross arms
- Wednesday, October 28, approx. 11:00am, Duke Energy had a switch to burn up on their transmission line feeding LeeLynn Substation. This caused a massive power outage. Once Duke Energy notified that they wouldn't be able to correct their problem, the electrical department coordinated and switch the entire substation load to Carolina Avenue and Central Avenue Substations so power could be restored.
- Thursday, October 29, approx. 8:30am, the remnants of Hurricane Zeta hit with high winds and rain. Approximately 600 customers were without power but back on by 12:00. Same day, around 1:00pm, a vehicle accident on the NE Connector involving a pole, causing around 300 customers to be without power on the east side. Everyone had power by 2:30pm except for 3 customers and their power was restored by 7:00pm.
- A crew pressure wash the City Hall on a Saturday reaching what they could with their trucks.



WATER & SEWER DIVISION

COUNCIL PRIORITY AREA 2: BUILD ORGANIZATIONAL CAPACITY AND EFFICIENCY TO SUPPORT EFFECTIVE CITY GOVERNMENT.

- Bryan Hinson, Superintendent, and his crew leaders attended mCare training for operations, work flow, work setups, and dispatching
- Ken Covington continued his involvement with HR Director as part of the Employee Action Group/Survey
- New sewer camera system with AQUIP was demo

COUNCIL PRIORITY AREAS 3&4: ADVANCE RESOURCES DESIGNED TO PROTECT OUR RESIDENTS AND SAFEGUARD OUR CITY; INVEST IN INFRASTRUCTURE TO ENSURE QUALITY SERVICE DELIVERY

- Repaired a section of 8" water main between Walgreens and First Bank on Hwy 24/27 that was hit and damaged by the contractors working on Hwy 24/27/73 project. City crews were able to shut water off quickly resulting in no water loss from the East Albemarle tank.
- Replaced water service at 206 Ludlow Street due to a leak on service at main connection: repaired water service at 1916 Hemlock Drive due to leak on city's side
- Installed W&S taps at 2603 Normandy, 608 Mountain Place and 1029 Patton Avenue
- Repaired sink hole at 1509 Snuggs Park Road at the City's sewer ROW. Crews checked the sewer main with camera to make sure the sewer main was not the reason
- Repaired 12" water main at E Main St/Parkway St due to contractors hooking two water services and pulling water main out of ditch. Crews were able to repair while the water main was still active.
- Crews cleared sewer ROW from Johnson Street outfall to the service behind RPM Cycles on Hwy 52 North; cleared debris of creek crossing on the outfall off Cameron Drive; cleared debris from creek at Fox Run Drive; cleared illegal dumping of debris from sewer ROW on Snuggs Park Rd; used sidearm mower to trim back vegetation on creek bank that holds debris from Fox Run Drive to Ridge Street (behind 1002 and 1006 Ridge Street)
- Crews built a road for electric division to have ROW beside of East Side Fire Department to gain access through NC 24/27/73 project; assisted PW landfill with vacuuming leachate from a blow-off in a manhole for sub-contractors to work on valve; assisted PU Plants with vacuuming of bar screens at LCWWTP; assisted PW with organization of yard project at City warehouse
- Crews repaired a leaking blow-off valve that was leaking located on the raw water line at 37081 Carter Road; lowered water service on New Castle Court
- Installed clean-outs at 1210 Baily St, 1541 Stoker Terrace, 1521 Stoker Terrace, 124 E. North St
- Crews flushed 1,040,330 gallons of water from hydrants and washed 13,997 feet of sewer main
- Mowed 60 sewer ROWs on the West side of Hwy 52 and South of Second St on Hwy 52; mowed raw water line from Old Whitney Pump Station to Hwy 52WTP



- Exchange 72 water meters, install 10 water meter

PLANTS DIVISION

COUNCIL PRIORITY AREAS 3 & 4: ADVANCE RESOURCES DESIGNED TO PROTECT OUR RESIDENTS AND SAFEGUARD OUR CITY; INVEST IN INFRASTRUCTURE TO ENSURE QUALITY SERVICE DELIVERY

- Crom Contactors still repairing concrete on basins 7 & 8; last day concrete was pour was 10/30
- Hwy 52 WTP treated 137.36MG for October
- Drained/washed out #5, #6, #7 basins at Hwy 52WTP
- Asplundh began trimming around the reservoir which is required by the state to do annually
- Fortech installed a new backup computer for SCADA at 52WTP
- Changed plant operations over to winter hours per Union Power peak hour demands at JFNWTP
- Collected weekly upstream/downstream for organic samples; collected reservoir and river sample for testing algae analysis and water quality analysis, completed THM and HAA quarterly compliance sampling at JFNWTP
- Had yearly inspection on the lagoons at JFNWTP by the State
- JFNWTP treated 166.10MG for October
- Yearly chlorine training with all plant operators at JFNWTP
- Monthly inspection by DEQ (Roberto Schiller) at LCWWTP
- Yearly chlorine training with all plant personnel at LCWWTP
- Washed all clarifier weekly, test all generators weekly at LCWWTP
- Mowed all pump and lift stations twice at 24/27 East and West, Hwy 73, W Oakwood Tank, Moss Springs, Vickers Plantation, Vickers Tore Rd, East Main St, Grandview, Aquadale Tank, Pfeiffer North Stanly, Old Whitney Pump Station, CKA pump station, CKA master meter vault
- LCWWTP treat 162.13 MG for October

Plants Maintenance Division

COUNCIL PRIORITY AREAS 3&4: ADVANCE RESOURCES DESIGNED TO PROTECT OUR RESIDENTS AND SAFEGUARD OUR CITY; INVEST IN INFRASTRUCTURE TO ENSURE QUALITY SERVICE DELIVERY

- Completed all monthly PM's (preventive maintenance) on all equipment at all plants and pump stations
- Repaired chlorine analyzers at SCC on West Main Street



- Changed the oil in the mixer gearbox on the carbon bulk tank at JFJWTP
- Cleaned out the fluoride bulk tank at JFNWTP for American Fiberglass to come and line and seal the existing tank and install a new manway on the tank on 11/17
- Changed (2) chlorine tanks at 52WTP & JFNWTP; (1) tank at LCWWTP
- Installed new discharge piping on #1 Air-Stripping Tower pump at JFNWTP; painted all the new pipes at the Air-Stripping Tower and the pipes at the High Service pumps at JFNWTP clearwell
- Tested all generator at plants and pump stations
- Drained the wet well at the 40mgd bar screen and cleaned all the grit out
- Backwashed all the raw water intakes at JFNWTP and Old Whitney Pump station
- Pressure washed sidewalks, windows, steps, porches and top border (lip) at City Hall
- Repaired the drinking water fountain at Court House Square

ADMINISTRATION AND CUSTOMER SERVICE

COUNCIL PRIORITY AREA 2: BUILD ORGANIZATIONAL CAPACITY AND EFFICIENCY TO SUPPORT EFFECTIVE CITY GOVERNMENT

- Administration staff, customer service staff, began testing the workflow, work plan, dispatching, approvals/permissions of **mCare**, (a real-time mobile workforce management application) from office to field mobile devices on 10/26 and will continue to test until Live-production on 11/17
- Customer Service mailed out 2900+ of final notices, Disconnection for non-payment (438), Reconstructions (409), Extensions granted (424), COVID Signed Payment Plan (0), Service orders (460)
- Water Heaters refund (\$1650) Heat Pumps refund (\$2800.00)
- Administration staff and customer service staff were involved during Public Power Week October 5-9; Day of Caring which included visiting of 12 homes to deliver energy kits and furnace filters; Scott Hopkins and Dale Odom (ElectriCities) took fruit baskets and a bag of goodies to our Top 10 Key Accounts; a table was set up in the City Hall lobby to give away energy kits, energy-saving brochures, cups, pencils, pens and LED bulbs; also a banner honoring our Front-Line Workers were displayed at the hospital, police department, fire department, city hall and city warehouse

PUBLIC WORKS DEPARTMENT
ADMINISTRATIVE REPORT
 October 2020



ADMINISTRATION

Ross Holshouser, Renee Keziah and Crystal Bowers met with Colleen Jones, Jacob Weavil and Tanner Denton at the City Warehouse Conference room on Oct 6th to discuss and implement Fleet Maintenance invoice procedures.

Renee Keziah attended a web-based session October 28th through the NC League of Municipalities Getting Back in the Game: How to work with employees on leave for too long.

Ross Holshouser attended a Leadership Team Retreat on Oct 28th with Central Regional Council at the Albemarle Police Department.

Project Name / Title:	Storm Water Management Program
Budget Priority Area	Priority Area 3: Advance Resources Designed To Protect our Residents and Safeguard our City
	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	N/A
Anticipated Completion Date:	FY 20-21
Project Description: Briefly describe the project and benefits.	
Recruit a professional to assist in establishing a Storm Water Management Plan	
Project Status: Briefly describe the current status of the project.	
RFQ's have been received and review process is in place.	
Recent Progress: Briefly describe recent progress or activities on project.	
Review meetings with Storm Water project team will be on Nov 17 th & 20 th .	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Review RFQ's and select firm/firms to proceed to negotiations.	

