

# City of Graham

## City Council Meeting Agenda

### June 10, 2025



The City Council of the City of Graham held a regularly scheduled meeting on June 10, 2025, at 6:00 p.m. in the Council Chamber, City Hall Municipal Building, 201 South Main Street, Graham, NC.

#### **Council Members Present:**

Mayor Jennifer Talley  
Mayor Pro Tem Ricky Hall  
Council Member Bobby Chin  
Council Member Joey Parsons  
Council Member Bonnie Whitaker

#### **Staff Present:**

Megan Garner, City Manager  
Aaron Holland, Assistant City Manager  
Bryan Coleman, City Attorney  
Bob Ward, City Attorney  
Renee Ward, City Clerk

**CALL TO ORDER:** Mayor Jennifer Talley

**RECOGNITION:** Recreation and Parks Staff – Arts Around the Square Event

Council recognized and thanked Recreation and Parks Staff for their leadership and role in making the Arts Around the Square event a success.



**FY2024 AUDIT PRESENTATION:** Patricia Rhodes, Stout Stuart McGowen & King, LLP, will present to the City Council the results of the FY2023/2024 audit.

Mayor Talley introduced Patricia Rhodes, Stout, Stuart, McGowen, and King, LLP. Ms. Rhodes introduced Joey Purgoson, of Stout, Stuart, McGowen, and King, and Becky Loy of Cobb Ezekiel Loy & Company. Ms. Rhodes stated that Ms. Loy worked with City staff to streamline the year-end process and financial statement preparation. She stated Ms. Loy's firm also assists during the year with accounting and software conversion matters. Ms. Rhodes stated the audit had been completed for the fiscal year ending June 30, 2024. She noted the opinion letter stated that the preparation of the financial statements was the responsibility of management. The expression of an opinion on the financial statements based on the audit was the responsibility of the auditor. The financial statements were prepared in accordance with generally

accepted accounting principles, and the audit was conducted in accordance with generally accepted auditing standards.

Ms. Rhodes stated the audit firm was issuing an unmodified opinion on the financial statements, and that was the best and cleanest opinion that could be received. She stated there was a major change from the prior year, specifically the Garage Fund, which was absorbed into the General Fund. As a result, there is no longer a separate statement for the Garage Fund; therefore, the numbers in the General Fund have been adjusted accordingly. She stated there were no new governmental accounting standards pronouncements adopted in these financial statements in 2024.

Ms. Rhodes noted the Management's Discussion and Analysis was an overall summary of a very detailed report, which consisted of 107 pages. She stated the auditors consider internal control during the audit and are required to report to the Council any material weaknesses or significant deficiencies that come to attention during the audit. She happily stated there were no reporting concerns that needed to be corrected.

Ms. Rhodes reviewed the overall financial statement for the City of Graham. She stated it represented all funds. Total assets of \$172,594,000, total liabilities of \$31,038,000, and the total net position of \$144,332,000.

Ms. Rhodes reviewed the balance sheet for the governmental funds. She stated the total assets for the General Fund \$17,658,000, liabilities \$1,012,000 and the total fund balance for the General Fund was \$16,122,000 of that \$11,286,000 was unassigned and the available fund balance was \$12,446,000 which was 62% of the General Fund expenditures and was a reasonably healthy percentage compared to other cities of similar size.

Mayor Talley asked if the State mandated that a city keep 8% in its fund balance.

Ms. Rhodes said that was correct.

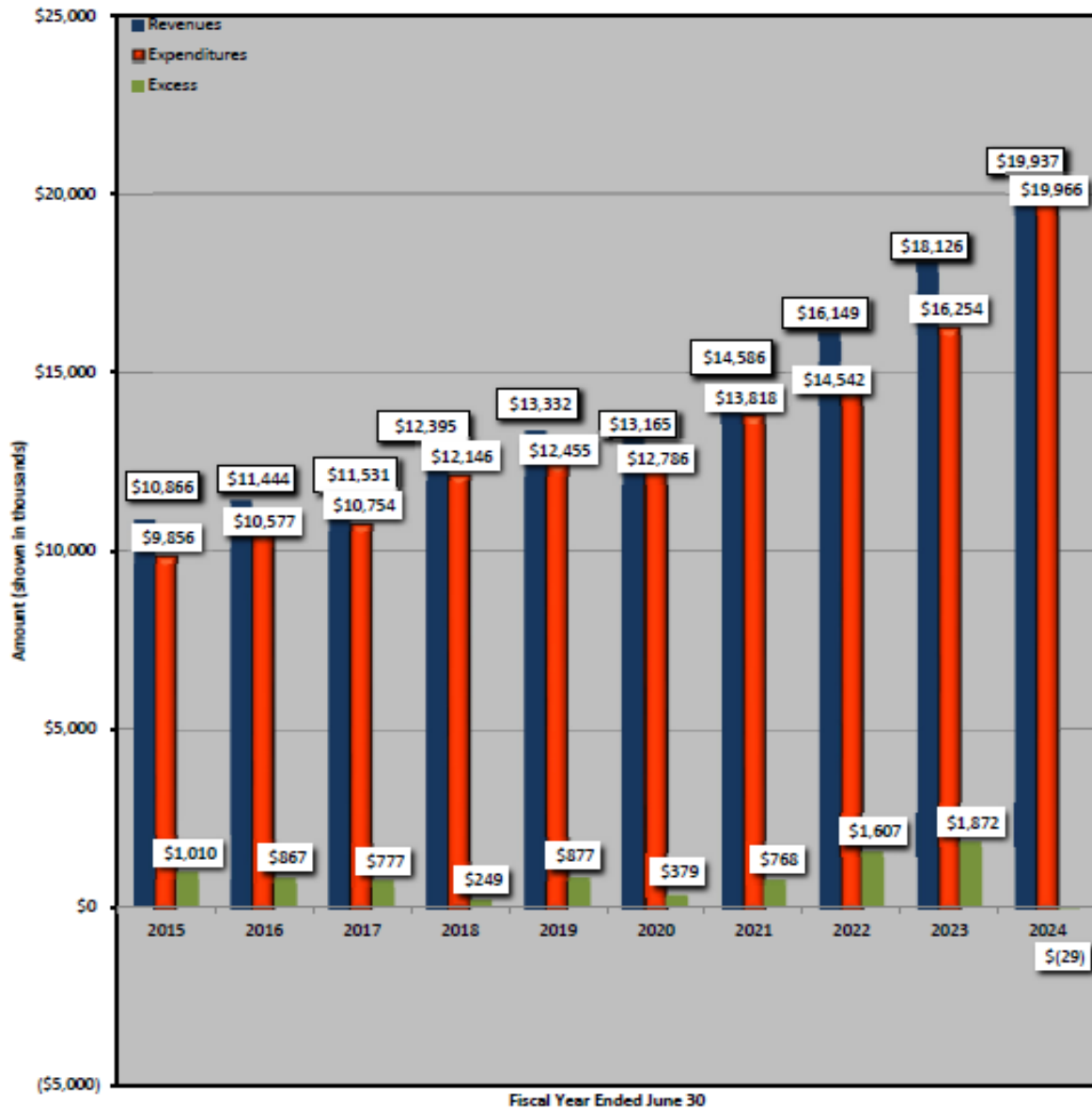
Ms. Rhodes reviewed the statement of revenues, expenses, and changes in fund balance. She shared total revenues were budgeted at \$18,459,000, and the expenditures were budgeted at \$20,412,000, and noted that almost \$2 million was appropriated from the general fund to balance the budget. She said revenues were \$19,937,000 and expenditures were \$19,966,000, with \$30,000 coming from the general fund.

