



Agenda

Greenville City Council

June 6, 2011
6:00 PM
City Council Chambers
200 West Fifth Street

Assistive listening devices are available upon request for meetings held in the Council Chambers. If an interpreter is needed for deaf or hearing impaired citizens, please call 252-329-4422 (voice) or 252-329-4060 (TDD) no later than two business days prior to the meeting.

I. Call Meeting To Order

II. Invocation - Council Member Glover

III. Pledge of Allegiance

IV. Roll Call

V. Approval of Agenda

- **Public Comment Period**

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

VI. Consent Agenda

1. Minutes of the May 23, 2011 City Council meeting
2. First reading of an ordinance authorizing expansion of a taxicab franchise to Mahmoud Ahmad Atiyha, d/b/a Ace Cab
3. Resolution accepting dedication of rights-of-way and easements for Charleston Village, Section 6
4. Agreement with MCNC to encroach upon the rights of way of the public streets within the City for the installation, operation, and maintenance of a fiber optic broadband network

5. Resolution amending the City of Greenville Personnel Policies relating to group health and hospitalization insurance upon retirement
6. Resolution designating another level of authorization for bank disbursements to include transfers
7. Budget ordinance amendment for Greenville Utilities Commission's fiscal year 2010-2011 budget
8. Ordinances adopting Electric Capital Project Budgets for Greenville Utilities Commission's Sugg Parkway Substation and Transmission Line Projects
9. Resolution approving a licensing agreement with AT&T Mobility Corporation

VII. New Business

Public Hearings

10. Ordinance to Amend the Greenville Municipal Electoral Districts and Resolution Requesting Expedited Consideration by the United States Department of Justice
11. Public hearing on proposed fiscal year 2011-2012 budgets
 - a. Pitt-Greenville Convention & Visitors Authority
 - b. Sheppard Memorial Library
 - c. Greenville Utilities Commission
 - d. City of Greenville

Other Items of Business

12. Presentations by boards and commissions
 - a. Planning and Zoning Commission
 - b. Redevelopment Commission
13. Redevelopment Commission work plan and budget for 2011-2012
14. Other Post-Employment Benefits (OPEB) irrevocable Trust Fund required changes
15. Revised Financial Policy Guidelines
16. Resolution Providing for the Issuance of \$3,225,000 General Obligation Public Improvement Bonds, Series 2011
17. Budget ordinance amendment #11 to the 2010-2011 City of Greenville budget (Ordinance No. 10-57), amendment to Administrative Facilities Project Fund (Ordinance No. 04-84), amendment to

Insurance Loss Reserve Fund (Ordinance No. 94-140), amendment to Public Works Yard / Beatty Street Project Fund (Ordinance No. 08-11), amendment to Stormwater Drainage Project Fund (Ordinance No. 06-66), and amendment to Drew Steele Center Project Fund (Ordinance No. 09-42)

VIII. Review of June 9, 2011 City Council Agenda

IX. Comments from Mayor and City Council

X. City Manager's Report

XI. Adjournment



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

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- Title of Item:** Minutes of the May 23, 2011 City Council meeting
- Explanation:** Proposed minutes for the City Council meeting held on May 23, 2011 are presented for review and approval.
- Fiscal Note:** No direct cost to the City.
- Recommendation:** Review and approve proposed minutes of the May 23, 2011 City Council meeting.
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Attachments / click to download

[Proposed_Minutes_of_the_May_23_2011_City_Council_Meeting_897841](#)

PROPOSED MINUTES
MEETING OF THE CITY COUNCIL
CITY OF GREENVILLE, NORTH CAROLINA
MONDAY, MAY 23, 2011



A regular meeting of the Greenville City Council was held on Monday, May 23, 2011 in the Council Chambers, located on the third floor at City Hall, with Mayor Patricia C. Dunn presiding. Mayor Dunn called the meeting to order at 6:00 pm. Council Member Smith gave the invocation, followed by the Pledge of Allegiance.

Those Present:

Mayor Patricia C. Dunn; Mayor Pro Tem J. Bryant Kittrell, III; Council Member Marion Blackburn; Council Member Rose H. Glover; Council Member Max R. Joyner, Jr.; Council Member Calvin R. Mercer; Council Member Kandie Smith

Those Absent:

None

Also Present:

Wayne Bowers, City Manager; David A. Holec, City Attorney; Carol L. Barwick, City Clerk and Patricia A. Sugg, Deputy City Clerk

APPROVAL OF THE AGENDA

Upon motion by Council Member Joyner and second by Council Member Blackburn, the agenda was approved as presented by unanimous vote.

PUBLIC COMMENT PERIOD

Mayor Dunn opened the public comment period at 6:02 pm and explained procedures to be followed by anyone who wished to speak. As there were no citizens present who wished to address the City Council, Mayor Dunn closed the public comment period at 6:03 pm.



APPOINTMENTS

APPOINTMENTS TO BOARDS AND COMMISSIONS

- Recreation and Parks Commission

Motion was made by Council Member Blackburn and seconded by Council Member Joyner to appoint Debra Jo Garfi to serve a first three-year term expiring on May 31, 2014, replacing Jerry Clark, who is ineligible for reappointment. Motion carried unanimously.

CONSENT AGENDA

Mr. Bowers introduced item on the Consent Agenda, reading out the title of each as follows:

- Minutes from the May 9, 2011 City Council meeting

Council Member Joyner moved to approve the Consent Agenda, seconded by Council Member Blackburn. There being no discussion, the motion was approved by unanimous vote.

NEW BUSINESS

PUBLIC HEARINGS

- Ordinance to Amend the Greenville Municipal Electoral Districts and Resolution Requesting Expedited Consideration by the United States Department of Justice

City Attorney Dave Holec stated that Redistricting Consultant Chris Heagarty presented a redistricting plan at the May 9, 2011 City Council meeting which was developed in accordance with the criteria for redistricting approved by City Council at the March 3, 2011 meeting. Mr. Heagarty also utilized the input he received from the Mayor and Council Members at meetings held with each individually on April 6, 2011 and April 19, 2011.



The City Council approved the redistricting plan at the May 9, 2011 City Council meeting for the purpose of presentation and receipt of public comment at a series of public forums and a public hearing. The City Council also directed that comments should be solicited at the public forums and public hearing on any amendments or alternate plans.

Mr. Holec stated public forums were conducted on May 16, 17, 18, and 19, 2011 for the purpose of providing information to the public about the redistricting plan, answering citizens' questions about the plan, and receiving public input. Opportunity was provided for the public to suggest amendments or offer alternate plans. Public Information Officer Steve Hawley conducted an extensive publicity campaign on the public forums and public hearing including notices on GTV9, the City's website and at recreation facilities and libraries, radio ads on radio stations including two locally owned and operated minority radio stations (WOOW and WECU), newspaper ads in The Daily Reflector, distribution to the media of press releases, and distribution of information to neighborhood associations via the City's list of email addresses for such associations and to churches via Pastor Rodney Coles and his ministerial alliance. Additionally, letters were sent to the presidents of local civil rights organizations.

Mr. Holec stated a public hearing is scheduled for this meeting. After the public hearing is conducted, the City Council can consider adoption of the ordinance amending the municipal electoral district boundaries. The City Council may make changes to the proposed plan prior to adoption of the ordinance. As an alternative, the City Council could direct that other changes be made for later consideration.

After approval of the ordinance amending the municipal electoral district boundaries, it will be submitted to the Department of Justice for preclearance. In order for the municipal election to be held on its regular November 8, 2011 date, preclearance must occur no later than July 20, 2011. A resolution requesting expedited consideration by the Department of Justice will assist in meeting this deadline. If preclearance does not occur by this deadline, the City Council has previously approved a resolution in accordance with State law which will delay the municipal election until May 8, 2012.

Redistricting Consultant Chris Heagarty briefly reviewed information he presented at the May 9, 2011 City Council meeting, then addressed results of the public forums held during the week beginning on May 16, 2011. He stated that three common themes emerged from the public forums:



- Preservation of African American majorities in Districts 1 and 2
- Including the Lynndale neighborhood within a single district
- Support and opposition for eliminating the at-large seat in favor of drawing a sixth district

Mr. Heagarty stated with regard to preservation of African American majorities in Districts 1 and 2, one of the primary concerns focused on redevelopment and roads projects reducing the African American population in District 2, particularly with regard to the Tenth Street Connector Project and the 45 Block Revitalization Project. Another concern is that new growth will imbalance African American majorities in Districts 1 and 2, particularly in new subdivisions near Briarcliffe Drive such as Breckenridge and Medford Point. There is also concern that the City has a history of not electing African Americans in districts where they do not make up a majority of the voting age population.

In reference to the Lynndale neighborhood, Mr. Heagarty stated residents objected to it being split into two districts in 2001; they want to keep it in one district in the future. They want a clear northern and eastern boundary to the district, and hope that the heart of District 5 – including the Lynndale neighborhood – will remain intact and any necessary changes will occur around the periphery.

Mr. Heagarty then summarized key points related to elimination of the at-large seat in favor of drawing a sixth district.

Comments supporting this concept include:

- Greenville's population has almost doubled since the creation of the at-large district, making adequate representation of so many voters too difficult.
- Reducing the size of the districts will make it easier to maintain two districts with African American majorities, and may be easier to run in, especially for less wealthy candidates.
- It would improve the responsiveness of the Council because District Council Members have fewer voters to represent.

Comments opposing the idea include:

- It is good to have a voting member of the Council (as opposed to the Mayor, who only votes when there is a tie) who represents the entire city.
- The at-large member's city-wide representation helps defuse regional divisions on the Council and helps put city-wide interests above neighborhood rivalries.
- It is no more difficult for an at-large Council Member to represent the entire city than for the Mayor to represent the entire city.



Mr. Heagarty stated at this point, the City Council could adopt the proposed plan or they could consider changes to the proposed plan to address concerns raised by the public; however, he cautioned that addressing a concern in one district was likely to affect several districts. Mr. Heagarty stated if the City Council wished to consider a plan creating a sixth district, doing so would likely result in delay of the 2011 election due to the process required by statute and a voter referendum may be required. Mr. Heagarty stated the City Council could also consider adopting districts for 2011 while working toward a new proposal for 2013.

Council Member Smith asked how often a new redistricting plan could be adopted. Mr. Heagarty stated it is usually only done once every 10 years, but as changes occur within a city, districts can be redrawn with good reason between Census counts. Council Member Smith asked how new population numbers are determined between Census counts if a new redistricting is desired. Mr. Heagarty stated a City would still be bound by their most recent Census count if a second redistricting was initiated.

Council Member Joyner asked about the cost of redistricting. City Manager Bowers stated \$30,000 was budgeted for the process. Council Member Joyner asked if we would remain within that budget. Mr. Holec stated the initial proposal was favorable and the process would be concluded within budget.

Mayor Pro-Tem Kittrell stated the real motivation for adopting the current plan now with the intent to work toward a new proposal for 2013 would be as a solution to a deadlocked vote or to serve as an interim solution while providing greater opportunity for citizen input in a more long-range plan for the future.

Council Member Glover asked if the Voting Rights Act only applies to blacks and white. Mr. Heagarty stated it does not, but in Greenville, other minorities have insufficient populations to require that they have a district.

Following the conclusion of Mr. Heagarty's presentation, Mayor Dunn opened the public hearing at 6:40 pm and explained procedures to be followed by anyone wishing to address the City Council relative to proposed redistricting.

Ed Carter – Former Greenville Mayor

Mr. Carter stated he reviewed the proposal for redistricting and is very concerned that minority voting strength is significantly weakened by the annexation of high-density developments designed to attract primarily white, high-income citizens. Meanwhile, minority citizens have been displaced from their homes due to flooding and as a result of redevelopment activities, yet no effort has been made to offset this loss in the minority population. People are forced to join the City when utilities are



extended to them, but Black neighborhoods along the Bethel and Belvoir Highways have not been annexed. If these practices continue, there will be no minority districts left in Greenville.

Mary Perkins Williams

Ms. Williams stated she opposes redistricting and said she feels citizens have not had sufficient opportunity to review the proposal that is being offered.

Rufus Huggins – Former Greenville Council Member

Mr. Huggins stated the redistricting proposal is very troubling to him; he sees the City going backward. Annexations of mostly Whites have created a great disparity between minority and majority populations. He expressed his support of comments made by former Mayor Carter and his hope that all citizens will understand why the Black communities want fairness. He said he and others have called the Department of Justice to ask that no further annexation be allowed in Greenville until Oak Grove is annexed. He asked that the City Council delay any decision on the redistricting issue until other options can be considered.

Zack Robinson

Mr. Robinson stated he resides in District 3. He thanked the previous speakers, saying they had raised some points on the profound impact of redistricting that he was only just learning about. At their last meeting, the City Council voted to release the redistricting plan to the public so issues could be discussed during a series of public meetings, yet an ordinance was already on the table to accept the plan as originally presented. Mr. Robinson said he read the Attorney General's February 2011 guidelines addressing the element of procedure for having a thorough exchange with the community, but the citizens of Greenville simply have not had that opportunity. He urged the City Council to delay the vote on redistricting

Frank Morgan

Mr. Morgan stated he attended two of the public meetings on redistricting and he probably started the issue about the at-large seat on the City Council. He said he opposes approval of the redistricting plan presented for consideration tonight because no other options were ever presented.

Don Cavellini

Mr. Cavellini stated he opposes adoption of any plan when no other options have been presented for consideration. Addressing his next remarks to those who would rush consideration of the one plan presented, Mr. Cavellini said the City Council cries out about citizens not going to the polls to vote, but if they are only presented with one choice, there is no reason to go. Mr. Heagarty could have presented other options for consideration, but he was simply following the direction he was given.



Residents need more time to understand the plan and determine if there is a better way. At the City Council's last meeting, the vote to present the current plan to citizens was initially tied at 3 to 3 with the Mayor casting the deciding vote. Those who voted in opposition said a vote in favor would send the message that acceptance of the plan was a done deal; that is exactly what it did. There is no rush on this. The City Council can take their time. It's okay if the election is not held in November. If the City Council wants to use the word "inclusive," they should put it into practice.

Diane Kulik – Lynndale Neighborhood Association

Ms. Kulik said her neighborhood is in favor of proceeding with the redistricting plan as presented, and they favor keeping the at-large seat as that seat serves as a guardian for all residents of the City.

Richard Crisp – Englewood Neighborhood

Mr. Crisp stated he agrees with retaining the "at-large" seat because that is the one that represents the needs of all of Greenville.

Nancy Colville

Ms. Colville stated she is a minority, but she is Hispanic rather than African American. She feels this issue should be addressed not on the basis of "minority voting strength" but on the basis of "African American voting strength," otherwise it leads to confusion. She attended one of the public redistricting meetings and strongly supports retaining the at-large seat on the City Council. Ms. Culver stated the proposed redistricting plan is okay with her. She said citizens should remember that under the present district system, voters were still able to elect an African American mayor, even though minorities only represented the majority of voters in two districts.

R. J. Hemby

Mr. Hemby stated he brings a little history to the discussion because he was involved in the first redistricting, back when the "at-large" seat was established. Mr. Hemby said the at-large seat was created not out of need, but as a compromise, and that minorities were promised a third minority district which has not yet materialized. He stated he has been contacted by the Department of Justice since he sat on that initial committee; they asked if the current City Council has created a citizens advisory committee on the issue this time as had been done in the past. He said he told them "no" and he implored the City Council not to submit a plan which would embarrass the City on racial issues.



Mae Stancil

Ms. Stancil stated she supports the redistricting plan proposed by Mr. Heagarty and she supports retaining the at-large seat as the person in that seat is accountable to all voters. She said moving voters from one district to another every few years is confusing to the citizens. She said elected officials should not use the Census as a means of improving their chances of re-election.

Howard Conner – 1211 Drexler Lane

Mr. Conner stated he attended the meetings last Monday and Tuesday evenings, and he feels anyone who is saying they are satisfied with the current redistricting proposal has not looked at it properly. He said he feels some good comments have been made during this public hearing.

Mildred Council – Former Greenville Council Member

Ms. Council stated she has been involved in redistricting since it first began in Greenville. It began because African Americans did not have equal voting strength on the City Council or the Board of Education; the goal was to insure African Americans had rights in terms of representation. She urged Council Members to do the right thing by holding themselves accountable for making a city after the Census that has the right preservation of minority districts. If it takes more time, the citizens will deal with it.

There being no other citizens present who wished to address the City Council, Mayor Dunn closed the public hearing at 7:11 pm.

Council Member Glover stated she feels the at-large seat is not the problem with the citizenry, but rather their issue is with the process. She said it is not only African Americans who do not go out to vote. Hearing the citizens' comments, she feels they need an opportunity for more input. She stated she is not concerned about the seat for herself, but she is concerned that there be minority representation on the City Council. Not all Council Members are elected at-large, but they do represent the City's at-large. All Council Members get calls from citizens outside their own districts, not just from within them. She stated if she ignored calls from outside her district, she would feel she was not being fair to the 84,000 citizens of the community. She would like to think her colleagues all felt the same way. She then moved to delay a vote on the redistricting process to allow opportunity for refinement to make it better and to give citizens the option to look at other maps and to work with the City Council in coming up with a plan that could be voted on unanimously to submit to the Department of Justice. Council Member Smith seconded the motion.



Mayor Pro-Tem Kittrell asked Council Member Glover to clarify the timeframe of her motion and to be more specific in what she was proposing.

Council Member Glover stated she wasn't putting a time limit on her proposal, although the goal would be to proceed as fast as reasonably possible. The City Council needs to get input from citizens, then sit down together to work out an agreement. She stated she does not feel the process should be rushed due to the many concerns expressed by citizens.

City Attorney Dave Holec stated the redistricting plan must be precleared by the Department of Justice by July 20th in order to proceed with this year's election on the normal schedule. Preclearance can take up to sixty days, which is why the City Council adopted a resolution for expedited consideration. Likewise, the City Council has also adopted a resolution delaying the November election until May in the event preclearance does not occur by July 20, 2011.

Council Member Blackburn thanked all who spoke during the public hearing and said many good points were made; however, she does not personally support a delay. She stated the concerns raised are important, but she believes the consultant took these types of concerns into consideration, as well as required factors such as keeping the districts near in population, and making them compact, cohesive and continuous. She said she feels Mr. Heagarty has met these goals in a thoughtful and considerate way.

Council Member Blackburn stated Council Member Glover raised concerns about the impact of redevelopment and it had surprised her to learn that regardless of population changes during the period prior to the 2020 Census, the 2010 numbers will still be used. She acknowledged the redistricting proposal is not a perfect plan, but it serves the stated goals and the legal demands to be fair and equitable. A delay may or may not result in any changes to the plan, but creating a delay may mire down a process that will still be based on the same Census numbers.

Council Member Smith stated she is accountable to her constituents and they have stated they are not satisfied with the process. Mr. Heagarty said he had other maps, but he had no direction from the City Council to make a change. She stated she took photos of the high-density area around the new school before looking at this. If she votes for what she is supposed to vote for with the Voting Rights Act, in a couple of years, her 55% will be null and void. The snapshot now is great, but looking at it again later results in a racial divide.



Mayor Pro-Tem Kittrell stated if workshops could be held so that something could be accomplished in short order, he would agree, but he did not want to cause the election to be delayed until next May.

Council Member Joyner stated he likes the changes made to District 5 to bring the Lynndale neighborhood back as a whole, but he agreed he would like to see other options before making a choice. He stated he favors keeping the at-large seat and not adding a sixth voting district. He said he does not want to prolong the process, but as this will impact five elections, he feels the decision must be made carefully. With only one choice, it is not a choice.

Council Member Mercer stated he might be willing to vote for a plan that would allow for more public input or to have other options drawn up, but he is not inclined to vote for a vague motion without a timeline associated.

Council Member Joyner said he would like to add a friendly amendment to the original motion that the at-large seat be retained and the City continue to be divided into five voting districts. He stated more minority population needs to be included in Districts 1 and 2 and he would like to see more than one option for consideration. He asked Mr. Heagarty how long it would take to develop two additional options.

Mr. Heagarty replied he would need more direction from the City Council in order to develop more options. He said he needed to know if they wanted a plan with five districts and the at-large seat, or if they wanted to see a plan with six districts. He asked if they wanted him to solicit any additional citizen input. He stated the plan currently proposed was based on Census data; with more information provided on anticipated changes in neighborhoods, he may be able to make changes to address some of the concerns.

Following significant discussion on potential dates for additional public input sessions and options for additional plans, Council Member Glover revised her original motion to direct Mr. Holec and Mr. Heagarty to conduct additional public input sessions on May 26, 2011 during daytime hours and on May 31, 2011 in the evening, after which Mr. Heagarty would develop an additional redistricting plan which retains the at-large seat and five districts and which addresses potential shifts in population within Districts 1 and 2, to conduct a public hearing at the June 6, 2011 City Council meeting to hear citizen comment on both the current proposal and the new proposal to be developed by Mr. Heagarty, and to delay the vote on a redistricting plan until the conclusion of said public hearing. Council Member Joyner seconded the revised motion, which passed by unanimous vote.

Mayor Dunn called a brief recess at 8:21 pm.



OTHER ITEMS OF BUSINESS

Mayor Dunn reconvened the meeting at 8:33 pm.

- Proposed 2011-2012 Budget

Mr. Bowers stated a comprehensive look at the proposed budget for the upcoming fiscal year was provided at the May 9th City Council meeting and the focus at this meeting would be on providing more detail on items for which issues were raised during that initial presentation or during subsequent discussions.

Mr. Bowers stated the first item he wished to address was actually a result of a recommendation to increase EMS fees, which was made during the May 10th joint meeting to discuss Other Post Employment Benefits (OPEB). During the 2009-2010 fiscal year, actual EMS fees were \$2,845,735. For 2011-2012, those fees are projected to be \$2,652,260. He explained the apparent decrease in revenues is a result of hiring a new position a couple of years ago and making an increased effort to catch up backlogged billing. He stated the income stream now is relatively stable.

Mr. Bowers stated the recommendation to increase fees as a potential means of offsetting OPEB costs proposed increases of 3% (\$79,568), 4% (\$106,090) or 5% (\$132,613). Mr. Bowers stated the suggested rate increase would put Greenville's rates slightly higher than Pitt County, but would still compare favorably to other counties surveyed.

Council Member Joyner asked why the comparison was to other counties. Mr. Bowers stated it is rare for cities to provide EMS coverage. It is typically a county function. He stated he asked the County Manager if they were proposing a rate increase for the coming fiscal year and was told the County plans a comprehensive rate study for next fiscal year and they will look at EMS rates at that time.

Following a general discussion on the matter, the consensus of the City Council was to revisit this issue as a consideration for fiscal year 2012-2013.

Mr. Bowers stated concerns were raised at the May 9th City Council meeting regarding overtime in the Police and Fire Departments. He reviewed budgeted versus actual overtime costs for both departments for the past five fiscal years, then summarized steps being taken in each department to control or reduce overtime costs.



Fire and Rescue:

- Having a full personnel compliment
- Changes in compensation practices for voluntary training courses

Police

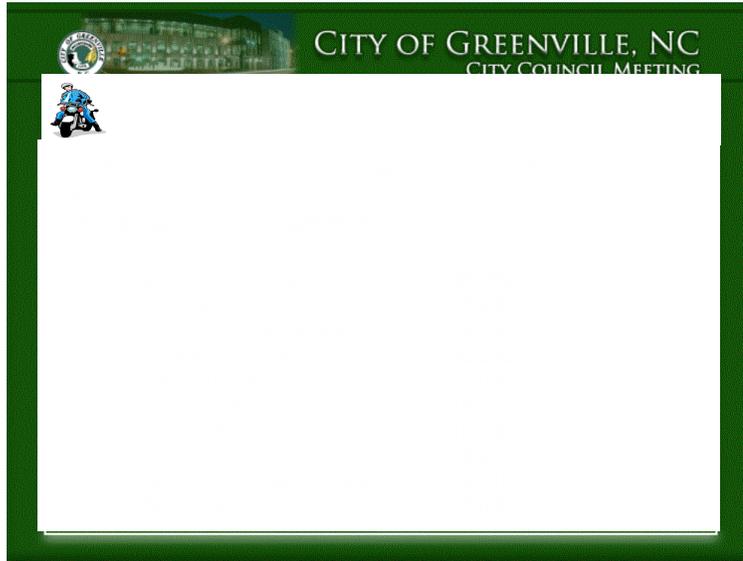
- ERT and HNT training reduced from two days to one day per month
- On-Duty Officers cover Council Meetings and other Special Meetings
- Administrative and Investigative Personnel utilized for Special Assignments
- Overtime for PAL activities eliminated
- Utilization of Flex Time
- Downtown overtime Staffing Reductions (Sunday, Monday, Tuesday, and Wednesday staffed with on-duty personnel, Thursday and Friday reduced by two officers, Number of ranking officers reduced)

Mr. Bowers asked Police Chief William Anderson to discuss the department's new Police Reserve Program.