STREET & RIGHT OF WAY DIVISION

- Downtown trash cans were serviced and crew cleaned sidewalks, pulled weeds, mowed, sprayed for weeds, weedeated, watered flowers, trees and grass, aeriaded, seeded and fertilized at City Hall, Courthouse Square, Liberty Gardens and Market Station, repaired four irrigation heads at Liberty Gardens, swept city streets and maintained several areas throughout the city.
- Assisted with street closings for the YMCA Strong Communities 5K event on Oct 3rd.
- Street crews completed replacing curbing and sidewalk on W. South Street.
- Repaired 14 potholes, repaired broken/sunken pavement on Monza Dr, Imperial Way, Reeves Ave, Pond St, Cherrywood Ln, Hickory Ave and Maple Ave,
- Street crews resurfaced the alleyway behind Top Dollar, Tiffany's and Starnes.
- Put stone down at driveway on Carolina Ave.
- Milled and patched with asphalt on Elaine Dr and patched with asphalt edge of pavement on Jefferson St and Judy St.
- Street crews completed removing vegetation around the outside of fence on the NC 24-27 side at the Warehouse Operations Center.
- Cut back line of sight obstruction on Freeman Ave, Carolina Ave, N. Sixth St and Belvedere Dr.
- Picked up illegal dumping on Love St, Salisbury Ave and Bost St.
- Street crews completed removing and replacing sidewalk and running new underground for tree and street lights and tying in asphalt to curb and gutter for the Pfeiffer sidewalk project.
- Cut back low hanging limbs on Freeman Ave, Pine St and Mountain Place.
- Street crews started inverting intersection on Montgomery Ave and N. Second St for a 3-way stop.
- Repaired catch basin on Bost St.
- Replaced eleven sets of lights on downtown trees.
- Installed driveway pipe on Riley St and cleaned out ditches on Long St and Noritake Trail.
- Replaced/repared sidewalk on S. First St.
- Hung door hangers and performed follow ups on roll out containers being left out at all times and other uncollectable items and collected (22) TV's/electronics throughout the city. A total of 5 violation letters to property owners and tenants were sent out (3) for grass clippings being blown in the street, (1) for roll out containers being left out at all times and (1) for loose debris that needs to be bagged.
- Conducted, and approved, final inspections on PNG utility cuts on Old Charlotte Rd and Coble Ave.
- Repaired W/S cuts on Dick St, Lundix St, S. Fourth St, Ludlow St and E. Cannon Ave.
- Removed the old Kellie Pickler sign near City Limits past the Trinity Place and removed the safe exchange sign from the old police headquarters to the new police headquarters.

STREET & RIGHT OF WAY DIVISION



Project Name / Title:	FY 2020-2021 Pavement Maintenance Plan
Budget Priority Area	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	
Anticipated Completion Date:	EOBY 2020/2021
Project Description: Briefly describe the project and benefits.	
Generate a work plan using the Agil Assets Software to produce a list of City streets for preservation, rehab or re-construction based on the most efficient use of the 19/20 budget.	
Project Status: Briefly describe the current status of the project.	
New budget year.	
Recent Progress: Briefly describe recent progress or activities on project.	
Engineer's list has been generated and now being reviewed by PW staff.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Staff review and submit to Council for review and approval.	

Project Name / Title:	King Property Upgrades and Renovation
Budget Priority Area	Priority Area 5: Develop Community and City Assets to Grow the Economy and Improve Community Appearance
	Priority Area 6: Enhance Community Amenities to Engage Multiple Generations
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	N/A
Anticipated Completion Date:	EOBY 20/21
Project Description: Briefly describe the project and benefits.	
Council has agreed to manage and maintain the King alleyway and parking areas off West Main Street all the way through to King Ave. This will also include the public parking lot on S. 1 st street & King Ave.	
Project Status: Briefly describe the current status of the project.	
Moving forward with design and planning of public space.	
Recent Progress: Briefly describe recent progress or activities on project.	

Asphalt removal and replacement has taken place behind Top Dollar Pawn, Sally's Beauty Supply, Tiffany's and Starnes.
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.
Meetings to be scheduled to discuss scope of work and plan implementation. Street staff will soon start removing old asphalt and concrete in alley way behind Tiffany's. Starnes and Pawn Shop

Project Name / Title:	FY 2020-2021 Police Station Parking Lot and Landscape Renovations
Budget Priority Area	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	N/A
Anticipated Completion Date:	End of August 2020
Project Description: Briefly describe the project and benefits.	
Renovate and improve parking lot and landscaping around remodeled Police Station	
Project Status: Briefly describe the current status of the project.	
Almost Completed	
Recent Progress: Briefly describe recent progress or activities on project.	
Still waiting on column wrap for Police sign, then the last bit of concrete can be poured.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
None.	

Project Name / Title:	FY 2020-2021 Pfeiffer Sidewalk Renovation
Budget Priority Area	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery Priority Area 5: Develop Community and City Assets to Grow the Economy and Improve Community Appearance
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	\$60,000
Anticipated Completion Date:	End of August 2020
Project Description: Briefly describe the project and benefits.	
Remove and rebuild sidewalks & curbing along East Main St from N. 3 rd to N.4 th . Additionally, remove and rebuild sidewalk and curbing along N. 4 th to meet the new construction needs of Pfeiffer University.	
Project Status: Briefly describe the current status of the project.	
Completed.	
Recent Progress: Briefly describe recent progress or activities on project.	
All new street trees along E. Main St from 3 rd St to 4 th St have been planted.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	

None	
Project Name / Title:	South Street Sidewalk Renovation
Budget Priority Area	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery Priority Area 5: Develop Community and City Assets to Grow the Economy and Improve Community Appearance
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	\$20,000
Anticipated Completion Date:	February 2021
Project Description: Briefly describe the project and benefits.	
Renovate remainder of South side of South Street and entire block of North side of South Street.	
Project Status: Briefly describe the current status of the project.	
Completed	
Recent Progress: Briefly describe recent progress or activities on project.	
Brick rowlock and electrical conduit has been placed in sidewalk along with new tree wells and mulch.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
None	

Project Name / Title:	Charters of Freedom
Budget Priority Area	Priority Area 6: Enhance Community Amenities to Engage Multiple Generations
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	N/A
Anticipated Completion Date:	N/A
Project Description: Briefly describe the project and benefits.	
Assist in installing Charters of Freedom Monument in front of City Hall; N.2 nd Street	
Project Status: Briefly describe the current status of the project.	
Planning work and start date.	
Recent Progress: Briefly describe recent progress or activities on project.	
Locate tickets have been called in. Plans have been reviewed and in permitting phase.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Remove grass and grade area in front of City Hall. Digg footings possibly around mid-October	

Project Name / Title:	N. 2nd St & Montgomery Ave 3-Way Stop Intersection
Budget Priority Area	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery
	Priority Area 5: Develop Community and City Assets to Grow the Economy and Improve Community Appearance
Department / Division:	Public Works / Street Division
Prepared By:	Ross Holshouser
Project Budget:	N/A
Anticipated Completion Date:	November 20 th , 2020
Project Description: Briefly describe the project and benefits.	
Citizen request to turn N.2 nd St & Montgomery Ave into a 3Way Stop Intersection	
Project Status: Briefly describe the current status of the project.	
PW Street Division has started the work at the intersection.	
Recent Progress: Briefly describe recent progress or activities on project.	
New sidewalk replacement around the intersection along with installing ADA curb cuts for additional crosswalks have been installed. Line striping for designated parallel parking has been added on both North bound and South bound lanes. New Stop Signs have been installed and will be unveiled once 3 way flashing red light is installed by Public Utilities.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Finish addition line striping and activate the 3-way flashing red light. Additional vegetation streetscape edits will be added by property owner.	

WAREHOUSE

Warehouse personnel started cleaning and re-organizing the grounds inside the compound. Current housed inventory is valued at \$3 million. Inventory in the amount \$99,673.09 was received and \$113,897.87 was issued out during the month of October.

FLEET MAINTENANCE FACILITY

COMPLETED AND CLOSED WORK ORDERS

Department/Division NC State Inspection

Preventative

Other Repairs

Maintenance (PM)

Fire Department		1	5
Police Department		9	19
Parks & Recreation		1	1
P/U-Electric		2	6
P/U-W/S Systems		2	6
P/U/W/S /STP & WTP Plants			
P/W-Administration			
P/W-Solid Waste			1
P/W-Downtown			
P/W-Streets			18
P/W-Warehouse			
P/W-Fleet			2
Planning & Dev Services			
Public Housing			
Human Resources			
Information Systems			
Administration			
Economic Development			
TOTALS	0	15	58

Fleet Maintenance was one technician short for the month of October. We are looking forward to him being 100% by the end of November. Thanks for your patience.

We are also changing over our PM service oils of 5W30 and 10W30 from synthetic blend to full synthetic Dexos approved oil. We will also change our Sunoco OW20 Dexos and 5W30 Dexos oil in 6 gallon cartons to Compass Dexos approved oils in 55 gallon drums. Currently, the Sunoco OW20 is \$2.50 per quart. The new Compass OW20 and 5W30 Dexos oil will be \$1.93 per quart. At the local parts stores the Dexos approved oil is \$5.99 to \$6.99 per quart. This is a huge savings of \$4-\$5.00 per quart purchased in drums over buying local. We have installed air-operated pumps with metered control guns to make servicing faster and cleaner.

Fleet Maintenance has purchased an oil change sticker machine that will custom print the DATE, MILEAGE and/or HOURS the next PM is due. This sticker will be a fade resistant windshield sticker. It will be easier to read and every operator will be able to always know when their next PM is due. We have previously tried many fade resistant markers in the past with only fair results.

CITY OF ALBEMARLE SOLID WASTE FACILITY



SOLID WASTE

1,522,509.43 gallons of leachate pumped through Force Main
 3.00" Total Rain Received
 Oct (5th -12th) – Kemp Construction performed yearly leachate lagoon force main air release valves inspection and maintenance
 Oct (26th – 30th) – Pace Analytical conducted methane gas monitoring and collected additional leachate samples for leachate scaling study

Customers Received	2,617
Recyclables & Organics Received	367.64 tons
C&D Received	2,471.40 tons
MSW Received	3,804.97 tons
Revenues Totaled	\$288,350.99

Division Project Summary Report

Project Name / Title:	Landfill Force Main Project
Budget Priority Area	Priority Area 3: Advance Resources Designed To Protect our Residents and Safeguard our City
	Priority Area 4: Invest in Infrastructure to Ensure Quality Service Delivery
Department / Division:	Public Works / Solid Waste
Prepared By:	Darren Preslar
Project Budget:	\$2,485,450
Anticipated Completion Date:	
Project Description: Briefly describe the project and benefits.	
Leachate system upgrade including a pump station and force main from the Solid Waste Facility to a tie in point of the City’s sanitary sewer system.	
Project Status: Briefly describe the current status of the project.	
As of Monday afternoon June 3, 2019 system is fully operational and functioning properly.	
Recent Progress: Briefly describe recent progress or activities on project.	
All remaining punch list items completed.	
Upcoming Activities: Briefly describe the next significant activity, action, or decision to be made, regarding the project.	
Notice of project completion has been sent to Terry’s Plumbing and requesting final closeout docs. Hopefully to have this final closeout by end of year or before.	