Statement of Fund Net Position, Proprietary Funds, are the water and sewer fund and capital project funds. Total assets for water and sewer funds were \$122,055,000, total liabilities were \$10,706,000, and the net position was \$111,836,000. She shared that \$15,710,000 was unrestricted.

Statement of Revenues, Expenses, and Changes in Fund Net Position for Proprietary Funds. Total operating revenues were \$12,538,000, and operating expenses were \$9,332,000; the operating income for the water and sewer fund was \$3,206,000.

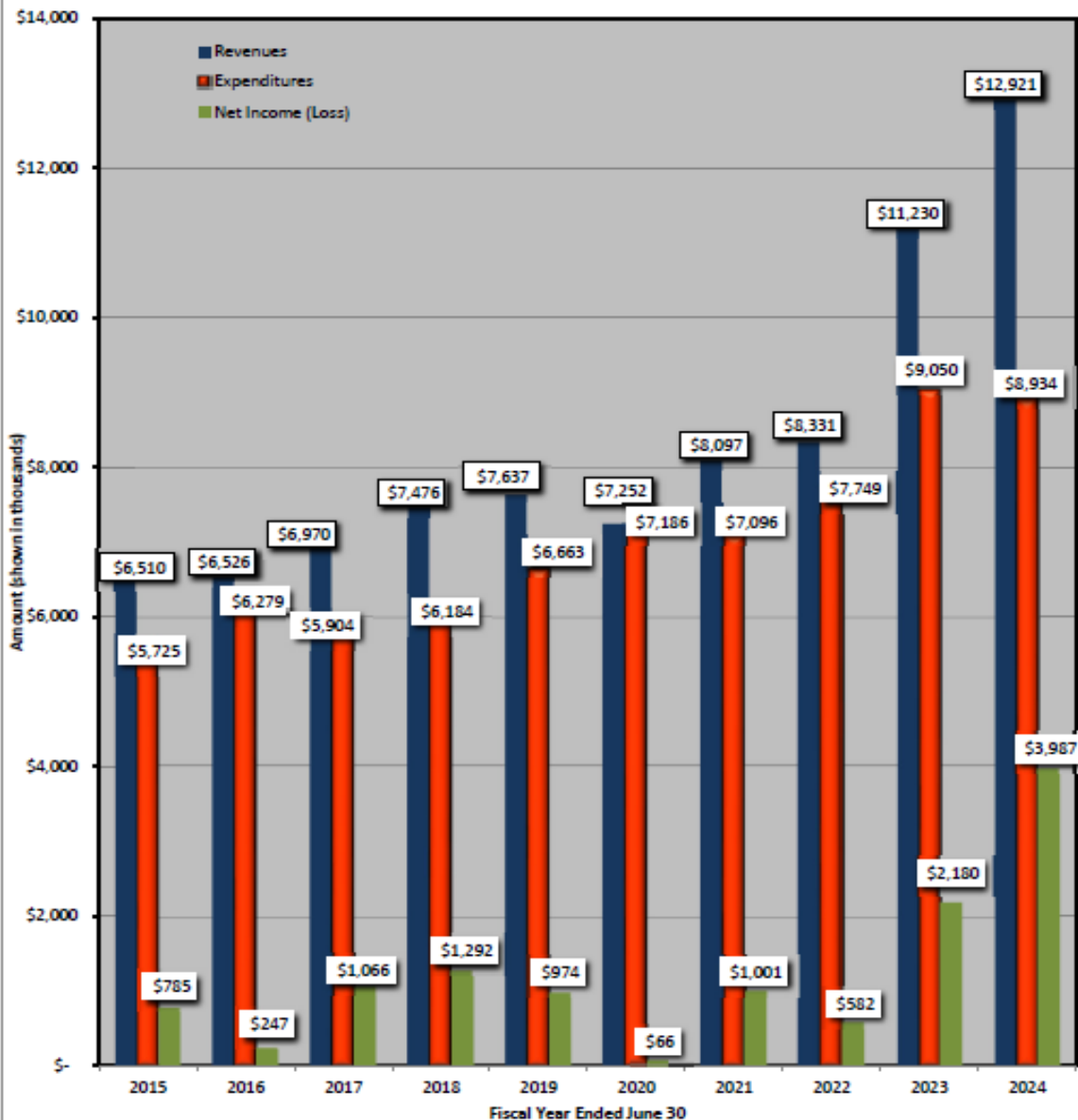
Ms. Rhodes stated the City's revenues exceeded expenditures in the General Fund by almost \$2 million before any transfers. The ad valorem tax revenue was up over \$500,000 from the prior year. She stated the tax collection rate remained high at 97.95%. She noted that public safety was a significant part of the general fund budget and had increased by \$ 1.351 million.

# **CITY OF GRAHAM GENERAL FUND REVENUES, EXPENDITURES AND EXCESS**



Ms. Rhodes reported the Water and Sewer Fund’s total revenues were \$12,921,000, reflecting an overall increase of \$1,691,000 or 15%. She noted the expenditures decreased overall by \$116,000. The total expenditures were \$8,934,000. The revenues exceeded the expenditures by \$3,987,000, and there was an increase in the charges for services, which is part of the revenue, by over \$1 million from the previous year. The connection fee revenues increased by \$340,000.

**CITY OF GRAHAM  
WATER AND SEWER FUND - BUDGETARY BASIS  
REVENUES, EXPENDITURES AND NET INCOME (LOSS)**



Ms. Rhodes shared that, under the General Fund, the City's daily operating expenses are \$54,703. The number of days available in cash and investments, minus any current liabilities, is 231 days. For the Water and Sewer Fund, the daily operating expenses are \$25,566, and the number of days available cash, minus current liabilities, is 183.

Ms. Rhodes concluded the presentation with a letter to the Council, as required by her firm's professional standards, which highlighted key points to the Council. She summarized the letter, informing the Council that the auditors had no issues communicating or performing their duties. She stated they had no difficulties or disagreements with management.

Ms. Rhodes stated the City had been extremely busy with the software conversion and numerous water and sewer capital projects in progress. She shared it was fortunate for the City that well-planned financing and grants have helped fund large projects, and the City was in a good place. She thanked the Council for allowing them to continue auditing the City of Graham and also thanked City staff for their assistance throughout the process.

Mayor Talley thanked City Manager Garner for her role in the City's budget, audit, and finances.

### **CONSENT AGENDA:**

- A.** To approve the May 13, 2025, City Council Meeting and Closed Session minutes and May 20, 2025, Budget Work Session minutes.
- B.** To approve a resolution adopting the Eno-Haw Regional Hazard Mitigation Plan to be eligible for FEMA funds in the event of disasters.