Chief Anderson stated the purpose of the program is to supplement the regular compliment of full time officers assigned to overtime downtown and for other special events. Forty reserve officers will be hired and trained in Special Event and Crowd Control Management. These reserve officers will be NC certified full-time officers from other departments and will be sworn in as Greenville Police Department (GPD) reserves. They will be required to work a minimum of eight hours per month and will be paired with full-time GPD officers to cover the downtown area and a variety of special events.

Chief Anderson said the program will reduce overtime for full-time sworn personnel and reduce employee stress levels. It will have the added benefit of serving as a recruitment tool for the department.

Chief Anderson discussed overtime projections for the coming year and cost of the Reserve Officer program, making the following recommendations for cost adjustments to maintain a balanced budget:



Mr. Bowers stated the next issue for discussion is the Police Athletic League (PAL) program, which began in June 2007 as a summer program at the Eppes Center with an appropriation of \$13,069. Today the program has grown to three sites and a proposed budget of \$535,613. These projected costs exceed the 2011-2012 Financial Plan by \$109,020.

Capital Reserve Projects questioned during the May 9th meeting included the Brownlea Drive Extension, Phase II, a proposed parking deck and landbanking. Mr. Bowers provided the following data:



FY	Change	Balance
2002		350,000
2003		350,000
2004	(40,000)	310,000
2005		310,000
2006	★ (64,805)	245,195
2007		245,195
2008		245,195
2009		245,195
2010		245,195
2011		245,195

★ Consultant fees for performing engineering design



FY	Change	Balance
2004	2,358,620	2,358,620
2005	750,000	3,108,620
2006	500,000	3,608,620
2007	★ (1,829,055)	1,779,565
2008		1,779,565
2009		1,779,565
2010		1,779,565
2011		1,779,565

★ City Council approved for this amount to be moved to a Capital Project Fund to cover costs for Dickinson Ave. work and purchase of property for Library from Jarvis Church



FY	Change	Balance
2005	100,000	100,000
2006	25,153	125,153
2007		125,153
2008		125,153
2009	★ (1,000)	124,153
2010	★ (2,000)	122,153
2011		122,153

★ \$1,000 transferred for a restricted use appraisal report and \$2,000 was to pay appraisal and legal fees for Bent Creek Subdivision

After general discussion on each of the capital reserve projects, Mr. Bowers stated the City Council requested additional data on unallocated fund balance. A December 2010 balance of \$2,715,121 was reduced by \$151,704 for budget amendments in January and February, and by \$333, 439 for the Drew Steele Center, leaving a balance of \$2,229,968. Assuming the City finishes the current fiscal year with similar revenues and expenses to last year, Mr. Bowers stated the balance will remain similar. Staff is not recommending that money be spent as it is not a recurring revenue.

Mr. Bowers briefly discussed Narrowbanding, which is a process mandated by the Federal Communications Commission (FCC) to require a channel efficiency of one voice per 12.5kHz of spectrum for all users operating between 150-174 and 421-512 MHz. This FCC mandate will impact 222 radios in Public Works and the Fire and Rescue paging system. Police and Fire radios on the VIPER system are not impacted. Required conversions must be accomplished by January 1, 2013, otherwise those radios impacted are at risk of failure. The City is exploring the opportunity for a shared system with Pitt County and would need to utilize unallocated fund balance to pay for radios.

Mr. Bowers mentioned the additional position authorized by the City Council at their last meeting for the Metropolitan Planning Organization. He stated Greenville’s costs will have increased slightly, but are Federally funded at 80% with the local share split by all participating agencies.

Mr. Bowers asked Public Works Director Wes Anderson to address collection of Construction and Demolition (C&D) debris.



Mr. Anderson stated the City Council directed that collection of C&D debris be discontinued in 2008 as a result of the mandate that it be collected as a separate waste stream. He presented the following options and costs to resume the service if the City Council so desires:

CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Sanitation-Options to Collect C & D Debris

Option 1- Pick Up C&D Debris on Day of Service by Appointment (Modified White Good Model)

Additional Crew (2 employees)	\$ 100,000
Additional Truck (5 year payoff)	\$ 25,000
Fuel	\$ 6,000
Maintenance and Repair	\$ 8,000
Overhead	\$ 8,940
Tipping Fees (Est. 1000 tons)	\$ 40,000
Total	\$ 187,940

Note: Approximately \$.42 Per Month Increase in Refuse Fees (Single and Multi-family)

CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Sanitation-Options (CONTINUED)

- **Option 2- Collection by Appointment after Service routes are completed**

Overtime Pay	\$ 100,000
Additional Fuel	\$ 3,000
Tipping Fees (est. 1000 Tons)	\$ 40,000
Total	\$ 143,000

Notes: - Approximately \$.32 Per Month increase in Refuse Fees (Single and Multi-family)
- Concern is Consistently Obtaining Volunteers to Work Overtime

CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Sanitation-Options (CONTINUED)

- **Option 3- Collection of C&D Debris by Appointment with a Fee for Service**

Additional Crew (2 employees)	\$ 100,000
Additional Truck (5 year payoff)	\$ 25,000
Fuel	\$ 6,000
Maintenance and Repair	\$ 8,000
Overhead	\$ 8,940
Tipping Fees (Est. 1000 Tons)	\$ 40,000
Projected Revenue (Per Manual of Fees)	\$ 150,000
Total	\$ 37,940

Note: - Approximately \$.08 Per Month Increase in Refuse Fees (Single and Multi-family)
- Proposed Charges are \$150.00 For 1st Hour and \$125.00 For Each Additional Hour

Mr. Bowers then addressed Parking Pay Stations. Six stations were installed in the Reade/Cotanche area with project implementation in April 2011 including an extensive public education campaign. Patrons seem to have adapted well to the change and installation in the Courthouse area is anticipated to begin in April 2012. Mr. Bowers stated expected increases in both revenues and expenses should result in a modest reserve of \$8,125 for 2011-2012, which should be set aside for downtown parking projects.



Mr. Bowers stated the City Council voted not to proceed on implementation of the Compensation and Classification Plan until after its review process, but required funding is recommended for inclusion in the budget since implementation is anticipated to be retroactive to July 1, 2011 once the plan is approved. He stated the City and the Greenville Utilities Commission budgets include funding for reinstatement of the merit program although a decision has not yet been made on the merit program. He stated the merit is figured in at 1.5%, but could actually be done as a one-time thing as either merit or an across-the-board adjustment. He stated that works well for a single year, but over time, either a merit program or some type of step progression program is needed to advance employees through their pay range.

Mr. Bowers stated the majority of funding needed for Boards and Commissions is incorporated into departmental budgets, however, additional funding was requested by three groups. The Environmental Advisory Commission requested \$5,000, Public Transportation and Parking asked for \$4,000 and the Bicycle and Pedestrian Commission asked for \$2,500.

Mr. Bowers concluded his presentation with a review of the remaining budget schedule:

- June 6, 2011 – Public Hearing on the 2011-2012 Budget
- June 9, 2011 – Adoption of the 2011-2012 Budget
- July 1, 2011 – Start of the 2011–2012 Fiscal Year

COMMENTS FROM MAYOR AND CITY COUNCIL

The Mayor and Members of the Council made general comments about past and future events.

CITY MANAGER'S REPORT

City Manager Bowers gave no report.



ADJOURNMENT

Council Member Joyner moved to adjourn the meeting, seconded by Council Member Blackburn. There being no further discussion, the motion passed by unanimous vote and Mayor Dunn adjourned the meeting at 10:26 pm.

Respectfully submitted,

Carol L. Barwick, CMC
City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

-
- Title of Item:** First reading of an ordinance authorizing expansion of a taxicab franchise to Mahmoud Ahmad Atiyha, d/b/a Ace Cab
- Explanation:** Mahmoud Ahmad Atiyha, d/b/a Ace Cab, has made application to expand his existing taxicab franchise to operate a total of four taxicabs. The Financial Services, Community Development, and Police Departments have all reviewed the application packet and support approval of the applicant's request. A public hearing on this request is scheduled for June 9, 2011 after being advertised in The Daily Reflector on May 30, 2011 and June 6, 2011. Notification of the public hearing was mailed to all current vehicle for hire franchise owners.
- Fiscal Note:** No direct cost to the City.
- Recommendation:** Adoption of the first reading of an ordinance authorizing expansion of a taxicab franchise to Mahmoud Ahmad Atiyha, d/b/a Ace Cab.
-

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

- [Application Packet from Ace Cab](#)
 - [Ordinance granting a taxicab franchise to Mahmoud Ahmad Atiyha ACE cab 1st reading 898388](#)
-

**AN ORDINANCE GRANTING AN AMENDMENT TO TAXICAB FRANCHISE
OF MAHMOUD AHMAD ATIYHA, D/B/A ACE CAB**

WHEREAS, the City of Greenville is authorized by G.S. §160A-304 to license and regulate all vehicles operated for hire within the City of Greenville; and

WHEREAS, the City of Greenville has adopted an ordinance, Chapter 1 of Title 11 of the Greenville City Code, requiring the operators of taxicab businesses within the City to obtain a franchise from the City permitting said operation, and said ordinance sets forth certain requirements and criteria that must be satisfied in order to obtain and maintain the franchise for the operation of a taxicab business; and

WHEREAS, Mahmoud Ahmad Atiyha, d/b/a Ace Cab, was granted a taxicab franchise on March 3, 2011, which permitted the operation of 1 taxicab within the City limits and now seeks authorization to increase the number of taxicabs operated within the City limits to 4 taxicabs; and

WHEREAS, following investigation into the qualifications of the applicant, the City Council has determined that the applicant satisfies the requirements and conditions for the operation of a taxicab business within the City and has presented evidence substantiating the public convenience and necessity of such a business;

NOW, THEREFORE, BE IT ORDAINED by the Greenville City Council that:

Section 1. A taxicab franchise issued to Mahmoud Ahmad Atiyha, d/b/a Ace Cab, is amended to permit the operation within the City of Greenville of not more than 4 taxicabs.

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. Any part or provision of this ordinance found by a court of competent jurisdiction to be in violation of the Constitution or laws of the United States or North Carolina is hereby deemed severable and shall not affect the validity of the remaining provisions of the ordinance.

Section 4. This ordinance shall become effective immediately upon its adoption following its second reading.

First reading approved on the 6th day of June, 2011.

APPLICATION FOR TAXICAB FRANCHISE

(NOTE: \$30 application fee must be presented with application in order for application to be considered.)

To the Mayor and City Council of the City of Greenville

The undersigned hereby makes application for a taxicab franchise under the provisions of Chapter 564, Session Laws 1945, and presents the following information:

1. The applicant is familiar with the ordinances of the City of Greenville relating to liability insurance, drivers regulations, regulations of rates, and other matters pertaining to the operation of taxicabs.

2. The individual, corporate or trade name and business address of the applicant is:
Mahmoud Atiyha, ACE CAB 3802 Sterling pointe Dr Unit B4
Winterville, NC 28590

3. The Applicant is:
 A. An individual and sole owner of the taxicab business to be operated under the above name.
 B. A corporation chartered under the laws of the State of North Carolina in the year _____, and the officers of the corporation are _____

C. A partnership, as shown by articles hereto attached, and the names of partners are: _____

4. The Applicant operates in the following cities: Greenville, NC

5. The Applicant is requesting franchise to operate 4 taxicabs. (3 additional + 1 approved 03/03/2011)

6. In support of this application, the following Exhibits are attached.
- Exhibit A. A full statement of facts which, if supported by substantial testimony at the hearing, will support a finding of public convenience and necessity for this operation.
 - Exhibit B. A complete list of Applicant's motor equipment showing year, make, model, and carrying capacity of each unit.
 - Exhibit C. Financial statement showing assets, liabilities and net worth of applicant.
 - Exhibit D. Statement showing applicant has made complete arrangement for off-street parking of all motor vehicles.
 - Exhibit E. Statement of proposed fares for transportation of persons and property.
 - Exhibit F. Statement of experience of applicant in conducting taxicab business.
 - Exhibit G. For persons who plan to be a driver: Official results of a drug screening for the applicant(s) from a practicing licensed physician AND a waiver from the physician who conducted the drug screening releasing those results to the Greenville Police Department

HAND PRINT OR TYPE

LAST NAME <u>Atiyha</u>		FIRST NAME <u>Mahmoud</u>		MIDDLE NAME <u>Ahmad</u>		
ALIAS OR NICKNAME		SEX <u>M</u>	AGE <u>23</u>	WEIGHT <u>170</u>	HEIGHT <u>6'-8"</u>	ID NO.
ADDRESS <u>3802 Sterling Point Dr Unit B4</u>		HAIR <u>Black</u>	EYES <u>Brown</u>	COMPLEXION <u>Olive</u>		
OCCUPATION <u>Taxi Driver, Disbutcher</u>			DRIVERS LICENSE NO. <u>[blacked out]</u>	IDENTIFICATION NO.		
PLACE OF BIRTH <u>Jerusalem</u>			DATE OF BIRTH <u>08/22/1987</u>	SOCIAL SECURITY NO. <u>[blacked out]</u>		

Signature of Applicant [Signature]

Subscribed and sworn to before me this 12th day of May, 2011.

My Commission Expires: 07/02/2015

[Signature]
 Notary Public

CITY OF GREENVILLE OFFICIAL RECEIPT
CITY OF GREENVILLE OFFICIAL RECEIPT ***

*** CUSTOMER RECEIPT ***
Receipt no: 381461

5/12/11 50

Amount Description TP SY

430.00 TAXI LICENSE INT 12

Qty 1

Amount Description

430.00 TAXI LICENSE INT 12

POLICE DEPARTMENT F 010000003803015

LABOR UNIT 010000010100000

FOR COB COMPANY

CC CHECK CARD

Total amount

Total amount

Total payment

430.00

430.00

430.00

Trans. date: 5/12/11

Time: 11:59:30

Dear Mayor Pat Dunn and the City Council of Greenville,

My name is Mahmoud Atiyha and I'm currently looking to add three more taxis vehicles to Ace Cab taxi business. My mission is to provide Greenville with excellent service. Ace Cab will be recognized as a leader in providing efficient, safe, and reliable taxi service to the city of Greenville. I want everybody to have a lovely and wonderful experience to my service. The reason I want add more taxicabs to the business is to help the community to find a way of transportation for as getting to their job, school, sporting event, evening night out, and much more reasons. I will be driving one 2000 Honda Van, two Ford crown Vitoria and one Toyota van. It has a maximum capacity of five people for the cars and ten people for the vans. I will be storing these vehicles at 900 N Greene St Greenville NC 27834. I'm 23 years old and currently a student at Pitt Community College. I have the competency to mange and obtain a professional place of business. I have the drive and determination to keep a successful taxi cab franchise. I would like to see my application reviewed for further reading and evaluation, so I can successfully add vehicles to my business.

Greenville, NC need more taxi service because Greenville is steadily growing. Everybody doesn't own a vehicle therefore has no way of getting around. There are more college students enrolling at ECU and Pitt Community college every year and lot of students need to find a way to get around, The locals' of Greenville also need away of transportation. The more transportation you have for grown city the more money it brings in to the city so it works out hand to hand. The bus only takes you certain location and only makes certain pickups a taxi cab can pick you up and take you where ever you want. That's why Greenville need more taxi services. I own no property but pay rent for housing and have no outstanding loans.

Contact #(252) 758-0888

Email: mikethemana@yahoo.com

[Print](#) | [Close Window](#)

Account Dashboard

Alert: This page is a summary of other pages in the application. It requires Javascript to be enabled in your web browser. You must enable Javascript to use this page, or go to the page to continue without Javascript.

Expense Analysis



Net Worth Summary

Account Type	Account Information	Balance
Banking Total Banking: \$2,028.76	Bank of America (All except WA & ID) - CampusEdge checking Edit Nickname Update Last updated 05/11/2011 09:34 PM EST	\$1,509.41
	Bank of America (All except WA & ID) - Regular Savings Edit Nickname Update Last updated 05/11/2011 09:34 PM EST	\$509.40
Total Assets: \$2,028.76		
Account Type	Account Information	Balance
Credit Cards Total Credit Cards: \$52.61	Bank of America (All except WA & ID) - Credit Card - Bank of America Edit Nickname Update Last updated 05/11/2011 09:34 PM EST	\$52.61
	Bank of America (All except WA & ID) - Credit Card - Business Card Edit Nickname Update Last updated 05/11/2011 09:34 PM EST	\$0.00
Total Liabilities: \$52.61		
Total Net Worth Summary: \$1,976.15		

The information on this page represents the balance of your account(s) when data was last collected. If you have excluded any of your accounts from the Net Worth Calculation, those accounts will not appear in your Net Worth Summary.

Investments Detail

The Investments Detail module allows you to easily monitor and research your current investment holdings.

Bill Reminders

Status	Due Date	Bill	Minimum Payment	Amount Due
	05/11/2011	Bank of America (All except WA & ID) - Credit Card - Business Card Mark as Paid View Bill Update Last updated 05/11/2011 09:34 PM EST	\$0.00	\$0.00
	05/18/2011	Bank of America (All except WA & ID) - Credit Card - Bank of America Mark as Paid View Bill Update Last updated 05/11/2011 09:34 PM EST	\$0.00	\$73.20
Total Bills Due:			\$0.00	\$73.20

Rewards Summary

The Rewards Summary module allows you to view point and mileage balances for your reward programs.

PAAS - Keystone Client

PAAS Tax Bill Inquiry TC0035

Bill Nbr: 10VZSV1596 Bill Date: 12/14/10 Bill Status: C
 Account: ATTYHA, MAHMOUD AHMAD Bill Class: WV
 Desc/Loc: 2000 HOND VAN ODYSSEY LX Bill Type: V
 Parcel ID: District: 01 01 Tax Year(s): 10
 Map/Blk-Lt: Principal: \$60.88 Correspondence:
 Real Value: Discount: 0.00 as of
 Pers Value: 4,580 Interest: 0.00 as of 01/06/11
 Exemptions: Penalty: 0.00
 Deferments: Balance Due: 60.88
 Conditions:

Eff Date:	Trans:	Amount:	Paid By:	Reference

10.1.2.20 XPAAS (EDE.DPJ) Edgemont County v1.92 CAPS RUM 1/6/2011

Item # 9

Item # 2

	No. 1421
	TAXI DRIVERS PERMIT GREENVILLE, N.C.
	Issued 9/21/2010 Expires 9/21/2011
	Name Mahmoud Ahmad Atiyha
	N.C. Operator No.
	Age 23 Sex M Color W
	Residence 500 Mason Pl. Tarboro NC
	Company Name Red, White & Blue Cab
 Chief of Police	

STATE OF NORTH CAROLINA DMV

	DRIVER LICENSE
	MAHMOUD AHMAD ATIYHA 3802 STERLING POINTE DR UNIT B4 WINTERVILLE NC 28590-6821 class: C endorsements: None restrictions: None issued: 12-10-2010 expires: 04-23-2012 sex: M ht: 5-08, eyes: BRO hair: B, eyes: B birthdate: 08-22-1987

Item # 9

Item # 2

**STATE OF NORTH CAROLINA
REGISTRATION CARD**

NC LIC NUMBER 7A6559	PLT VALID THRU 11/15/2011	INSPECTION DUE 10/31/2011	GROSS WT
VEHICLE ID # 2HKRL1868YH607646	TITLE # 77045410293952W	EQUIP #	
MAKE/SERIES HOND	STYLE VR	YEAR 2000	FUEL G
SHIPPING WEIGHT	TOTAL FEE		78.00
CLASSIFICATION TAXI / PASS VEH	VEHICLE BRAND		
CUSTOMER ID # OWNER 1	CUSTOMER ID # OWNER 2	COUNTY EDGECS	
MARHOOD AHMAD ATIYHA			
1500 MACON PL TARBORO NC 27886 2639			

NC DIVISION OF MOTOR VEHICLES
RECEIPT OF FEES PAID

MARHOOD AHMAD ATIYHA
License 50.00

2000 HOND VN
2HKRL1868YH607646
77045410293952W
147 10/20/2010 TIC1472

TOTAL 50.00 CASH

A10 - ALLSTATE INSURANCE COMPANY
INSURANCE COMPANY AUTHORIZED IN NC

955630536 POLICY NUMBER

SIGNATURE



2HKRL1868YH607646

+
+
+
25178345

HEARTHSIDE RENTALS

3493-D S. EVANS STREET
GREENVILLE, NC 27834
252-355-5923

A notice to vacate from the LESSEE is required in writing 30 days prior to the move out date. Otherwise, the security deposit is automatically forfeited.

TO SUBLEASE AN APARTMENT:

The person moving has to come into the office and fill out intent to vacate form (30 day notice form). The person taking over the lease needs to fill out an application and be approved. Once they are approved we will draw up a new lease with the new name but with the dates and amounts that are on the original lease. The original security deposit will stay with the apartment. This means the new person will pay the moving tenant the security deposit. We will inspect the apartment after the original tenant moves out and before the new tenant moves in. The walk thru will be done by request only.

TERMINATION FEE:

If for some reason beyond your control (illness, job loss or transfer, etc.) you are forced to move before your lease terms is fulfilled, you must pay a termination fee to void the balance due on your lease. The termination fee is equal to 2 months rent and is payable by MONEY ORDER NO LATER THAN 2 WEEKS PRIOR TO MOVE OUT. A WRITTEN 30-DAY NOTICE IS STILL REQUIRED TO QUALIFY FOR THIS PROCESS. If there are no damages or other levies, your security deposit will be refunded in full. In multiple Tenant situations, if one tenant wishes to stay and one vacate, the existing tenant may continue the remainder of the lease with out penalty, or may sublease the leaving tenant's portion of lease.

If you move out prior to the end of the lease agreement with out paying the termination fee: You will forfeit your security deposit, be held liable for rent on that unit until it is re-occupied or end of lease, be charged for any damages and be charged a \$75.00 re-rental fee. Any or all of the above costs not paid within 30 days shall be reported to the Credit Bureau for Collection. It will also appear on your credit report as an unpaid judgment.

SIGNATURE: _____



Hearthside Rentals
3493-D S. Evans Street
Greenville, NC 27858
252-355-5923
www.hearthsidepropertymanagement.com

Renter's Insurance Addendum:

Hearthside Rentals advises all residents to obtain a "Renter's Insurance Policy" to cover their personal property and/or personal injuries and any other damages that may occur in their residence. According to the terms of the rental agreement, the Owner and/or Hearthside Rentals is not responsible for any damages to tenants personal property.

Renter's Insurance can provide you with coverage for loss, damage, or destruction of your property. It may also provide coverage for additional living expenses you may incur in the event the residence becomes uninhabitable. Such insurance can also protect you from any liability claims resulting from your own activities. For example, if you negligently cause a fire, you may be held responsible for damages to the property and the property of others. Similarly, if a guest were to have an accident in your residence, you could be held personally responsible for the guest's injuries.

We strongly encourage all resident to obtain a renters insurance policy. These policies are usually reasonable in cost. Consult your insurance agent as soon as possible.