Print

Title – Stogner Architect Indefinite Contract Extension

Description:

This requested contract extension is for the final year of the Indefinite Contract for Architectural Engineering Services with Stogner Architecture, PA executed in November 2016.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:	
Name:	Description:
<input type="checkbox"/> Stogner_Extension_Letter.docx	1 year Extension Letter
<input type="checkbox"/> 4405_Signed_Ind_Qty_Cont_-_Albemarle.pdf	Original Executed Indefinite Contract

APPROVALS:			
Date/Time:	Approval:	Department:	
11/12/2020 4:42 PM	Approved	City Clerk	
11/12/2020 4:44 PM	Approved	Administration	

P | 704.984.9580
F | 704.984.9582



www.albemarlenc.gov
PO Box 190
300 South Bell Avenue
Albemarle, NC 28002-0190

Public Housing Department

November 3, 2020

Mr. Wayne Stogner
Stogner Architecture, PA
615 E. Broad Ave.
Rockingham, NC 28352

RE: RENEWAL OF INDEFINITE QUANTITY CONTRACT #4405
DATED NOVEMBER 22, 2016

Dear Wayne:

The City of Albemarle, Department of Public Housing would like to extend the above Indefinite Quantity Contract now in effect with your firm for an additional 12 month period to November 22, 2021.

Sincerely,

Gerald R. Michael, Mayor

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

**Model Form of Agreement Between
Owner and Design Professional**

**Model Form of Agreement
Between Owner and
Design Professional**

U S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(exp. 3/31/2010)

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing Instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

These contracts between a HUD grantee (housing agency (HA) and an architect/engineer (A/E) for design and construction services do not require either Party to submit any materials to HUD. The forms provide a contractual agreement for the services to be provided by the A/E and establishes responsibilities of both parties pursuant to the contract. The regulatory authority is 24 CFR 85.36. These contractual agreements are required by Federal law or regulation pursuant to 24 CFR Part 85.36. Signing of the contracts is required to obtain or retain benefits. The contracts do not lend themselves to confidentiality.

	Page
Table of Contents	
Introduction	3
Article A: Services	4
A. 1.0 Design Professional's Basic Services	4
A. 1.1 Areas of Professional's Basic Services	4
A. 1.2 Phases and Descriptions of Basic Services	4
A. 1.2.1 Schematic Design/Preliminary Study Phase	4
A. 1.2.2 Design Development Phase	4
A. 1.2.3 Bidding, Construction and Contract Document Phase	4
A. 1.2.4 Bidding and Award Phase	4
A. 1.2.5 Construction Phase	5
A. 1.2.6 Post Completion/Warranty Phase	5
A. 1.3 Time of Performance	5
A. 2.0 Design Professional's Additional Services	5
A. 2.1 Description of Additional Services	5
A. 2.2 Written Addendum or Contract Amendment	5
Article B: Compensation and Payment	6
B. 1.0 Basic Services	6
B.1.1 Fixed Fee for Basic Services	6
B. 1.2 Payment Schedule	6
B. 2.0 Reimbursables	6
B. 2.1 Reimbursable Expenses	6
B. 2.1.1 Travel Costs	6
B. 2.1.2 Long-Distance Telephone Costs	6
B. 2.1.3 Delivery Costs	6
B. 2.1.4 Reproduction Costs	6
B. 2.1.5 Additional Reimbursables	6
B. 3.0 Additional Services	6
B. 3.1 Payment for Additional Services	6
B. 4.0 Invoicing and Payments	6
B.4.1 Invoices	6
B. 4.2 Time of Payment	6
Article C: Responsibilities	6
C. 1.0 Design Professional's Responsibilities	6
C.1.1 Basic Services	6
C. 1.2 Additional Services	6
C. 1.3 General Responsibilities	6
C. 1.4 Designing within Funding Limitations	7
C. 1.5 Compliance with Laws, Codes, Ordinances and Regulations	7

C. 1.6	Seal	7
C. 1.7	Attendance at Conferences	7
C. 2.0	Owner's Responsibilities	7
C.2.1	Information	7
C. 2.2	Notice of Defects	7
C. 2.3	Contract Officer	
C. 2.4	Duties to Furnish	7
C. 2.4.1	Survey and Property Restrictions	7
C. 2.4.2	Existing Conditions	7
C. 2.4.3	Waivers	7
C. 2.4.4	Minimum Wage Rates	7
C. 2.4.5	Tests	7
C. 2.4.6	Contract Terms	7
Article D:	Contract Administration	8
D. 1.0	Prohibition of Assignment	8
D. 1.1	Ownership of Documents	8
D. 1.2	Substitutions	8
D. 1.3	Suspension	8
D. 1.4	Subcontracts	8
D. 1.5	Disputes	8
D. 1.6	Terminations	8
D. 1.7	Insurance	8
D. 1.8	Retention of Rights	8
Article E:	Additional Requirements	8
E. 1.0	Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development	8
E. 1.1	Contract Adjustments	8
E. 1.2	Additional Services	9
E. 1.3	Restrictive Drawings and Specifications	9
E. 1.4	Design Certification	9
E. 1.5	Retention and Inspection of Records	9
E. 1.6	Copyrights and Rights In Data	9
E. 1.7	Conflicts of Interest	9
E.1.8	Disputes	9
E. 1.9	Termination	9
E. 1.10	Interest of Members of Congress	9
E. 1.11	Limitation of Payments to Influence Certain Federal Transactions	10
E. 1.12	Employment, Training and Contracting Opportunities for Low income Persons, Section 3, HUD Act of 1968	10
E. 1.13	Reserved	10
E. 1.14	Clean Air and Water (Applicable to Contracts in excess of \$100,000)	11
E. 1.15	Energy Efficiency	11
E. 1.16	Prevailing Wages	11
E. 1.17	Non-applicability of Fair Housing Requirements in Indian Housing Authority Contracts	11
E. 1.18	Prohibition Against Liens	11
Article F:	Other Requirements (If any)	11
Addendum	(If any)	11
Execution of Agreement		16

Introduction to Agreement

Agreement

Made as of the **Twenty Second (22nd) day of November in the year of 2016**

Between the **Owner** (Name & Address)

**City of Albemarle Department of Public Housing
P.O. Box 1367
Albemarle, North Carolina 28002-1367
(704) 983-5165**

and the **Design Professional** (Name, Address and Discipline)

**Stogner Architecture, PA
615 East Broad Avenue
Rockingham, North Carolina 28379
(910) 895-6874**

For the following **Project** (Include detailed description of Project, Location, Address, Scope and Program Designation)

4405 Indefinite Quantity Contract for Architectural Engineering Services where the work will be required on an as needed basis intermittently during the life of the contract which will be a two year period from **November 22, 2016** to **November 22, 2018** with periodic reviews. After the initial two year period, at both parties discretion the contract can be extended for three additional 12 month periods. Scope changes to projects under this contract and/or contract options are not subject to the initial time period.

The Owner and Design Professional agree as set forth below.

PER DELIVERY ORDER

Each individual project will be issued as a separate delivery order. Scope and fees will be agreed upon per each delivery order.

Article A: Services

A 1.0 Design Professional's Basic Services

A. 1.1 Areas of Professional's Basic Services. Unless revised in a written addendum or amendment to this Agreement, in planning, designing and administering construction or rehabilitation of the Project, the Design Professional may provide the Owner with professional services in the following areas:

- Architecture
- Site Planning
- Structural Engineering
- Mechanical Engineering
- Electrical Engineering
- Civil Engineering
- Landscape Architecture
- Cost Estimating
- Construction Contract Administration

A 1.2 Phases and Descriptions of Basic Services.

A. 1.2.1 Schematic Design/Preliminary Study Phase. After receipt of a Notice to Proceed from the Owner, the Design Professional may if required prepare and deliver Schematic Design/Preliminary Study Documents. These documents shall consist of a presentation of the complete concept of the Project, including major elements of the building(s), and Site design(s), planned to promote economy both in construction and in administration and to comply with current program and cost limitations. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. Additionally, the Design Professional shall make an independent assessment of the accuracy of the information provided by the Owner concerning existing conditions. Documents in this phase may include:

- Site plan(s)
- Schedule of building types, unit distribution and bedroom count
- Scale plan of all buildings, and typical dwelling units
- Wall sections and elevations
- Outline specifications
- Preliminary construction cost estimates
- Project specific analysis of codes, ordinances and regulations
- ~~Three dimensional line drawings~~

A. 1.2.2 Design Development Phase. After receipt of written approval of Schematic Design/Preliminary Study Documents, the Design Professional shall prepare and submit to the Owner Design Development Documents if required. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. These documents may include the following:

- Drawings sufficient to fix and illustrate project scope and character in essential design elements
- Outline specifications
- Cost estimates and analysis
- Recommendations for phasing of construction
- Site plan(s)
- Landscape plan
- Floor plans
- Elevations, building and wall sections
- ~~Updated three dimensional line drawings~~
- Engineering drawings

