

**CITY OF GRAHAM  
CITY COUNCIL MEETING MINUTES  
TUESDAY, DECEMBER 14, 2021**

The City Council of the City of Graham held a regularly scheduled meeting beginning at 6:00 p.m. on December 14, 2021, in Council Chamber of the Municipal Building located at 201 South Main Street, Graham, NC.

**Council Members Present:**

Mayor Jerry Peterman  
Mayor Pro Tem Chip Turner  
Council Member Melody Wiggins  
Council Member Jennifer Talley  
Council Member Ricky Hall  
Council Member Elect Bobby Chin  
Council Member Elect Joey Parsons

**Staff Present:**

Megan Garner, City Manager  
Aaron Holland, Assistant City Manager  
Bryan Coleman, City Attorney  
Bob Ward, City Attorney  
Darby Terrell, City Clerk  
Justin Snyder, Planning Director  
Mary Faucette, Economic Dev. Coordinator

**CALL TO ORDER:**

Mayor Jerry Peterman called the meeting to order and presided at 6:00 p.m. Mayor Peterman asked City Council Member Hall to give the invocation and everyone stood to recite the Pledge of Allegiance.

**CODE OF ETHICS DISCLOSING CONFLICTS OF INTEREST:**

City Clerk, Darby Terrell, read the Conflict of Interest statement to Council. There were no conflicts of interest.

**APPROVAL OF MINUTES:**

Mayor Jerry Peterman asked for a motion to approve the Regular Meeting minutes of the November 9, 2021, City Council meeting as presented. Council Member Ricky Hall moved to approve, Council Member Melody Wiggins seconded, and the motion passed unanimously.

**OLD BUSINESS:**

**ITEM 1: CODE OF ORDINANCES- SESSION LAW 2021-18 (SENATE BILL 300) CRIMINAL PENALTIES CHANGES- SECOND READING**

North Carolina General Assembly Senate Bill 300 (Session Law 2021-18), mandates local governments to amend their Code of Ordinances regarding ordinances that impose criminal penalties to mirror what has been signed into law by Governor Cooper. The City attorneys and staff have made changes and asked Council to consider adopting these amendments to the City of Graham Code of Ordinances to comply with Senate Bill 300.

Aaron Holland, Assistant City Manager, informed Council that this was the second reading for the required changes to the Code of Ordinances by Session Law 2021-18 on the criminal penalties that were enacted in

these ordinances. This was a required change by the North Carolina General Assembly and there was a deadline to pass these changes before December 31<sup>st</sup> of this year.

Council Member Wiggins moved to approve the second reading of the Ordinance amendments to Chapter 1 General Provisions, Chapter 2 Administration, Chapter 6 Buildings and Building Regulations, Chapter 8 Business, Chapter 12 Offenses, and Miscellaneous Provisions, Chapter 13 Utilities, Chapter 18 Streets, Sidewalks, and Other Public Places, and Chapter 20 Traffic and Vehicles as identified in the memo from the City Attorney. Council Member Hall seconded the motion, the motion passed unanimously.

### **CERTIFICATION OF ELECTION:**

City Clerk Darby Terrell confirmed the certification of the election held on November 2, 2021, as certified by the Alamance County Board of Elections as follows;

#### **Votes for Mayor Position:**

Jennifer Talley	828
Chip Turner	680

City Clerk Terrell confirmed that Jennifer Talley was the duly elected Mayor for a two-year term expiring December 2023.

#### **Votes for Council Member Positions:**

Daniel Alvis	309
Jeanette E. Beaudry	195
Bobby Chin	685
Brook Flood	119
Edith J. Montoya	400
Joey Parsons	663
Melody Wiggins	540

City Clerk Terrell confirmed that Bobby Chin and Joey Parsons are the duly elected Council Members for a four-year term expiring December 2025.

### **ORGANIZATION OF NEW CITY COUNCIL**

North Carolina State House Representative Dennis Riddell administered the Oath of Office to newly elected Mayor Jennifer Talley.