DATE: 6-29-10 MA

Tenant: MAA 22A A

Tenant: _____

Tenant: _____

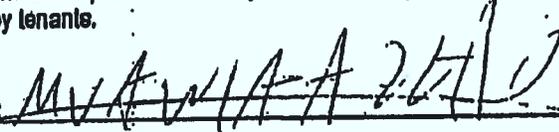
Address: _____

ADDITIONAL TERMS AND CONDITIONS

THE FOLLOWING TERMS AND CONDITIONS ARE AMENDMENTS TO THE LEASE IN WHOLE OR IN PART:

1. The Security Deposit **CANNOT** be used as your last month's rent.
2. There is a \$250.00 liquidated damage fee for violation of the pet clause, which will be billed to you. You will be given 24 hours to remove the pet. If the pet is not removed within the allotted time, you will be given a 30-day notice to move, for breach of your lease.
3. Your rent is due on the 1st of each month and is late after the 5th at the end of the business day each month. Court papers will be filed on the 15th of each month.
4. You are responsible for changing the heat and a/c filter once a month.
5. You are responsible for checking the smoke detector monthly. If the battery needs replaced it is your responsibility for replacing it. If there is another problem with it please call the office and we will send our maintenance man to repair or replace it.
6. Your address must be on the check or money order or it will be considered late.
7. You are responsible for maintaining utilities in your apartment the entire time you live there, if for some reason the power is cut off (example: electric out off for non-payment) you will be responsible for any inspections that may occur to reinstate the power. This includes gas, electric, and water/sewer where applicable.
8. If your apartment has gas logs, you are responsible for any inspections required to connect service.
9. You are responsible for professionally cleaning the carpet at the time the unit is vacated and you must turn in a PAID receipt with your keys, or we will hold the money from your security deposit to have it cleaned.
10. Due to the fact that Hearthiside Rentals does not insure your personal belongings we strongly recommend that you obtain renter's insurance. Hearthiside Rentals and the property owner assume no liability for your personal belongings.
11. Satellite Dishes are allowed only with written permission. Dish must be located on the Apartment Balcony or Patio. Only one dish will be allowed per apartment.
12. No excessive use of alcohol, **NO** illegal drugs, and loud music and loud partying are not tolerated.
13. Please do not drive on the grass when moving in or out.
14. No nails should be placed in doors (inside or outside) or in wallpaper border. No painting or wallpapering will be done by tenants.

SIGNATURE: _____

A handwritten signature in black ink, appearing to read 'M. A. W. A. A. 2. 6. 1. 0', is written over a horizontal line.

THE OTHER 30 DAYS WRITTEN NOTICE PRIOR TO THE LAST DAY OF THE THEN CURRENT PERIOD OF THE TENANCY.

2. **Rent:** Tenant shall pay the Rent, without notice, demand or deduction, to Landlord or as Landlord directs. The first Rent payment, which shall be prorated if the Initial Term commences on a day other than the first day of the Payment Period, shall be due on July 01, 2010 (date). Thereafter, all rentals shall be paid in advance on or before the FIRST day of each subsequent Payment Period for the duration of the tenancy.

3. **Late Payment Fees and Returned Check Fees:** Tenant shall pay the Late Payment Fee if any rental payment is not received by midnight on the fifth (5th) day after it is due. *This late payment fee shall be due immediately without demand therefor and shall be added to and paid with the late rental payment. Tenant also agrees to pay the Returned Check Fee for each check of Tenant that is returned by the financial institution because of insufficient funds or because the Tenant did not have an account at the financial institution.*

4. **Tenant Security Deposit:** The Security Deposit shall be administered in accordance with the North Carolina Tenant Security Deposit Act (N.C.G.S. § 42-50 et. seq.). IT MAY, IN THE DISCRETION OF EITHER THE LANDLORD OR THE AGENT, BE DEPOSITED IN AN INTEREST-BEARING ACCOUNT WITH THE BANK OR SAVINGS INSTITUTION NAMED ABOVE. ANY INTEREST EARNED UPON THE TENANT SECURITY DEPOSIT SHALL ACCRUE FOR THE BENEFIT OF, AND SHALL BE PAID TO, THE LANDLORD, OR AS THE LANDLORD DIRECTS. SUCH INTEREST, IF ANY, MAY BE WITHDRAWN BY LANDLORD OR AGENT FROM SUCH ACCOUNT AS IT ACCRUES AS OFTEN AS IS PERMITTED BY THE TERMS OF THE ACCOUNT.

Upon any termination of the tenancy herein created, the Landlord may deduct from the Tenant Security Deposit amounts sufficient to pay: (1) any damages sustained by the Landlord as a result of the Tenant's nonpayment of rent or nonfulfillment of the Initial Term or any renewal periods, including the Tenant's failure to enter into possession; (2) any damages to the Premises for which the Tenant is responsible; (3) any unpaid bills which become a lien against the Premises due to the Tenant's occupancy; (4) any costs of re-renting the Premises after a breach of this lease by the Tenant; (5) any court costs incurred by the Landlord in connection with terminating the tenancy; and (6) any other damages of the Landlord which may then be a permitted use of the Tenant Security Deposit under the laws of this State. No fees may be deducted from the Tenant Security Deposit until the termination of the tenancy. After having deducted the above amounts, the Landlord shall, if the Tenant's address is known to him, refund to the Tenant, within thirty (30) days after the termination of the tenancy and delivery of possession, the balance of the Tenant Security Deposit along with an itemized statement of any deductions. If the extent of Landlord's claim against the security deposit cannot be determined within 30 days, Landlord shall provide Tenant with an interim accounting no later than 30 days after termination of the tenancy and delivery of possession of the Premises to Landlord and shall provide a final accounting within 60 days after termination of the tenancy and delivery of possession of the Premises to Landlord. If there is more than one person listed above as Tenant, Agent may, in Agent's discretion, pay said balance to any such person, and the other person(s) agree to hold Agent harmless for such action. If the Tenant's address is unknown to the Landlord, the Landlord may deduct the above amounts and shall then hold the balance of the Tenant Security Deposit for the Tenant's collection for a six-month period beginning upon the termination of the tenancy and delivery of possession by the Tenant. If the Tenant fails to make demand for the balance of the Tenant Security Deposit within the six-month period, the Landlord shall not thereafter be liable to the Tenant for a refund of the Tenant Security Deposit or any part thereof.

If the Landlord removes Agent or Agent resigns, the Tenant agrees that Agent may transfer any Tenant Security Deposit held by Agent hereunder to the Landlord or the Landlord's designee and thereafter notify the Tenant by mail of such transfer and of the transferee's name and address. The Tenant agrees that such action by Agent shall relieve Agent of further liability with respect to the Tenant Security Deposit. If Landlord's interest in the Premises terminates (whether by sale, assignment, death, appointment of receiver or otherwise), Agent shall transfer the Tenant Security Deposit in accordance with the provisions of North Carolina General Statutes § 42-54.

5. **Tenant's Obligations:** Unless otherwise agreed upon, the Tenant shall:

- (a) use the Premises for residential purposes only and in a manner so as not to disturb the other tenants;
- (b) not use the Premises for any unlawful or immoral purposes or occupy them in such a way as to constitute a nuisance;
- (c) keep the Premises, including but not limited to all plumbing fixtures, facilities and appliances, in a clean and safe condition;
- (d) cause no unsafe or unsanitary condition in the common areas and remainder of the Premises used by him;
- (e) comply with any and all obligations imposed upon tenants by applicable building and housing codes;
- (f) dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner and comply with all applicable ordinances concerning garbage collection, waste and other refuse;
- (g) use in a proper and reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances, if any, furnished as a part of the Premises;
- (h) not deliberately or negligently destroy, deface, damage or remove any part of the Premises (including all facilities, appliances and fixtures) or permit any person, known or unknown to the Tenant, to do so;
- (i) pay the costs of all utility services to the Premises which are billed directly to the Tenant and not included as a part of the rentals, including, but not limited to, water, electric, telephone, and gas services;
- (j) conduct himself and require all other persons on the Premises with his consent to conduct themselves in a reasonable manner and so as not to disturb other tenants' peaceful enjoyment of the Premises; and
- (k) not abandon or vacate the Premises during the Initial Term or any renewals or extensions thereof. Tenant shall be deemed to

have abandoned or vacated the Premises if Tenant removes substantially all of his possessions from the Premises.

(l) n/a

6. Landlord's Obligations: Unless otherwise agreed upon, the Landlord shall:

- (a) comply with the applicable building and housing codes to the extent required by such building and housing codes;
- (b) make all repairs to the Premises as may be necessary to keep the Premises in a fit and habitable condition; provided, however,

in accordance with paragraph 10, the Tenant shall be liable to the Landlord for any repairs necessitated by the Tenant's intentional or negligent misuse of the Premises;

(c) keep all common areas, if any, used in conjunction with the Premises in a clean and safe condition;

(d) promptly repair all facilities and appliances, if any, as may be furnished by the Landlord as part of the Premises, including electrical, plumbing, sanitary, heating, ventilating, and air conditioning systems, provided that the Landlord, except in emergency situations, actually receives notification from the Tenant in writing of the needed repairs; and

(e) within a reasonable period of time based upon the severity of the condition, repair or remedy any imminently dangerous condition on the Premises after acquiring actual knowledge or receiving notice of the condition. Notwithstanding Landlord's repair or remedy of any imminently dangerous condition, Landlord may recover from Tenant the actual and reasonable costs of repairs that are the fault of Tenant.

7. Smoke and Carbon Monoxide Detectors: Pursuant to North Carolina General Statutes § 42-42 and 42-43, the Landlord shall provide and install operable smoke detectors, either battery-operated or electrical, having an Underwriters' Laboratories, Inc., listing or other equivalent national testing laboratory approval. Effective January 1, 2010, if the Premises has a fossil-fuel burning heater or appliance, fireplace, or an attached garage, the Landlord shall provide and install a minimum of one operable carbon monoxide detector per level in the Premises, either battery operated or electrical, that is listed by a national, OSHA-approved testing laboratory. The Tenant shall notify the Landlord, in writing, of the need for replacement of or repairs to a smoke or carbon monoxide detector. The Landlord shall replace or repair the smoke or carbon monoxide detector within 15 days of receipt of notification if the Landlord is notified of needed replacement or repairs in writing by the Tenant. The Landlord shall ensure that a smoke or carbon monoxide detector is operable and in good repair at the beginning of the Initial Term of the Tenancy. The Landlord shall place new batteries in any battery-operated smoke or carbon monoxide detectors at the beginning of the Initial Term of the tenancy; the Tenant shall replace the batteries as needed during the tenancy.

8. Rules and Regulations: The Tenant, his family, servants, guests and agents shall comply with and abide by all the Landlord's existing rules and regulations and such future reasonable rules and regulations as the Landlord may, at Landlord's discretion, from time to time, adopt governing the use and occupancy of the Premises and any common areas used in connection with them (the "Rules and Regulations"). Landlord reserves the right to make changes to the existing Rules and Regulations and to adopt additional reasonable rules and regulations from time to time; provided however, such changes and additions shall not alter the essential terms of this lease or any substantive rights granted hereunder and shall not become effective until thirty (30) days' written notice thereof shall have been furnished to Tenant. Tenant also agrees to abide by any applicable homeowners' association regulations as they now exist or may be amended. A copy of the existing Rules and Regulations, and any applicable homeowners' association regulations, are attached hereto and the Tenant acknowledges that he has read them. The Rules and Regulations shall be deemed to be a part of this lease giving to the Landlord all the rights and remedies herein provided.

9. Right of Entry: Landlord hereby reserves the right to enter the Premises during reasonable hours for the purpose of (1) inspecting the Premises and the Tenant's compliance with the terms of this lease; (2) making such repairs, alterations, improvements or additions thereto as the Landlord may deem appropriate; and (3) showing the Premises to prospective purchasers or tenants. Landlord shall also have the right to display "For Sale" or "For Rent" signs in a reasonable manner upon the Premises.

10. Damages: Tenant shall be responsible for and liable to the Landlord for all damage to, defacement of, or removal of property from the Premises whatever the cause, except such damage, defacement or removal caused by ordinary wear and tear, acts of the Landlord, his agent, or of third parties not invitees of the Tenant, and natural forces. Tenant agrees to pay Landlord for the cost of repairing any damage for which Tenant is responsible upon receipt of Landlord's demand therefor, and to pay the Rent during the period the Premises may not be habitable as a result of any such damage.

11. Pets: If pets are not allowed, Tenant agrees not to keep or allow anywhere on or about the Property any animals or pets of any kind, including but not limited to, dogs, cats, birds, rodents, reptiles or marine animals. If pets are allowed, Tenant acknowledges that the amount of the Pet Fee is reasonable and agrees that the Landlord shall not be required to refund the Pet Fee in whole or in part. If pets are allowed, Tenant agrees to reimburse Landlord for any primary or secondary damages caused thereby whether the damage is to the Premises or to any common areas used in conjunction with them, and to indemnify Landlord from any liability to third parties which may result from Tenant's keeping of such pet or pets.

The Tenant shall remove any pet previously permitted with 24 hours of written notification from the Landlord that the pet, in the Landlord's sole judgment, creates a nuisance or disturbance or is, in the Landlord's opinion, undesirable. If the pet is caused to be removed pursuant to this paragraph, the Landlord shall not be required to refund the Pet Fee; however, the Tenant shall be entitled to acquire and keep another pet of the type previously authorized.

12. Alterations: The Tenant shall not paint, mark, drive nails or screws into, or otherwise deface or alter walls, ceilings, floors, windows, cabinets, woodwork, stone, ironwork or any other part of the Premises or decorate the Premises or make any alterations, additions, or improvements in or to the Premises without the Landlord's prior written consent and then only in a workmanlike manner

using materials and contractors approved by the Landlord. All such work shall be done at the Tenant's expense and at such times and in such manner as the Landlord may approve. All alterations, additions, and improvements upon the Premises, made by either the Landlord or Tenant, shall become the property of the Landlord and shall remain upon and become a part of the Premises at the end of the tenancy hereby created.

13. Occupants: The Tenant shall not allow or permit the Premises to be occupied or used as a residence by any person other than Tenant and the Permitted Occupants.

14. Rental Application: In the event the Tenant has submitted a Rental Application in connection with this lease, Tenant acknowledges that the Landlord has relied upon the Application as an inducement for entering into this Lease and Tenant warrants to Landlord that the facts stated in the Application are true to the best of Tenant's knowledge. If any facts stated in the Rental Application prove to be untrue, the Landlord shall have the right to terminate the tenancy and to collect from Tenant any damages resulting therefrom.

15. Tenant's Duties Upon Termination: Upon any termination of the Tenancy created hereby, whether by the Landlord or the Tenant and whether for breach or otherwise, the Tenant shall: (1) pay all utility bills due for services to the Premises for which he is responsible and have all such utility services discontinued; (2) vacate the Premises removing therefrom all Tenant's personal property of whatever nature; (3) properly sweep and clean the Premises, including plumbing fixtures, refrigerators, stoves and sinks, removing therefrom all rubbish, trash, garbage and refuse; (4) make such repairs and perform such other acts as are necessary to return the Premises, and any appliances or fixtures furnished in connection therewith, in the same condition as when Tenant took possession of the Premises; provided, however, Tenant shall not be responsible for ordinary wear and tear or for repairs required by law or by paragraph 6 above to be performed by Landlord; (5) fasten and lock all doors and windows; (6) return to the Landlord all keys to the Premises; and (7) notify the Landlord of the address to which the balance of the Security Deposit may be returned. If the Tenant fails to sweep out and clean the Premises, appliances and fixtures as herein provided, Tenant shall become liable, without notice or demand, to the Landlord for the actual costs of cleaning (over and above ordinary wear and tear), which may be deducted from the Security Deposit as provided in paragraph 4 above.

16. Tenant's Default: In the event the Tenant shall fail to:

- (a) pay the rentals herein reserved as and when they shall become due hereunder; or
- (b) perform any other promise, duty or obligation herein agreed to by him or imposed upon him by law and such failure shall continue for a period of five (5) days from the date the Landlord provides Tenant with written notice of such failure,

then in either of such events and as often as either of them may occur, the Landlord, in addition to all other rights and remedies provided by law, may, at its option and with or without notice to Tenant, either (i) terminate this lease or (ii) terminate the Tenant's right to possession of the Premises without terminating this lease. Regardless of whether Landlord terminates this lease or only terminates the Tenant's right of possession without terminating this lease, Landlord shall be immediately entitled to possession of the Premises and the Tenant shall peacefully surrender possession of the Premises to Landlord immediately upon Landlord's demand. In the event Tenant shall fail or refuse to surrender possession of the Premises, Landlord shall, in compliance with Article 2A of Chapter 42 of the General Statutes of North Carolina, reenter and retake possession of the Premises only through a summary ejectment proceeding. If a summary ejectment proceeding is instituted against Tenant, in addition to any court costs and past-due rent that may be awarded, Tenant shall be responsible for paying Landlord the relevant Complaint-Filing Fee, Court Appearance Fee or Second Trial Fee, only one of which Landlord is entitled to charge and retain. The Complaint-Filing Fee may be charged if: (i) Tenant was in default of this lease, (ii) the Landlord filed and served a complaint for summary ejectment and/or money owed, (iii) Tenant cured the default or claim, and (iv) Landlord dismissed the complaint prior to judgment. The Court Appearance Fee may be charged if: (i) Tenant was in default of the lease, Landlord filed, served, and prosecuted successfully a complaint for summary ejectment and/or monies owed in small claims court, and (iv) neither party appealed the judgment of the magistrate. The Second Trial Fee may be charged for a new trial following an appeal from the judgment of a magistrate, provided Landlord proves: (i) that Tenant was in default of the lease and (ii) Landlord prevailed. (NOTE: If the rent is subsidized by HUD, the US Department of Agriculture, a State Agency, a public housing authority, or a local government, any fee charged pursuant to this paragraph 16 shall be calculated on Tenant's share of the rent only.) In the event Landlord terminates this lease, all further rights and duties hereunder shall terminate and Landlord shall be entitled to collect from Tenant all accrued but unpaid rents and any damages resulting from the Tenant's breach. In the event Landlord terminates the Tenant's right of possession without terminating this lease, Tenant shall remain liable for the full performance of all the covenants hereof, and Landlord shall use reasonable efforts to re-let the Premises on Tenant's behalf. Any such rentals reserved from such re-letting shall be applied first to the costs of re-letting the Premises and then to the rentals due hereunder. In the event the rentals from such re-letting are insufficient to pay the rentals due hereunder in full, Tenant shall be liable to the Landlord for any deficiency. In the event Landlord institutes a legal action against the Tenant to enforce the lease or to recover any sums due hereunder, Tenant agrees to pay Landlord reasonable attorney's fees in addition to all other damages. No fees may be deducted from the Tenant Security Deposit until the termination of the tenancy.

17. Landlord's Default; Limitation of Remedies and Damages: Until the Tenant notifies the Landlord in writing of an alleged default and affords the Landlord a reasonable time within which to cure, no default by the Landlord in the performance of any of the promises or obligations herein agreed to by him or imposed upon him by law shall constitute a material breach of this lease and the Tenant shall have no right to terminate this lease for any such default or suspend his performance hereunder. In no event and regardless of their duration shall any defective condition of or failure to repair, maintain, or provide any area, fixture or facility used in connection with recreation or recreational activities, including but not limited to swimming pools, club houses, and tennis courts, constitute a material breach of this lease and the Tenant shall have no right to terminate this lease or to suspend his performance hereunder. In any

legal action instituted by the Tenant against the Landlord, the Tenant's damages shall be limited to the difference, if any, between the rent reserved in this lease and the reasonable rental value of the Premises, taking into account the Landlord's breach or breaches, and in no event, except in the case of the Landlord's willful or wanton negligence, shall the Tenant collect any consequential or secondary damages resulting from the breach or breaches, including but not limited to the following items: damage or destruction of furniture or other personal property of any kind located in or about the Premises, moving expenses, storage expenses, alternative interim housing expenses, and expenses of locating and procuring alternative housing.

18. Removal, Storage and Disposition of Tenant's Personal Property:

(a) Ten days after being placed in lawful possession by execution of a writ of possession, the Landlord may throw away, dispose of, or sell all items of personal property remaining on the Premises. During the 10-day period after being placed in lawful possession by execution of a writ of possession, the Landlord may move for storage purposes, but shall not throw away, dispose of, or sell any items of personal property remaining on the Premises unless otherwise provided for in Chapter 42 of the North Carolina General Statutes. Upon the Tenant's request prior to the expiration of the 10-day period, the Landlord shall release possession of the property to the Tenant during regular business hours or at a time agreed upon. If the Landlord elects to sell the property at public or private sale, the Landlord shall give written notice to the Tenant by first-class mail to the Tenant's last known address at least seven days prior to the day of the sale. The seven-day notice of sale may run concurrently with the 10-day period which allows the Tenant to request possession of the property. The written notice shall state the date, time, and place of the sale, and that any surplus of proceeds from the sale, after payment of unpaid rents, damages, storage fees, and sale costs, shall be disbursed to the Tenant, upon request, within 10 days after the sale, and will thereafter be delivered to the government of the county in which the rental property is located. Upon the Tenant's request prior to the day of sale, the Landlord shall release possession of the property to the Tenant during regular business hours or at a time agreed upon. The Landlord may apply the proceeds of the sale to the unpaid rents, damages, storage fees, and sale costs. Any surplus from the sale shall be disbursed to the Tenant, upon request, within 10 days of the sale and shall thereafter be delivered to the government of the county in which the rental property is located.

(b) If the total value of all property remaining on the Premises at the time of execution of a writ of possession in an action for summary ejectment is less than one hundred dollars (\$100.00), then the property shall be deemed abandoned five days after the time of execution, and the Landlord may throw away or dispose of the property. Upon the Tenant's request prior to the expiration of the five-day period, the Landlord shall release possession of the property to the Tenant during regular business hours or at a time agreed upon.

19. Bankruptcy: If any bankruptcy or insolvency proceedings are filed by or against the Tenant or if the Tenant makes any assignment for the benefit of creditors, the Landlord may, at his option, immediately terminate this Tenancy, and reenter and repossess the Premises, subject to the provisions of the Bankruptcy Code (11 USC Section 101, et. seq.) and the order of any court having jurisdiction thereunder.

20. Tenant's Insurance; Release and Indemnity Provisions: The Tenant shall be solely responsible for insuring any of his personal property located or stored upon the Premises upon the risks of damage, destruction, or loss resulting from theft, fire, storm and all other hazards and casualties. Regardless of whether the Tenant secures such insurance, the Landlord and his agents shall not be liable for any damage to, or destruction or loss of, any of the Tenant's personal property located or stored upon the Premises regardless of the cause or causes of such damage, destruction, or loss, unless such loss or destruction is attributable to the intentional acts or willful or wanton negligence of the Landlord. The Tenant agrees to release and indemnify the Landlord and his agents from and against liability for injury to the person of the Tenant or to any members of his household resulting from any cause whatsoever except only such personal injury caused by the negligent, or intentional acts of the Landlord or his agents.

21. Agent: The Landlord and the Tenant acknowledge that the Landlord may, from time to time in his discretion, engage a third party ("the Agent") to manage, supervise and operate the Premises or the complex, if any, of which they are a part. If such an Agent is managing, supervising and operating the Premises at the time this lease is executed, his name will be shown as "Agent" on the first page hereof. With respect to any Agent engaged pursuant to this paragraph, the Landlord and the Tenant hereby agree that: (1) Agent acts for and represents Landlord in this transaction; (2) Agent shall have only such authority as provided in the management contract existing between the Landlord and Agent; (3) Agent may perform without objection from the Tenant, any obligation or exercise any right of the Landlord imposed or given herein or by law and such performance shall be valid and binding, if authorized by the Landlord, as if performed by the Landlord; (4) the Tenant shall pay all rentals to the Agent if directed to do so by the Landlord; (5) except as otherwise provided by law, the Agent shall not be liable to the Tenant for the nonperformance of the obligations or promises of the Landlord contained herein; (6) nothing contained herein shall modify the management contract existing between the Landlord and the Agent; however, the Landlord and the Agent may from time to time modify the management agreement in any manner which they deem appropriate; (7) the Landlord may, in his discretion and in accordance with any management agreement, remove without replacing or remove and replace any agent engaged to manage, supervise and operate the Premises.

22. Form: The Landlord and Tenant hereby acknowledge that their agreement is evidenced by this form contract which may contain some minor inaccuracies when applied to the particular factual setting of the parties. The Landlord and Tenant agree that the courts shall liberally and broadly interpret this lease, ignoring minor inconsistencies and inaccuracies, and that the courts shall apply the lease to determine all disputes between the parties in the manner which most effectuates their intent as expressed herein. The following rules of construction shall apply: (1) handwritten and typed additions or alterations shall control over the preprinted language when there is an inconsistency between them; (2) the lease shall not be strictly construed against either the Landlord or the Tenant; (3) paragraph headings are used only for convenience of reference and shall not be considered as a substantive part of this lease; (4) words in the

singular shall include the plural and the masculine shall include the feminine and neuter genders, as appropriate; and (5) the invalidity of one or more provisions of this lease shall not affect the validity of any other provisions hereof and this lease shall be construed and enforced as if such invalid provision(s) were not included.