A. 1.2.3 Bidding, Construction and Contract Document Phase. After receipt of the Owner's written approval of Design Development Documents, the Design Professional shall prepare Construction Documents. After consultation with the Owner and Owner's attorney, if requested by the owner, the Design Professional shall also prepare and assemble bidding and contract documents. The Design Professional shall revise these Bidding, Construction and Contract documents consistent with the requirements and criteria established by the Owner to secure the Owner's approval. They shall include work to be performed; material; workmanship; finishes and equipment required for the architectural, structural, mechanical, electrical, and site work; survey maps furnished by Owner; and direct reproduction of any logs and subsurface soil investigations. These documents may include:

- Solicitation for Bids
- Form of Contract
- Special Conditions
- General Conditions
- Technical Specifications
- Plans and drawings
- Updated cost estimates

A. 1.2.4 Bidding and Award Phase. After approval of Bidding, Construction and Contract Documents from the Owner, the Design Professional shall assist in administering the bidding and award of the Construction Contract. This may include:

- Responding to inquires
- Drafting and issuing addendum approved by Owner
- Attending prebid conference(s)
- Attending public bid openings
- Reviewing and tabulating bids
- Recommending list of eligible bids
- Recommending award
- ~~Altering drawings and specifications as often as required to award within the Estimated Construction Contract Cost~~

A. 1.2.5 Construction Phase. After execution of the Construction Contract, the Design Professional shall in a prompt and timely manner administer the Construction Contract and work required by the Bidding, Construction and Contract Documents. The Design Professional shall endeavor to protect the Owner against defects and deficiencies in the execution and performance of the work. The Design Professional may:

- Administer the Construction Contract.
- Conduct pre-construction conference and attend dispute resolution conferences and other meetings when requested by the Owner.
- Review and approve contractor's shop drawings and other submittals for conformance to the requirements of the contract documents.
- At the Owner's written request, and as Additional Service, procure testing from qualified parties.
- Monitor the quality and progress of the work and furnish a written field report weekly, semi monthly, monthly, or **PER DELIVERY ORDER**.

This service shall be limited to a period amounting to 110% of the construction period as originally established under the construction contract unless construction has been delayed due solely to the Design professional's failure to properly perform its duties and responsibilities. The Owner may direct additional monitoring but only as Additional Services.

- Require any sub-consultant to provide the services listed in this section where and as applicable and to visit the Project during the time that construction is occurring on the portion of the work related to its discipline and report in writing to the Design Professional.
- Review, approve and submit to Owner the Contractor Requests for Payment.
- Conduct job meetings and record action in a set of minutes which are to be provided to the Owner.
- Make modifications to Construction Contract Documents to correct errors, clarify intent or to accommodate change orders.
- Make recommendations to Owner for solutions to special problems or changes necessitated by conditions encountered in the course of construction.
- Promptly notify Owner in writing of any defects or deficiencies in the work of any matter of dispute with the Contractor.
- Negotiate, prepare cost or price analysis for and countersign change orders.
- Prepare Written punch list, certificates of completion and other necessary construction close out documents.
- Prepare a set of reproducible record prints of Drawings showing significant changes in the work made during construction, including the locations of underground utilities and appurtenances referenced to permanent surface improvements, based on marked-up prints, drawings and other data furnished by the contractor to the Design Professional.

A. 1.2.6 Post Completion/Warranty Phase. After execution of the Certificate of Completion by the Owner, the Design Professional may:

- Consult with and make recommendations to Owner during warranties regarding construction, and equipment warranties.
- Perform an inspection of construction work, material, systems and equipment no earlier than nine months and no later than ten months after completion of the construction contract and make a written report to the Owner. At the Owner's request, and by Amendment to the Additional Services section of this contract, conduct additional warranty inspections as Additional Services.
- ~~◦ Advise and assist Owner in construction matters for a period up to eighteen months after completion of the project, but such assistance is not to exceed forty hours of service and one nonwarranty trip away from the place of business of the Design Professional.~~

A. 1.3 Time of Performance. The Design Professional's schedule for preparing, delivering and obtaining Owner's approval for Basic Services shall be as follows:

- Schematic Design/Preliminary Study Documents within _____calendar days for the date of the receipt of a Notice to Proceed.
- Design Development Documents within _____calendar days from the date of receipt of written approval by the Owner of Schematic Design/Preliminary Study documents.
- Bidding, Construction and Contract Documents within _____calendar days from the date of receipt of written approval by the Owner of Design Development Documents.

A. 2.0 Design Professional's Additional Services

A. 2.1 Description of Additional Services. Additional Services are all those services provided by the Design Professional on the Project for the Owner that are not defined as Basic Services in Article A, Section 1.2 or otherwise required to be performed by the Design Professional under this Agreement. They include major revisions in the scope of work of previously approved drawings, specifications and other documents due to causes beyond the control of the Design Professional and not due to any errors, omissions, or failures on the part of the Design Professional to carry out obligations otherwise set out in this Agreement.

A. 2.2 Written Addendum or Contract Amendment. All additional services not already expressly required by this agreement shall be agreed to through either a written addendum or amendment to this Agreement.

Article B: Compensation and Payment

B. 1.0 Basic Services

B. 1.1 Fixed Fee for Basic Services. The Owner will pay the Design Professional for Basic Services performed as defined by A.1.2, a Fixed Fee (stipulated sum) of **\$ PER DELIVERY ORDER** plus Reimbursable Expenses identified in Article B.2.0. Such

payment shall be compensation for all Basic Services required, performed, or accepted under this Contract.

B. 1.2 Payment Schedule. Progress payments for Basic Services for each phase of work shall be made in proportion to services performed as follows:

Phase	Amount
Schematic Design/Preliminary Study Phase	\$ _____
Design Development Phase	\$ _____
Bidding, Construction & Contract Document Phase	\$ _____
Bidding & Award Phase	\$ _____
Construction Phase	\$ _____
Post Completion/ Warranty Phase	\$ _____
Total Basic Services	\$ _____

B. 2.0 Reimbursables

B. 2.1 Reimbursable Expenses. The Owner will pay the Design Professional for the Reimbursable Expenses listed below up to a Maximum Amount of \$ **PER DELIVERY ORDER**. Reimbursable Expenses are in addition to the Fixed Fee for Basic Services and are for certain actual expenses incurred by the Design Professional in connection with the Project as enumerated below.

B. 2.1.1 Travel Costs. The reasonable expense of travel costs incurred by the Design Professional when requested by Owner to travel to a location that lies outside of a 45 mile radius of either the Project site, Design Professional's office (s), and Owner's office.

B. 2.1.2 Long Distance Telephone Costs. Long distance telephone calls and long distance telefax costs.

B. 2.1.3 Delivery Costs. Courier services and overnight delivery costs.

B. 2.1.4 Reproduction Costs. Reproduction and postage costs of required drawings, specifications, Bidding and Contract documents, excluding the cost of reproductions for the Design Professional or Subcontractor's own use.

B. 2.1.5 Additional Reimbursables. The Design Professional and Owner may agree in an addendum or amendment to this Agreement to include certain other expenses not enumerated above as Reimbursable Expenses. These Reimbursables shall not be limited by the Maximum Amount agreed to above. A separate Maximum Amount for these Reimbursables shall be established.

B. 3.0 Additional Services

B. 3.1 Payment for Additional Services. The Owner will pay the Design Professional only for Additional Services agreed to in an addendum or amendment to this Agreement executed by the Owner and the Design Professional pursuant to A.2. Payment for all such Additional Services shall be in an amount and upon the terms set out in such amendment or addendum and agreed upon by the parties. Each such amendment or

addendum shall provide for a fixed price or, where payment for such Additional Services is to be on an hourly basis or other unit pricing method, for a maximum amount; each such amendment or addendum shall also provide for a method of payment, including, at a minimum, whether payment will be made in partial payments or in lump sum and whether it will be based upon percentage of completion or services billed for.

B. 4.0 Invoicing and Payments

B.4.1 Invoices. All payments shall require a written invoice from the Design Professional. Invoices shall be made no more frequently than on a monthly basis. Payments for Basic Services shall be in proportion to services completed within each phase of work. When requesting such payment, the invoice shall identify the phase and the portion completed. All invoices shall state the Agreement, name and address to which payment shall be made, the services completed and the dates of completion, and whether the invoice requests payment for Basic Services, Reimbursable or Additional Services. Invoices seeking payment for Reimbursable or Additional Services must provide detailed documentation.

B. 4.2 Time of Payment. Upon the Design Professional's proper submission of invoices for work performed or reimbursable expenses, the Owner shall review and, if the work is in conformance with the terms of the Agreement, make payment within thirty days of the Owner's receipt of the invoice.

Article C: Responsibilities

C. 1.0 Design Professional's Responsibilities

C. 1.1 Basic Services. The Design Professionals shall provide the Basic Service set out in Article A.1.0.

C. 1.2 Additional Services. When required under this Agreement or agreed to as set out in A.2.0, the Design Professional shall provide Additional Services on the Project.

C. 1.3 General Responsibilities. The Design Professional shall be responsible for the professional quality, technical accuracy, and coordination of designs, drawings, specifications, and other services, furnished by the Design Professional under this Agreement. The Owner's review, approval, acceptance of, or payment for Design Professional services shall not be construed as a waiver of any rights under this Agreement or of any cause of action for damages caused by Design Professional's negligent performance under this Agreement. Furthermore, this Agreement does not restrict or limit any rights or remedies otherwise afforded the Owner or Design Professional by law.