Alamance County Clerk of Court Meredith Edwards administered the Oath of Office to newly elected City Council Member Bobby Chin.

Alamance County Clerk of Court Meredith Edwards administered the Oath of Office to newly elected City Council Member Joseph “Joey” Parsons.

**SPECIAL PRESENTATION:**

Former Mayor Jerry Peterman congratulated the new council on their achievement of being elected as Mayor and Council Members for the City of Graham. He also expressed his gratitude to City staff, fellow Council Members, and everyone who helped him during his years on Council.

**NEW COUNCIL CONVENES- ELECTION OF MAYOR PRO TEM:**

Council Member Chin moved to nominate Ricky Hall as Mayor Pro Tem Council Member Joey Parsons seconded the motion, the motion passed unanimously. There were no other nominations.

Alamance County Clerk of Court Meredith Edwards administered the Oath of Office to the newly elected Mayor Pro Tem Ricky Hall.

**SET REGULAR SESSION MONTHLY MEETING SCHEDULE:**

Council discussed setting the monthly time and date of the regular session meetings. Council agreed to stay with the current scheduled date and time.

Mayor Talley asked for a motion to set the regular session monthly meeting schedule. Council Member Parsons moved to set the regular session meeting schedule for the second Tuesday of each month to begin at 6:00 p.m. Council Member Chin seconded, the motion passed unanimously.

**COMMENTS FROM NEWLY ELECTED OFFICIALS**

Mayor Talley announced that with the currently vacant seat, Council had decided to use a motion-and-vote method suggested by the University of North Carolina School of Government, for municipalities. Mayor Talley also announced that Council would like interested individuals to complete a questionnaire, so that Council could review the submissions and vote on candidates at the February 8, 2022, Council meeting.

Mayor Talley asked for a motion to select the motion-and-vote method to fill the vacant Council seat. Council Member Chin moved to collect questionnaires no later than January 30, 2022, and use the motion-and-vote method as the process to fill the vacant Council seat at the February 8, 2022, City Council meeting. Mayor Pro Tem Ricky Hall seconded, the motion passed unanimously.

**CODE OF ETHICS DISCLOSING CONFLICTS OF INTEREST:**

City Clerk, Darby Terrell, read the Conflict of Interest statement to Council. There were no conflicts of interest.

**AUDIT REPORT:**

Mayor Talley introduced Patricia Rhodes, Stout, Stuart, McGowen, and King. Ms. Rhodes presented to Council the 2020-2021 Audit Report. During the presentation, Ms. Rhodes informed Council of the services that her firm provides the City of Graham as well as the services by Cobb Ezekiel Loy & Company, P.A. Ms. Rhodes announced that the Local Government Commission approved the audit report for the City.

Ms. Rhodes directed Council to page 4, of the audit report, and discussed the Financial Highlights. Ms. Rhodes highlighted the City of Graham was at 66% of the total general fund expenditures. The general fund is normally used to determine the strength of a city. She informed Council that the state average is 50% and that the State had a required minimum of 8%. She reminded that Council they have a long-standing goal to keep the general fund expenditures at or above 30%. The City's total debt did grow due to the Water Pollution Revolving Loan for the sewer improvements.

**Management's Discussion and Analysis**

As management of the City of Graham, we offer readers of the City of Graham's financial statements this narrative overview and analysis of the financial activities of the City of Graham for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of Graham exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$71,490,828 (*net position*).
- The government's total net position increased by \$2,360,930, due to an increase in the business type activities' net position of \$2,538,057 and a decrease in the government type activities' net position of \$177,127.
- As of the close of the current fiscal year, the City of Graham's governmental funds reported combined ending fund balances of \$14,818,184 an increase of \$858,832. Approximately 28% of this total amount, or \$4,209,867, is non-spendable or restricted.
- At the end of the current fiscal year, available fund balance for the General Fund was \$9,138,317 or 66% of total general fund expenditures for the fiscal year.
- The City of Graham's total debt increased by \$1,601,274 or 40% during the current fiscal year.
- The water and sewer fund produced an excess of revenue over expenditures in the amount of \$685,344 under budgetary reporting.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to City of Graham's basic financial statements. The city's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Graham.