23. Amendment of Laws: In the event that subsequent to the execution of this lease any state statute regulating or affecting any duty or obligation imposed upon the Landlord pursuant to this lease is enacted, amended, or repealed, the Landlord may, at his option, elect to perform in accordance with such statute, amendment, or act of repeal in lieu of complying with the analogous provision of this lease.

24. Eminent Domain and Casualties: The Landlord shall have the option to terminate this lease if the Premises, or any part thereof, are condemned or sold in lieu of condemnation or damaged by fire or other casualty.

25. Assignment: The Tenant shall not assign this lease or sublet the Premises in whole or part.

26. Waiver: No waiver of any breach of any obligation or promise contained herein shall be regarded as a waiver of any future breach of the same or any other obligation or promise.

27. Other Terms and Conditions:

(a) (Check if applicable) The Premises were built prior to 1978. (Attach Standard Form # 430 - T, "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards.")

(b) If there is an Agent involved in this transaction, Agent hereby discloses to Tenant that Agent is acting for and represents Landlord.

(c) The following additional terms and conditions shall also be a part of this lease:

n/a
(d) Itemize all addenda to this Contract and attach hereto:
SEE ADDITIONAL TERMS, SUBLEASE AGREEMENT AND TERMINATION FEE

28. Inspection of Premises: Within SEVEN days of occupying the Premises, Tenant has the right to inspect the Premises and complete a Move-in Inspection Form

29. Notice: Any notices required or authorized to be given hereunder or pursuant to applicable law shall be mailed or hand delivered to the following addresses:

Tenant: the address of the Premises
Landlord: the address to which rental payments are sent.

30. Execution; Counterparts: When Tenant signs this lease, he acknowledges he has read and agrees to the provisions of this lease. This lease is executed in TWO (number) counterparts with an executed counterpart being retained by each party.

31. Entire Agreement: This Agreement contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All changes, additions or deletions hereto must be in writing and signed by all parties.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

TENANT MUANIA ABEAM (SEAL)
MUANIA ABEAM

Date: 6/29/10

LANDLORD _____ (SEAL)
MCCLLES PROPERTIES

By: Stacey Strickland, AGENT (SEAL)

Date: 6/29/10



FINANCIAL SERVICES MEMORANDUM

TO: Carol L. Barwick, City Clerk's Office

FROM: Brenda Matthews, Financial Services Collections

DATE: May 20, 2011

SUBJECT: Franchise Applications for:
Mahmoud Ahmad Atiyha d/b/a Ace Cab

We have checked Collections records for taxes, licenses, citations, parking fees, rescue transports, and miscellaneous receivables owed in the names above. We did not find any debt owed in any of the names list.

There were no unpaid property tax records in the names and/or addresses of the above individual or business name.

If I can provide further assistance, please call.

CC: Bernita Demery, Director of Financial Services
Kimberly Branch, Financial Services Manager

Doc # 177282 v 12

Carol Barwick

From: Michael Dail
Sent: Thursday, May 19, 2011 10:58 AM
To: Carol Barwick; Merrill Flood
Cc: Christopher Padgett
Subject: Taxi Cab Franchise Request - Zoning Comments

Ace Cab

Mahmoud Ahmad Atiyha can operate a taxi franchise with four vehicles out of his home at 3802 Sterling Pointe Drive, Unit B-4 as an incidental home occupation. It is important to note that only one cab can be stored at his property and it must be a vehicle that is typically associated with a residence. Also no other individuals may work out of or visit his home concerning work related matters.

Mr. Atiyha has stated in his application that the three additional cabs will be stored at 900 N. Greene Street which is zoned CH (Heavy Commercial). A taxi service is a permitted use within the CH zoning district. Since these cabs will be stored at this location there are no zoning issues regarding this request.

Thanks

Michael R. Dail, II
Planner
City of Greenville
Community Development Dept.
(252) 329-4116



GREENVILLE POLICE DEPARTMENT

MEMORANDUM

May 20, 2011

TO: Chief William Anderson
FROM: Cpl. C.B. Viverette
SUBJECT: Taxi/Limousine Operator Application for Mahmoud Atiyha d/b/a Ace Cab

DMV

*** DRIVER LICENSE STATUS: CLS C ACTIVE ***

11-27-10	01-04-11	CONV: (202)IMPROPER EQUIPMENT - SPEEDOMETER	
		COURT: LENOIR COUNTY COURT, NC	
		COURT: AOC #: 2010IF 703563	CITATION ID: 05158E31
06-08-09	07-14-09	CONV: (313)SPEEDING (60 MPH IN A 55)	3
		COURT: PITT COUNTY COURT, NC	
		COURT: AOC #: 2009CR 703087	CITATION ID: 0254E189
03-31-09	04-03-09	CONV: (313)SPEEDING (60 MPH IN A 55)	3
		COURT: PITT COUNTY COURT, NC	
		COURT: AOC #: 2009IF 701561	CITATION ID: 0023E171
07-31-08	01-12-09	CONV: (239)EXCEED SAFE SPEED	
		COURT: PITT COUNTY COURT, NC	PJC
		COURT: AOC #: 2008CR 703697	CITATION ID: 033E2908

AOC

Charged	EDGEcombe.2008CR 004071	SPEEDING
Convicted	EDGEcombe.2008CR 004071	EXCEEDING A SAFE SPEED - CITY CODE LOCAL ORDINANCE
Charged	EDGEcombe.2009CR 701248	RECKLESS DRIVING TO ENDANGER
Convicted	PITT.2008CR 703697	EXCEEDING SAFE SPEED
Charged	PITT.2008CR 703697	RECKLESS DRIVING TO ENDANGER
Convicted	PITT.2009CR 703087	SPEEDING 20-141(B)

DCI

No Record

NEW WORLD

Charged	Pitt Co.	Fail to Yield to Emergency Vehicle	2009
Charged	Pitt Co.	Unsafe lane Change	2010

NCAWARE

No Record

Mr. Atiyha has applied requesting the ability to add three vehicles to his taxi franchise for a total of four. While the number of moving violations committed is cause for concern, the majority are at least 2 years old with only two violations having occurred in 2010.

Based on the above information, I recommend approval of the request by Mr. Mahmoud Atiyha d/b/a Ace Cab for the expansion of the Ace Cab franchise from 1 cab to 4.



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Resolution accepting dedication of rights-of-way and easements for Charleston Village, Section 6

Explanation: The developer of Charleston Village, Section 6 has recently completed all public improvements. The developer's surety will be released upon acceptance of the rights-of-way and easements by the City.

In accordance with the City's Subdivision regulations, rights-of-way and easements have been dedicated for Charleston Village, Section 6 (Map Book 73 at Page 121). A resolution accepting the dedication of aforementioned rights-of-way and easements is attached for City Council consideration. The final plat showing the rights-of-way and easements is also attached.

Fiscal Note: Funds for the maintenance of these rights-of-way and easements are included within the fiscal year 2010-2011 budget.

Recommendation: Adopt the attached resolution accepting dedication of rights-of-way and easements for Charleston Village, Section 6.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[☐ Charleston Village Section 6 Map](#)

[☐ June 2011 Right of Way Resolution 898181](#)

RESOLUTION NO.
A RESOLUTION ACCEPTING DEDICATION TO THE PUBLIC OF
RIGHTS-OF-WAY AND EASEMENTS ON SUBDIVISION PLATS

WHEREAS, G.S. 160A-374 authorizes any city council to accept by resolution any dedication made to the public of land or facilities for streets, parks, public utility lines, or other public purposes, when the lands or facilities are located within its subdivision-regulation jurisdiction; and

WHEREAS, the Subdivision Review Board of the City of Greenville has acted to approve the final plats named in this resolution, or the plats or maps that predate the Subdivision Review Process; and

WHEREAS, the final plats named in this resolution contain dedication to the public of lands or facilities for streets, parks, public utility lines, or other public purposes; and

WHEREAS, the Greenville City Council finds that it is in the best interest of the public health, safety, and general welfare of the citizens of the City of Greenville to accept the offered dedication on the plats named in this resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greenville, North Carolina:

Section 1. The City of Greenville accepts the dedication made to the public of lands or facilities for streets, parks, public utility lines, or other public purposes offered by, shown on, or implied in the following approved subdivision plats:

Charleston Village, Section 6

Map Book 73

Page 121

Section 2. Acceptance of dedication of lands or facilities shall not place on the City any duty to open, operate, repair, or maintain any street, utility line, or other land or facility except as provided by the ordinances, regulations or specific acts of the City, or as provided by the laws of the State of North Carolina.

Section 3. Acceptance of the dedications named in this resolution shall be effective upon adoption of this resolution.

Adopted the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

NORTH CAROLINA
PITT COUNTY

I, _____, Notary Public for said County and State, certify that Carol L. Barwick personally came before me this day and acknowledged that she is the City Clerk of the City of Greenville, a municipality, and that by authority duly given and as the act of the municipality, the foregoing instrument was signed in its name by its Mayor, sealed with the corporate seal, and attested by herself as its City Clerk.

WITNESS my hand and official seal this the 6th day of June, 2011.

Notary Public

My Commission Expires:

898181

SITE DATA

TOTAL AREA 12.756 AC.
 NUMBER OF LOTS CREATED 37
 AREA IN COMMON AREA 0
 AREA IN PARKS, RECREATION AREAS
 CEMETERIES AND THE LIKE 0

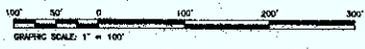
GENERAL NOTES

- ALL AREAS CALCULATED BY COORDINATE GEOMETRY.
- THIS MAP IS OF A SURVEY THAT CREATES A SUBDIVISION OF LAND WITHIN A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE THAT REGULATES PARCELS OF LAND.
- THIS PROPERTY IS NOT LOCATED IN A SPECIAL FLOOD HAZARDOUS AREA AS DETERMINED BY FEDERAL EMERGENCY MANAGEMENT AGENCY. REF: 3720468800 J DATED JANUARY 2, 2004.
- THE DESIGNATION NOTED OVER WATER, SANITARY SEWER, GAS OR ELECTRICAL LINES IS FOR THE PURPOSE OF ESTABLISHING THE WIDTH OF SAID EASEMENT. THE EASEMENTS ARE NOT EXCLUSIVE AND WILL PERMIT THE INSTALLATION OF WATER, SANITARY SEWER GAS AND ELECTRIC LINES WITHIN THOSE DESIGNATED WIDTHS.
- NO BUILDINGS, STRUCTURES, OR OTHER IMPROVEMENTS, MATERIALS AND SURFACES, INCLUDING BUT NOT LIMITED TO FRONTAL AND ACCESSORY STRUCTURES AND ADDITIONS OR APPURTENANCES THEREON, SIGNAGE, FENCES, WALLS, MECHANICAL EQUIPMENT, CANOPIES, ANTENNAS, MASTS, AERIALS, MONUMENTS, LANDSCAPE PLANTINGS, FILL MATERIALS, DEBRIS, SOLID WASTE COLLECTION CONTAINERS, MARK RECEIPTS AND IMPROVED SURFACES, SHALL ENCRoACH WITHIN ANY DEDICATED EASEMENT WITHOUT PRIOR APPROVAL OF THE CITY OF GREENVILLE.
- THIS PROPERTY MUST MEET THE CITY OF GREENVILLE STORMWATER MANAGEMENT PROGRAM REQUIREMENTS. THESE REGULATIONS ARE MET BY THE BMP CONSTRUCTED AS PART OF CHARLESTON VILLAGE SECTION 3.

CURVE TABLE

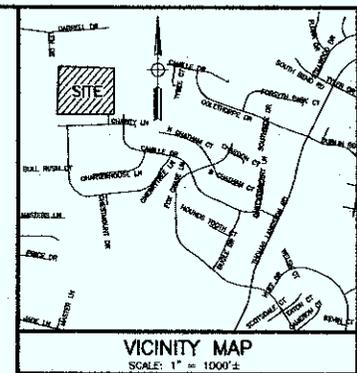
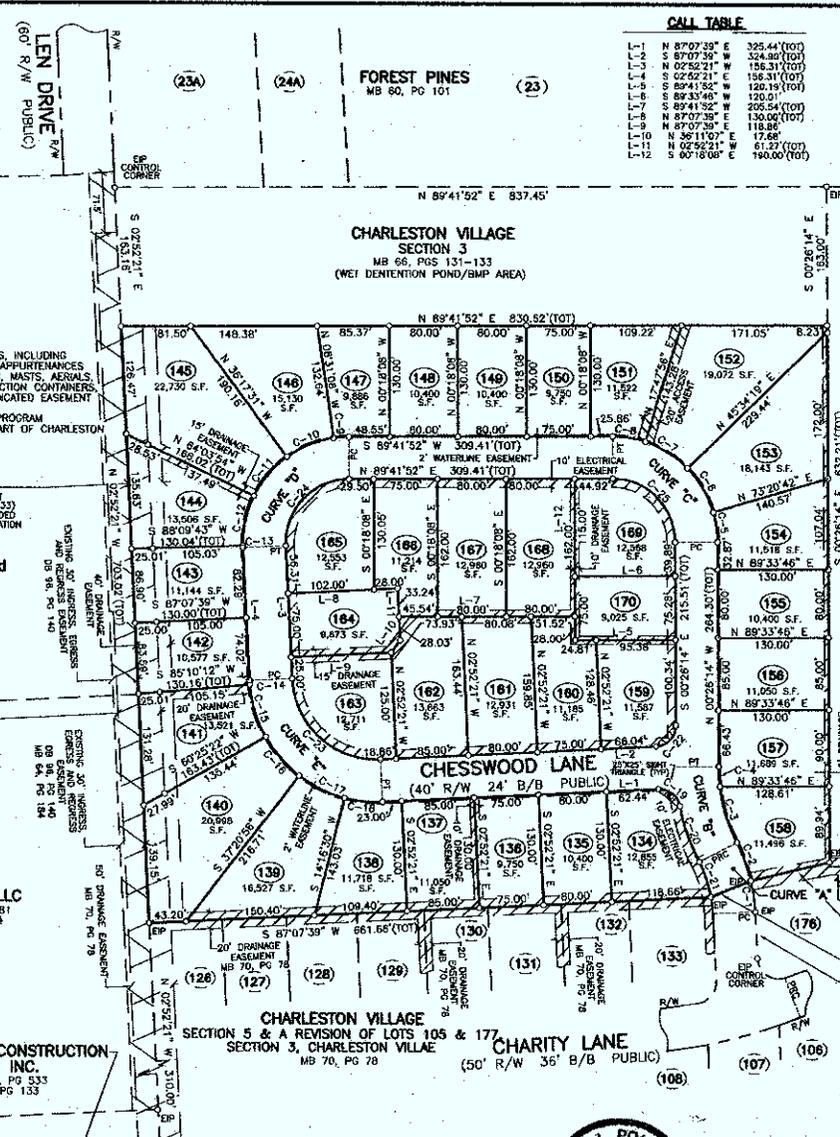
CURVE	RADIUS	CHORD	CH-BEARING
C-1	200.00'	36.88'	N 89°05'45"W
C-2	200.00'	47.76'	N 29°18'34"W
C-3	200.00'	69.33'	N 17°11'09"W
C-4	100.00'	23.61'	N 02°42'16"W
C-5	125.00'	35.26'	N 09°32'46"W
C-6	125.00'	60.00'	N 30°32'29"W
C-7	125.00'	60.00'	N 58°18'52"W
C-8	125.00'	39.33'	N 81°18'06"W
C-9	125.00'	17.01'	S 62°55'22"W
C-10	125.00'	60.00'	S 67°35'41"W
C-11	125.00'	60.00'	S 38°49'18"W
C-12	125.00'	60.00'	S 12°02'55"W
C-13	125.00'	2.25'	02°21'18"E
C-14	150.00'	5.12'	S 03°51'08"E
C-15	150.00'	64.29'	S 17°12'13"E
C-16	150.00'	60.00'	S 41°06'51"E
C-17	150.00'	60.00'	S 64°11'17"E
C-18	150.00'	44.72'	S 84°17'58"E
C-19	25.00'	32.71'	S 92°06'32"E
C-20	250.00'	69.00'	S 12°02'11"E
C-21	150.00'	43.38'	S 18°51'03"E
C-22	25.00'	34.80'	S 48°28'43"W
C-23	102.00'	141.42'	N 47°52'21"W
C-24	75.00'	108.42'	N 43°24'40"E
C-25	75.00'	108.94'	S 45°22'11"E

CLOSURE CHECK BOUNDARY	
CHECKED: SCB	DATE: 09/08/2009
CLOSURE CHECK BOUNDARY	
CHECKED: SCB	DATE: 09/09/2009



CALL TABLE

L-1	N 87°07'39" E	325.44'(TOT)
L-2	S 87°07'39" W	324.80'(TOT)
L-3	N 02°52'21" W	156.31'(TOT)
L-4	S 02°52'21" E	156.31'(TOT)
L-5	S 89°41'52" E	126.19'(TOT)
L-6	S 89°41'52" E	120.00'
L-7	S 89°41'52" E	205.54'(TOT)
L-8	N 87°07'39" E	130.00'(TOT)
L-9	N 87°07'39" E	118.86'
L-10	N 38°11'07" E	17.68'
L-11	N 02°52'21" W	61.22'(TOT)
L-12	S 02°52'21" E	160.00'(TOT)



HOMES ON THE ANGE, INC.
 DB 1586, PG 455
 MB 60, PG 36

C/L CURVE DATA

CURVE "A"	CURVE "B"
R= 175.00'	R= 225.00'
Δ = 145°07'44"	Δ = 28°43'46"
L = 45.70'	L = 104.87'
T = 22.95'	T = 53.46'
Ch = N 81°09'57" W	Ch = N 104°02'11" W
45.70'	53.46'

CURVE "C"	CURVE "D"
R= 100.00'	R= 100.00'
Δ = 89°51'54"	Δ = 92°34'13"
L = 156.84'	L = 161.57'
T = 93.76'	T = 104.65'
Ch = N 45°22'11" W	Ch = S 43°24'45" W
141.25'	144.56'

CURVE "E"
R= 125.00'
Δ = 90°00'00"
L = 125.00'
T = 125.00'
Ch = S 47°52'21" E
176.76'

COPY

CERTIFICATION

I, MICHAEL W. BALDWIN CERTIFY THAT UNDER MY DIRECT SUPERVISION FROM AN ACTUAL FIELD SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN BOOK PAGE ETC. (OTHER); THAT THE BOUNDARIES DRAWN FROM INFORMATION FOUND IN BOOK PAGE THAT THE RATIO OF PRESSION AS CALCULATED BY LATITUDES AND DEPARTURES IS 1:10,000; THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH GS 47-3 AS AMENDED, WITNESS MY HAND AND SEAL THIS 5th DAY OF FEBRUARY, 2010.

SIGNED: _____
 MICHAEL W. BALDWIN, P.L.S.
 REGISTRATION NO. L-3082

FINAL PLAT SHEET 1 OF 1

CHARLESTON VILLAGE SECTION 6

REFERENCE: BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED BOOK 2190, PAGE 185 AND MAP BOOK 66, PAGE 131-133 OF THE PITT COUNTY REGISTRY.

GREENVILLE, WINTERVILLE TOWNSHIP, PITT COUNTY, N.C.

OWNER: CHARLESTON DEVELOPMENT CO., INC.
 ADDRESS: PO BOX 1607 WILSON, NC 27894
 PHONE: (252) 243-0222

Baldwin Design Consultants, PA
 DESIGN - LAND PLANNING - SURVEYING
 708-D CROMWELL DRIVE GREENVILLE, NC 27659 292.756.1390

DESIGNED: JPB SURVEYED: JPB APPROVED: MNB
 DRAWN: SCB DATE: 02/19/2010
 CHECKED: MNB SCALE: 1" = 100'

EDMONSON CONSTRUCTION CO., INC.
 DB 1409, PG 533
 MB 58, PG 133

LEE ARMBRUSTER and APRIL ARMBRUSTER
 DB 2475, PG 593



SOURCE OF TITLE
 THIS IS TO CERTIFY THAT THE LAST INSTRUMENT(S) IN THE CHAIN OF TITLE(S) OF THIS PROPERTY AS RECORDED IN THE PITT COUNTY REGISTRY AT GREENVILLE, NORTH CAROLINA IS:
 DEED BOOK 2190 PAGE 185
 MAP BOOK 66 PAGES 131-133
 MAP NO. 36

OWNERS STATEMENT
 THIS IS EVIDENCE THAT THIS SUBDIVISION IS MADE AT THE REQUEST OF
 SEE SIGNATURES ABOVE
 SWORN AND SUBSCRIBED BEFORE ME THIS 5th DAY OF Feb, 2010.
 Dawn L. Poirett
 NOTARY PUBLIC
 MY COMMISSION EXPIRES: 03/28/2014

APPROVAL
 THIS FINAL PLAT NO. 10-11 WAS APPROVED BY THE SUBDIVISION REVIEW BOARD IN ACCORDANCE WITH TITLE 9, CHAPTER 5 OF THE GREENVILLE CITY CODE THE 10th DAY OF MARCH 2010.

SIGNED: _____
 CITY COM #3

DEDICATION
 THE UNDERSIGNED HEREBY ACKNOWLEDGES THIS PLAT AND ALLOTMENT TO BE "EASES", FREE ACT AND DEED, AND HEREBY DEDICATES TO PUBLIC USE AS STREETS, PARKS, PLAYGROUNDS, OPEN SPACES AND EASEMENTS FOREVER ALL AREAS AS SHOWN OR SO INDICATED ON SAID PLAT.

SIGNED: _____
 ATTEST: Dawn Poirett

REVIEW OFFICER'S CERTIFICATE

I, Andrew Thomas Jr., REVIEW OFFICER OF PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS REFERRED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

SIGNED: Andrew Thomas Jr. 7/20/10
 REVIEW OFFICER DATE



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Agreement with MCNC to encroach upon the rights of way of the public streets within the City for the installation, operation, and maintenance of a fiber optic broadband network

Explanation: Attached for City Council's consideration is a Rights of Way Encroachment Agreement with MCNC establishing the terms and conditions permitting MCNC to install, operate, and maintain a fiber optic broadband network.

MCNC was awarded a grant by the National Telecommunications and Information Administration (NTIA) during round one of the Broadband Technology Opportunities Program (BTOP) under the American Reinvestment and Recovery Act (BTOP Grant) to fund construction of a multi-strand optical fiber cable system.

The route of the first phase of the project is starting in Rocky Mount, and running through Greenville, New Bern, Morehead City, Jacksonville and ending in Wilmington. MCNC desires to encroach upon the public rights of way of the public streets within the corporate limits of Greenville for the installation, operation, and maintenance of this fiber optic broadband network. MCNC will provide services exclusively to MCNC's existing and future customers, including East Carolina University, Pitt Community College, and Pitt County Schools.

MCNC is the broadband service provider to the City of Greenville. As a condition of this Agreement, MCNC shall provide to the CITY at no cost for the duration of the Agreement, internet service of up to one gigabyte per second delivered at MCNC's POP site at 209 Cotanche Street, Greenville, NC.

Fiscal Note: The City will save the annual payments it makes for broadband internet service for the duration of the Agreement.