C. 1.4 Designing Within Funding Limitations. The Design Professional shall perform services required under this Contract in such a manner so as to cause an award of a Construction Contract(s) that does not exceed (1) \$ _____ or (2) an amount to be provided by the Owner in writing to the Design Professional prior to the commencement of Design Professional services. This fixed limit shall be called the Maximum Construction Contract Cost. The amount may be increased by the Owner, but only with written notice to the Design Professional. If the increase results in a change to the scope of work, an amendment to this Agreement will be required. The Design Professional and the Owner may mutually agree to decrease the Maximum Construction Contract Cost, but only by signing a written amendment to this Agreement ~~Should bids for the Construction Contract(s) exceed the Maximum Con-~~

~~struction Contract Cost, the Owner has the right to require the Design Professional to perform redesigns, rebids and other services necessary to cause an award of the Construction Contract within the Maximum Construction Contract Cost without additional compensation or reimbursement~~

C. 1.5 Compliance with Laws, Codes, Ordinances and Regulations. The Design Professional shall perform services that conform to applicable Federal, State and local laws, codes, ordinances and regulations except as modified by any waivers which may be obtained with the approval of the Owner. If the Project is within an Indian reservation, tribal laws, codes and regulations shall be substituted for state and local laws, codes, ordinances and regulations. However, on such a Native American Projects, the Owner may additionally designate that some or all state and local codes shall apply. In some of these circumstances, a model national building code may be selected by the Indian or Native American Owner. ~~The Design Professional shall certify that Contract Documents will conform to all applicable laws, codes, ordinances and regulations.~~ The Design Professional shall prepare construction documents required for approval by governmental agencies having jurisdiction over the project. The Design professional shall make changes in the Bidding and Construction Documents necessary to obtain governmental approval without additional compensation or reimbursement, except in the following situations.

If subsequent to the date the Owner issues a notice to proceed, revisions are made to applicable codes or non-federal regulations, the Design Professional shall be entitled to additional compensation and reimbursements for any additional cost resulting from such changes. The Design Professional, however, is obligated to notify the Owner of significant code or regulatory changes within sixty (60) days of their change, and such notification shall be required in order for the Design Professional to be entitled to any additional compensation or reimbursement.

C. 1.6 Seal. Licensed Design Professionals shall affix their seals and signatures to drawings and specifications produced under this Agreement when required by law or when the project is located on an Indian Reservation.

C. 1.7 Attendance at Conferences. The Design Professional or designated representative shall attend project conferences and meetings involving matters related to basic services covered under this contract. Attendance at community wide meetings shall be considered an additional service.

C. 2.0 Owner's Responsibilities

C. 2.1 Information. The Owner shall provide information regarding requirements for the project, including a program that shall set forth the Owner's objectives and schedule. The Owner shall also establish and update the Maximum Construction Cost. This shall include the Owner's giving notice of work to be performed by the Owner or others and not included in the Construction Contract for the Project. The Design Professional, however, shall be responsible to ascertain and know federal requirements and limitations placed on the Project.

C. 2.2 Notice of Defects. If the Owner observes or otherwise becomes aware of any fault or defect in the construction of the project or nonconformance with the Construction Contract, the Owner shall give prompt written notice of those faults, defects or nonconformance to the

Design Professional.

C.2.3 Contract Officer. The Owner shall designate a Contract Officer authorized to act on its behalf with respect to the design and construction of the Project. The Contract Officer shall examine documents submitted by the Design Professional and shall promptly render decisions pertaining to those documents so as to avoid unreasonably delaying the progress of the Design Professional's work.

C. 2.4 Duties to Furnish. The Owner shall provide the Design Professional the items listed below.

C. 2.4.1 Survey and Property Restrictions. The Owner shall furnish topographic, property line and utility information as and where required. ~~The Owner may at its election require the Design Professional to furnish any of these items as an Additional Service.~~

C. 2.4.2 Existing Conditions. The Owner shall provide the Design Professional any available "as built" drawings of buildings or properties, architect surveys, test reports, and any other written information that it may have in its possession and that it might reasonably assume affects the work.

C. 2.4.3 Waivers. The Owner shall provide the Design Professional information it may have obtained on any waivers of local codes, ordinances, or regulations or standards affecting the design of the Project.

C. 2.4.4 Minimum Wage Rates. The Owner shall furnish the Design Professional the schedule of minimum wage rates approved by the U.S. Secretary of Labor for inclusion in the solicitation and Contract Documents.

C. 2.4.5 Tests. When expressly agreed to in writing by both the Owner and the Design Professional, the Owner shall furnish the Design Professional necessary structural, mechanical, chemical or other laboratory tests, inspections and reports required for the Project.

C. 2.4.6 Contract Terms. The Owner or its legal counsel may provide the Design Professional text to be incorporated into Bidding and Construction Contract Documents.

Article D: Contract Administration

D. 1.0 Prohibition of Assignment. The Design Professional shall not assign, subcontract, or transfer any services, obligations, or interest in this Agreement without the prior written consent of the Owner. Such consent shall not unreasonably be withheld when such assignment is for financing the Design Professional's performance.

D. 1.1 Ownership of Documents. All drawings, specifications, studies and other materials prepared under this contract shall be the property of the Owner and at the termination or completion of the Design Professional's services shall be promptly delivered to the Owner. The Design Professional shall have no claim for further employment or additional compensation as a result of exercise by the Owner of its full rights of ownership. It is understood, however, that the Design Professional does not represent such data to be suitable for re-use on any other project or for any other purpose. If the Owner re-uses the subject data without the Design Professional's written verification, such reuse will be at the sole risk of the Owner without liability to the Design Professional.

D. 1.2 Substitutions.

A. The Design Professional shall identify in writing principals and And professional level employees and shall not substitute or replace principals or professional level employees without the prior approval of the Owner which shall not unreasonable be withheld.

B. The Design Professional’s personnel identified below are considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the Design Professional shall notify the Owner reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the contract. No diversion or substitution of such key personnel shall be made by the Design professional without the prior written consent of the Owner.

WAYNE STOGNER
DAVID STOGNER

D. 1.3 Suspension. The Owner may give written notice to the Design Professional to suspend work on the project or any part thereof. The Owner shall not be obligated to consider a claim for additional compensation if the Design Professional is given written notice to resume Work in 120 calendar days. If notice to resume work is not given within 120 calendar days, the Design Professional shall be entitled to an equitable adjustment in compensation.

D. 1.4 Subcontracts. The Design Professional will cause all applicable provisions of this Agreement to be inserted in all its subcontracts.

D. 1.5 Disputes. In the event of a dispute arising under this Agreement, the Design Professional shall notify the Owner promptly in writing and submit its claim in a timely manner. The Owner shall respond to the claim in writing in a timely manner. The Design Professional shall proceed with its work hereunder in compliance with the instructions of the Owner, but such compliance shall not be a waiver of the Design Professional’s rights to make such a claim. Any dispute not resolved by this procedure may be determined by a court of competent jurisdiction or by consent of the Owner and Design Professional by other dispute resolution methods.

D. 1.6 Termination. The Owner may terminate this Agreement for the Owner’s convenience or for failure of the Design Professional to fulfill contract obligations. The Owner shall terminate by delivering to the Design Professional a Notice of Termination specifying the reason therefore and the effective date of termination. Upon receipt of such notice, the Design Professional shall immediately discontinue all services affected and deliver to the Owner all information, reports, papers, and other materials accumulated or generated in performing this contract whether completed or in process. If the termination is for convenience of the Owner, the Owner shall be liable only for payment for accepted services rendered before the effective date of termination.

D.1.7 Insurance. The Design Professional shall carry Commercial or Comprehensive General Liability Insurance, Professional Liability Insurance (for a period extending two years past the date of completion of construction), and other insurance as are required by law, all in minimum amounts as set forth below. The Design Professional shall furnish the Owner certificates of insurance and they shall state that a thirty day notice of prior cancellation or change will be provided to the Owner. Additionally, the Owner shall be an additional insured on all Commercial or Comprehensive General liability policies.

Insurance	Limits or Amount
PROFESSIONAL LIABILITY	\$1,000,000
GENERAL LIABILITY	\$1,000,000
WORKERSCOMPENSATION	\$500,000

D. 1.8 Retention of Rights. Neither the Owner’s review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the Design Professional shall be and remain liable to the Owner in accordance with the applicable law for all damages to the Owner caused by the Design Professional’s negligent performance of any of the services furnished under this contract.

Article E: Additional Requirements

E. 1.0 Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development (HIJD).

E. 1.1 Contract Adjustments. Notwithstanding any other term or condition of this Agreement, any settlement or equitable adjustment due to termination, suspension or delays by the Owner shall be negotiated based on the cost principles stated at 48 CFR Subpart 31.2 and conform to the Contract pricing provisions of 24 CFR 85.36 (f).

E. 1.2 Additional Services. The Owner shall perform a cost or price analysis as required by 24 CFR 85.36 (f) prior to the issuance of a contract modification/amendment for Additional Services. Such Additional Services shall be within the general scope of services covered by this Agreement. The Design Professional shall provide supporting cost information in sufficient detail to permit the Owner to perform the required cost or price analysis.

E. 1.3 Restrictive Drawings and Specifications. In accordance with 24 CFR 85.36(c)(3)(i) and contract agreements between the Owner and HUD, the Design Professional shall not require the use of materials, products, or services that unduly restrict competition.

E. 1.4 Design Certification. Where the Owner is required by federal regulations to provide HUD a Design Professional certification regarding the design of the Projects (24 CFR 968.235), the Design Professional shall provide such a certification to the Owner.

E. 1.5 Retention and Inspection of Records. Pursuant to 24 CFR 85.26(i)(10) and (11), access shall be given by the Design Professional to the Owner, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to any books, documents, papers, and records of the Design Professional which are directly pertinent to that specific Contract for the purpose of making an audit, examination, excerpts, and transcriptions. All required records shall be retained for three years after the Owner or Design Professional and other subgrantees make final payments and all other pending matters are closed.

E. 1.6 Copyrights and Rights in Data. HUD has no regulations pertaining to copyrights or rights in data as provided in 24 CFR 85.36. HUD requirements, Article 45 of the General Conditions to the Contract for Construction (form HUD-5370) requires that contractors pay all royalties and license fees. All drawings and specifications prepared by the Design Professional pursuant to this contract will identify any applicable patents to enable the general contractor to fulfill the requirements of the construction contract.