Required Components of Annual Financial Report

**Figure 1**

**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the city government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is

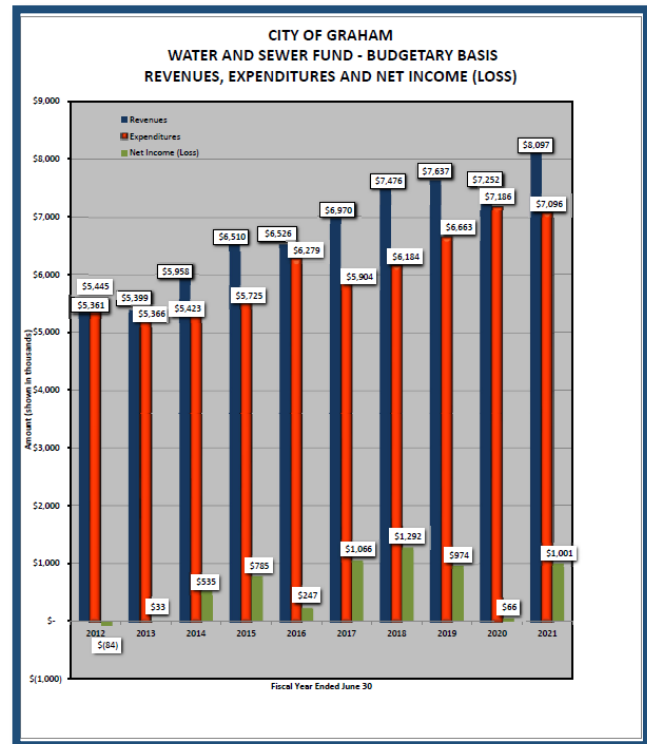
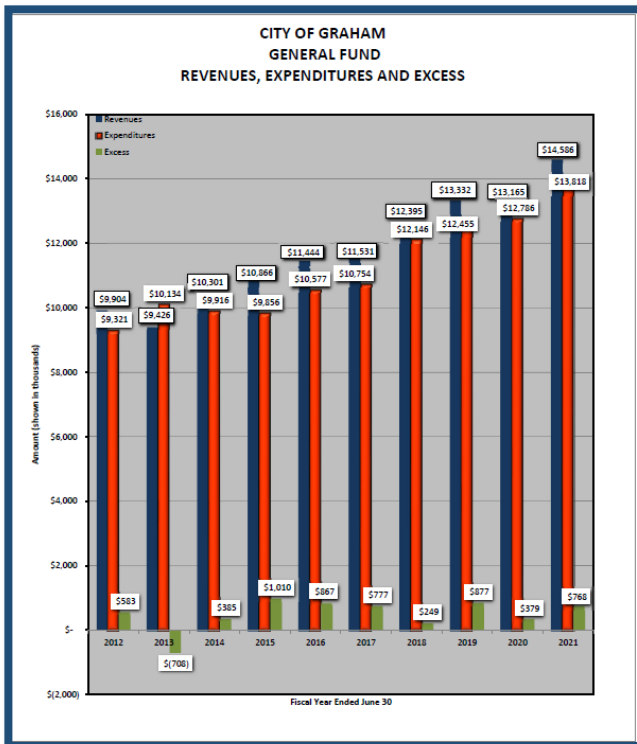
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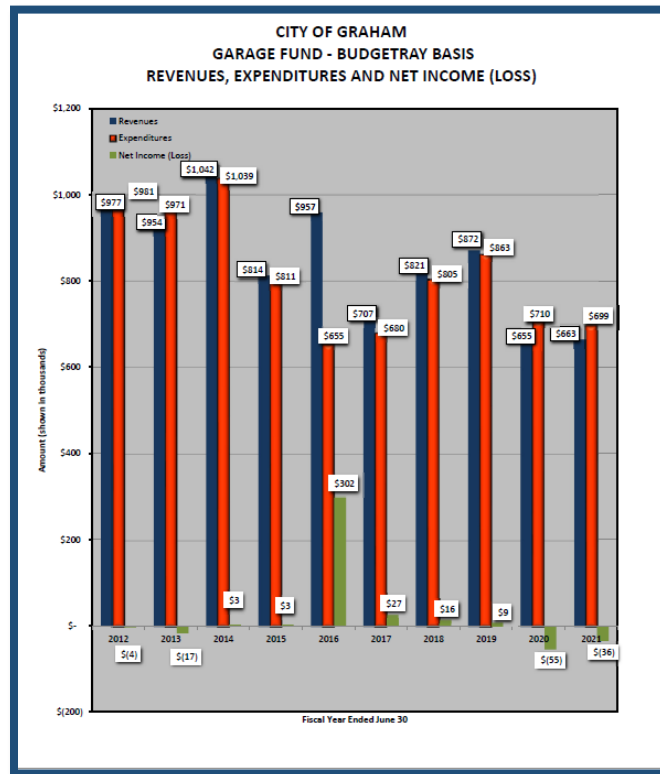
Ms. Rhodes informed Council that the City of Graham was expecting to receive quite a few grants in the next upcoming year and that her firm would help monitor the grant funds and ensure they are being used appropriately per the grant rules.