### **RESOLUTION ADOPTING ENO-HAW REGIONAL HAZARD MITIGATION PLAN**

**WHEREAS**, the citizens and property within the City of Graham are subject to the effects of natural hazards that pose threats to lives and cause damage to property, and with the knowledge and experience those certain areas of the region are particularly vulnerable to drought, excessive heat, hurricane and coastal hazards, thunderstorm, tornado, winter weather, flooding, wildfire, hazardous substances, cyber threat, terrorism, and infrastructure failure; and

**WHEREAS**, the City of Graham desires to seek ways to mitigate the impact of identified hazard risks; and

**WHEREAS**, the Legislature of the State of North Carolina has in Article 5, Section 160D-501 of Chapter 160D of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

**WHEREAS**, the Legislature of the State of North Carolina has enacted General Statute Section 166A-19.41 (*State emergency assistance funds*) which provides that for a state of emergency declared pursuant to G.S. 166A-19.20(a) after the deadline established by the Federal Emergency Management Agency pursuant to the Disaster Mitigation Act of 2002, P.L. 106-390, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and

**WHEREAS**, Section 322 of the Federal Disaster Mitigation Act of 2000 states that local governments must develop an All-Hazards Mitigation Plan to be eligible to receive future Hazard Mitigation Grant Program Funds and other disaster-related assistance funding, and that said Plan must be updated and adopted within a five-year cycle; and

**WHEREAS**, the City of Graham has performed a comprehensive review and evaluation of each section of the previously approved Hazard Mitigation Plan and has updated the said plan as required under regulations at 44 CFR Part 201 and according to guidance issued by the Federal Emergency Management Agency and the North Carolina Division of Emergency Management.

**WHEREAS**, it is the intent of the Graham City Council to fulfill this obligation so that the City of Graham will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the County.

**NOW, THEREFORE**, be it resolved that the Graham City Council hereby:

1. Adopts the Eno-Haw Regional Hazard Mitigation Plan.
2. Vests the City of Graham with the responsibility, authority, and the means to:
  - (a) Inform all concerned parties of this action.
  - (b) Cooperate with Federal, State, and local agencies and private firms that undertake to study, survey, map, and identify floodplain areas, and cooperate with neighboring communities with respect to the management of adjoining floodplain areas in order to prevent exacerbation of existing hazard impacts.
3. Appoints the City of Graham Emergency Management to assure that the Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to ensure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the City of Graham City Council for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the Hazard Mitigation Plan.

**Adopted this the 10<sup>th</sup> day of June, 2025.**

**C.** To approve the following revisions to the City of Graham's Personnel Policy:

Section 6-7. Supplemental Retirement Income for Non-Sworn Employees

Section 6-8. Supplemental Retirement Income Plan for Sworn Law Enforcement Officers

Section 7-6. Vacation Accrual Rate Chart

Section 7-15. Acceptance of Immediate Prior NC Governmental Employer Sick Leave Balance and Years of Service for Vacation Accrual Rates

**D.** To approve the following street closures for downtown programs in 2026:

- **Arts Around the Square:** closure of the 100 blocks of East and West Elm Streets, 100 blocks of North and South Main Streets, the public parking lot at the intersection of East Elm Street and Marshall Street, and the public parking lot on the 100 block of West Elm Street on Saturday, May 16, 2026 from 5:00 am to 6:00 pm. No rain dates at this time.
- **Thursdays at Seven Concert Series:** closure of the 100 block of West Elm Street on May 28, June 25, July 23, August 27, September 10, & September 24 for the 2026 Thursdays at Seven Concert Series. All closures will begin at 5:00 pm and re-open by 11:30 pm. In the event a concert must be postponed, we also request the same closure as above on the following dates: June 4, 11, 18; July 2, 9, 16, 30; August 6, 13, 20; September 3, 17; October 1, 8, 15.
- **Slice of Summer:** block designated parking spaces (roughly 20 spaces) on West Elm Street to install water hoses from fire hydrants to the attractions from 8:00 am to 1:30 pm, and closure of

the 100 and 200 Blocks of West Elm Street, and 100 Blocks of North and South Maple Streets from 1:30 pm to 8:00 pm on Saturday, June 27, 2026. No rain dates.

- **9/11 Commemorative 5K Event:** closure of the northbound lane of Maple Street from Pine Street to McAden Street, McAden Street from South Main Street to Maple Street, the southbound lane of South Main Street from Pine Street to McAden Street, Pine Street from South Main Street to Maple Street from 6:00 am to 11:00 am on Saturday, September 12, 2026. No rain dates.
- **Pumpkin Bash:** closure of the 100 blocks of East and West Elm Streets on Friday, October 30, 2026, from 3:00 pm to 10:30 pm and North and South Main Streets from 4:00 pm to 10:30 pm. No rain dates.

- E.** To approve a budget amendment to allocate \$40,000 in fund balance appropriation to Non-Departmental (Professional Services).

CITY OF GRAHAM					
BUDGET AMENDMENT ORDINANCE					
2024-2025					
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT					
THE 2024 - 2025 BUDGET ORDINANCE SHALL BE AND IS HEREBY AMENDED AS FOLLOWS:					
<b>Section 1.</b>					
<b>EXPENDITURES</b>					
DEPARTMENT/ACCOUNT	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE (DECREASE)
Non-Departmental - Professional Services	130,000.00	170,000.00	40,000.00		40,000.00
	<b>130,000.00</b>	<b>170,000.00</b>	<b>40,000.00</b>	<b>-</b>	<b>40,000.00</b>
<b>Section 2.</b>					
<b>REVENUES</b>					
	APPROVED	AMENDED	INCREASE	(DECREASE)	INCREASE (DECREASE)
Fund Balance Appropriation	\$2,198,687.00	\$2,238,687.00	40,000.00		40,000.00
	<b>2,198,687.00</b>	<b>2,238,687.00</b>	<b>40,000.00</b>	<b>-</b>	<b>40,000.00</b>
Adopted this 10th day of June 2025.					

- F.** To approve a Capital Project Ordinance in the amount of \$490,000 for the Harden Street Waterline Replacement Project.

### CAPITAL PROJECT ORDINANCE HARDEN STREET WATERLINE REPLACEMENT PROJECT

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA**, that pursuant to Section 13.2, Chapter 159 of the General Statutes of North Carolina, the following Capital Project Ordinance is hereby adopted:

Section 1. The Project authorized is the Harden Street Waterline Replacement Project.

Section 2. The officials of the City of Graham are hereby directed to proceed with this project within the terms of the project. Staff is authorized to execute change orders within the budget ordinance.

Section 3. The following revenues are anticipated to be available to the City to complete the project:



Proceeds from Retained Earnings – Water/Sewer	\$ 490,000
	<hr/>
	\$ 490,000

Section 4. The following amounts are appropriated for this project:

Professional & Contracted Services	\$ 490,000
<b>TOTAL</b>	<hr/>
	\$ 490,000

Section 5. The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences.

Section 6. Copies of this project ordinance shall be made available to the City Manager and the Finance Director for direction in carrying out this project.

Section 7. This ordinance shall take effect upon passage.

**Adopted this the 10<sup>th</sup> day of June 2025.**

**G.** To approve tax refunds in the amount of \$7,520.26 and tax releases in the amount of \$126.17.

Motion by Mayor Pro Tem Hall to approve the consent agenda, seconded by Council Member Whitaker. The motion passed unanimously.

### **PUBLIC HEARINGS:**

#### **ITEM 1: REZONING – 6.27 ACRES – OFF IVEY ROAD AND EAST GILBREATH STREET**

A public hearing was continued to consider rezoning 6.27 acres of property from R-18, Low-Density Residential, to C-R, Conditional Residential, to construct 29 townhomes located off Ivey Road and East Gilbreath Street. (Planning Board Recommended Approval 5-0 with conditions) (Continued from the January 14, February 11, April 8, 2025, and May 13, 2025, Council meetings) (Petitioner has requested to table to the July 8, 2025, Council meeting.)