E.1.7 Conflicts of Interest. Based in part on federal regulations (24 CFR 85.36(b)) and Contract agreement between the Owner and HUD, no employee, officer, or agent of the Owner (HUD grantee) shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his or her immediate family,
- (iii) His or her partner, or
- (iv) An organization that employs, or is about to employ, any of

the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, or parties to sub-agreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents or by Contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Neither the Owner nor any of its contractors or their subcontractors shall enter into any Contract, subcontract, or agreement, in connection with any Project or any property included or planned to be included in any Project, in which any member, officer, or employee of the Owner, or any member of the governing body of the locality in which the Project is situated, or any member of the governing body of the locality in which the Owner was activated, or in any other public official of such locality or localities who exercises any responsibilities or functions with respect to the Project during his/her tenure or for one year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee of the Owner, or any such governing body member or such other public official of such locality or localities involuntarily acquires or had acquired prior to the beginning of his/her tenure any such interest, and if such interest is immediately disclosed to the Owner and such

Disclosure is entered upon the minutes of the Owner, the Owner, with the prior approval of the Government, may waive the prohibition contained in this subsection: Provided, That any such present member, officer, or employee of the Owner shall not participate in any action by the Owner relating to such contract, subcontract, or arrangement.

No member officer, or employee of the Owner, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the Owner was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

E. 1.8 Disputes. In part because of HUD regulations (24 CFR 85.36(i)(1), this Design Professional Agreement, unless it is a small purchase contract, has administrative, contractual, or legal remedies for instances where the Design Professional violates or breaches Agreement terms, and provide for such sanctions and penalties as may be appropriate.

E. 1.9 Termination. In part because of HUD regulations (24 CFR 85.36(i)(2), this Design Professional Agreement, unless it is for an amount of \$10,000 or less, has requirements regarding termination by the Owner when for cause or convenience. These include the manner by which the termination will be effected and basis for settlement.

E. 1.10 Interest of Members of Congress. Because of Contract agreement between the Owner and HUD, no member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit to arise from it.

E. 1.11 Limitation of Payments to Influence Certain Federal Transaction. The Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions Act, Section 1352 of Title 31 U.S.C., provides in part that no appropriated funds may be expended by recipient of a federal contract, grant, loan, or cooperative agreement to pay any person, including the Design Professional, for influencing or attempting to influence an officer or employee of Congress in connection with any of the following covered Federal actions: the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

E. 1.12 Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. Reserved

H. Reserved

E. 1.13 Reserved

E.1.14 Clean Air and Water. (Applicable to contracts in excess of \$100,000). Because of 24 CFR 85.36(i)(12) and Federal law, and Design Professional shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 185h-4 transferred 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), on all contracts, subcontracts, and subgrants of amounts in excess of \$100,000.

E. 1.15 Energy Efficiency. Pursuant to Federal regulations (24 C.F.R. 85.36(i)(13) and Federal law, except when working on an Indian housing authority Project on an Indian reservation, the Design Professional shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163 codified at 42 U.S.C.A. § 6321 et. seq.)

E. 1.16 Prevailing Wages. In accordance with Section 12 of the U.S. Housing Act of 1937 (42 U.S.C. 1437j) the Design Professional shall pay not less than the wages prevailing in the locality, as determined by or adopted (subsequent to a determination under applicable State or local law) by the Secretary of HUD, to all architects, technical engineers, draftsmen, and technicians.

E. 1.17 Non-applicability of Fair Housing Requirements in Indian Housing Authority Contracts. Pursuant to 24 CFR section 905.115(b) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), which prohibits discrimination on the basis of race, color or national origin in federally assisted programs, and the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, handicap, or familiar status in the sale or rental of housing do not apply to Indian Housing Authorities established by exercise of a Tribe's powers of self-government.

E. 1.18 Prohibition Against Liens. The Design professional is Prohibited from placing a lien on the Owner's property. This prohibition shall be placed in all design professional subcontracts.

Article F: Other Owner Requirements (if any)

(Continue on additional pages as necessary)

Addendum (Additional Services and other modifications)

Provisions of Addendum are in addition to or modifications to Articles A to F.

DEFINITIONS:

Inspection: Inspection shall consist of visual observation of construction and the equipment and materials used therein, to permit the A/E to render his or her professional opinion as to the contractor's conformance with the A/E's recommendations, plans or specifications. Given the inherent limitations of such inspections, they shall not be relied upon by any party as acceptance of the work, nor shall they relieve any party from fulfillment of customary and contractual responsibilities and obligations. In making inspections, the A/E makes no guarantee for, and shall have no authority or control over the Contractor's performance or failure to perform the work in accordance with the Contract Documents.

The A/E may visit the site at intervals appropriate to the stage of construction, based on specific requirements agreed upon in individual delivery orders, in order to observe the progress and quality of work completed by the Contractor. Such visits are to allow the A/E to become familiar with the work in progress and to make a reasonable professional judgment if the work is proceeding in accordance with the contract documents. The A/E shall not be responsible for any acts or omissions of the Contractor or any agent or employees of the Contractor including subcontractors. The A/E does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.

Verification: Shall mean to determine to the best of one's knowledge.

Work: Shall mean the activities related to providing Professional Design Services and related items and shall not mean that the Design Professional will be providing construction work, materials, finishes, equipment and similar items.

Approve: Shall mean to recommend acceptance to the owner based on A/E's professional judgment.

The term "to guard the HA and government against defects and deficiencies in the work" shall mean to "notify the Owner and Construction Contractor of an observed defect or deficiency".

Article A.1.2.1: The Section "The Design Professional shall make an independent assessment of the accuracy of the information provided by the Owner concerning existing conditions", shall mean that the A/E will advise the HA of any known discrepancies but in no way is the A/E responsible for the accuracy or the results from the use of information provided by the Owner or the Owner's other Consultants.

Article A.1.2.1: "Three dimensional line drawings" are not required unless specifically noted in individual delivery orders.

Article A.1.2.2: "Updated three dimensional line drawings" are not required unless specifically noted in individual delivery orders.

Article A.1.2.4: "Altering drawings and specifications as often as required to award within the Estimated Construction Contract Cost" is not required unless specifically noted in individual delivery orders and delivery order must state that cost is more important than quality and that the Architect has sole say in determining quality and quantity.

Article A.1.2.3 OPINION OF PROBABLE CONSTRUCTION COSTS: The A/E may submit to the OWNER an opinion of the probable cost required to construct work recommended, designed, or specified by the A/E. The A/E's opinion will be based solely upon his or her own experience with construction. This requires the A/E to make a number of assumptions as to actual conditions that will be encountered on the site; the specific decisions of other A/E's engaged; the means and methods of construction the contractor will employ; the cost and extent of labor, equipment and materials the contractor will employ; the contractor's techniques in determining prices and market conditions at the time, and other factors over which the A/E has no control. Given the assumptions which must be made, the A/E cannot guarantee the accuracy of his or her opinions of cost.

The A/E shall be permitted to include contingencies for design, bidding and price escalation, to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids to adjust the Construction Cost to the fixed limit with the owner's approval.

Article A.1.2.5: Article A.1.2.5, first paragraph, the phrase "The Design Professional shall endeavor to protect the owner against defects and deficiencies" shall mean the A/E may visit the site at intervals appropriate to the stage of construction in order to observe

the progress and quality of work completed by the Contractor. Such visits are to allow the A/E to become familiar with the work in progress and to make a reasonable professional judgment if the work is proceeding in accordance with the contract documents. The A/E shall not be responsible for any acts or omissions of the Contractor or any agent or employees of the Contractor including subcontractors. The A/E does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.

Article A.1.2.5: subparagraph 4: At the Owner's written request, and as Additional Service in individual delivery orders, the Architect may assist the Owner in procuring testing from qualified parties, but the Owner agrees to contract directly with the selected testing party.

Article A.1.2.5: subparagraph 7: "Approve" Shall mean to recommend acceptance to the owner based on A/E's professional judgment.

Article A.1.2.5: subparagraph 11: Change wording from "any defects or deficiencies" to "defects or deficiencies, known by the A/E".

Article A.1.2.6: The subparagraph 3 is not required due to unnecessary cost unless it is specifically noted in individual delivery orders. In lieu of building 40 hours of time into each delivery order; the Architect agrees to advise and assist the Owner in construction matters after completion of the delivery orders based on current hourly rates.

Article B.3.0 ADDITIONAL SERVICES: The following additional services are available and may be agreed upon in individual delivery orders if requested in writing by the Owner and are not part of Basic Services.

If Clerk of the Works services or additional project representation are required, then these services shall be mutually agreed between the Housing Authority and the A/E in the Delivery Orders. A Clerk of the Works is not included in the Basic Services.

Attending Dispute Resolution Conferences.

Reproduction of Final Documents and Postage. The A/E shall provide Eight (8) hard copies unless otherwise specified, this number to include sets necessary for approvals, construction and for record) complete sets of approved construction documents to be reproduced for construction solicitation purposes in such form as may be necessary. The cost of reproducing these documents shall be included in the A/E's basic fee. All other sets of construction documents shall be at an additional cost of \$.75 per sheet of 11 x 17 drawings, \$2.00 per sheet of 22 x 34 drawings, \$2.50 per sheet of 30 x 42 drawings and \$.20 per sheet of 8 ½ x 11 specifications (Excluding Cost of Reproductions for the Design Professionals Own Use).

Providing special surveys, environmental studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.

Providing services in connection with the work of a construction manager or separate consultants retained by the owner.

Providing assistance in the utilization of equipment or systems such as testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.

Providing Fees to regulatory agencies.

- (Inspections, Planning, Engineering, NCDNR, NCDOT, NCHFA, etc.)

Providing Fees for services procured to cover testing, surveying or studies.

Providing Detailed cost estimating.

Providing Value Engineering and modification of the drawings associated with Value Engineering.

Providing Sprinkler system design.

Providing Irrigation system design.

Providing Site lighting design.

Providing Photometric point analysis associated with site lighting.