Ms. Rhodes then reviewed the General Fund, Water and Sewer Fund, and Garage Fund graphs; all graphs are over ten years to show trends (provided below). With the first graphs, Ms. Rhodes informed Council the General Fund revenues exceeded the expenditures last year. She did highlight that within the General Fund, the City Council's budget was the only one that exceed the budgetary amount of expenditures,

mostly because of the legal fees that were assessed late last year. Ms. Rhodes stated that auditors are required to inform Council if a department was over budget, and reminded Council that per the statutory requirement they must stay within the budget. Ms. Rhodes answered a Council Member’s question that the reason a budget amendment was not made to correct this problem was that it was too late. She also informed Council the Water and Sewer Fund revenues exceeded the expenditures as well last year. Ms. Rhodes did state that the Garage Fund in which the goal for a city would be to break even did not happen this year because the expenditures exceeded the revenues which had the fund at a net loss.

Ms. Rhodes ended the presentation with the letter required by her firm’s professional standards that communicate overall important highlights to Council. Ms. Rhodes summarized the letter informing Council even with the difficulties that COVID-19 provided, the auditors did not have any problems performing their duties. She continued and stated that they had no difficulties or disagreements with management. Ms. Rhodes thanked Council for allowing them to continue doing the audit for the City of Graham, she also thanked city staff for their help throughout the process. She also extended the offer of answering any of Council Members’ questions while they look at the report and asked them to call their office any time.





### CONSENT AGENDA:

- a. To approve a Petition for a Voluntary Contiguous Annexation for 78.12 acres located on Cherry Lane (GPIN 8893686572 & 8894906303) (AN2103) and:
  - i. To approve a Resolution Requesting the City Clerk to Investigate Sufficiency.
  - ii. To approve a Resolution Fixing Date of Public Hearing on Question of Annexation.
- b. To approve a Petition for a Voluntary Contiguous Annexation for 37.85 acres located on Governor Scott Farm Road (GPIN 8893886609) (AN2104) as well as:
  - i. To approve a Resolution Requesting the City Clerk to Investigate Sufficiency.
  - ii. To approve a Resolution Fixing Date of Public Hearing on Question of Annexation.
- c. To approve a Petition for a Voluntary Contiguous Annexation for 9.10 acres located on Cherry Lane (GPIN 8893796670) (AN2105) as well as:
  - i. To approve a Resolution Requesting the City Clerk to Investigate Sufficiency.
  - ii. To approve a Resolution Fixing Date of Public Hearing on Question of Annexation.
- d. To approve public improvements for Windsor Homes at Forks of Alamance subdivision Phase 1,2A, and 2B (S1502)
- e. To approve the following tax releases in the amount of \$66.54:

CITY OF GRAHAM RELEASE ACCOUNTS				
DECEMBER				
<u>ACCT #</u>	<u>YEAR</u>	<u>NAME</u>	<u>REASON FOR RELEASE</u>	<u>AMOUNT RELEASED</u>
694437	2021	WELLS FARGO VENDOR FINANCIAL	ASSETS MOVED TO ANOTHER ACCOUNT	\$66.54

Mayor Talley allowed questions and comments from the audience on consent agenda items. Mr. Chad Huffine, a concerned citizen, stated he had not been notified and was concerned that there was no proper notice given to all property owners abutting one of the properties. Mayor Talley asked Planning Director, Justin Snyder, if proper notice was given. Mr. Snyder answered that he was confident that staff met the statutory requirements of notification. Both Mr. Snyder and Assistant City Manager, Aaron Holland, stated that Council could still approve the consent agenda as presented and that staff would confirm and make sure abutting property owners had been informed and properly notified.

Mayor Talley asked for a motion to approve the consent agenda, Mayor Pro Tem Hall moved to approve the consent agenda, Council Member Parsons seconded, and the motion passed unanimously.

## NEW BUSINESS

### ITEM A: Source Water Resiliency and Response Plan Notification-

**Source Water Resiliency and Response Plan Notification-** On January 1, 2019, a new rule that mandates Source Water Protection (SWP) planning for all public water supply systems that treat and supply water from surface sources. It is required for all public water systems treating and furnishing water from a surface water source to create and implement a Source Water Protection Plan to be following 15A, NCAC, 18C .1305 (a) and G.S. 130A-320.

Assistant City Manager, Aaron Holland, informed Council that on January 1, 2019, a new rule that mandates Source Water Protection (SWP) planning for all public water supply systems that treat and supply water from surface sources to create and implement a Source Water Protection Plan to be following 15A, NCAC, 18C .1305 (a) and G.S. 130A-320.

Mr. Holland stated Council did not have to take any action for this item and that it was only required for staff to notify Council that they had created this plan.

### ITEM B: Community Oriented Policing Services (COPS) Grant Approval-

**Community Oriented Policing Services (COPS) Grant Approval -** The Graham Police Department is requesting Council consider hiring six new police officers for the COPS grant awarded by the US Department of Justice. The grant would require continuation funding for a minimum of 12 months after the 3-year grant cycle.

Captain Daniel Sisk, Graham Police Department, informed Council that the Police Department had applied for the United States Department of Justice's Community Oriented Policing Services grant. Capt.

Sisk stated that this grant would be used to fund six full-time police officers to help increase their effort for planned community partnerships, implementation of projects, to analyze and assess problems, implementation of changes to personnel and agency management in support of community policing, and increase the capacity of the agency to engage community policing activities. Capt. Sisk informed Council this grant would fund 75% of an entry-level officer's salary for three years. \$250,000 annually for a total at the end of the three years \$750,000. The grant funding will be available for up to five years to allow the department to recruit and hire for these six positions.

Mayor Talley commented that she was happy and looking forward to the staffing of six additional officers, which was needed for the City of Graham.

Tom Boney, Alamance News, asked Council the amount that the City would have to match, and the City's ability to provide salaries for these new officers after the grant funding was over.

City Manager, Megan Garner, informed Mr. Boney of the annual cost for the 3-year total was estimated at \$440,376 in the staff report.

#### COSTS

We are requesting the funding of six full time officers. The median salary for an entry level officer is \$44,789. When benefits are added it increases that cost to \$66,132. The annual cost for 6 officers is \$396,792. The Grant funded portion would be \$250,000 annually. The City's grant match funding would be \$146,792 annually. The 3-year total cost for the city would be \$440,376. The city is funding more than 25 percent of the annual cost due to the annual cap of the Federal grant. In other words, the annual salary with benefits would have to be \$55,555 in order for the city to only fund 25 percent of the awarded grant funding. So, our median salary is approximately \$10,577 more than the allotted grant funding allows.