Recommendation: Approve the attached Rights of Way Encroachment Agreement permitting MCNC to encroach upon the public rights of way of the public streets within the corporate limits of Greenville for the installation, operation, and maintenance of a fiber optic broadband network according to the terms and conditions of the Agreement.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [MCNC Agreement](#)

-----[SPACE ABOVE THIS LINE IS RESERVED FOR RECORDATION DATA]-----

STATE OF NORTH CAROLINA
COUNTY OF PITT

Prepared by: City of Greenville
Mail to: City of Greenville PWD
PO Box 7207
Greenville, NC 27834

Rights of Way Encroachment Agreement

THIS AGREEMENT made and entered into this the 6th day of June, 2011, by and between the **CITY OF GREENVILLE**, a municipal corporation created under the laws of the State of North Carolina, P.O. Box 7207, Greenville, NC 27835, party of the first part and hereinafter referred to as the **CITY**, and **MCNC**, a non-profit corporation created under the laws of the State of North Carolina having an office at 3021 E. Cornwallis Rd., Research Triangle Park, North Carolina 27709, party of the second party and hereinafter referred to as the **MCNC**;

W I T N E S S E T H

THAT WHEREAS, pursuant to grant awarded MCNC by the National Telecommunications and Information Administration (NTIA) during round one of the Broadband Technology Opportunities Program (BTOP) under the American Reinvestment and Recovery Act (BTOP Grant) to fund MCNC’s construction of a multi-strand optical fiber cable system, MCNC desires to encroach upon the public rights of way of the public streets within the corporate limits of Greenville for the installation, operation, and maintenance of a fiber optic broadband network that will provide services exclusively to MCNC’s existing and future customers, including East Carolina University, Pitt Community College and Pitt County Schools, and the CITY and MCNC acknowledge that the parties’ obligations hereunder are subject to all rules and requirements applicable to the BTOP Grant;

WHEREAS, it is to the material advantage of MCNC to effect this encroachment, and the CITY, in the exercise of authority conferred upon it by statute, is willing to permit the encroachment within the public rights of way of the public streets within the corporate limits of Greenville as shown on “**EXHIBIT A**” attached hereto, being know as the “First Phase” and for future phases as approved by the City Engineer, subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the execution of this Agreement by the CITY, the benefits flowing to MCNC, and the covenants and agreements herein contained with respect to the obligations of MCNC hereunder, the CITY does hereby give and grant unto MCNC, the right and privilege to make the encroachment, as shown on attachment "A", subject to the conditions contained in this Agreement and, further, the CITY and MCNC acknowledge that the parties' obligations hereunder are subject to all rules and requirements applicable to the BTOP Grant, provided that all substantive decisions and actions that impact the ability of MCNC to carry out its program or the overall success of the program rest solely with MCNC.

TO HAVE AND TO HOLD said encroachment rights under this Agreement unto MCNC, provided, however, that MCNC performs and abides by the covenants and agreements herein contained.

The covenants and agreements by and between the CITY and MCNC as a part of the consideration for this encroachment agreement are as follows:

SECTION 1. DEFINITIONS

For the purposes of this agreement the following terms, phrases, words and their derivations shall have the meaning given herein unless otherwise defined by Federal or State law. When not inconsistent with the context, words used in the present tense include the future; words in the plural number include the singular number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

GUC means Greenville Utilities Commission.

NCDOT means North Carolina Department of Transportation.

LAW means any local, state or federal legislative, judicial or administrative order, certificate, decision statute, constitution, ordinance, resolution, regulation, rule, tariff, guideline or other requirement, as amended, now in effect or subsequently enacted or issued during the term of this Agreement, including, but not limited to, the Communications Act of 1934, as amended by the Telecommunications Act of 1996, Pub.L. No. 104-104, 110 Stat. 70, codified at 47 U.S.C., and all orders, rules, tariffs, guidelines and regulations issued by the Federal Communications Commission or the North Carolina Utilities Commission pursuant thereto.

PUBLIC RIGHTS OF WAY or PUBLIC WAY means the surface, the airspace above the surface and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, park, parkway, waterway, utility easement hereafter held by the City or other public rights of way now or which shall entitle the CITY and MCNC to the use thereof for the purpose of installing and maintaining MCNC's fiber optic broadband network. No reference herein, or in any franchise, to the "public way" shall be deemed to be a representation or guarantee by the CITY that its title to any property is sufficient to permit its use for such purpose, and MCNC shall, by its use of such terms, be deemed to gain only such rights to use property in the CITY as the CITY may have the undisputed right and power to give or as granted by Federal or State law.

STATE means the state of North Carolina

SECTION 2. GENERAL PROVISIONS

- a. **Use of Public Rights of Way.** For the purpose of installation, operation and maintenance of a fiber optic broadband network to provide services exclusively to MCNC's existing and future public sector customers in K-20 education, public health, and other public sector entities including to East Carolina University, Pitt Community College and Pitt County Schools. MCNC may erect, install, construct, repair, replace, reconstruct and retain in, on, over, under, upon, across and along the public streets and ways within the corporate limits of Greenville such cables, conduits, splice boxes, cabinets, handholes, manholes, vaults, equipment, drains, surface location markers, and other appurtenances as are necessary to the operation of the fiber optic broadband network, provided, however, that, subject to applicable Law, MCNC shall comply with all design, construction, safety, and performance provisions contained in this Agreement and other applicable local ordinances.
- b. **Location of Public Rights of Way and Existing Utilities.** It is the responsibility of MCNC to determine the location of the public rights of way and the location of utilities within and near the encroachment area in accordance with NCGS 87-102. MCNC shall notify other utility owners and provide protection and safeguards to prevent damage or interruption to existing facilities and to maintain accessibility to existing utilities. Cost to repair, restore, or relocate existing facilities due to this encroachment shall be the responsibility of MCNC. MCNC agrees to become a member or to contract with a utility locating service that is a member in good standing with The North Carolina One-call Center, Inc.
- c. **Use of Areas Outside the Public Rights of Way.** This Agreement only covers the encroachment over and upon the public rights of way of the public streets maintained by the CITY within the corporate limits of Greenville. MCNC shall secure all necessary easements, permits, permission, or approval for encroachment or other use of property outside the CITY maintained right of ways. Upon request, MCNC shall provide to the CITY documentation of the abovementioned easements, permits, permissions and encroachments or use of properties outside the public street rights of way maintained by the CITY.
- d. **Police Powers.** MCNC rights are subject to the police powers of the CITY to adopt and enforce ordinances for the health, safety and welfare of the public. Subject to applicable Law, MCNC shall comply with all applicable general laws and ordinances enacted by the CITY pursuant to that power. Nothing in this Agreement shall be deemed to be a waiver of the requirements of the various codes, ordinances, regulations, standards and specifications regarding permits, fees to be paid, or manner of construction.
- e. **Time is of the Essence to this Agreement.** Subject to applicable Law, whenever this Agreement shall set forth any time for an act to be performed by or on behalf of MCNC, such time shall be deemed of the essence and any failure of MCNC to perform within the time allotted shall always be sufficient material ground for the CITY to invoke an appropriate penalty including possible revocation of the Agreement.

SECTION 3. CONSTRUCTION AND TECHNICAL STANDARDS

- a. **Compliance with Construction and Technical Standards.** MCNC shall construct, install and maintain its fiber optic broadband network in an orderly and workmanlike manner and in a manner consistent with all laws, ordinances, construction standards, current technological standards and governmental requirements, which standards are incorporated by reference herein.

- b. Use of Existing Poles and Installation of New Conduits. MCNC shall utilize existing poles or install new conduits as required. MCNC shall contact the owner of the pole and secure permission to use, replace or modify any pole to accommodate MCNC's cables. MCNC shall not erect any new poles unless necessary for the provision of service and approved by the City Engineer. The location of any conduit or wire-holding structure of MCNC shall not be vested right and such conduits or other structures shall be removed or modified by MCNC at its own expense upon order of the CITY.
- c. Tree Trimming Plan for Overhead Lines. After approval by the CITY of the a fiber optic broadband network route and clearances, MCNC shall submit to the CITY a tree trimming plan if required by the City Engineer for review and approval by the City Arborist. If the CITY determines that the tree trimming is excessive, MCNC may place the cable underground, or after approval by the CITY, shall change the fiber optic broadband network route.
- d. Approval of Construction Plans. Prior to the placement or installation of any part of the fiber optic broadband network within public rights of way, MCNC shall first submit to the City Engineer, GUC, and other parties as required for approval, a construction Plan, sealed by a Professional Engineer licensed in the State, including a concise description of the facilities proposed to be erected or installed, specifications and engineering drawings, and a map indicating the proposed location of all such facilities. The Plan shall also include clearances for any overhead installation of the fiber optic broadband network. MCNC shall provide the CITY with written verification of MCNC's right to attach to poles along the path of the fiber optic broadband network when said poles are to be utilized, and that there is sufficient clearance for attachment. MCNC shall not attach any part of the fiber optic broadband network to CITY or GUC maintained lines, without the prior approval of the CITY. Prior to receipt of a permit for construction of the fiber optic broadband network from the City Engineer, MCNC shall submit to the CITY written verification of approval of the MCNC's final construction plans from the North Carolina Department of Transportation (NCDOT), and evidence of the coordination of construction with other utilities along MCNC's fiber optic broadband network route. No placement or installation of any part of the fiber optic broadband network shall be commenced by any person until construction permits and written approval has been issued by the City Engineer; provided further, that such permits and approval shall not be unreasonably withheld and action thereon shall be taken within a reasonable period of time. MCNC shall provide the following to the City Engineer of the CITY at least three (3) working days before the start of construction.
- (1) Proposed schedule of operations.
 - (2) The name(s) and phone numbers of the project contact person(s).
- e. Approval of Traffic Control Plan. MCNC shall submit and coordinate with the City Traffic Engineer, a traffic control plan prepared in accordance with the Manual on Uniform Traffic Control Devices and amendments or supplements thereto (MUTCD) as published by the Federal Highway Administration at least forty eight (48) hours prior to the start of construction. MCNC shall install and maintain all traffic control devices in accordance with the plan and MUTCD. Street or lane closures shall be limited to the hours between 8:30AM and 4:30 PM, Monday-Friday or as approved by the CITY Traffic Engineer.
- f. Requirements for Record Drawings. Within sixty (60) days after the completion of any construction activities of the fiber optic broadband network within the encroachment areas, MCNC shall provide to the City Engineer copies of the record drawings; being two (2) printed copies along with a PDF file of the same, and a digital version compatible with ESRI GIS software.

- g. Requirement for Underground Installations. All installations shall be underground where feasible and shall be underground in those areas of the CITY where all utilities serving the area are underground at the time of installation. Where the system is installed underground, the construction plans shall show all underground utilities and cables, and their depth and profiles. In areas where other utility facilities are above ground at the time of installation, MCNC may install its service above ground on such facilities. All cables shall be installed, where possible, parallel with electric and telephone lines. Multiple cable configurations shall be arranged in parallel and bundled with due respect for engineering considerations. At such time as all utilities and cable serving the area are required to be placed underground by the CITY or are placed underground, MCNC shall likewise place its services underground without cost to the CITY.
- h. Applicable Standards. MCNC shall at all times comply with the: (1) applicable Federal, State and local regulations; and (2) the standards as set forth in this Agreement.
- i. Interference with Persons, Improvements, Public and Private Property and Utilities. MCNC's fiber optic broadband network shall be located, erected and maintained so that such system shall:
- (1) Not endanger or interfere with the health, safety or lives of persons;
 - (2) Not interfere with the utilization of the right of way by the CITY or utilization by the GUC of the right of way or facilities maintained by GUC;
 - (3) Not interfere with the free and proper use of public streets, alleys, bridges, easements or other public ways, places or property, except to the minimum extent possible during actual construction, repair or removal;
 - (4) Not interfere with the rights and reasonable convenience of private property owners, except to the minimum extent possible during actual construction, repair or removal; and
 - (5) Not obstruct, hinder or interfere with any gas, electric, water or other utilities, cable, telecommunication or telephone facilities located within the CITY.
- j. Excavation and Work in Public Streets; Application; Restoration; Damage.
- (1) MCNC shall install the cable by directional boring. MCNC may excavate or disturb pavement, curb, gutters, sidewalks, driveways, or other surfacing in or on any street, right-of-way, or public place as necessary for directional boring. Manholes and handholes shall not be visible in residential areas unless approved by the City Engineer who may require a route change. If authorized in writing by the City Engineer, sidewalks may be excavated for the placement of manholes and handholes.
 - (2) Excavations or borings made by MCNC under the public streets, rights of way or public places of the CITY, pursuant to this Agreement, shall be made in compliance with the ordinances and regulations of the CITY in effect at the time of such excavation.
 - (3) Prior to any excavation in or boring under the public streets, or rights of way of the CITY, MCNC shall notify all utilities that may be affected by such excavation in or boring under the

street, rights-of-way or property upon which the work is to be done; and the nature of the work to be performed. Additionally, the services of North Carolina One-Call may be used to notify its member utilities.

- (4) In situations deemed by the MCNC to constitute an emergency involving a danger to the public health, safety and welfare, MCNC shall notify the City Engineer of the nature and the location and of the potential hazard.
- (5) During the installation, repair or removal of MCNC's fiber optic broadband network in or on any street, right of way or public place, MCNC agrees to provide at all times proper signs, signal lights, flagmen, barricades, and other warning devices for the protection of pedestrian and vehicular traffic in conformance with the approved Traffic Control Plan and MUTCD.
- (6) MCNC shall exercise due care in the operation, installation, alteration, repair or removal of its system. If any utility or property of the CITY or GUC, real or personal, is damaged, impaired or destroyed as a result of either the negligent or intentional acts of MCNC, its employees, agents or persons operating under its direction, supervision or control, MCNC shall be liable to the CITY for such damages, including but not limited to the cost to repair or replace the utility or property.
- (7) Immediately after MCNC installs or repairs its system, MCNC shall refill any excavations according to the technical specifications of the CITY. MCNC shall restore and replace landscaping destroyed, disturbed, or damaged by such work in accordance with the technical specifications of the CITY and subject to the inspection of the City Engineer.
- (8) If the installation, alteration, repair or removal of the fiber optic broadband network in or on any street, right of way or public place requires the temporary removal of bricks, grates, trees or other property or materials belonging to the CITY, MCNC shall, until such materials are reinstalled, and in the exercise of due care, store said property or materials in a safe place satisfactory to the CITY to minimize the risk of damage or theft.
- (9) MCNC shall preserve and protect all trees and shrubbery located within the streets, rights of way, and public places of the CITY from damage by MCNC. MCNC shall comply with the regulations of the CITY concerning the preservation and protection of trees and shrubs. MCNC shall pay to the CITY the cost of treating, removing and replacing any tree or shrub on the streets, rights-of-way and public places of the CITY which has been damaged or destroyed as a result of the work of MCNC.
- (10) If the MCNC fails, neglects, or refuses to refill such excavations within twenty-four (24) hours after the fiber optic broadband network has been installed, repaired or removed, or fails, neglects or refuses to restore the landscaping as herein provided within one hundred forty-four (144) hours after the fiber optic broadband network has been installed, repaired or removed, then after notice by the CITY, MCNC shall pay a deposit to the CITY in an amount equal to one hundred fifty percent (150%) of the estimated cost as determined by the City Engineer to do all or such part of said work as may remain undone. The CITY may also contract with a third party to do all or such part of said work as may remain undone, at the cost and expense of the MCNC.

- (11) Upon completion of the work by the CITY and after the total cost has been determined, if the amount of MCNC's deposit exceeds the total cost of the work, any excess will be refunded to MCNC, without interest, within thirty (30) days of official acceptance of the work by the CITY; or if the amount of the MCN's deposit is less than 100% of the CITY's final cost, the MCNC shall pay to the CITY within thirty (30) days of written notification, such additional amounts as will bring the total funds deposited equal to the total cost of the work.
- (12) Whenever the CITY, GUC, or NCDOT, or their successors or assigns plan to widen, modify, close, relocate, grade or regrade any public street, sidewalk, or other public way, in, along, under or across, which MCNC shall have installed any of its fiber optic broadband network, it shall be the duty of MCNC, upon reasonable notice by the proper authority, and at no cost to the CITY, GUC, or NCDOT to remove or relocate as necessary its fiber optic broadband network.
- (13) MCNC shall, on the request of any person holding a-building moving permit issued by the CITY, temporarily raise or lower its lines to permit the moving of buildings. The expense of such temporary removal, raising or lowering of lines shall be paid by the person requesting the same, and MCNC shall have the authority to require such payment in advance. MCNC shall be given not less than fifteen (15) working days advance notice to arrange for such temporary line changes.
- (14) All necessary easements over and under private property, or encroachments upon NCDOT rights of ways, or railroad rights of way shall be acquired arranged by MCNC. The CITY neither promises nor contracts to obtain or acquire rights of way for the construction, installation, maintenance or operation of the MCNC's system. MCNC shall provide the CITY upon demand and within fifteen (15) days written verification of NCDOT's approval for the fiber optic broadband network which encroaches upon NCDOT's rights of way and owner approval for encroachments along any railroad or other rights of way or on private property.
- (15) Any damage to MCNC's encroaching structure caused by the CITY's or GUC's use of its rights of way for construction or maintenance work in the ordinary course of its business, shall be borne by MCNC.

SECTION 4. TRANSFER OF OWNERSHIP OR CONTROL

- a. No transfer of ownership or control of the fiber optic broadband network shall occur less approved by the CITY. A transfer of ownership or control of the fiber optic broadband network shall comply with all applicable Federal, State and Local Laws. The MCNC shall promptly notify the CITY of its intent to transfer ownership or control of the fiber optic broadband network and shall provide the CITY with a true copy of the all documents relating to ownership transfer. The transferee is required to accept this Agreement and all of its terms, provisions, and any amendments at the time of transfer. Performance bond and letter of credit, insurance a are required from the transferee before the transfer is complete. Notification to the CITY shall be as outlined herein.

- b. Grant of Third Party Rights. Notwithstanding any provision in this Agreement to the contrary, the CITY agrees and acknowledges that MCNC shall have the right to grant to third parties indefeasible rights of use and/or a right to use its multi-strand optical fiber cable system, which are subject to the rights that have been granted to MCNC under this Agreement and that such actions by MCNC shall not constitute a transfer of ownership or control of the fiber optic broadband network or require the prior approval by the CITY.
- c. Nondiscrimination and Interconnection Obligations. In accordance with the BTOP Grant, MCNC commits to the following Nondiscrimination and Interconnection Obligations (collectively, the "Obligations") subject to the limitations described herein below: (i) adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005); (ii) not favor any lawful Internet applications and content over others; (iii) display any network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies; (iv) connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network; and (v) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic.
- d. NTIA Interest. In accordance with the BTOP Grant, MCNC will be required to execute a security interest or other statement, acceptable to NTIA, evidencing the NTIA interest in real property including broadband facilities and equipment acquired or improved with Federal funds, which must be placed on record in accordance with local law (the "NTIA Interest"). This security interest will provide that, for the estimated useful life of the real property, facilities, or equipment, MCNC will not sell, transfer, convey, or mortgage any interest in the real property including broadband equipment acquired or improved in whole or in part with Federal funds made available under the award, nor shall MCNC use the real property including broadband facilities and equipment for purposes other than the purposes for which the award was made, without the prior written approval of the Grants Officer. The CITY acknowledges and agrees that MCNC may be required by the NTIA to execute a security interest or other statement evidencing the NTIA's interest in MCNC's beneficial interest to the MCNC's right and privilege to make the encroachment granted by this Agreement. Notwithstanding any provision in this Agreement to the contrary, MCNC's right and privilege to make the encroachment granted by this Agreement shall be assignable at the direction of NTIA if MCNC fails to act in accordance with the terms and conditions of the BTOP Grant.
- c. MCNC acknowledges that any third party proposing to perform any lateral builds off of MCNC's multi-strand optical fiber cable system which is subject to this Agreement will have an obligation to work with the CITY to secure its own encroachment or franchise agreement as may be required by the CITY.

SECTION 5. SERVICE TO THE CITY AND GUC

For the duration of this Agreement, MCNC shall provide to the CITY, at no cost, internet service delivered at MCNC's POP at 209 Cotanche Street, Greenville, NC up to 5 internet service links with a throughput of 1Gbps per link, with additional to be negotiated in the future. The CITY and MCNC may agree to amend the provisions of this Section 5 by written agreement signed by the City Manager of the CITY and the President/CEO of MCNC.

SECTION 6. FORFEITURE OR REVOCATION

- a. Grounds for Revocation. Subject to applicable law, the CITY reserves the right to revoke this Agreement and rescind all rights and privileges associated with this Agreement in accordance with the procedures set forth herein in the following circumstances, each of which shall represent a default and breach under this Agreement:
- (1) If MCNC defaults in the performance of any of the material obligations under this Agreement or under such documents, contracts and other terms and provisions entered into by and between the CITY and the MCNC relating to the provision of its fiber optic broadband network.
 - (2) If MCNC fails to provide or maintain in full force and effect the liability and indemnification coverage or the performance bond as required herein.
 - (3) If MCNC violates any orders or rulings of any regulatory body having jurisdiction over the MCNC relative to this Agreement and after notice thereof shall continue the violation and not remedy the same within sixty (60) days.
 - (4) If MCNC attempts to evade any of the provisions of this Agreement or practices any fraud or deceit upon the CITY or MCNC's subscribers.
 - (5) If MCNC becomes insolvent, unable or unwilling to pay its debts or is adjudged bankrupt.
 - (6) If MCNC is required to have a telecommunications or utility service licenses from the North Carolina Utilities Commission or Federal Communications Commission.
 - (7) If MCNC materially misrepresents facts in the application for or negotiation of the Agreement or any extension or renewal thereof.
 - (8) If the transferee of MCNC fails or refuses to accept this Agreement as required herein.
- d. Effect of Circumstances Beyond Control of MCNC. MCNC shall not be declared at fault or be subject to any sanction under any provision of this Agreement in any case, in which performance of any such provision is prevented for reasons beyond MCNC's control. A fault shall not be deemed to be beyond MCNC's control if committed by a corporation or other business entity in which MCNC holds a controlling interest whether held directly or indirectly.
- e. Pending Litigation. Pending litigation or any appeal to any regulatory body or court having jurisdiction over MCNC shall not excuse MCNC from the performance of its obligations under this Agreement. CITY and MCNC will abide by the terms of any stay order issued by a court of competent jurisdiction.
- f. Procedure Prior to Revocation. The CITY shall make written demand that MCNC comply with any material requirement, limitation, term condition, rule or regulation or correct any action deemed cause for revocation. If the failure, refusal or neglect of MCNC continues for a period of thirty (30) days following such written demand, the CITY may terminate this Agreement.

- g. Disposition of System. In the event the Agreement is terminated, the CITY may in its sole discretion order the removal of the fiber optic broadband network from the CITY within a reasonable period of time as determined by the CITY or require the original MCNC to maintain and operate its system as set forth in subsection i. hereinafter.
- h. Restoration of Property. In removing its fiber optic broadband network , MCNC shall not excavate or disturb pavement, curb, gutters, sidewalks, driveways, or other surfaces in or on any street, right-of-way or public place. MCNC shall refill, at its own expense, any excavation and boring that shall be made by it and shall leave all public ways and places in as good a condition or better as that prevailing prior to MCNC's removal of its fiber optic broadband network without affecting the electrical, television, telephone or other telecommunication cable, wires or attachments or the utilities. The CITY shall inspect and approve the condition of the public ways and public places and cables, wires, attachments, and poles after removal. The liability, indemnity, insurance, performance bond and letter of credit as provided herein shall continue in full force and effect during the period of removal until full compliance by MCNC with the terms and conditions of this paragraph and this Agreement.
- i. Abandonment. If such removal and restoration is not completed by MCNC within one hundred eighty (180) days after notice by the CITY, all of MCNC's property remaining in the affected public rights-of-way shall, at the option of the CITY, be deemed abandoned and shall, at the option of the CITY, become the property of the CITY.
- j. Restoration by CITY; Reimbursement of Costs. In the event of a failure by MCNC to complete any work required by f. above, or any other work required by CITY ordinance within the time as may be established and to the satisfaction of the CITY, the CITY may cause such work to be done and MCNC shall reimburse the CITY the cost thereof within fifteen (15) days after receipt of an itemized list of such costs or the CITY may recover such costs through the performance bond provided by MCNC. The CITY shall be permitted to seek legal and equitable relief to enforce the provisions of this section.

SECTION 7. RECEIVERSHIP AND FORECLOSURE.

- a. Termination by Insolvency. The rights, privileges, and easements granted by this Agreement shall, at the option of the CITY, cease and terminate one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of MCNC whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:
 - (1) Such receiver or trustee shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement, and the receiver or trustee within said one hundred twenty (120) days shall have remedied all defaults under the Agreement; and
 - (2) Such receiver or trustee shall, within said one hundred twenty (120) days, execute an Agreement duly approved by the Court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every term, provision and limitation of the Agreement.