Providing Interior design.

Providing Telecommunication/Data design.

- o (Locations provided by owner will be included in the design.)

Providing Extensive environmentally responsible design.

Providing Fast-track design.

Providing Furniture, furnishings and equipment design.

Providing Historic preservation.

Providing Building Information Modeling.

Providing LEED certification.

Providing Commissioning.

Providing Manual J, D, or S calculations associated with green building/energy star.

Providing Post occupancy evaluation.

Providing Facility support services.

Providing Tenant related services.

Providing Utility service applications.

Providing Building permit applications.

Providing State required, hazardous material forms.

Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice.

Article B.4.0 INVOICING AND PAYMENTS: If payment in full is not received by the A/E within Thirty (30) calendar days of the invoice date, invoices shall bear interest at one (1.0) percent (or the maximum rate allowable by law, whichever is less) of the PAST DUE amount per month, which shall be calculated from thirty (30) calendar days of invoice date till dates of payment. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal. If the invoice has been rejected in writing by Owner within 30 days of the invoice, then interest shall not accrue.

The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

COLLECTION COSTS: If the Owner fails to make payments when due and the A/E incurs any costs in order to collect overdue sums from the Owner, the Owner agrees that all such collection costs incurred shall immediately become due and payable to the A/E. This obligation of the Owner to pay the Architect's collection costs shall survive the term of this Agreement or any earlier termination by either party.

SCHEDULE OF HOURLY RATES

To be used in the event additional services are required for this Project.

Exhibit A - Hourly Rate Summary

Schedule of Billing Rates:

	Hourly Rate	No. of Hours	Total
Principal	190	_____	_____
Project Manager	100	_____	_____
Architect II	100	_____	_____

Draftsman/Intern II	60		
Draftsman/Intern III	80		
Senior Construction Manager	100		
Construction Observer II	92		
Mod Coordinator/Admin. Asst.	75		
Project Coordinator	78		
Bookkeeping/Clerical II	78		
Clerical I	40		
Clerical II	55		
Overhead			
Profit			
Development Reports			
Total			
Prepared By:			

(Name) A. Wayne Stogner
 (Title) President
 (Date) 07/15/2015

Above schedule reflects approximate numbers by position; actual rates will vary slightly depending on individuals assigned to project.

**CONSULTING ENGINEERS FEE SCHEDULE
 FOR PLUMBING, MECHANICAL & ELECTRICAL**

Principal	200
Senior Engineer III	150
Engineer I	90
Engineer II	110
Engineer III	130
Designer II	100
Designer I	70
Drafting/Technician II	65
Drafting/Technician I	50
Clerical	44
Mileage	.565

Article C.1.4: During the design/construction document periods, if the A/E advises the Contracting Officer that it finds the project will exceed the budget limitations, the A/E shall delete budget line items or modify the scope to bring the project within funding limitations with the Owner's approval, the approval of which shall not unreasonably be withheld. If the Owner increases the scope of work or the overall budget increases by more than 10%, then the Owner and A/E shall re-negotiate the fee.

Article C.1.4: C.1.4 shall not apply to this contract unless specifically included in individual delivery orders and the delivery order gives the Design Professional sole authority in deciding the quality of materials and workmanship and the quantity of work to be performed. The delivery order must clearly state that cost is the primary objective (ahead of quality and quantity) and that the Design Professional may take whatever action he determines appropriate to achieve cost control.

To Not Apply – "Should bids for the Construction Contracts exceed the Maximum Construction Contract Cost, the Owner has the right to require the Design Professional to perform redesigns, rebids, and other services necessary to cause an award of the Construction Contract within the maximum Construction Contract Cost without additional compensation or reimbursement."

Article C.1.5: The A/E shall put forth reasonable professional efforts to comply with applicable laws, codes and regulations in effect as of the date of the acceptance of construction documents. Laws, rules, regulations and codes may conflict with one another; therefore, the term "all" shall be omitted.

Article C.1.5: Amend the last sentence from "sixty (60) days of their change" to "sixty (60) days after the A/E becomes aware of their change".

Article C.1.5: As Professional Liability Insurance will not cover the Design Professional certifying that contract documents will conform to all applicable laws, codes, ordinances and regulations; the wording shall be changed from "The Design Professional shall

certify that Contract Documents will conform to all applicable laws, codes, ordinances and regulations” to read “The Design Professional will make a reasonable effort to see that Contract Documents conform to applicable laws, codes and regulations”.

Articles A.1.2 & C.1.5 & E.1.4 CERTIFICATION: The A/E may be called upon to determine the degree to which certain design conditions have been achieved by contractors. In performance of this work, the A/E will use sampling procedures, that is, selected portions of the work will be subject to close review and/or testing and the results observed will be inferred to exist in other areas not sampled. The OWNER understands that such procedures indicate actual conditions only where sampling is performed, and that, despite proper implementation of sampling and/or testing procedures, and despite proper interpretation of their results, the A/E cannot assure the existence of conditions, which the A/E infers to exist.

Definition of Certify: As used herein, the word certify shall mean an expression of the A/E’s professional opinion to the best of its information, knowledge and belief, and does not constitute a warranty or guarantee by the A/E.

Article C.2.0 OWNER’S RESPONSIBILITIES: Unless otherwise provided under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner’s objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights. If requested by the Architect, the Owner shall furnish evidence that financial arrangements have been made to fulfill the Owner’s obligations under this Agreement.

The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect’s request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner’s consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance equivalent to the levels required of the A/E under this Contract or stipulated in individual delivery orders.

The Owner shall require that its Contractors maintain required insurance coverages equivalent to the levels required of the A/E under this Contract or stipulated in individual delivery orders.

The Owner shall furnish all legal, insurance and accounting services, including auditing services, which may be reasonably necessary at any time for the Project to meet the Owner’s needs and interests.

The Owner shall promptly notify the Architect of any direct communications between the Owner and the Contractor and the Architect’s Consultants that may affect the Architect’s services.

The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

The Owner shall furnish all legal, accounting, planning, and other services and expenses required to prepare, present and process any application for governmental or private financing, mortgage insurance or subsidy.

The A/E shall have the right to rely upon the accuracy, completeness and technical sufficiency of the Owner’s supplied information.

Article C.2.1: The Owner shall establish and periodically update the Owner’s budget for the Project, including (1) the budget for the Cost of the Work (2) the Owner’s other costs; and, (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner’s budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project’s scope and quality.

Article C.2.2: The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect’s Instruments of Services.

Article C.2.3: The Owner shall identify a representative authorized to act on the Owner’s behalf with respect to the Project. The Owner shall render decisions and approve the Architect’s submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect’s services.

Article C.2.4.1: The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a hand written legal description of the site, as needed in individual delivery orders. The surveys and legal information shall include, as applicable, grades and lines of the streets, alleys, pavements and adjoining property and structures;

designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a project benchmark.

Article C.2.4.1: Modify wording to read: "The Owner and Design Professional may agree that the Design Professional may provide the items noted as Additional Services." If this is agreed to by individual delivery orders, the Owner recognizes that the Prime Design Professional does not carry Professional Liability Insurance to cover Surveying and Property Restrictions and agrees to Hold Harmless the Design Professional from issues related to Surveying.

Article C.2.4.5: The Owner shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil boring values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations as needed in individual delivery orders.

The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

EXISTING CONDITIONS: Certain assumptions will be made regarding existing conditions, and because some of these assumptions may not be verifiable without expending additional sums of money, or destroying otherwise adequate or serviceable portions of the site or building(s), the OWNER agrees that, except for negligence on the part of the A/E, the OWNER will hold harmless, the A/E from and against any and all claims arising out of the professional services provided under the "AGREEMENT."

Article D.1.0: The Owner shall not assign, subcontract or transfer interest in this Agreement without prior written consent of the Design Professional.

Article D.1.1: All Final Drawings and Specifications prepared and furnished by the A/E shall become the property of the Owner upon full payment of all compensation due to the A/E and upon approval in writing by the Owner, or upon the prior termination of the Architect's services hereunder, and the Architect shall have no claim for further employment or additional compensation as a result of exercise by the Owner of his full rights of ownership of these documents and materials. The Owner acknowledges the A/E's plans and specifications as instruments of professional service. The Owner agrees to hold harmless and indemnify the A/E against all damages, claims and losses, including defense costs, arising out of any reuse of the plans and specifications without the written authorization of the A/E. The Owner acknowledges that the documents are site specific and shall not use the drawings and specifications for execution of any other future project, including equipment replacement, repairs, renovation and additions, nor shall the Owner give, bequeath or sell the drawings or specifications to others under any circumstances, except by agreement in writing with the appropriate compensation to the A/E. The A/E may retain copies of the original documents and has full rights to reuse their content and reserves the right to remove his title block and seal from any reproducible copies provided the owner. The A/E shall retain all common law, statutory and other reserved rights, including the copyright thereto.

Article D.1.6: If the Owner fails to make payments when due or otherwise is in breach of this Agreement, the A/E may suspend performance of services upon Fourteen (14) calendar days' notice to the Owner. The A/E shall have no liability whatsoever to the Owner for any costs or damages as a result of such suspension caused by any breach of this Agreement by the Owner. Upon payment in full by the Owner, the A/E may, at the A/E's discretion, resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expense necessary for the A/E to resume performance. If the Owner fails to make payment to the Architect in accordance with the payment terms herein, this shall constitute a material breach of this Agreement and shall be cause for termination of this Agreement by the A/E.

If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. If the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses. Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

CHANGED CONDITIONS: If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the A/E are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the A/E may call for renegotiation of appropriate portions of this Agreement. The A/E shall notify the Owner of the changed conditions necessitating renegotiation, and the A/E and the Owner shall

promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination provision hereof.