Mr. Boney stated that Council should be cautious of these types of grants. He expressed concern that Council would be forced to figure out, in the future, how to pay for the new officers' salaries without grant aid.

Mayor Talley stated that she agreed and understood Mr. Boney's concern with providing the officers' salaries once the funding from the grant had ended, but the need for more officers outweighs this concern.

She explained that the State's assessment for the City of Graham indicated that Graham should be providing a minimum of 12 officers on patrol and that we currently provide four. Mayor Talley stated this grant would help with reaching that minimum number of officers needed.

#### ITEM C: Planning and Board of Adjustment Board Vacancy-

City Council will consider appointments to the Planning and Board of Adjustment Board.

Mayor Talley stated that Council would like to table this item to allow the City Clerk time to advertise for the vacancy on the Planning and Board of Adjustment. Council Member Parsons agreed and stated that the citizens need to be notified that this position was open.



Council Member Chin moved to table this item to the February 8, 2022, City Council meeting to allow the City Clerk to advertise the vacancy on both the City's website and social media. Mayor Pro Tem Hall seconded, the motion passed unanimously.

### PUBLIC HEARINGS:

#### ITEM D: Amendment to Development Ordinance as required by North Carolina General Assembly Session Law 2021-18 (SB 300) (AM2104)-

**Amendment to Development Ordinance as required by North Carolina General Assembly Session Law 2021-18 (SB 300) (AM2104)** A public hearing had been scheduled to consider the North Carolina General Assembly Session Law 2021-18, Senate Bill 300 to require criminal penalty amendments in the Development Ordinance in Chapter 10 of the Code of Ordinances. The Planning Board has already approved and suggests approval of these changes. (Planning Board approved of amendments at its November 16, 2021, regular meeting.)

Planning Director, Justin Snyder, informed Council Session Law 2021-18 or Senate Bill 300, also made criminal and civil penalty changes to the Development Ordinance. He informed Council there were at least ten changes made to the Ordinance to allow the language to match what was required by Session Law 2021-18.

Mayor Pro Tem Hall moved to approve the text amendments because it was consistent with Graham's 2035 Comprehensive Plan, Council Member Chin seconded, the motion passed unanimously.

#### ITEM E: Amendments to Development Ordinance for Table of Permitted Uses and Notes (AM2103)-

**Amendments to Development Ordinance for Table of Permitted Uses and Notes (AM2103)** - A public hearing had been continued to consider a text amendment to the Development Ordinance to re-classify existing permitted uses and changes to the Notes to the Table of Permitted Uses. (Sections 10.135 to 10.149) (Planning Board approved the amendments at its November 16, 2021, regular meeting)

Mayor Talley asked for a motion to table this item to give Council more time to review the changes that are being made and to allow Council time to ask questions to staff before the meeting. Mayor Pro Tem Hall moved to table this item to the January 11, 2022 meeting, Council Member Chin seconded, the motion passed unanimously.

#### ITEM F: Rezoning- 1205 East Harden Street for Maple View, Inc. (RZ2107)-

Planning Director, Justin Snyder, informed Council of this request to rezone 5.11 acres of property from low-density residential (R-18) to light industrial(I-1). Mr. Snyder informed Council this property was also located in the Highway 54 overlay, so additional development control measures, as well as use limitations under Section 10.465 of the development ordinance, would apply for this property. Mr. Snyder also informed Council that this rezoning meets the below policies of the Graham 203 5 Comprehensive Plan, and staff recommended approval.

- **2.1.1 Diverse job market.** A diversified job market that provides employment opportunities for persons with varying education levels and skill sets was needed and encouraged. This amendment will allow for potential job creation that will diversify our

existing workforce.