Assistant City Manager Holland stated the petitioner was requesting to table this item until the July 8, 2025 Council meeting. He shared the petitioner was able to get good news regarding the stream on the property and would be able to come back for this item to be considered.

Mr. Andy Shaver, representing his team, stated the Army Corps of Engineers was conducting a jurisdictional review, but it took a longer period of time for completion. He said it was in everyone's best interest to have that issue cleared up.

Motion by Council Member Whitaker to table the rezoning to the July 8, 2025 City Council meeting, seconded by Mayor Pro Tem Hall. The motion passed unanimously.



## **ITEM 2: REZONING - 0.51 ACRE LOT – 200 S MARSHALL STREET**

A public hearing was continued to consider rezoning a 0.51-acre lot, located on 2090 S. Marshall Street, from O-I (Office and Industrial) to B-2 (General Business). (Planning Board recommended denial 6-0) (Continued from the April 8 and May 13, 2025 Council meeting.) (Petitioner has requested to table to the July 8, 2025, Council meeting)

Assistant City Manager Holland stated the petitioner was requesting to table this item until the July 8, 2025 Council meeting.

Mayor Talley asked the reason for another delay.

Assistant City Manager Holland stated he did not know a specific reason.

City Manager Garner stated the planner reached out, but the applicant was unable to attend because he was on a flight and was unsure if he would arrive in time. She stated his request was to table the public hearing until the July 8, 2025 meeting.

Motion by Council Member Whitaker to table the rezoning to the July 8, 2025, City Council meeting, and that it would not be tabled again if no one shows up, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

## **ITEM 3: JOINT ANNEXATION ORDINANCE– BURLINGTON-GRAHAM – RACE TRACK ROAD**

A public hearing was continued to consider approving an Ordinance and a Memorandum of Understanding for a joint annexation agreement between the Cities of Graham and Burlington for the area of Race Track Road. (Continued from the May 13, 2025 Council meeting.)

Assistant City Manager Holland stated that the Council requested an attorney review the agreement. Mr. Paul Koontz had been retained and would be on next month's agenda.

Motion by Mayor Pro Tem Hall to table the rezoning to the July 8, 2025 City Council meeting, seconded by Council Member Whitaker. The motion passed unanimously.

## **ITEM 4: REZONING – 24.18 ACRES – JIM MINOR ROAD**

A public hearing was scheduled to consider rezoning 24.18 acres of property from Unzoned to C-R (Conditional Residential) to construct a maximum of 143 townhomes located on Jim Minor Road. (Planning Board recommended approval 4-1.)

Assistant City Manager Holland stated this was a request to rezone 24.18 acres of property from Unzoned to C-R (Conditional Residential) to construct a maximum of 143 townhomes. The site plans to have public roadways and connect to water and sewer through the existing utilities surrounding the property. The development yields approximately 5.9 dwelling units per acre, which meets the appropriate density in the suburban residential land use zone, which ranges from 3 to 6 dwelling units per acre. The applicant has requested a condition to reduce the width between buildings from 25 feet to 20 feet. Outside of that condition, all aspects of the R-MF zoning district are being met. Since the development exceeds five acres

in size, the applicant was required to provide open space within the development, as shown on the site plan. The Planning Board recommended approval with a vote of 4-1, with the following conditions: Lots 1-10 shall be limited to two stories. Amenities are to include only a pickleball court, a dog park, and a children's play area equipped with suitable play equipment. 3-foot-tall berm and 8-foot-tall evergreen plantings along the entire frontage of Jim Minor Road, as well as other planting requirements. 3-foot-tall berm and evergreen plantings along the left side of the property until it meets the sewer easement, as well as other planting requirements. He stated the Council could approve all conditions or part of the conditions.

Mr. Scott Krusell, Project Engineer at VennTerra Land Development, for the Jim Minor Road townhome division, requested rezoning and annexation. He stated the site was located in Southeast Graham, right outside the City limits, and was connected and adjacent to the City limits. Mr. Krusell stated they were looking for a conditional residential zoning, which they believe was an appropriate zoning for this area. He shared that they were proposing three-bedroom townhomes, two stories, and approximately 1,550 square feet, with a price range of around \$300,000 and an HOA. He shared they met with neighbors and had one attendee, listened to the staff, and the Council. He said they went strong on parking by adding 50% more than the requirement, 17-foot driveways for parking, so cars would not overhang on the sidewalks.

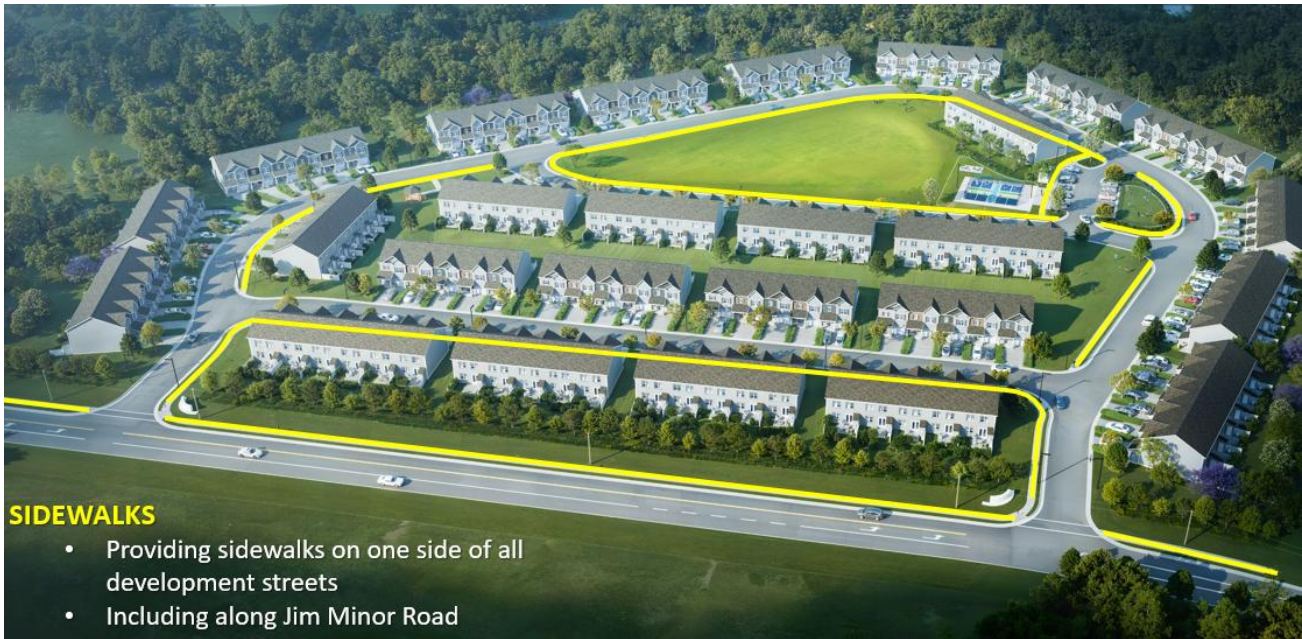
Mayor Talley voiced concerns with parking in the event of a birthday party or family gatherings.