DIRECTED CLAIMS: It is agreed to as parties to this Agreement that the A/E's services in connection with this agreement or any delivery order shall not subject the A/E's individual employees, officers or directors to any personal legal exposure for the risks associated with any Project. Therefore, and notwithstanding anything to the contrary contained herein, the Owner agrees that as the Owner's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the A/E, Stogner Architecture, PA a North Carolina corporation or its Professional Sub-Consultant Companies.

Article D.1.7: The Design Professional shall carry Professional Liability Insurance for a period extending two years past the date of completion of construction or beneficial use/occupancy, whichever comes first, subject to the availability of the coverage at commercially affordable rates. The Professional Liability Carrier is to notify the named insured of cancellation or non-renewal and the Design Professional will notify the owner within five working days. Professional Liability Insurance is written on a - per claim and aggregate limit basis.

ADDITIONAL INSURED: The Owner agrees that the Contract Documents require the General Contractor, to fullest extent permitted by law, to indemnify, hold harmless, and defend the Owner, the A/E, its consultants, and the employees and agents of any of them from and against any and all claims, suits, demands, liabilities, losses, damages, and costs ("Losses"), including but not limited to costs of defense, arising in whole or in part out of the negligence of the General Contractor, its subcontractors, the officers, employees, agents and subcontractors of any of them, or anyone for whose acts any of them may be liable, regardless of whether or not such Losses are caused in part by a party indemnified hereunder.

The Owner further agrees that the Contract Documents require the Contractor to name the Owner and A/E, its agents and consultants on the Contractor's policy or policies of comprehensive or commercial general liability insurance. Such insurance shall include products and completed operations and contractual liability coverages, shall be primary and noncontributing with any insurance maintained by the Owner or A/E or its agents and consultants, and shall provide that the Owner and A/E be given thirty days, unqualified written notice prior to any cancellation thereof.

RISK ALLOCATION CLAUSE: The Owner and A/E have discussed their risks, rewards and benefits of the project. The risks have been allocated such that the OWNER agrees that to the fullest extent permitted by law, A/E's total liability to Owner for any and all injuries, claims, losses, expenses, damages, or claim expenses arising out of this AGREEMENT from any cause, or causes, shall not exceed the Total Design Fee or \$1,000,000.00 whichever is greater. Such causes include but are not limited to A/E's negligence, errors, omissions, strict liability, breach of contract or breach of warranty. It is intended that this limitation apply to any and all liability or causes of action however alleged or arising, unless prohibited by Law.

The A/E represents that it maintains professional liability insurance having limits of \$1,000,000 aggregate and commercial general liability having limits of \$1,000,000 in each case respectively. Insurance shall be issued by insurers who according to the latest edition of the Best Insurance Guide have an A.M. Best's long term issuer credit rating of no less than "bbb" and the Owner agrees that A/E Liability shall be limited to the amount of insurance.

Owner further represents it will comply with applicable laws, rules, statutes and regulations, including, but not limited to, applicable federal and state laws.

The A/E shall prepare and file any necessary compliance forms or reports required to be filed in accordance with laws applicable to Owner only to the extent such topics were within the A/E's scope of professional services as agreed upon in individual delivery orders.

A/E shall use its best efforts to notify Owner of any circumstances (other than normal construction activities) that A/E actually becomes aware of that could presently, or with the passage of time, result in injuries, claims, losses, expenses, damages or claim for expenses arising out of the Agreement.

CONTINGENCY FUND: The Owner and the A/E recognize that no project is perfect and that projects typically require modifications and change orders as construction proceeds due to hidden or unforeseen conditions, discrepancies or deficiencies. A Contingency of 4% may be included in the General Construction Contract to be used to cover minor contract modifications due to hidden or unforeseen conditions, discrepancies or deficiencies, authorization to commit these funds shall be in writing by the A/E to the Contractor. The Owner will maintain an additional Contingency Fund of 6% to cover hidden or unforeseen conditions, discrepancies or deficiencies on the drawings, scope changes or improvements to the work; this contingency may be committed by change order in writing to the Contractor by contracting officer.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or A/E. Nothing contained herein shall confer any rights upon or create any duties on the part of the A/E toward any person or persons not a party to this Agreement including, but not limited to any Contractor, Subcontractor, supplier, or the agents, officers, employees, insurers or sureties of any of them.

If the Owner authorizes deviations, recorded or unrecorded, from the documents prepared by the Architect without written agreement of the A/E, the Owner shall indemnify and hold harmless the Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting in whole or in part from such deviations.

Standard of Performance: The A/E in performing services under this Agreement will use that degree of care and skill ordinarily exercised under similar circumstances by members of the Architectural and/or Engineering profession.

The A/E relies on the approval by the reviewing agencies of drawings, reports, permits and other submittals as evidence of compliance with all applicable ordinances, regulations and design standards. The A/E shall be held harmless from any change in interpretation after receipt of any approvals and the revocation of approvals.

RECRUITING: The Owner and the Architect agree that neither party will recruit or hire staff of the other party for up to one year past the completion of the contract.

Article E.1.6: add the following to the last sentence; construction contract; "when applicable patents are known by the A/E to exist".

ASBESTOS/HAZARDOUS WASTE: It is understood and agreed that this contract does not contemplate A/E design for removal or remediation of, asbestos, radon, lead based paint or any hazardous waste material. The Architect and Architect's Consultants shall have no responsibility for the discover, presence, handling, removal or disposal of or exposure of persons to asbestos, radon, lead based paint, hazardous materials, mold, biological agents, bacteria or toxic substances in any form at the site of or related to the project. Therefore, the Owner agrees to hold harmless, defend and indemnify A/E for all claims, lawsuits, expense or damages arising from or related to the handling, use, treatment, purchase, sale, storage or disposal of asbestos, asbestos products or any hazardous waste materials (or hazardous materials in general) that may be brought by any party as a result of the services provided by the Architect pursuant to this Agreement. The Owner agrees to hold harmless, defend and indemnify A/E for all claims, lawsuits, expense or damages arising from or related to the re-occurrence of or post occupancy exposures to asbestos, radon, lead based paint, hazardous materials, mold, biological agents, bacteria or toxic substances in any form at the site or related to the project. The Owner further agrees that they will provide Hazardous Waste Liability Insurance to protect the Owner, Architect and his agents and contractors from claims if the project involves design, handling, use, treatment, purchase, sale, storage or disposal of any hazardous or environmental material outlined herein.

It is the Owner's responsibility to provide confirmation that apartments and public buildings are Lead Free and if not the Owner shall comply with HUD's Lead Safety Housing Rule and EPA's Repair and Renovation – Painting Rules. The Housing Authority shall be responsible for hiring a Certified Lead Consultant separate from A/E as Needed.

NOTE: Unless the Owner can provide Certification that Pre 1978 Apartments are Lead Free the Contractors are required to comply with EPA's RRP Rule. Certification Must Be Acceptable to EPA or the State Agency that enforces the rule.

JOB SITE SAFETY: The A/E shall not be responsible for Construction Means, Methods, and Techniques or for Safety Precautions, temporary bracing, shoring, scaffolding, job site safety or programs in connection with the work. These responsibilities are intended to be and to remain solely those of the General Contractor or other prime construction contractor.

It is understood and agreed that the A/E has no construction use of the Owner's site; has no control or authority over the means, methods, and sequences of construction, and therefore has no ongoing responsibility whatsoever for construction site safety, a responsibility that has been wholly vested in the General Contractor. Notwithstanding the above, the A/E has a duty to preserve and protect public health, safety and welfare. Accordingly, it is the A/E's professional responsibility to take what the A/E believes are prudent measures should the A/E encounter situations that he believes create a danger to public health, safety or welfare.

DISPUTES: In the event of a dispute, the A/E and HA agree to seek settlement of the dispute by mediation in the event that they can't agree to a satisfactory resolution to both parties.

A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which

shall be stayed for a longer period by agreement of the parties or court order. If a mediation proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the mediator(s) and agree upon a schedule for later proceedings.

The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Mediation shall be the first method of dispute resolution and if mediation fails then arbitration may be entered into provided both parties agree to arbitration over litigation; if both parties don't agree to arbitration then litigation shall be the method of dispute resolution.

Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of completion of construction or beneficial use/occupancy, whichever occurs first, for acts or failures to act occurring prior to the date of completion of construction or beneficial use/occupancy, whichever occurs first, or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after the date of completion of construction or beneficial use/occupancy, whichever occurs first.

The Owner and the Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than six (6) years after the date of completion of construction or beneficial use/occupancy, whichever occurs first. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section.

REJECTION OF WORK: The A/E shall have the authority to reject any work that is not, in the judgment of the A/E, in conformance with the construction documents. Neither this authority nor the A/E's good faith judgment to reject or not reject any work shall subject the A/E to any liability or cause of action to the contractor, subcontractors or any suppliers or persons performing work on this project.

ONLY THE OWNER has the right to stop work.

This agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

This Agreement is entered into as of the day and year first written above.

This Addendum to the Model Form of Agreement between Owner and Design Professional shall govern the Model Form of Agreement.

Owner

Design Professional

City of Albemarle, Department of Public Housing
(Housing Authority)

Stogner Architecture, PA
(Firm)



(Signature)

Gerald R. Michael
(Print Name)

Mayor
(Print Title)



(Signature)

Arthur Wayne Stogner
(Print Name)

President
(Print Title)

Print

Title – Consider Meeting Date for Review of Albemarle Business Center

Description:

I sent a poll earlier in the week seeking input by close of business Friday. I will report on the feedback received regarding the preferred date.

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:	
Name:	Description:
No Attachments Available	

APPROVALS:			
Date/Time:	Approval:	Department:	

Print

Title – Adjourn until Monday, December 7, 2020 at 6:30 pm

Description:

Is this item budgeted?

Not Applicable

Fiscal Impact:

Management Recommendation:

ATTACHMENTS:

Name:	Description:
No Attachments Available	

APPROVALS:

Date/Time:	Approval:	Department:	
------------	-----------	-------------	--