- **2.1.4 Competitive advantage.** Graham works to strengthen its existing comparative economic advantages including a high quality and highly diverse workforce, local education and research institutions, and high quality of life. This amendment will strengthen the local economy by increasing the tax base with minimal impact to existing public infrastructure. It will aid in diversifying our skilled labor workforce.
- **2.2.2 Living wages.** Promote the creation of living-wage jobs, and promote living wages when considering economic development incentives and investments. Expand living wage opportunities for people without 4-year college degrees. This amendment will likely attract business with a skilled workforce that may not necessarily be college educated or which may trend towards community colleges and functional programs.
- **3.2.4 Greenway system.** Promote a greenway system that links together the City’s recreational resources and provides connections to commercial, employment, and residential areas. Greenways along stream buffers should be prioritized in order to protect the stream watershed. This parcel was located along a mapped stream, and by clustering the development and impervious areas to the front of the property, the rear stream buffer areas can be retained as natural open space with potential for trails or access easements for the public.
- **4.3.1 Land use patterns.** Promote development of efficient land use patterns to allow continued quality and efficiency of water systems. Discourage the extension of water service into areas that are not most suitable for development. The use of this parcel for light industrial will allow more efficient use of the existing water and sewer lines, without an additional maintenance burden.

**Chad Huffine, Project Engineer for Maple View Inc.,** 505 East Davis Street, Burlington, NC, informed Council that the Planning Board had unanimously approved this rezoning and asked for Council to consider approving this rezoning as well. Mr. Huffine informed Council the property had been owned since 2006 by Maple View Inc and that the light industrial zoning fits with their intentions for the future of this property.

Council Member Parsons asked what the end use of this property was, Mr. Huffine answered there was no definite plan for what would be developed on this property as of right now. Mr. Huffine also informed Council that they did speak with the Lenoir Homes Council and they had no concern.

During the discussion of this rezoning, Mayor Pro Tem Hall asked staff to put on the February 8, 2022, meeting’s agenda to discuss moving the notification buffer from 100 feet to 150 feet.

Council Member Parsons moved to approve the rezoning request to I-1, because it was consistent with the 2035 Comprehensive Plan, meeting policies 2.1.1, 2.1.4, 2.2.2, 3.2.4, and 4.3.1. Mayor Pro Tem Hall seconded, motion passed unanimously.

### **PUBLIC COMMENT PERIOD**

**Keith Westbrook (604 Trock Wilder Court)-** Congratulated the new City Council Members and welcomed City Manager, Megan Garner. Mr. Westbrook wanted to update Council on the crosswalk issue near the city schools.

### CITY STAFF COMMENTS

**City Manager, Megan Garner-** Wanted to thank everyone for being kind and welcoming, and she was excited to be in Graham.

### CITY COUNCIL COMMENTS

**Council Member Bobby Chin-** Thanked everyone who elected him and that he would represent every citizen of Graham. He stated he was looking forward to moving Graham forward and they should be proud of this City. He thanked everyone for taking a chance on an outsider and believes that there was work to be done and appreciates the opportunity.

**Mayor Pro Tem Ricky Hall-** Thanked Council for electing him as Mayor Pro Tem. He agreed with Council Member Chin that there was a lot of work to do and he was looking forward to making Graham better.

**Mayor Jennifer Talley-** Mentioned that there was a lot of projects coming up and they have been working very diligently. Mayor Talley recognized Mr. Tommy Purcell for volunteering his time picking up trash throughout the City of Graham. Mayor Talley announced on behalf of the Graham Cinema there would be Trolley Rides, on Friday, Saturday, and Sunday at 6:00 p.m., 6:30 p.m., and 7:00 p.m. Mayor Talley also mentioned that she would be meeting with the Recreation Department on events for the upcoming months.

### ADJOURN:

Upon motion Mayor Talley, seconded by Mayor Pro Tem Hall, resolved unanimously to adjourn at 7:59 p.m.

*Darby Terrell*

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Darby Terrell, City Clerk