Mr. Krusell discussed the location of the extra 19 parking spaces within the division. He also shared that on 31-foot-wide roads, you could park on the side of the street, and the road would still be functional.



Mr. Krusell shared that they would be providing sidewalks along the entire frontage of Jim Minor Road, and left-turn lanes were suggested at each entrance, as well as curb and gutter would be included. He said the ordinance required only 8 feet of street plantings, and they wanted to go stronger on shrubs and trees at 35 feet of street planting, and would retain as many trees as possible.





Regarding open recreation space, the petitioners again aimed to exceed the 10% required by the City, proposing 30%. He shared there was a stream in the back, and they would be installing a bio retention pond. It would resemble a depressed, sodded field, except during a rain event, when it would be filled with water. He said it would not be a wet pond.





# BIORETENTION EXAMPLE



Mr. Krusell requested they not be limited to just three uses, with no flexibility to add amenities as the residents would like. He said they wanted to have a dog park, two pickleball courts, and a gazebo with flexibility to add amenities.

**Planned Growth** – He shared the proposed development was quite far from the City’s utilities and would require significant extensions. He said the sewer line would be extended 1,600 feet across the creek, providing City sewer access to the west of the development. Additionally, it would extend the sewer another 150 feet beyond the project to provide a manhole connection to the properties south of the development. He also shared the water line would be extended 2,000 feet from Riley’s Meadow and would be adding five hydrants along Jim Minor Road.



## PLANNED GROWTH

- Extending an existing public sewer line (~1,600') across the creek in an easement to the adjacent parcel to the west for future access/growth
- Extending a sewer line across Jim Minor Road (~150') to provide access to the adjacent parcel to the south for future access/growth
- Extending the existing public water line (~2,000') located to the east along Jim Minor Road to the site and adjacent parcel to the west which will provide access/growth and fire hydrants to other parcels, including the Graham Regional Park site

Mayor Talley stated she preferred the bio pond over a retention pond. She voiced concern about the first two rows being close together and asked if it was possible to move the townhomes back to get more parking.

Mr. Krusell said no because they would be pushed against the stream, and there was simply no more room.

Council Member Whitaker asked about the price point.

Mr. Krusell stated the targeted price was \$300,000.

Council Member Chin inquired whether some of the townhomes would be three stories high.

Mr. Krusell stated that they intended to do only two stories; however, they feel there should be some market flexibility in case there is enough interest, which would allow for one of the buildings to be three stories.

Mr. Shawn Cummings, VennTerra, clarified if they did go to three stories, just in case the market changed, each unit would stay at three bedrooms, because then you would have parking issues. He said the units would have larger rooms but not more bedrooms. He shared that each unit would have three parking spots, and some units would accommodate up to four cars. He stated the roads would be wider, with a minimum of three parking spots per unit, and an additional 13-19 spots would be located next to the amenity center.

The public hearing was opened, and the following spoke.

Mr. Tom Boney of Alamance News stated that he did not hear anything about a berm with three-foot plantings as discussed at the Planning Board meeting.

Mr. Cummings stated that they respectfully disagreed due to the topography, as it would not be aesthetically pleasing.

Ms. Angela Willis, 1408 North Jim Minor Road, inquired about the space between the back of the buildings and her property line.

Mr. Krusell shared that the edge of the right-of-way is approximately 60 feet from the back of the building to the edge of the property line, 35 feet to the edge of the developer's right-of-way line, with a total of 95 feet. He said Lot 10 would be the closest to her property line, and it would be approximately 152 feet.

Ms. Willis inquired about the berm and landscaping. She said that going down her side of the property, the berm would give her more privacy.

Mr. Krusell stated it would give her more privacy, and they would construct that berm on her side.

Mr. Cummings stated they would be happy to put in a berm, but it would have to be on her side of the property, at their cost. He would be placed from the flood plain to approximately 500 linear feet along the property line to Jim Minor Road, as long as no trees have to be taken down. He also said that mailboxes would be replaced if any had to be taken out to widen the road.

Mayor Talley requested clarification on the request to reduce the width from 25 feet to 20 feet between the buildings.

Mr. Scott stated it was side to side, not front to back.

Mayor Talley read out the following conditions to make sure everything was included: enhance buffering on west side, replace any mailbox, width between the buildings from 25 to 20 feet, all aspects of zoning will be met, the units would not be more than two stories for units 1 through 10, not to exceed three bedrooms for all units, the developer would install benches at their discretion.

Mr. Krusell stated those were just recommended amenities, not what they had agreed to. He said they were committing to 4.2 acres of active recreation space.

Mr. Cummings stated they wanted to commit to two pickleball courts with lighting and fencing, a dog park with fencing, animal waste receptacles inside the park and throughout the community, and the gazebo. He asked to leave the other list as options, but would do those first three things.

Mr. Tom Boney stated that Planning Board member Mr. Stockert voiced concerns that there was not enough open space, and was not happy with leaving a 50-foot height requirement.

Mr. Krusell stated the 50-foot height referred to the arch of the building, and if the Council wanted to include a 'not to exceed' height of 38 feet, so that it would be officially considered three stories.

Motion by Council Member Whitaker to close the public hearing, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

Mayor Talley asked Council to approve or deny the rezoning of 24.18 acres of property from Unzoned to C-R (Conditional Residential) to construct a maximum of 143 town homes located on Jim Minor Road, and that it would be consistent with policies 3.3.2, 5.2.1, and Strategies 1.1.2 and 4.3.2 of the Graham's 2035 Comprehensive Plan and the City of Graham Development Ordinance, with the following conditions: enhance buffering on the west side, replace any existing mailboxes disturbed due to the development, require the buffer surrounding the project leave as many mature trees as possible, not to disrupt the erosion and protect the natural buffer that exists as of today, two pickleball courts with lights and fencing, gazebo, dog park with fencing, and optional amenities would be left up to the builders discretion going forward, no more than three bedrooms regardless of two-stories or three-stories, not any of the units exceed 38 feet high and all amenities be in place and built out prior to the first certificate of occupancy, lots 1 through 10 would not be more than two-stories tall, would allow a reduction from 25 feet to 20 feet between the buildings, all aspects of MF rezoning would be met, and as well as opaque buffering's along Jim Minor Road area as shown in the proposed plans.

Motion by Council Member Whitaker that we approve the rezoning of 24.18 acres of property from Unzoned to C-R (Conditional Residential) to construct a maximum of 143 town homes located on Jim Minor Road, and that it would be consistent with policies 3.3.2, 5.2.1, and Strategies 1.1.2 and 4.3.2 of the Graham's 2035 Comprehensive Plan and the City of Graham Development Ordinance, keeping all the restrictions stated by Mayor Talley, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

#### **ITEM 5: ANNEXATION – 24.18 ACRES – JIM MINOR ROAD**

City Council considered approving an Annexation Ordinance to extend the corporate limits of the City of Graham for a tract of land totaling 24.18 acres located off Jim Minor Road.



Assistant City Manager Holland stated the City had received a petition requesting the Council's approval for an extension of the corporate limits to include the subject properties. The area being considered for annexation is located off Jim Minor Road and contains approximately 24.18 acres in total. The applicants wish to extend utilities and tie onto the City's infrastructure.

The public hearing was opened and no one spoke.

Motion by Mayor Pro Tem to close the public hearing, seconded by Council Member Whitaker. The motion passed unanimously.

Motion by Council Member Chin to approve the annexation ordinance, seconded by Council Member Chin. The motion passed unanimously.