- b. Termination by Judicial Action. In the case of a foreclosure or other judicial sale of the plant, property and equipment of MCNC or any part thereof, including or excluding the Agreement, the CITY may serve notice of termination upon MCNC and the successful bidder at such sale, in which event the Agreement and all rights and privileges of MCNC granted hereunder shall cease and terminate thirty (30) days after service of such notice, unless such successful bidder have covenanted and agreed with the CITY to assume and be bound by all the terms and conditions of the Agreement.

SECTION 8. PERFORMANCE BOND, LETTER OF CREDIT, INSURANCE, AND INDEMNIFICATION.

- a. Performance Bond and Letter of Credit.

(1) At the time this Agreement is accepted, MCNC shall deliver to the CITY:

- a) Letter of credit issued by a federally-insured banking institution in the amount of fifty thousand dollars (\$50,000), and
- b) Performance bond issued by a surety licensed in North Carolina in the amount of fifty thousand dollars (\$50,000). The bond and letter of credit shall be a security fund. Failure to timely obtain, file and maintain said bond and letter of credit shall constitute a substantial violation within the meaning of this section.

(2) The security fund shall serve as security for:

- a) The faithful performance by MCNC of all the terms and conditions of the Agreement;
- b) Any expenditure, damage or loss incurred by the CITY occasional by MCNC's unexcused or uncured failure to comply with all lawful rules, regulations, orders, permits and other directives of the CITY issued pursuant to this Agreement; and
- c) The payment by MCNC of all liens and taxes, and all damages, claims, costs or expenses which the CITY has been compelled to pay or incur by reason of any act or default of MCNC, and all other payments due the CITY from MCNC pursuant to this Agreement.
- d) The costs and expenses incurred by the CITY as a result of MCNC's abandonment of the fiber optic broadband network at any time during the term of the Agreement or any extension thereto; or
- e) The damages or loss of revenue caused by MCNC's assignment of the Agreement without the approval of the North Carolina Utilities Commission.

(3) If MCNC fails to repay to the CITY any damages, costs or expenses which the CITY shall be compelled to pay by reason of any act or default of MCNC in connection with this Agreement, the CITY may then demand payment from the security fund.

- (4) The letter of credit shall be issued to the City of Greenville and shall be made payable upon a draft submitted by the CITY and accompanied by the written statement of an appropriately authorized official for the CITY that payment is due the CITY under the terms of this Agreement as a result of a default by MCNC. The CITY shall be the beneficiary under the performance bond. MCNC shall not use the security fund for other purposes and shall not assign, pledge or otherwise use this security fund as security for any purpose. During the term of the Agreement, the letter of credit shall be maintained in the amount of fifty thousand dollars (\$50,000), and the performance bond shall be maintained in the amount of fifty thousand dollars (\$50,000).

b. Insurance.

- (1) Not later than sixty (60) days after the effective date of the Agreement and thereafter continuously throughout the duration of the Agreement and any extensions or renewals thereof, MCNC shall furnish to the CITY, certificates of insurance, approved by the CITY, for all types of insurance required under this section. Failure to furnish said certificates of insurance in a timely manner shall constitute a violation of this ordinance.
- (2) Any insurance policy obtained by MCNC in compliance with this section shall be filed and maintained with the City Clerk during the term of the Agreement. MCNC shall immediately advise the CITY of any litigation that may develop that would affect this insurance.
- (3) Neither the provisions of this section nor any damages recovered by the CITY hereunder, shall be construed to or limit the liability of MCNC under the Agreement or for damages.
- (4) All insurance policies maintained pursuant to this Agreement shall contain the following, or a comparable, endorsement:

It is hereby understood and agreed that this insurance policy may not be canceled by the insurance company and the intention not to renew may not be stated by the insurance company until thirty (30) days after receipt by the City Manager, by registered mail or certified mail, of a written notice of such intention to cancel or not to renew.

- (5) All contractual liability insurance policies maintained pursuant to this Agreement shall include an endorsement covering the indemnity clause set forth in subsection c. Indemnification hereinafter.
- (6) All insurance policies provided under the provisions of this ordinance or the Agreement shall be written by companies authorized to do business in the State of North Carolina and approved by the State Commissioner of Insurance.
- (7) At any time during the term of the Agreement, the CITY may request and MCNC shall comply with such request, to name the CITY as an additional named insured under MCNC's commercial general liability insurance policy.
- (8) General Liability Insurance. MCNC shall and by its acceptance of the Agreement granted specifically agrees that it will maintain throughout the term of the Agreement, commercial general liability insurance insuring MCNC in the minimum amount of \$5,000,000 combined single limits applicable to claims for bodily injury, personal injury and/or property damage relating to MCNC's operations, maintenance and construction under this Agreement.

- (9) Such general liability insurance must include coverage for all of the following: comprehensive form, premises-operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual insurance, broad form property damage, and personal injury.
- (10) Automobile Liability Insurance. MCNC shall maintain, and by its acceptance of the Agreement granted hereunder specifically agrees that it will maintain throughout the term of the Agreement, automobile liability insurance for owned, non-owned, or rented vehicles in the minimum amount of:
- a) \$1,000,000 for bodily injury and consequent death per occurrence;
 - b) \$1,000,000 for bodily injury and consequent death to any one person; and
 - c) \$500,000 for property damage per occurrence.
- (11) Worker's Compensation and Employer's Liability Insurance. MCNC shall maintain and by its acceptance of the Agreement granted hereunder specifically agrees that it will maintain throughout the term of the Agreement, Worker's Compensation and employer's liability valid in the State of North Carolina, in the minimum amount of:
- a) Statutory limit for Worker's Compensation; and
 - b) \$100,000 for employer's liability.
- c. Indemnification. MCNC shall release, indemnify, keep and save harmless the CITY and GUC, its agents, officials and employees, from any and all responsibility or liability for any and all damage or injury of any kind or nature whatsoever (including death resulting there from) to all persons, whether agents, officials or employees of the CITY or third persons, and to all property proximately caused by, incident to, resulting from, arising out of, or occurring in connection with, directly or indirectly, the design, construction, installation, maintenance, or operation of a fiber optic broadband network by MCNC (or by any persons acting for MCNC or for whom MCNC is or is alleged to be in any way responsible), whether such claim may be based in whole or in part upon contract, tort (including alleged active or passive negligence or participation in the wrong), or upon any alleged breach of any duty or obligation on the part of MCNC, its agents, officials and employees or otherwise. The provisions of this section shall include any claims for equitable relief or for damages (compensatory or punitive) against the CITY, its agents, officials, and employees including alleged injury to the business of any claimant and shall include any and all losses, damages, injuries, settlements, judgments, decrees, awards, fines, penalties, claims, costs and expenses. Expenses as used herein shall include without limitation the costs incurred by the CITY, its agents, officials and employees, in connection with investigating any claim or defending any action, and shall also include reasonable attorneys' fees by reason of the assertion of any such claim against the CITY, its agents, officials or employees. MCNC expressly understands and agrees that any performance bond or insurance protection required by MCNC or the CITY, shall in no way limit MCNC's responsibility to release, indemnify, keep and save harmless and defend the CITY as herein provided. The intention of the parties is to apply and construe broadly in favor of the CITY the foregoing provisions subject to the limitations, if any, set forth in North Carolina General Statute 22B-1. The indemnification set forth herein shall include (1) any claim for invasion of the right of privacy, for

defamation of any person, firm or corporation, or the violation or infringement of any copyright, trademark, trade name, service mark or patent, or of any other right of any person, firm or corporation, and (2) any claims arising out of MCNC's failure to comply with the provisions of any Federal, State, or local statute, ordinances or regulation applicable to MCNC in its business hereunder.

SECTION 9. NOTICES.

Except as otherwise provided herein, all notices from MCNC to the CITY pursuant to this Agreement shall be to the City Manager or his/her designee as follows:

City of Greenville
P.O. Box 7207
Greenville, NC 27835
Attention: City Manager

and to MCNC's President/CEO or his/her designee as follows:

MCNC
3021 E. Cornwallis Rd.
Research Triangle Park
North Carolina 27709
Attention: President/CEO

MCNC shall maintain with the CITY a telephone number and an address for service of notices by mail. MCNC shall be required to advise the CITY of such addresses and telephone numbers and any changes thereof.

SECTION 10. FAILURE OF CITY TO ENFORCE THIS AGREEMENT, NO WAIVER OF THE TERMS THEREOF

MCNC shall not be excused from complying with any of the terms and conditions of this Agreement by any failure of the CITY upon any one or more occasions to insist upon or to seek compliance with any such terms or conditions.

SECTION 11. NO RECOURSE AGAINST THE CITY

MCNC shall have no recourse whatsoever against the CITY or its officials, boards, commissions, agents or employees for any loss, cost, expense or damage arising out of any provision or requirements of this Agreement or because of the enforcement of the Agreement.

SECTION 12. CAPTIONS.

The captions to sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

SECTION 13. SEVERABILITY

- a. **Invalidity.** If any term, condition or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder hereof and the application of such term, condition or provision to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Agreement and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and to be complied with. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on MCNC and the CITY.
- b. **Court Action.** Notwithstanding anything to the contrary, in the event that any court, agency, commission, legislative body or other authority of competent jurisdiction: (i) declares any section, deemed by the CITY to be material, invalid, in whole or in part; or (ii) requires MCNC either to (a) perform any act which is inconsistent with any section deemed by the CITY to be material; or (b) cease performing any act deemed by the CITY to be material, the CITY shall so notify MCNC and the CITY and MCNC shall, in good faith, renegotiate that term or those terms of this Agreement.

SECTION 14. RIGHTS CUMULATIVE

All rights and remedies given to the CITY and MCNC by this Agreement shall be in addition to and cumulative with any and all other rights or remedies, -existing or implied, now or hereafter available to the CITY and MCNC, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Agreement or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the CITY and MCNC and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

SECTION 15. TERMINATION BY THE CITY

Notwithstanding any other provision of the agreement, after twenty five (25) years of the date of this Agreement, the CITY may terminate the rights, privileges, and easements granted by this Agreement by the provision of at least thirty (30) days notice to MCNC.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate originals as of the day and year first above written.

MCNC

By: _____
Joseph Freddoso, President

ATTEST:

Patricia Moody, Secretary and Treasurer

CITY OF GREENVILLE

By: _____
Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

APPROVED AS TO FORM:

David A. Holec, City Attorney

RECOMMENDED:

Wes Anderson, Public Works Director

State of North Carolina

County of _____

I, _____, Notary Public of said County and State, do hereby certify that Patricia Moody, personally appeared before me this day and acknowledged that she is the Secretary and Treasurer of MCNC, a North Carolina non-profit corporation, and that by authority duly given and as the act of the Board of Directors of MCNC, the foregoing instrument was signed in its name by Joseph Freddoso, President, sealed with corporate seal, and attested by herself as its Secretary and Treasurer.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 2011.

_____, Notary Public
(Print or Type Name of Notary Here)

My Commission Expires: _____

State of North Carolina

County of Pitt

I, _____, a Notary Public of said County and State, do hereby certify that Carol L. Barwick, personally appeared before me this day and acknowledged that she is the City Clerk of the City of Greenville, a municipal corporation, and that by authority duly given and as the act of the City of Greenville through and by the City Council, its governing body, the foregoing instrument was signed in its name by the Mayor, Patricia C. Dunn, sealed with corporate seal, and attested by herself as its City Clerk.

WITNESS my hand and Notarial Seal, this the 6th day of June, 2011.

_____, Notary Public
(Print or Type Name of Notary Here)

My Commission Expires: _____

EXHIBIT A

Attachment to the Rights of Way Encroachment Agreement between the City of Greenville and MCNC, being the “First Phase” of the fiber optic, “middle mile” broadband network that will provide services exclusively to MCNC’s existing and future customers, including East Carolina University, Pitt Community College and Pitt County Schools.

Along W. Arlington Boulevard from Stantonsburg Road to Macgregor Downs Road

Along S. Pitt Street from W. Fifth Street to W. First Street

Along West and East First Street from Pitt Street to Cotanche Street

Along Cotanche Street from E. First Street to E. Second Street

Along E. Second Street from Cotanche Street to Reade Street

Along Reade Street from E. Second Street to W. Fifth Street

Along Reade Circle from W. Fifth Street to Cotanche Street

Along Cotanche Street from Reade Circle to E. Tenth Street



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

-
- Title of Item:** Resolution amending the City of Greenville Personnel Policies relating to group health and hospitalization insurance upon retirement
- Explanation:** At a joint meeting with the Board of the Greenville Utilities Commission on May 10, 2011, the City Council voted to amend the City's policy on retiree health insurance continuation benefits for those employees hired on or after July 1, 2011. The attached amendment updates the City of Greenville Personnel Policies to reflect this change. Greenville Utilities Commission will consider this amendment at its June 7, 2011, meeting.
- Fiscal Note:** Expected long-term reduction of the City's Other Post-Employment Benefits (OPEB) liabilities.
- Recommendation:** Approve the attached resolution amending the City's Personnel Policies.
-

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[Resolution Amending Personnel Policy Employee Benefits 897894](#)

RESOLUTION NO. - 11
A RESOLUTION AMENDING THE CITY OF GREENVILLE
PERSONNEL POLICIES RELATING TO GROUP HEALTH AND
HOSPITALIZATION INSURANCE UPON RETIREMENT

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, RESOLVES:

Section 1. That Article VI of the City of Greenville Personnel Policies is hereby amended by rewriting sections 1.0 and 1.1 and adding sections 1.2, 1.3, and 1.4 to read as follows:

SECTION 1.0 Group Health and Hospitalization Insurance – Active Employees. The City and Greenville Utilities Commission will make available to its eligible employees and their dependents a base plan and one or more alternate group health and hospitalization plans. The City and Commission will share in the premium costs for employees and their eligible dependents on a schedule set by City Council and the Greenville Utilities Board.

Plan enrollments are on the first of the month following regular employment. Information concerning the cost and benefits of the insurance program shall be available to all employees through the Human Resources Department or through the supervisors.

SECTION 1.1 Group Health and Hospitalization Insurance – Retired Employees Who Were Hired On or After July 1, 2011. The provisions of this section shall apply only to employees who were initially employed by the City and/or Greenville Utilities Commission on or after July 1, 2011, or who, when reemployed by the City and/or Greenville Utilities Commission, commenced their period of employment on or after July 1, 2011, with the City and/or Greenville Utilities Commission which establishes the continuous years of service at the time of retirement for the purpose of eligibility to continue insurance coverage. Upon service, early, or disability retirement as approved by the State Retirement System and upon meeting the criteria established by City Council, employees who are at least 55 years of age and who have a minimum of twenty continuous years of service with the City and/or Greenville Utilities Commission at the time of retirement shall be eligible to continue insurance coverage. Premium contributions by the City for base plan participation are subject to the following schedule:

<u>Years of Service</u>	<u>Base Plan Contribution Percentage</u> <u>At Age 55-59</u>	<u>Base Plan Contribution Percentage</u> <u>At Age 60-64</u>
20 to 24 years	50% for retiree; 0% for dependents	65% for retiree; 0% for dependents
25 or more years	75% for retiree; 0% for dependents	95% for retiree; 0% for dependents

For those retirees choosing an alternate pre-65 medical plan, the City will pay the same dollars toward premium costs as it pays for retirees under the base pre-65 plan. Any premium costs for dependents shall be the full responsibility of the retired employee.

Participating retired employees with a minimum of twenty (20) years of service who qualify for Medicare and/or their eligible dependents who qualify for Medicare are ineligible to continue on the City's group insurance plans. The City will issue to the retiree a \$250 monthly stipend or \$250 contribution to a medical savings account for the purpose of obtaining other insurance coverage.

Retiring employees who do not meet the minimum age and continuous years of service requirements are ineligible to participate in the City's health insurance program at retirement.

SECTION 1.2 Group Health and Hospitalization Insurance – Retired Employees Who Were Hired Prior to July 1, 2011. The provisions of this section shall apply only to employees who commenced their period of employment prior to July 1, 2011, with the City and/or Greenville Utilities Commission which establishes the continuous years of service at the time of retirement for the purpose of eligibility to continue insurance coverage. Upon service, early, or disability retirement as approved by the State Retirement System and upon meeting the criteria established by City Council, employees who have a minimum of five continuous years of service with the City and/or Greenville Utilities Commission at the time of retirement shall be eligible to continue insurance coverage. Premium contributions by the City for base plan participation are subject to the following schedule:

<u>Years of Service</u>	<u>Base Plan Contribution Percentage</u>
5-20 years	0% for retiree and dependents
20 or more years	95% for retiree; 0% for dependents

For those retirees choosing an alternate pre-65 medical plan, the City will pay the same dollars toward premium costs as it pays for retirees under the base pre-65 plan. Any premium costs for dependents shall be the full responsibility of the retired employee.

Participating retired employees with a minimum of twenty (20) years of service and/or their eligible dependents shall have their coverage transferred to a Medicare supplemental plan after qualifying for Medicare, with the City continuing to pay the same dollars toward the premium cost as it pays for retirees and their dependents under the base plan.

Participating retired employees with less than twenty (20) years of service and/or their eligible dependents shall be dropped from all group plans after qualifying for Medicare or other group insurance in accordance with state and federal guidelines.

Retiring employees who do not meet the minimum age and continuous years of service requirements to qualify for the contribution from the City and/or Greenville Utilities Commission, but do have a minimum of five continuous years of service at the time of retirement, may continue to maintain insurance coverage on the City's and/or Greenville Utilities Commission's plan by paying 100% of the monthly costs until qualifying for Medicare coverage.

SECTION 1.3 Group Health and Hospitalization Insurance – Special Coverage Benefit. Upon the death of a City employee as a direct and proximate result of an injury sustained while the

employee is on duty, the eligible dependents of the employee shall be eligible to continue the group health and hospitalization coverage for a period of six (6) months commencing on the first day of the month after the month in which the death occurs with the City paying the employer share of the premium at the active employee rate for said continuation of coverage and the covered dependents paying the employee share of the premium at the active employee rate for the continuation of coverage. Notwithstanding the foregoing, the eligibility for the continuation of such coverage with said City payment shall not be available in the event one or more of the following occurs: (1) the injury which results in the death is caused by intentional misconduct of the employee, (2) the employee was voluntarily under the influence of any intoxicant, medication, or controlled substance at the time of the injury which results in the death, (3) any of the eligible dependents contributed to the injury which results in the death, or (4) the injury which results in the death is a heart attack or stroke. The eligibility for the continuation of coverage provided in accordance with this paragraph shall run concurrently with the period of availability of group health and hospitalization coverage required pursuant to federal law (COBRA) and will not extend the period of time which said coverage is to be available.

SECTION 1.4 Dental Plan. The City may make a Dental Plan available to all full-time, regular employees and their eligible dependents. The City will share in the premium costs for employees and their dependents on a schedule set by City Council.

Plan enrollments are on the first of the month following regular employment. Information concerning the cost and covered benefits is available to all employees from the Human Resources Department or through the supervisors. Dental Plan coverage continuation is not available upon retirement.

Section 2. All inconsistent provisions of former resolutions, ordinances, or policies are hereby appealed.

Section 3. This resolution shall be effective upon adoption.

ADOPTED this the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Resolution designating another level of authorization for bank disbursements to include transfers

Explanation: During the fiscal year end 2010 audit conducted by McGladrey and Pullen, the City's auditor and Financial Services staff discussed the need to designate formally the Deputy Finance Officer as a banking disbursement authorized approver. Current practice allows for the Deputy Finance Officer to approve disbursements and transfers as needed. Staff recommends authorizing both the the Finance Officer (Director of Financial Services) and Deputy Finance Officer (Financial Services Manager) to approve all banking disbursements, including transfers.

Fiscal Note: No financial impact.

Recommendation: Approve attached resolution authorizing the Finance Officer and Deputy Finance Officer approval rights over all bank transfers

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[Resolution for Bank Transfer Designation 880476](#)

RESOLUTION NO. 11-_____
RESOLUTION DESIGNATING ANOTHER LEVEL
OF AUTHORIZATION FOR BANK DISBURSEMENTS TO INCLUDE TRANSFERS

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA:

Section 1: That the Finance Officer and/or the Deputy Finance Officer are hereby authorized to approve all City bank disbursements to include book and domestic transfers.

Section 2: This resolution shall become effective immediately upon its adoption and shall remain in full force and effect until rescinded or modified by resolution of the City Council.

This the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

880476



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Budget ordinance amendment for Greenville Utilities Commission's fiscal year 2010-2011 budget

Explanation: The fiscal year 2010-2011 Electric, Water, Sewer, and Gas Fund Budgets need to be amended to ensure that the estimated sources of revenue appropriately cover the estimated expenditures and contingencies for the remainder of the fiscal year and to also alleviate the potential of actual expenditures being over budget. On May 17, 2011, the Greenville Utilities Commission's Board amended the fiscal year 2010-2011 budget and recommended similar action be taken by the City Council.

Fiscal Note: No cost to the City.

Recommendation: Adopt the attached ordinance to amend Greenville Utilities Commission's fiscal year 2010-2011 budget.

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 [Ordinance Amendment GUC FY 2010-2011](#)

ORDINANCE NO. _____
TO AMEND ORDINANCE 10-58
CITY OF GREENVILLE, NORTH CAROLINA
2010-11 GREENVILLE UTILITIES COMMISSION BUDGET ORDINANCE

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section I. Estimated Net Revenues and Fund Balances. It is estimated that the following non-tax revenues and fund balances will be available during the fiscal year beginning July 1, 2010 and ending June 30, 2011 to meet the subsequent expenditures according to the following schedules:

<u>REVENUES</u>	<u>Budget</u>	<u>Change</u>	<u>Revised</u>
A. <u>Electric</u>			
Rates & Charges	\$198,190,528	\$3,373,427	\$201,563,955
Fees & Charges	852,000	206,397	1,058,397
U.G. & Temp. Service Charges	108,000	(1,681)	106,319
Miscellaneous	605,359	742,083	1,347,442
Interest on Investments	600,000	(180,000)	420,000
Installment Purchase	882,040	(39,695)	842,345
	<hr/>	<hr/>	<hr/>
Total Electric Revenue	\$201,237,927	\$4,100,531	\$205,338,458
B. <u>Water</u>			
Rates & Charges	\$14,065,803	(\$39,276)	\$14,026,527
Fees & Charges	327,734	(4,074)	323,660
Capacity Fees	165,000	0	165,000
Miscellaneous	161,114	60,364	221,478
Interest on Investments	50,000	10,235	60,235
Bond Proceeds	504,000	0	504,000
Installment Purchase	51,620	48,525	100,145
Transfer from Capital Projects	0	0	0
Appropriated Fund Balance	0	0	0
	<hr/>	<hr/>	<hr/>
Total Water Revenue	\$15,325,271	\$75,774	\$15,401,045
C. <u>Sewer</u>			
Rates & Charges	\$15,146,007	\$587,483	\$15,733,490
Fees & Charges	302,561	11,359	313,920
Capacity Fees	125,000	(125,000)	0
Acreage Fees	153,000	(153,000)	0
Pitt County	130,437	(65,218)	65,219
Miscellaneous	111,359	41,173	152,532
Interest on Investments	110,000	(40,000)	70,000
Bond Proceeds	0	0	0
Installment Purchase	183,040	(268)	182,772
Transfer from Capital Projects	187,000	(187,000)	0
Appropriated Fund Balance	200,000	(200,000)	0
	<hr/>	<hr/>	<hr/>
Total Sewer Revenue	\$16,648,404	(\$130,471)	\$16,517,933
D. <u>Gas</u>			
Rates & Charges	\$39,330,024	(\$3,001,712)	\$36,328,312
Fees & Charges	136,500	9,000	145,500
Miscellaneous	127,780	14,693	142,473
Interest on Investments	120,000	10,000	130,000
Installment Purchase	171,400	10,718	182,118
	<hr/>	<hr/>	<hr/>
Total Gas Revenue	\$39,885,704	(\$2,957,301)	\$36,928,403
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	<u>\$273,097,306</u>	<u>\$1,088,533</u>	<u>\$274,185,839</u>

Section II. Expenditures. The following amounts are hereby estimated for the Greenville Utilities Commission to be expended for managing, operating, improving, maintaining, and extending electric, water, sewer and gas utilities during the fiscal year beginning July 1, 2010 and ending on June 30, 2011, according to the following schedules:

	<u>Budget</u>	<u>Change</u>	<u>Revised</u>
Governing Body Department	\$3,810,832	\$147,771	\$3,958,603
Finance Department	\$17,628,125	(250,974)	\$17,377,151
Human Resources Department	\$3,325,870	390,225	\$3,716,095
IT Department	\$3,493,432	1,087,192	\$4,580,624
Customer Relations Department	\$4,501,453	(4,324)	\$4,497,129
Electric Department	\$186,648,365	2,708,608	\$189,356,973
Meter	\$2,535,942	(116,841)	\$2,419,101
Water Department	\$7,937,599	353,729	\$8,291,328
Sewer Department	\$7,661,440	(238,133)	\$7,423,307
Gas Department	\$35,059,331	(2,961,728)	\$32,097,603
Utility Locating Services	<u>\$494,917</u>	<u>(26,992)</u>	<u>\$467,925</u>
TOTAL EXPENDITURES	<u>\$273,097,306</u>	<u>\$1,088,533</u>	<u>\$274,185,839</u>

Section III: Amendments. (a) Pursuant to General Statutes 159-15, this budget may be amended by submission of proposed changes to the City Council.

(b) Notwithstanding Subsection (a) above, the General Manager/CEO of Greenville Utilities Commission is authorized to transfer funds from one appropriation to another within the same fund in an amount not to exceed \$10,000. Any such transfers shall be reported to the Greenville Utilities Commission and the City Council at its next regular meeting and shall be entered in the minutes.

(c) In case of emergency which threatens the lives, health, or safety of the public, the General Manager/CEO may authorize expenditures in an amount necessary to meet the emergency so long as the expenditure(s) is/are reported to the Greenville Utilities Commission as soon as possible, and appropriate budget amendments are submitted to the City Council, if necessary, at its next meeting.

Section IV: Distribution. Copies of this ordinance shall be furnished to the General Manager/CEO and the Chief Financial Officer of the Greenville Utilities Commission, and the Director of Financial Services of the City of Greenville to be kept on file by them for their direction in the disbursement of funds.

Adopted this the _____ day of _____, 2011.

Patricia C. Dunn, Mayor

Attest:

Carol Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Ordinances adopting Electric Capital Project Budgets for Greenville Utilities Commission's Sugg Parkway Substation and Transmission Line Projects

Explanation: The Sugg Parkway Substation and Transmission Projects are to support expansion of the DSM Site to 40 MVA of electrical capacity. The substation will also serve future additional loads in the Indigreen Industrial Park Area. The project includes a 115 kV transmission line extension of approximately 9,700' between US 264 and NC 903 highways, a 40 MVA two transformer design substation, initially with one 20 MVA power transformer situated on a 1.95 acre tract, and four additional 15 kV distribution circuits to serve the DSM property. DSM submitted a formal request on March 16, 2011 to increase their site contract capacity from 26 to 34 MVA.

The proposed Sugg Parkway projects include engineering design, site development, clearing and grading, equipment/material purchase, and construction.

The initial equipment purchase is for a 20 MVA 115-13.2 kV power transformer.

On May 17, 2011, the Greenville Utilities Commission Board adopted Electric Capital Project Budgets for the Sugg Parkway Substation and Transmission Line Projects and recommended similar action by the City Council.

Fiscal Note: No cost to the City.

Recommendation: Approve the attached ordinances adopting the Electric Capital Project Budgets for Greenville Utilities Commission's Sugg Parkway Substation and Transmission Projects.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

- [Ordinance Electric Capital Budget 134 Sugg Parkway Substation](#)
 - [Ordinance Electric Capital Budget 133 Sugg Parkway Transmission Line](#)
-

ORDINANCE NO. 11-_____

FOR ELECTRIC CAPITAL PROJECTS BUDGET
SUGG PARKWAY SUBSTATION

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section 1. Revenues. Revenues of the Electric Capital Projects Budget, Sugg Parkway Substation, is hereby established to read as follows:

Revenue

Capital Projects Fund Balance	<u>\$3,400,000</u>	<u>\$3,400,000</u>
-------------------------------	--------------------	--------------------

Section 2. Expenditures. Expenditures of the Electric Capital Projects Budget, Sugg Parkway Substation, is hereby established to read as follows:

Expenditures

Land Costs	<u>\$3,400,000</u>	
Total Project Expenditures		<u>\$3,400,000</u>

Section 3. All ordinances and clauses of ordinances in conflict with this ordinance are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the _____ day of _____, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

ORDINANCE NO. 11-_____
FOR ELECTRIC CAPITAL PROJECTS BUDGET
SUGG PARKWAY TRANSMISSION LINE

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section 1. Revenues. Revenues of the Electric Capital Projects Budget, Sugg Parkway Transmission Line, is hereby established to read as follows:

Revenue

Capital Projects Fund Balance	<u>\$1,700,000</u>	<u>\$1,700,000</u>
-------------------------------	--------------------	--------------------

Section 2. Expenditures. Expenditures of the Electric Capital Projects Budget, Sugg Parkway Transmission Line, is hereby established to read as follows:

Expenditures

Land Costs	<u>\$1,700,000</u>	
Total Project Expenditures		<u>\$1,700,000</u>

Section 3. All ordinances and clauses of ordinances in conflict with this ordinance are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the _____ day of _____, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Resolution approving a licensing agreement with AT&T Mobility Corporation

Explanation: A request has been made by AT&T Mobility Corporation to install telecommunication equipment on Greenville Utilities Commission's Eastside Elevated Water Tank. In 2006, Greenville Utilities Commission (GUC) entered into licensing agreements with both Verizon (March 2006) and US Cellular (November 2006) to allow installation of this type of equipment on the Eastside Tank. The proposed agreement is similar in all respects to the existing agreements with Verizon and US Cellular.

The proposed agreement includes the following: (1) attachment of antennas to the tank as well as the construction of an equipment shelter on the tank site, (2) provides for GUC to license the use of antenna space and the area for an equipment shelter for a period of 25 years, in five-year renewable increments (3) payment terms would be on a per vertical foot, per antenna basis, and (4) an annual fee adjustment based on the Consumer Price Index.

AT&T Mobility is proposing the initial installation of 6 antennas which results in an annual licensing fee of \$24,618.36 per year for 6 antennas.

Staff recently contacted VARNUM, LLP, a communications law practice out of Grand Rapids, Michigan, which has represented over 200 municipalities nationwide on federal aspects of cable and telecommunications matters.

Information received from VARNUM, LLP confirmed that our current cell tower licensing agreements and pricing are in line with what is being done nationally.

The pertinent points of the proposed licensing agreement are as follows:

- Licensing space for antennas on the water tank and an equipment shelter
- Initial agreement is for six antennas for an annual licensing fee of \$24,618.36

- Agreement is for 25 years in five year renewable increments
- Annual fee is adjusted each year based on the ConsumerPrice Index – All Urban Consumers - All Items
- Agreement is non-exclusive – i.e. other cellular providers not excluded from adding additional antennas.

The GUC Board authorized the execution of the proposed licensing agreement at its April 14, 2011 regular meeting. The required notice of intent to authorize the licensing agreement has been published.

Fiscal Note: No cost to the City of Greenville. GUC will receive annual revenue initially of \$24,618.36.

Recommendation: Adopt the attached resolution approving the licensing agreement with AT&T Mobility Corporation.

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 [Resolution Approving AT&T Mobility Corporation License Agreement](#)

RESOLUTION 11-
RESOLUTION APPROVING A LICENSING AGREEMENT
WITH AT&T MOBILITY CORPORATION

WHEREAS, Greenville Utilities Commission has approved a non-exclusive licensing agreement with New Cingular Wireless PCS, LLC (AT&T Mobility, Its' Manager) for the installation of antennas upon a water tank located upon property owned by the City of Greenville for the use and benefit of Greenville Utilities Commission;

WHEREAS, Greenville Utilities Commission has requested the City of Greenville to consent to the licensing agreement;

WHEREAS, the City Council hereby determines that the property will not be needed by the City of Greenville for the term of the licensing agreement;

WHEREAS, notice of the intent to authorize the licensing agreement was published on May 23, 2011; and

WHEREAS, North Carolina General Statute 160A-272 authorizes City Council to approve a lease of property upon such terms and conditions as City Council may determine;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greenville that it does hereby approve the Licensing Agreement with New Cingular Wireless PCS, LLC (AT&T Mobility, Its' Manager) for the installation of cellular antennas upon the Eastside Elevated Water Storage Tank for an initial term of 5 years with the potential of renewal in 5 year increments for a full term of 25 years and at an initial annual licensing fee of \$24,624.00 for 6 antennas, said licensing fee to be adjusted annually for inflation and with provisions for the possibility of additional antennas at an additional licensing fee determined by a monthly rate for each antenna of \$2.28 per foot of height above the ground.

This the 6th day of June 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Ordinance to Amend the Greenville Municipal Electoral Districts and Resolution Requesting Expedited Consideration by the United States Department of Justice

Explanation: At the May 23, 2011, City Council meeting, Redistricting Consultant Chris Heagarty reviewed a redistricting plan which was developed in accordance with the criteria for redistricting approved by City Council at its March 3, 2011, meeting. He also summarized the feedback received at the four (4) public forums which were conducted on May 16, 17, 18, and 19, 2011, for the purpose of providing information to the public about the redistricting plan, answering questions about the plan, and receiving public input.

The public hearing was conducted at the May 23, 2011, meeting. After the public hearing, City Council directed that Workshop Meetings with the Redistricting Consultant be scheduled on Thursday, May 26, 2011, and Tuesday, May 31, 2011, so that the public may make comments or suggestions to Redistricting Consultant Chris Heagarty. City Council also directed that Redistricting Consultant Chris Heagarty develop another redistricting proposal which has five (5) districts for electing five (5) Council Members by district and one (1) Council Member at-large while addressing the need to address growth areas in Districts 1 and 2.

The Workshop Meetings were conducted. Redistricting Consultant Chris Heagarty is in the process of developing another redistricting proposal. It will be made available once it has been completed.

A public hearing is scheduled for this meeting on the redistricting proposals. After the public hearing is conducted, Council can consider the adoption of the ordinance which will amend the municipal electoral district boundaries. Council may adopt either of the proposed plans or may make a change to a proposed plan prior to adoption of the ordinance. As an alternative, Council could direct that other changes be made for later consideration.

After approval of the ordinance which will amend the municipal electoral district

boundaries, it will be submitted to the Department of Justice for preclearance. In order for the municipal election to be held on its regular November 8, 2011, date, preclearance must occur no later than July 20, 2011. A resolution requesting expedited consideration by the Department of Justice will assist in meeting this deadline. If preclearance does not occur by this deadline, Council has previously approved a resolution in accordance with State law which will delay the municipal election until May 8, 2012.

Fiscal Note:

There is minimal additional expense associated with proceeding with the redistricting process.

Recommendation:

Consideration of the adoption of an Ordinance to Amend the Greenville Municipal Electoral District Boundaries. If the ordinance is adopted, consideration of the adoption of a Resolution Requesting the United States Department of Justice Give Expedited Consideration to the Submission of the Redistricting Plan. Changes to either proposal may be made by Council prior to adoption of the ordinance or Council could direct that changes be made for later consideration.

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Attachments / click to download

 [Map](#)

 [2011_Ordinance_Amending_the_Greenville_Municipal_Electoral_Districts_896985](#)

 [2011_Resolution_Requesting_DOJ_for_Expedited_Consideration_of_Redistricting_Plan_896986](#)

ORDINANCE NO. 11-
ORDINANCE TO AMEND THE GREENVILLE MUNICIPAL
ELECTORAL DISTRICT BOUNDARIES

WHEREAS, the current boundaries of the five single member electoral districts for the City of Greenville were established on May 22, 2001, by the City Council of the City of Greenville by the adoption of Ordinance No. 01-74;

WHEREAS, the 2010 federal census demonstrated significant population imbalances among the five single member districts;

WHEREAS, the City Council has studied the issue of redistricting, established criteria for redistricting, and received public input at public forums and a public hearing;

WHEREAS, the City Council finds it to be in the best interest of the City of Greenville to revise electoral district boundaries to correct population imbalances among the districts as shown by the 2010 federal census; and

WHEREAS, North Carolina General Statute 160A-23 grants the City Council the authority to revise electoral district boundaries from time to time;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA ORDAINS:

Section 1. The boundaries of the five single member electoral districts for the City of Greenville shall be as shown on the map entitled "Greenville, North Carolina Municipal Electoral District Boundaries" dated June 6, 2011.

Section 2. (a) Future contiguous annexations shall be included in the same municipal election district as the immediately adjacent area within the corporate limits to which the area is annexed. For annexation areas adjacent to areas within the primary corporate limits which are in two or more election districts, the newly annexed area shall be placed in a municipal election district in accordance with the provisions of subsections (b) and (c) below.

(b) Contiguous and satellite annexations shall generally be included in electoral district boundaries as follows:

(1) District 1 shall include annexations north of Dickinson Avenue which are north of District 2 and annexations north of the Tar River.

(2) District 2 shall include annexations west of the western boundary of District 2, annexations south of Dickinson Avenue, and annexations south of Thomas Langston Road which are west of Swift Creek.

(3) District 3 shall include annexations south of the Tar River which are north of the boundary of District 4 and NC 33 East, extended easterly.

(4) District 4 shall include annexations south of the boundary of District 3 and NC 33 East, extended easterly, which are north and east of Arlington Boulevard and NC 43 East.

(5) District 5 shall include annexations west of Arlington Boulevard and NC 43 East, extended southeasterly, and annexations south of the southern boundary of District 2, which are east of Belfair Drive.

(c) The dividing lines described in subsections (b) (1)-(5) above are represented on the map entitled "Greenville, North Carolina Municipal Electoral District Boundaries", dated June 6, 2011. These boundaries shall be interpreted as guidelines, but may be overridden by City Council action expressed in the annexation ordinance of any specific area when the City Council determines that a different result is required to meet state or federal law.

Section 3. The City Attorney is directed to file a copy of the official map showing the district boundaries in the office of the City Clerk as required by G.S. 160A-22 and GS 160A-23. Further, the City Clerk shall forward a copy of the official map to the Pitt County Board of Elections.

Section 4. The City Attorney is directed to submit a copy of this ordinance, the official map, and such other supporting material as may be required by the United States Department of Justice for preclearance in accordance with Section 5 of the Voting Rights Act.

This the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

RESOLUTION -11
RESOLUTION REQUESTING THE UNITED STATES DEPARTMENT OF JUSTICE
GIVE EXPEDITED CONSIDERATION TO THE SUBMISSION OF
THE REDISTRICTING PLAN

WHEREAS, on April 14, 2011, the City Council of the City of Greenville adopted a resolution which delayed and rescheduled the 2011 municipal election in accordance with the provisions of North Carolina General Statute 160A-23.1;

WHEREAS, the provisions of North Carolina General Statute 160A-23.1 provide that, although a resolution to delay and reschedule has been adopted, the 2011 municipal election will be held on the regular schedule under revised electoral districts, if City Council adopts changes in the electoral districts and receives federal approval by July 20, 2011, the third business day before the opening of the filing period;

WHEREAS, the City Council of the City of Greenville has proceeded expeditiously in approving a redistricting plan after receipt of the 2010 federal census information while affording ample opportunities for public input;

WHEREAS, on June 6, 2011, the City Council of the City of Greenville adopted an ordinance which amends the electoral district boundaries and requires the submission of the ordinance to the United States Department of Justice in accordance with Section 5 of the Voting Rights Act;

WHEREAS, the City Council of the City of Greenville does hereby determine that conduction of the 2011 municipal election in accordance with the regular schedule is in the best interest of the City Greenville and its citizens; and

WHEREAS, Section 51.34 of Title 28 of the Code of Federal Regulations provides that a submission may be given expedited consideration by the United States Department of Justice when it is required or necessary under state law, local law or otherwise that the change be implemented within the sixty (60) day period following submission;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greenville that it does hereby respectfully request the United States Department of Justice give expedited consideration to the submission of the redistricting plan approved on June 6, 2011, by the Ordinance to Amend the Greenville Municipal Electoral District Boundaries so that the 2011 municipal election will be conducted in accordance with the regular schedule.

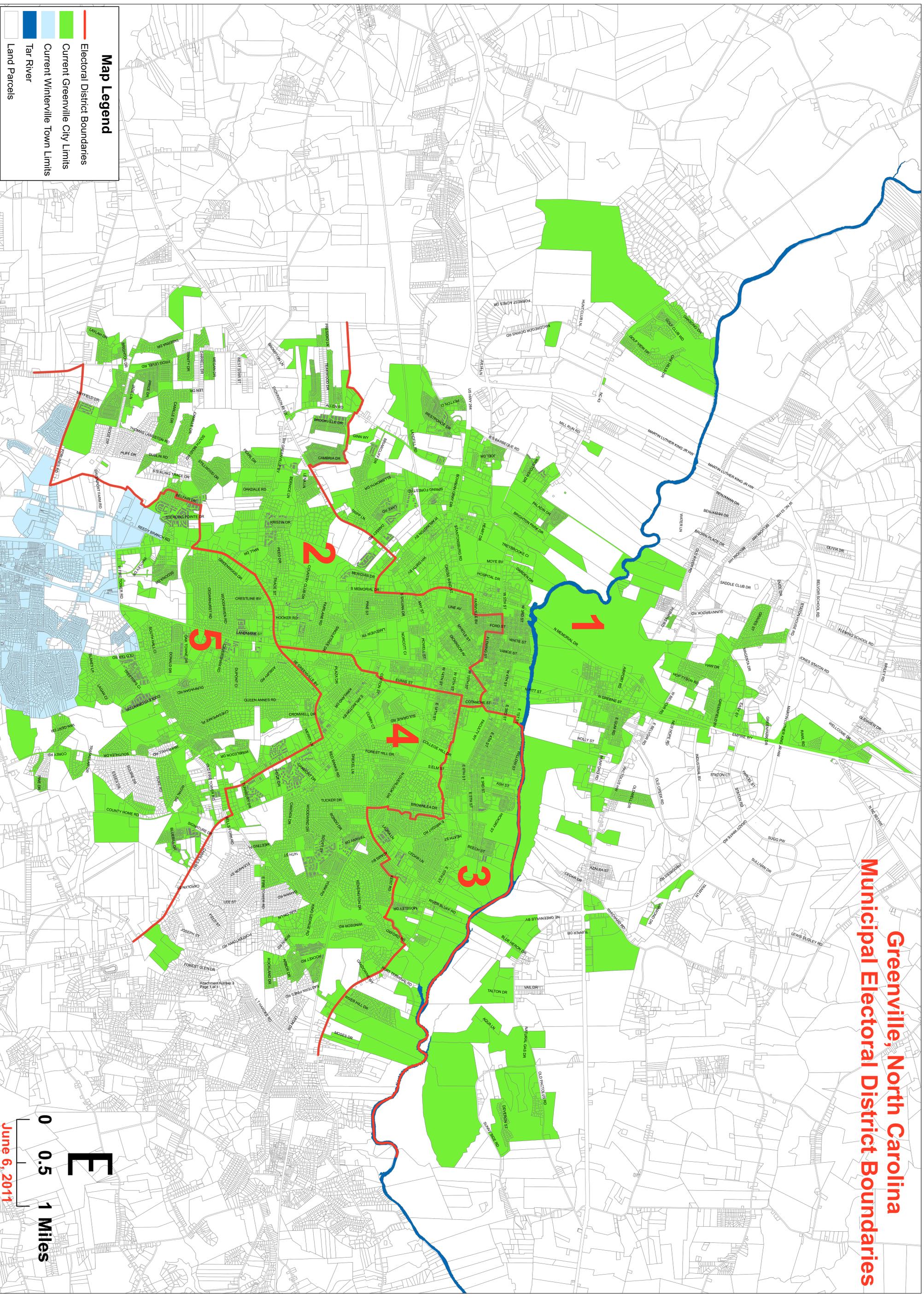
This the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

**Greenville, North Carolina
Municipal Electoral District Boundaries**



0 0.5 1 Miles
June 6, 2011

Map Legend
Electoral District Boundaries
Current Greenville City Limits
Current Winterville Town Limits
Tar River
Land Parcels



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Public hearing on proposed fiscal year 2011-2012 budgets

- a. Pitt-Greenville Convention & Visitors Authority
- b. Sheppard Memorial Library
- c. Greenville Utilities Commission
- d. City of Greenville

Explanation: Attached are the 2011-2012 proposed City of Greenville and Greenville Utilities Commission budget ordinances. The City Council is required by Section 159-12 of the North Carolina General Statutes to hold a public hearing before adopting the budget ordinances. The City of Greenville's budget ordinance also includes Sheppard Memorial Library and Pitt-Greenville Convention & Visitors Authority budgets. The amounts represented within the ordinances include unused funding approved as part of the fiscal year 2010-2011 budget.

The attached ordinances are submitted for consideration at the City Council's June 9, 2011 meeting.