#### **ITEM 6: SPECIAL USE PERMIT – 1205 E HARDEN STREET**

City Council considered a Special Use Permit for a Unified Business Development (UBD) for property located at 1205 E Harden Street for the use of a multi-tenant building.

Assistant City Manager Holland stated the engineer Chad Huffine, was not present because he had gotten tied up at Elon's Council meeting. He did ask for this to be moved to end of the agenda in case he made it to the Council meeting.

The petitioner was unable to attend the meeting.

Motion by Mayor Talley to table this item to the July 8, 2025, City Council meeting, seconded by Council Member Whitaker. The motion passed unanimously.

#### **ITEM 7: FY2025-2026 BUDGET**

A public hearing had been scheduled to consider the adoption of the Fiscal Year 2025-2026 Budget Ordinance, the 2025-2026 Pay Plan, and the 2025-2026 Rates and Fee Schedule.

City Manager Garner stated the annual budget process began in December with a City Council Planning Session, January opened the department heads to start entering their budget, March three was part two of the City Council Planning Session, and from March to the time you received your budget in May, there were multiple departmental meetings. She shared the intent behind the two-part City Council budget work sessions in December and March was to get direction from City Council on what it wanted the budget to look like for the upcoming fiscal year. She shared those meetings were very beneficial, and the priorities were communicated to staff to keep those in mind as their overarching goals.

These are the priorities we were able to accomplish this current fiscal year:

- Digital signing at City Hall
- Addressing the Sesquicentennial Park repair

#### **Strategic Priorities – FY26**

These are the strategic priorities that City Council identified that staff are working to accomplish through the budget proposal:

- Restructure Sanitation – routine adjustments were made with a proposed sanitation collector position



- Implement Edmunds software, Personnel Policy, and payroll went live in June 2025.
- High-quality infrastructure - \$1.3 million proposed in FY26 to continue the neighborhood waterline enhancement project.
- Complete the Comprehensive Plan – plans to come back to City Council for consideration in 2025.
- Hire a City engineer – action item on tonight's agenda.
- Update the Unified Development Ordinance – action item for a future City Council meeting.

## General Fund (10)

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- ☐ One penny on the tax rate is estimated to generate \$270,215 based on a 97% collection rate
- ☐ Balanced at \$22,750,562 with a \$0.3099 to the tax rate
- ☐ Street resurfacing proposed to increase for 12<sup>th</sup> consecutive year
- ☐ Expenditures for public safety (\$9,426,110) are expected to exceed all of the ad valorem tax levy (\$7,964,500) by over \$1,461,610

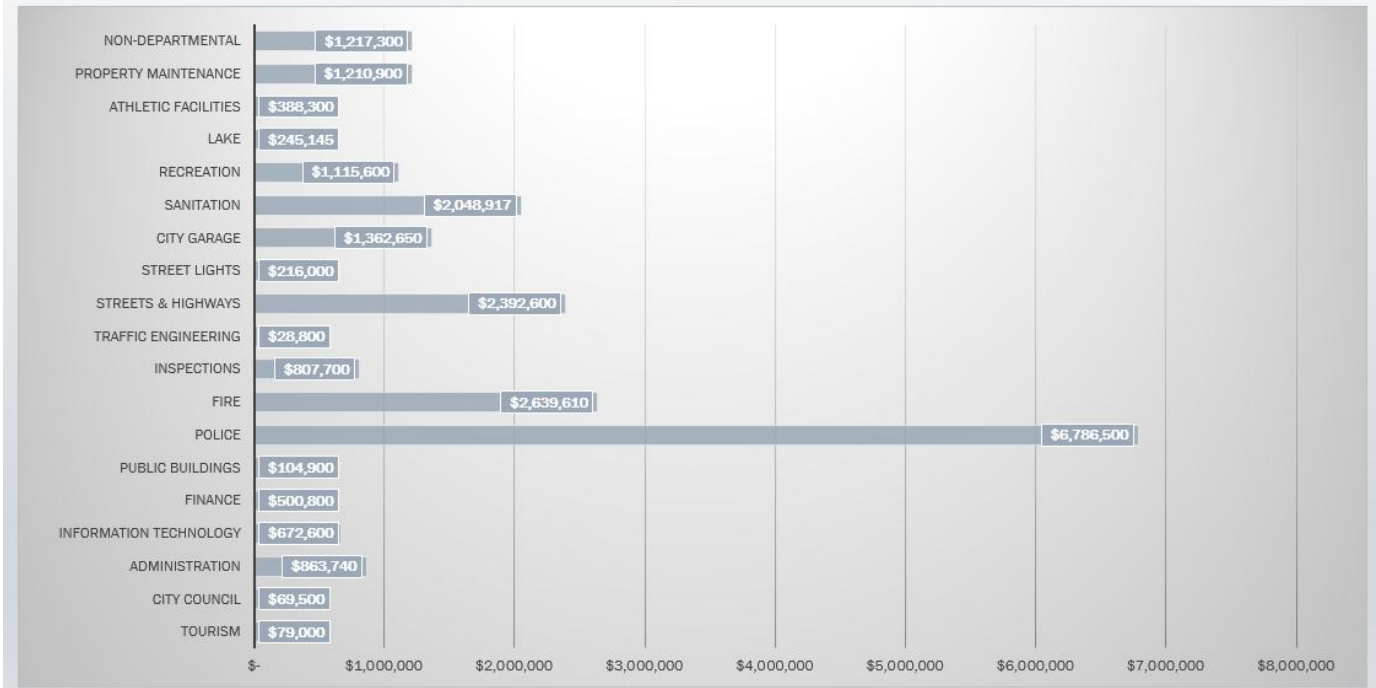
City Manager Garner shared that the General Fund was balanced at \$22,750,562 based on a \$0.3099 tax rate.

## General Fund (10)

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- ☐ Deferred maintenance/capital items equate to over \$1,500,000
- ☐ Mandatory employer retirement contribution increase
- ☐ Health insurance increase of 4%
- ☐ New full-time positions funded:
  - ☐ Public Relations Specialist (funded through occupancy tax)
  - ☐ Sanitation Collector (existing title)
  - ☐ Building Maintenance Technician (funded using dollars previously allocated to individual departments)
  - ☐ One entry-level firefighter position per shift (not intended to be career ladders)

# General Fund Departments



City Manager Garner shared the above General Fund chart depicts where the money is spent.

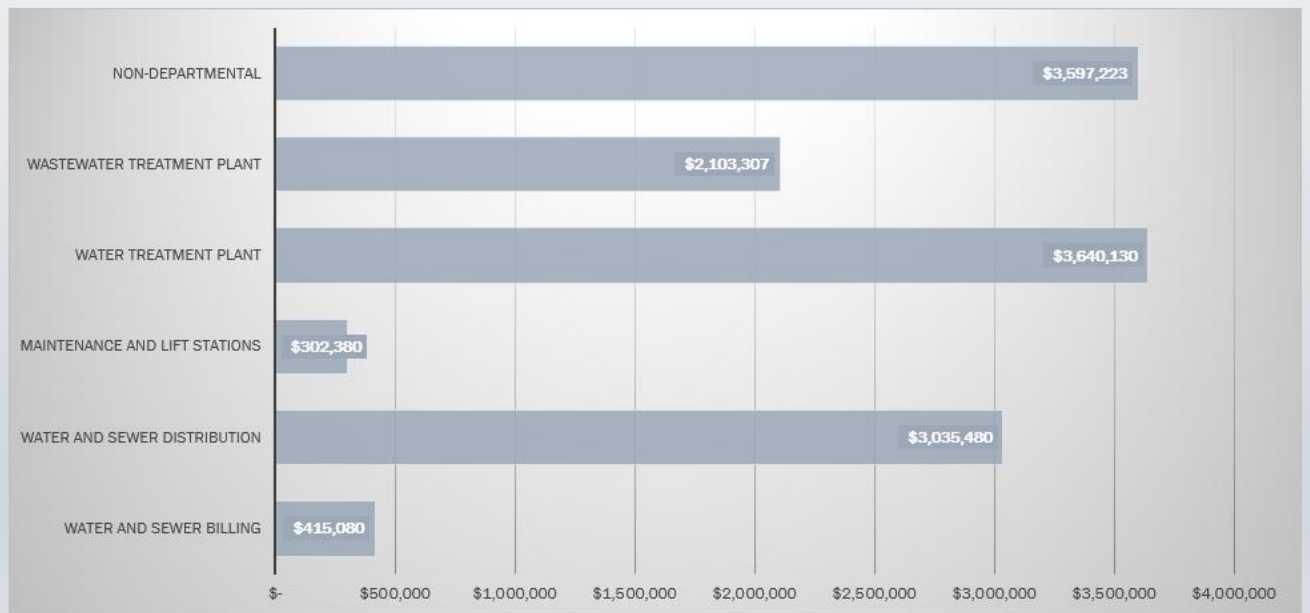
## Water and Sewer (Fund 31)

- ☐ Balanced at \$13,093,600
- ☐ Proposed rate increase of 4%
  - ☐ Increase for 1,000 gallons ~\$0.92/month
  - ☐ Increase for 5,000 gallons ~ \$3.39/month
- ☐ No new positions or reclassification funded

1,000 gallons		5,000 gallons	
Current water	\$9.95	Current water	\$27.33
Proposed water	\$10.35	Proposed water	\$28.42
Current sewer	\$12.91	Current sewer	\$57.42
Proposed sewer	\$13.43	Proposed sewer	\$59.72

City Manager Garner shared the water/sewer (Fund 31) was balanced at \$13,093,600 with the proposed rate increase of 4%. She shared that Hazen and Sawyer had suggested a 9% increase, but staff was able to make several modifications to the budget, which reduced that increase to 4%.

# Water and Sewer (Fund 31)



The above chart shows how the money is allocated.

## Summary of Changes from Council Work Session

### ☐ Fee schedule page 22

Current wording: meter re-read with no City error (per re-read)

Revised wording: meter re-read with no City error or leak detected (per re-read)

### ☐ Fee schedule page 23

All ¾" meter costs: proposed at \$475 increases to \$525

The public hearing was opened, and no comments were made.

Motion by Council Member Whitaker to close the public hearing, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

Mayor Talley stated the sales tax revenue was estimated correctly. She indicated there was no leftover money to add to the fund balance because the proposed budget was using part of the fund balance to

balance the budget. She noted the majority of the increase was coming from growth, sanitation truck, and an employee. She asked the City Manager to speak about the initial requests and how items were cut, breaking down what we have before us.

City Manager Garner stated that from the first budget planning session, the Council's priorities were communicated to the departments, and the budget process was opened in January, with departments entering their budgets directly into our financial software. There were at least two rounds of individual meetings with each department to review requests, and more than \$2 million from the amounts requested to the amounts in the proposed budget was eliminated. She shared departments were not permitted to use any personnel-related expenses to keep their department in the positive, and they are personally held to the line-item detail, even though, for audit purposes, as long as the department as a whole is not overspent. She shared that if a department were over, they would need to make cuts elsewhere. She continued to share her findings after reviewing individual accounts, sometimes more than twice, comparing the overall budget to estimated revenues, and relaying the information to the relevant departments. She said department heads were very cognizant of City Council priorities, which was very helpful in understanding exactly where the Council's priorities were, so staff could focus on that and deliver a budget to you that mirrored priorities and key strategic actions as closely as possible.

Mayor Talley stated that raising taxes and water and sewer rates was difficult, but everyone on the Council pays the same rates as citizens. She acknowledged the issues and problems, but emphasized the entire north side of Graham needs updated water lines. She shared the City had its largest capital improvement project costing \$86 million to upgrade the wastewater treatment plant. She mentioned securing a \$10 million grant to assist with waterline replacements and upgrades to the water treatment plant, along with another \$3 million for utility improvements. She described the neighborhood enhancement project, where a neighborhood's water lines are replaced gradually. She stated that, although it was necessary, she wished there were no tax increase. She reminded citizens that a year ago, the Council reduced the tax rate, while others raised. She noted that it was the most significant tax decrease in the City's history. She stated that, regardless of the waterline costs, she believes the work should be done and appreciated the City Manager making it a priority. Mayor Talley stated the City had a significant debt service, but was able to secure the loan at essentially zero percent interest. She mentioned that she wished there were no proposed tax increase of 2 cents, but it has to be said that that would even require taking money from savings to keep taxes low. She pointed out it was important and would not be fair to say that two years ago, we lowered the tax rate from .47 cents to .28 cents when everyone else raised theirs. She stated it was frustrating because we do not control the value of things. She shared that the library would continue to be funded by the County, as well as the School Resource Officers, who the State would fund for the Municipal SROs. She stated that staff had done a lot of work to reduce costs. She shared by not allowing coverage for weight loss medication, the increase in insurance went from 5% to 4%. She said it was important that our trash gets picked up weekly and that all services continue. She also shared that one boom truck is equivalent to one cent on the tax rate.

Lastly, Mayor Talley shared that the City Manager had cut over two million dollars from the original budget before presenting it to the Council and was consistently researching grants.

Motion by Mayor Pro Tem Hall to close the public hearing, seconded by Council Member Chin. The motion passed unanimously.

Motion by Council Member Whitaker to approve the 2025-2026 Budget Ordinance, 2025-2026 Pay plan and Rates and Fee Schedule, seconded by Mayor Pro Tem Hall. The motion passed 4-1. Mayor Talley voted no.

**Budget Ordinance**  
**FY 2025-2026**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA:**

**SECTION 1.** The following amounts are hereby appropriated in the General Fund for the operation of City Government, its activities, and capital improvements for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, by the Chart of Accounts heretofore established for the City:

Department	Budget
Tourism	\$ 79,000
City Council	\$ 69,500
Administration	\$ 863,740
Information Technology	\$ 672,600
Finance	\$ 500,800
Public Buildings	\$ 104,900
Police	\$ 6,786,500
Fire	\$ 2,639,610
Inspections	\$ 807,700
Traffic Engineering	\$ 28,800
Streets & Highways	\$ 2,392,600
Street Lights	\$ 216,000
City Garage	\$ 1,362,650
Sanitation	\$ 2,048,917
Recreation	\$ 1,115,600
Lake	\$ 245,145
Athletic Facilities	\$ 388,300
Property Maintenance	\$ 1,210,900
Non-Departmental	\$ 1,217,300
	<b>\$ 22,750,562</b>

**SECTION 2.** It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026.

Ad Valorem Taxes	\$ 7,964,500
Investment Earnings	\$ 230,000
Miscellaneous	\$ 705,100
Other Taxes/License	\$ 500
Occupancy Tax	\$ 79,000
Permits/Fees	\$ 878,000
Restricted Governmental	\$ 1,062,000
Sales/Services	\$ 1,991,400
Unrestricted Governmental	\$ 8,432,000
Fund Balance	\$ 1,408,062
<b>Grand Total</b>	<b>\$ 22,750,562</b>

**SECTION 3.** The following amounts are hereby appropriated in the Water and Sewer Fund for its operations, activities, and capital improvements for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, in accordance with the Chart of Accounts heretofore established for the City:

Department	Budget
Water and Sewer Billing	\$ 415,080
Water and Sewer Distribution	\$ 3,035,480
Maintenance and Lift Stations	\$ 302,380
Water Treatment Plant	\$ 3,640,130
Wastewater Treatment Plant	\$ 2,103,307
Non-Departmental	\$ 3,597,223
	<b>\$ 13,093,600</b>

**SECTION 4.** It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026.

Services	\$ 11,019,000
Operating	\$ 1,324,100
Non-Operating	\$ 413,500
Other	\$ 337,000
Fund Total	<b>\$ 13,093,600</b>

**SECTION 5.** The following amounts are hereby anticipated and appropriated for the city's special funds:

	Revenues	Expenditures
Federal Drug Monies	100	100
State Drug Monies	100	100
ARPA-Enabled Projects	4,908,621	4,908,621
Truby Drive Repair Project	200,000	200,000
10" Water Main Replacement	17,250,000	17,250,000
Boyd Creek Pump Station	3,962,000	3,962,000
Old Field Outfall	2,955,000	2,955,000
WWTP Upgrade	84,649,290	84,649,290
Water Line Inventory & Assessment	400,000	400,000
Boyd Creek Watershed Point Repair	500,000	500,000
Long and Albright Improvements Project	904,860	904,860
Banks and McBride Improvements	925,000	925,000
Downtown Enhancements	600,000	600,000
Accessible Parks Grant	145,687	145,687
Emerging Contaminants	500,000	500,000
Home, Banks & McBride Improvements	288,000	288,000
<b>TOTALS:</b>	<b>118,188,658</b>	<b>118,188,658</b>

**SECTION 6.** There is hereby levied a tax at the rate of \$.3099 per one hundred dollars (\$100.00) of valuation of property as listed for taxes as of January 1, 2025, for the purpose of raising the Revenue listed as “Ad Valorem Taxes” in Section 2. Such rates are based on an estimated total valuation of property for the purposes of taxation of \$2,554,471,453 (100% valuation) with an anticipated collection rate of 95%.

**SECTION 7.** The City of Graham Capital Improvement Plan 2026-2035 for Water and Sewer Fund and 2026-2030 for all other funds is hereby approved and amended per the appropriations for improvements contained herein. For the purpose of tracking capital items, there shall be a threshold of \$5,000.

**SECTION 8.** Copies of this Ordinance shall be furnished to the City Manager and the Finance Officer to be kept on file by them for their direction in the disbursement of City Funds.

Adopted this 10<sup>th</sup> day of June 2025.

Mayor Talley asked if staff had heard from Mr. Chad Huffines regarding Item 6.

Assistant City Manager Holland stated he was still in a Council meeting with the Town of Elon.  
(See Item 6 for Council’s action.)

## **NEW BUSINESS:**

### **ITEM 8: MUNICIPAL ENGINEERING SERVICES**

City Council will consider approving the retention of Alley Williams Carmen and King for municipal engineering services.

Assistant City Manager Holland stated after several conversations between the City Council and staff, the City Council directed staff to move forward with an RFQ for municipal engineering services. The RFQ was posted and circulated on April 11, 2025, with a submission deadline of April 25, 2025. The City received three (3) submittals from Urban Design Partners, Bowman, Alley, Williams, Carmen & King (AWCK). Meetings were scheduled with the prospective firms in the following weeks to discuss the current engineering services and expectations moving forward. He shared after the meeting, Bowman withdrew from consideration following internal discussions with their staff and was unable to meet the City’s demands. Based on the staff review of the remaining two firms, the staff recommended retaining the services of AWCK.

Mayor Pro Tem Hall asked if we elected AWCK, could we get a different liaison engineer?

Assistant City Manager Holland stated yes, and it was part of the Council’s approval.

Council Member Chin has voiced concerns over the past several years that none of the grants submitted by AWCK have been successful, except for one.

Assistant City Manager Holland stated there was one that both AWCK and Hazen and Sawyer applied for on our behalf for a utility-related grant. He stated there were a number of grants we applied for, such as the CDBG, that were unsuccessful, that AWCK had worked on, but that was two or three years ago. He shared that he, Mayor Talley, and Josh Johnson had met to discuss options for better communication, which was the biggest complaint we were hearing from developers and other engineers that we felt could be



improved. He also shared monthly meetings had been scheduled with the Council liaison to review current projects, ensuring everyone stays informed about ongoing projects.

Council Member Whitaker voiced concerns with AWCK billing methods and would like to see changes to a more detailed billing.

Mayor Talley shared that Mr. Johnson seemed very receptive to making several changes that would save the City money and support more enhanced projects.

Council Member Chin stated that he would like to see a climate where developers present plans that have already been approved by an engineer before coming to the Planning Board and TRC, ensuring they are ordinance-compliant.

City Manager Garner said there had been similar instances in recent years when the City Council wanted staff to report back mid-year on their progress so the Council could consider revising fees mid-year. She asked the Council if they wanted staff to plan for a December report after tracking these plans.

Mayor Talley asked if the City had seen a decrease in reinspections because of the fee.

City Manager Garner stated that regarding Public Works, they had indeed seen a decrease. She mentioned that they prepared a mid-year report for the Council, which included pictures showing what they observed then, compared to what they are seeing now, due to the increase in reinspection fees.

Mayor Talley stated she wanted to attract development, but she wanted to hear back from Mr. Johnson on how many plans he reviews and what we should be spending.

City Manager Garner stated that staff would be happy to implement the more detailed billing and return to the Council in December to present their findings and possibly suggest revisions to the fee schedule.

Motion by Council Member Whitaker to approve AWCK for municipal engineering services and with feedback in December on rate fees and changes in billing to include detail, seconded by Mayor Pro Tem Hall. The motion passed unanimously.

### **PUBLIC COMMENT PERIOD**

There were no public comments.

### **CITY STAFF COMMENTS**

There were no City Staff comments.

### **CITY COUNCIL COMMENTS**

Mayor Talley shared upcoming events:

- Hike on June 14<sup>th</sup> to the lookout at Cane Mountain in Snow Camp
- Juneteenth Event – June 21
- Dalton Davis in Concert on June 21<sup>st</sup> at 7:00 p.m. with a car show at 4:00 p.m.
- Thursdays at Seven – June 26 - Phatt City Band

- Slice of Sumer – June 28<sup>th</sup>
- 8K Run to benefit ALCO Vets – Burlington Sock Puppets
- For a list of events, you may go to [CityofGraham.com](http://CityofGraham.com)

Mayor Talley thanked the City Manager and staff for their work on the budget and software implementations.

### ADJOURN

Motion by Mayor Pro Tem Hall to adjourn, seconded by Council Member Chin. The motion passed unanimously. The meeting adjourned at 8:58 p.m.

*Renee M. Ward, CMC*  
City Clerk