Fiscal Note: The fiscal year 2011-2012 budget ordinances provide revenues and appropriations for the following funds:

General Fund	\$ 74,511,274
Debt Service Fund	4,745,953
Public Transportation Fund	1,839,879
Fleet Maintenance Fund	3,896,856
Sanitation Fund	6,730,025
Bradford Creek Golf Course Fund	845,714
Stormwater Utility Fund	3,835,271
Community Development Housing Fund	1,942,648

Dental Reimbursement Fund	263,481
Capital Reserve Fund	200,000
Vehicle Replacement Fund	3,082,860
Sheppard Memorial Library	2,469,373
Convention & Visitors Authority	1,265,651
Greenville Utilities Commission	274,173,019

Recommendation: Receive a staff presentation and conduct a public hearing on the proposed budget ordinances for fiscal year 2011-2012.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[GUC Budget Ordinance](#)

[Budget Ordinance_FY_2011_2012_895926](#)

ORDINANCE NO. 11-

CITY OF GREENVILLE, NORTH CAROLINA
2011-2012 BUDGET ORDINANCE

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section I: Estimated Revenue. It is estimated that the following revenues will be available for the City of Greenville during the fiscal year beginning July 1, 2011 and ending June 30, 2012:

GENERAL FUND

Unrestricted Intergovernmental Revenues:

Ad Valorem Taxes;

Current Year Taxes - Operations	\$ 29,818,647	
Prior Year's Taxes and Penalties	(5,339)	
Subtotal		\$ 29,813,308

Sales Tax	\$ 14,350,430	
Video Prog. & Tele. Comm. Svcs Tax	905,080	
Rental Vehicle Gross Receipts	106,659	
Utilities Franchise Tax	5,974,803	
Motor Vehicle Tax	782,706	
Other Unrestricted Intergovernmental Revenues	716,583	
Subtotal		\$ 22,836,261

Restricted Intergovernmental Revenues:

Restricted Intergovernmental Revenues	\$ 2,213,148	
Powell Bill - State allocation payment	2,032,692	
Subtotal		\$ 4,245,840

Licenses, Permits, & Fees:

Privilege Licenses	\$ 636,540	
Other Licenses, Permits & Fees	2,955,249	
Subtotal		\$ 3,591,789

Sales and Services:

Rescue Service Transport	\$ 2,652,260	
Parking Violation Penalties, Leases, and Meters	464,613	
Other Sales and Services	577,570	
Subtotal		\$ 3,694,443

Other Revenues:

Other Revenue Sources	\$ 305,976	
Subtotal		\$ 305,976

Investment Earnings:

Interest on Investments	\$ 1,884,450	
Subtotal		\$ 1,884,450

Other Financing Sources:

Transfer from Greenville Utilities Commission	\$ 4,986,085	
Appropriated Fund Balance	2,090,585	
Other Transfers	1,062,537	
Subtotal		\$ 8,139,207

TOTAL GENERAL FUND REVENUES

\$ 74,511,274

DEBT SERVICE FUND

Powell Bill Fund	\$	61,521	
Occupancy Tax		536,466	
Transfer from General Fund		<u>4,147,966</u>	
TOTAL DEBT SERVICE FUND			<u><u>\$ 4,745,953</u></u>

PUBLIC TRANSPORTATION FUND

Operating Grant 2011-2012	\$	534,434	
Capital Grant 2009-2010		306,560	
Planning Grant 2008-2009		28,100	
State Maintenance Assistant Program		175,000	
Hammock Source		818	
Miscellaneous Revenue		198	
Pitt Community College Bus Fare		4,300	
Eastern Carolina Vocational Center Service Contract		1,500	
Bus Fares		150,000	
Bus Ticket Sales		58,000	
Pitt Co. Bus Service		4,185	
Appropriated Fund Balance		<u>576,784</u>	
TOTAL PUBLIC TRANSPORTATION FUND			<u><u>\$ 1,839,879</u></u>

FLEET MAINTENANCE FUND

Fuel Markup	\$	1,878,849	
Vehicle		1,004,146	
Labor Fees		1,002,611	
Pool Car Rentals		<u>11,250</u>	
TOTAL FLEET MAINTENANCE FUND			<u><u>\$ 3,896,856</u></u>

SANITATION FUND

Refuse Fees	\$	6,195,919	
NC Mosquito Control		12,000	
Extra Pickup		2,000	
Recycling Revenue		5,000	
Cart and Dumpster		138,400	
Solid Waste Tax		50,000	
Transfer from General Fund		190,000	
Appropriated Fund Balance		136,706	
TOTAL SANITATION FUND			<u><u>\$ 6,730,025</u></u>

BRADFORD CREEK GOLF COURSE FUND

Green Fees	\$	501,059	
Cart Fees		19,000	
Driving Range		95,655	
Concessions (Food & Beverage)		63,000	
Other (Tournaments, Rentals)		97,000	
Tournaments		32,000	
Rentals		4,000	
Pro Shop Sales		<u>34,000</u>	
TOTAL BRADFORD CREEK GOLF COURSE FUND			<u><u>\$ 845,714</u></u>

STORMWATER MANAGEMENT UTILITY FUND

Utility Fee	\$ 2,951,000	
Interest on Checking	60,616	
Appropriated Fund Balance	<u>823,655</u>	
TOTAL STORMWATER MANAGEMENT UTILITY FUND		<u>\$ 3,835,271</u>

COMMUNITY DEVELOPMENT HOUSING FUND (GRANT PROJECT FUND)

Annual CDBG Grant Funding	\$ 800,000	
HUD City of Greenville	800,000	
Loan Payment	5,000	
Program Income	11,000	
Transfer from General Fund	<u>326,648</u>	
TOTAL COMMUNITY DEVELOPMENT HOUSING FUND		<u>\$ 1,942,648</u>

DENTAL REIMBURSEMENT FUND

Employer Contributions - City of Greenville	\$ 192,755	
Employee Contributions - City of Greenville	<u>70,726</u>	
TOTAL DENTAL REIMBURSEMENT FUND		<u>\$ 263,481</u>

CAPITAL RESERVE FUND

Appropriated Fund Balance	\$ <u>200,000</u>	
TOTAL CAPITAL RESERVE FUND		<u>\$ 200,000</u>

VEHICLE REPLACEMENT FUND

Transfer from Other Funds	\$ 3,082,860	
TOTAL VEHICLE REPLACEMENT FUND		<u>\$ 3,082,860</u>
TOTAL ESTIMATED CITY OF GREENVILLE REVENUES		<u>\$ 101,893,961</u>

SHEPPARD MEMORIAL LIBRARY FUND

City of Greenville	\$ 1,207,986	
Pitt County	603,993	
Town of Bethel	28,520	
Town of Winterville	139,437	
State Aid	202,448	
Desk/Copier Receipts	121,667	
Interest	5,000	
Miscellaneous Revenues	47,216	
Greenville Housing Authority	10,692	
LSTA Grant	25,000	
Appropriated Fund Balance	<u>77,414</u>	
TOTAL SHEPPARD MEMORIAL LIBRARY FUND		<u>\$ 2,469,373</u>

PITT-GREENVILLE CONVENTION AND VISITORS AUTHORITY

Occupancy Tax (2%)	\$	450,444	
Occupancy Tax (1%)		226,040	
Interest on Checking		10,000	
Appropriated Fund Balance		<u>579,167</u>	
TOTAL PITT-GREENVILLE CONVENTION AND VISITORS AUTHORITY FUND			<u>\$ 1,265,651</u>

Section II: Appropriations. The following amounts are hereby appropriated for the operation of the City of Greenville and its activities for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

GENERAL FUND

Mayor & City Council	\$	431,749
City Manager		1,114,636
City Clerk		308,883
City Attorney		455,445
Human Resources		2,708,693
Information Technology		2,971,218
Fire/Rescue		12,924,530
Financial Services		2,299,332
Contingency		150,000
Other Post Employment Benefits		250,000
Police		22,449,243
Recreation & Parks		6,305,388
Public Works		9,168,758
Community Development		1,725,349
Capital Improvement		5,915,283
Transfers to Other Funds		5,934,121
Indirect Cost Reimbursement		(601,354)
TOTAL GENERAL FUND		<u>\$ 74,511,274</u>

DEBT SERVICE FUND

Debt Service	\$	4,745,953
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PUBLIC TRANSPORTATION FUND

Transit	\$	1,839,879
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FLEET MAINTENANCE FUND

Fleet	\$	3,896,856
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SANITATION FUND

Sanitation Service

\$ 6,730,025

BRADFORD CREEK GOLF COURSE FUND

Bradford Creek Golf Course \$ 845,714

STORMWATER MANAGEMENT UTILITY FUND

Stormwater Management Utility \$ 3,835,271

COMMUNITY DEVELOPMENT HOUSING PROGRAM FUND

Community Development Housing/CDBG \$ 1,942,648

DENTAL REIMBURSEMENT FUND

Dental Reimbursement Fund \$ 263,481

CAPITAL RESERVE FUND

Capital Reserve Fund \$ 200,000

VEHICLE REPLACEMENT FUND

Vehicle Replacement Fund \$ 3,082,860

TOTAL CITY OF GREENVILLE APPROPRIATIONS \$ 101,893,961

SHEPPARD MEMORIAL LIBRARY FUND

Sheppard Memorial Library \$ 2,469,373

PITT-GREENVILLE CONVENTION AND VISITORS AUTHORITY

Pitt-Greenville Convention and Visitors Authority \$ 1,265,651

Section III: Encumbrances. Appropriations herein authorized and made shall have the amount of outstanding purchase orders as of June 30, 2011, added to each appropriation as it appears in order to account for the expenditures in the fiscal year in which it was paid.

Section IV: Taxes Levied. There is hereby levied a tax rate of 52 cents per one hundred dollars (\$100) valuation of taxable properties, as listed for taxes as of January 1, 2011, for the purpose of raising the revenue from current year's property tax, as set forth in the foregoing estimates of revenue, and in order to finance the foregoing appropriations.

Section V: Salaries.

(a) Salaries of Elected Officials. The annual salaries of the Mayor, Mayor Pro-Tem, and other members of the City Council shall be as follows:

Mayor	\$ 11,500
Mayor Pro-Tem	\$ 7,800
Council Members	\$ 7,500

(b) Salary Cap of Greenville Utilities Commission Members. Pursuant to Section 4 of the Charter of the Greenville Utilities Commission of the City of Greenville, the monthly salaries of members of the Greenville Utilities Commission shall not exceed the following caps:

Chair	\$ 350
Member	\$ 200

Section VI: Amendments.

(a) Pursuant to General Statutes 159-15, this budget may be amended by submission of proposed changes to the City Council.

(b) Notwithstanding Subsection (a) above, the City Manager is authorized to transfer funds from one appropriation to another within the same fund in an amount not to exceed \$10,000. Any such transfers shall be reported to the City Council at its regular meeting and shall be entered in the minutes.

(c) In case of emergency which threatens the lives, health, or safety of the public, the City Manager may authorize expenditures in an amount necessary to meet the emergency so long as such amount does not exceed the amount in contingency accounts and the expenditure is reported to the City Council as soon as possible, and the appropriate budget amendments are submitted at the next regular meeting.

Section VII: The Manual of Fees, dated July 1, 2011, is adopted herein by reference.

Section VIII: Community Development. The City Council does hereby authorize grant project funds for the operation of FY 2011-2012 CDBG Entitlement and Community Development Home Consortium programs under the Community Development Block Grant Program and Home Consortium Program for the primary purpose of housing rehabilitation and other stated expenditures.

Section IX: Greenville Utilities Commission. The City Council adopts a separate ordinance for the budget of the Greenville Utilities Commission.

Section X: Distribution. Copies of this ordinance shall be furnished to the City Manager and the Director of Financial Services of the City of Greenville to be kept on file by them for their direction in the disbursement of funds.

ADOPTED this the 9th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk

ORDINANCE NO. _____
CITY OF GREENVILLE, NORTH CAROLINA
2011-12 GREENVILLE UTILITIES COMMISSION BUDGET ORDINANCE

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section I. Estimated Net Revenues and Fund Balances. It is estimated that the following non-tax revenues and fund balances will be available during the fiscal year beginning July 1, 2011 and ending June 30, 2012 to meet the subsequent expenditures, according to the following schedules:

<u>REVENUE</u>		<u>BUDGET</u>
A. <u>Electric Fund</u>		
Rates & Charges	\$200,977,249	
Fees & Charges	850,000	
U.G. & Temp. Service Charges	86,400	
Miscellaneous	606,750	
Interest on Investments	420,000	
Installment Purchase	<u>834,477</u>	
 Total Electric Fund Revenue		 \$203,774,876
B. <u>Water Fund</u>		
Rates & Charges	\$15,126,330	
Fees & Charges	382,716	
Miscellaneous	162,896	
Interest on Investments	35,000	
Installment Purchase	<u>179,564</u>	
 Total Water Fund Revenue		 \$15,886,506
C. <u>Sewer Fund</u>		
Rates & Charges	\$16,674,024	
Fees & Charges	373,460	
Pitt County	65,219	
Miscellaneous	113,950	
Interest on Investments	70,000	
Installment Purchase	<u>101,097</u>	
 Total Sewer Fund Revenue		 \$17,397,750
D. <u>Gas Fund</u>		
Rates & Charges	\$36,698,512	
Fees & Charges	133,500	
Miscellaneous	129,813	
Interest on Investments	130,000	
Installment Purchase	<u>22,062</u>	
 Total Gas Fund Revenue		 <u>\$37,113,887</u>
 TOTAL REVENUE		 <u><u>\$274,173,019</u></u>

Section II. Expenditures. The following amounts are hereby estimated for the Greenville Utilities Commission to be expended for managing, operating, improving, maintaining, and extending electric, water, sewer and gas utilities during the fiscal year beginning July 1, 2011 and ending on June 30, 2012, according to the following schedules:

		<u>BUDGET</u>
Electric Fund	203,774,876	
Water Fund	15,886,506	
Sewer Fund	17,397,750	
Gas Fund	<u>37,113,887</u>	
TOTAL EXPENDITURES		<u>\$274,173,019</u>

Section III: Amendments. (a) Pursuant to General Statutes 159-15, this budget may be amended by submission of proposed changes to the City Council.

(b) Notwithstanding Subsection (a) above, the General Manager/CEO of Greenville Utilities Commission is authorized to transfer funds from one appropriation to another in an amount not to exceed \$100,000. Any such transfers shall be reported to the Greenville Utilities Commission and the City Council at their next regular meeting and shall be entered in the minutes.

(c) In case of emergency which threatens the lives, health, or safety of the public, the General Manager/CEO may authorize expenditures in an amount necessary to meet the the emergency so long as such amount does not exceed the amount in contingency accounts and the expenditure is reported to the Greenville Utilities Commission as soon as possible, and appropriate budget amendments are submitted to the City Council, if necessary, at its next regular meeting.

Section IV: Distribution. Copies of this ordinance shall be furnished to the General Manager/CEO and the Chief Financial Officer of the Greenville Utilities Commission, and the Director of Financial Services of the City of Greenville to be kept on file by them for their direction in the disbursement of funds.

Adopted this the _____ day of June, 2011.

Patricia C. Dunn, Mayor

Attest:

Carol Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Presentations by boards and commissions

- a. Planning and Zoning Commission
- b. Redevelopment Commission

Explanation: The Planning and Zoning Commission and the Redevelopment Commission will make their annual presentations to City Council at the June 6, 2011 meeting.

Fiscal Note: N/A

Recommendation: Hear the presentations from the Planning and Zoning Commission and the Redevelopment Commission.

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City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

-
- Title of Item:** Redevelopment Commission work plan and budget for 2011-2012
- Explanation:** As has been the custom since the adoption of the Center City – West Greenville Revitalization Plan in January 2006, the Redevelopment Commission prepares a program of work and corresponding budget to run concurrently with the City of Greenville’s fiscal year. The program of work and budget are presented to the City Council each year for consideration and approval.
- Fiscal Note:** The majority of the proposed Redevelopment Commission projects and programs are funded through the use of 2004 general obligation bond funds approved by Greenville’s voters for revitalization activities in the Center City and West Greenville revitalization areas. Sources and uses of funding along with an annual budget are included in the 2011-2012 work plan. Budget ordinance amendments necessary to enact the proposed budget are scheduled for consideration as a separate item.
- Recommendation:** The Greenville Redevelopment Commission approved their 2011-2012 work plan and budget at their meeting on May 3, 2011, with a recommendation for approval by the City Council.
-

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[2011 - 2012 Redevelopment Commission Work Plan](#)

REDEVELOPMENT COMMISSION OF GREENVILLE



ANNUAL WORK PLAN

2011-2012

A. Introduction

The Redevelopment Commission of Greenville is engaged in a multi-year revitalization effort aimed at transforming Greenville's urban core into the premier destination for Eastern North Carolinians to live, work, shop and play. Projects and programs outlined in this work plan are based on the vision outlined in the Center City - West Greenville Revitalization Plan, which was adopted in January 2006. Over the course of the five years since the adoption of that plan, the Redevelopment Commission has engaged in an ambitious program of public work that has served to leverage significant private investment to include new housing units and significant commercial investment. Of the seventeen total items outlined in the plan, only three represent new initiatives for the Commission as many projects carry-over from year to year. This work plan will guide City of Greenville staff and private contractors who will carry out a defined set of activities listed herein and timed to coincide with the City's fiscal year running from July 1, 2011 through June 30, 2012. Funding for these projects and programs comes from a combination of general obligation bonds, grant funds and general government operating funds.

Activities related to the West Greenville 45-Block Community Development Block Grant (CDBG) project, as listed in the current CDBG Annual Plan, are incorporated into this document by reference.

B. 2011 – 2012 Work Plan Items

1. West 5th Streetscape Phase II Design**

As part of its 2005 – 2006 Annual Work Plan, the Redevelopment Commission selected a consultant to develop a set of design guidelines for future streetscape improvement projects undertaken within the Revitalization Project area. The goal of the design process was to create a unique and distinctive vision for public spaces within the project area. Key factors considered in the process included, vehicular/pedestrian/bicycle access, public utility location and improvements, street and gateway character, and wayfinding. The final deliverable from that process was the Center City – West Greenville Streetscape Master plan which was subsequently adopted by both the Redevelopment Commission as well as the City Council. Initial projects selected for design and construction were a segment of West 5th Street running from Memorial Drive to Cadillac Street along with portions of Reade and Cotanche Streets.

Based on cost estimates and prioritization developed as part of the master planning process, the Redevelopment Commission and Greenville City Council have selected a segment of West 5th Street running from Cadillac Street to Tyson Street as a second phase of streetscape design and construction in West Greenville. A key feature of this project will be the realignment of West 14th Street and Tyson Street at their intersection with West 5th Street.

Fiscal Note: Use of West Greenville bond funds for design and construction documentation. Construction funds for this project have not been identified.

(Design budget: \$105,000)

2. Adaptive Re-use Projects for Historic Structures **

The Redevelopment Commission will solicit input and receive inquiries from interested parties including architectural and development firms intent on finding new uses for unoccupied and underutilized historic structures within the Center City – West Greenville Revitalization Project area. The Redevelopment Commission will review any proposals, and where appropriate, may take action to partner with an interested developer and/or facilitate the redevelopment of these structures.

Fiscal Note: Potential use of Center City bond funds and tax increment funds for activities including land acquisition, clearance, and infrastructure.

3. Evans Street Gateway Design**

As part of its 2005 – 2006 Annual Work Plan, the Redevelopment Commission selected a consultant to develop a set of design guidelines for future streetscape improvement projects undertaken within the Revitalization Project area. The goal of the design process was to create a unique and distinctive vision for public spaces within the project area. Key factors considered in the process included, vehicular/pedestrian/bicycle access, public utility location and improvements, street and gateway character, and wayfinding. The final deliverable from that process was the Center City – West Greenville Streetscape Master plan which was subsequently adopted by both the Redevelopment Commission as well as the City Council. Initial projects selected for design and construction were a segment of West 5th Street running from memorial Drive to Cadillac Street along with portions of Reade and Cotanche Streets.

Based on cost estimates and prioritization developed as part of the master planning process, the Redevelopment Commission and Greenville City Council have selected a segment of Evans Street running from the intersection of 5th Street to the intersection of 10th Street as a second phase of streetscape design and construction in the Uptown District. Design and construction of this project is planned to coincide with design and construction of the 10th Street Connector Project which will deliver hundreds of new vehicular trips per day to the Evans Street gateway and to the Uptown Commercial District.

Fiscal Note: Use of Center City bond funds for design and construction documentation.

(Design budget: \$146,000)

4. Small Business Assistance Programs**

To facilitate the expansion of small business in appropriate locations within the Center City - West Greenville Redevelopment Project area, the Redevelopment Commission has developed and adopted several programs intended to attract and retain small businesses within the adopted revitalization areas. These include a business plan competition program which has been developed in conjunction with the local office of the North Carolina Small Business Technology Development Center, EXCEED and the Pitt Community College Small Business Center. The program provides grants in the amount of between \$15,000 and \$30,000 to as many as eight competition winners per year. The Commission has also developed the Building Blocks and Dickinson Avenue Corridor grant programs, façade programs that provide up to \$10,000 in grant funds for exterior repairs to non-residential buildings. In addition, staff working on behalf of the Commission, are collaborating with the Uptown Greenville organization and the Pitt County Economic Development Commission to explore the feasibility of tax incentive grant that would leverage private investment to renovate existing buildings in the City's revitalization areas.

Fiscal Note: Use of general operating, West Greenville and Center City bond funds for capitalization of grant programs.

5. Comprehensive Wayfinding Project **

The design and installation of a comprehensive citywide wayfinding system will have an immediate positive impact on Greenville's urban core. Such a system was recommended as part of the Center City – West Greenville Streetscape Master Plan and has been given a high priority by both the Redevelopment Commission and the Greenville City Council. Once implemented, the wayfinding system will help visitors and residents to navigate throughout the city using all modes of transportation. Upon completion, the sign system will also help to “brand” Greenville's distinctive urban core and promote key civic, educational, commercial and transportation facilities. During a previous fiscal year, both the Redevelopment Commission and the Greenville City Council signed off on the design for the system. Construction of the project will be completed during the first half of the current fiscal year.

Fiscal Note: Use of Center City bond and general operating funds for project construction. (Construction budget: \$577,631)

6. West Greenville Commercial Center**

The Center City – West Greenville Revitalization Plan calls for the establishment of a small-scale commercial center to serve the neighborhoods of West Greenville. Such a center might include a small grocery store, retail pharmacy as well as additional space

for other commercial ventures. The adopted Redevelopment Plan initially called for location of such a center in the Albemarle Avenue and Dickinson Avenue area, but as the corridor for the Tenth Street Connector Project has been more accurately defined, it has become clear that the proposed location would be in conflict with the new alignment of 10th Street. With right-of-way acquisition for the 10th Street project expected to begin in 2011, the Redevelopment Commission will begin planning for the location of the West Greenville neighborhood commercial center. There is a strong opportunity for a public/private partnership with this project in which the Redevelopment Commission assembles the land required for the commercial center then partners with a commercial center developer to build the improvements and bring in the commercial tenants. Once the site is properly located, land acquisition and the search for a private sector development partner can commence.

Fiscal Note: No funding required for planning activities; additional capital funding required for land assembly and infrastructure

7. Parking Pay Station Phase II Installations

Although the City Of Greenville continues to promote mass transit through the existing GREAT bus system as well as with the planned Intermodal Transportation Center, passenger vehicles and the associated parking requirements remain an integral part of the urban environment. The installation and use of parking meters is one of several parking management strategies that many local governments employ in urban settings, and one that the City of Greenville is utilizing in the Central Business District. Based on the early success of the pilot parking pay station project in the Reade and Cotanche Street area, the Commission will install additional parking pay stations along streets in the Central Business District based on recommendations from the City's ongoing Strategic Parking Review.

Fiscal Note: Potential use of Center City bond funds for purchase of pay stations.
(Procurement and installation budget: \$50,000)

8. Residential & Mixed Use Project Development**

The Center City – West Greenville Revitalization Plan calls for mixed use office, residential and retail development in the Central Business District. Toward this end, the Redevelopment Commission will explore redevelopment options for key business corridors. Redevelopment of important but underutilized corridors has the potential to jumpstart downtown office, residential, and retail sectors while creating a vital node for cultural activity. By introducing mixed-use office/residential development around relatively underutilized public and semi-public open spaces such as the Town Common, larger scale mixed-use redevelopment has the potential to energize the overlapping pedestrian, business, and entertainment zones while “pulling” commercial activity down the length of key commercial corridors. Public and private market studies completed

over the last few years have confirmed the latent demand within the Uptown Commercial District for mixed use development inclusive of residential, office and commercial uses.

Fiscal Note: Potential use of Center City bond and tax increment funds for activities including land acquisition, clearance, development financing and infrastructure

9. West Greenville Business Incubator**

Development of a business incubator in West Greenville would support the creation and development of small, creative businesses in diverse industries by providing office space/amenities and technical assistance to fledgling companies and entrepreneurs. Amenities might include furnished office space; conference and training rooms; computer lab with high-speed Internet connection or wireless technology; office equipment; and reception services. Technical assistance allows entrepreneurs to consult with business experts; to collaborate with other tenants on problem solving, lead generation, and new ideas; and to get referrals on training programs, workshops, and financing. Incubator participants also reach new clients through onsite networking resources.

In recent years, the Redevelopment Commission visited successful small business incubators in Durham, Raleigh, Chapel Hill, and Siler City, worked with a steering committee to develop a preliminary model for the incubator, hired the Small Business Technology Development center to complete a feasibility study based on that model, and vetted several sites that might serve as host to the incubator. During the last fiscal year, the Commission selected the block bordered by West 5th Street, Cherry Street and Vance Street as the preferred site for an incubator, and has engaged a local design firm to complete a preliminary architectural study for the site. Next steps for the project include development of a business plan with community partners such as the Minority Business Roundtable, East Carolina University and Pitt Community College as well as outreach to potential funders such as the U.S. Economic Development Administration and the Golden Leaf Foundation.

Fiscal Note: Use of CDBG funds for preliminary architectural study and West Greenville bond funds for completion of the feasibility study.

10. Civic Art Initiative **

One of the key recommendations of the 2006 Streetscape Master Plan was the creation of a civic art program. The Center City – West Greenville Revitalization Plan likewise calls for “creating and expanding cultural resources” within the Revitalization Project area. Across the nation, some 350 jurisdictions have established civic art programs, including cities in North Carolina such as Cary, Chapel Hill and Raleigh (Americans for

the Arts, 2003). Construction projects associated with two streetscape pilot projects provide opportunities to incorporate civic art into the public realm. It is hoped that such pilot projects may serve as a catalyst for implementing broader, city-wide approaches to civic art. Toward that end, the Redevelopment Commission has contracted with the Pitt County Arts Council to assist with the development of a Cultural Arts Master Plan and the Arts Council in turn received grant funding from the State Arts Council that will be used to advance the process. A draft arts plan is expected to be presented by the Arts Council by the end of the 2010-2011 fiscal year with refinement, adoption and implementation of recommendations from the plan slated for the current fiscal year.

Fiscal Note: Use of West Greenville and Center City bond funds for design, construction and purchase of civic artwork

11. Revitalization Area Marketing Program **

City Council has called for more extensive marketing programs to promote economic development and revitalization as part of recent annual goals statements. The Revitalization Area Marketing Program aims to provide media services, property investors, business interests, and the public with timely revitalization events and stories as well as relevant statistics and background information. The marketing program utilizes a variety of media - including but not limited to press releases & feature articles; brochures/handbooks; targeted marketing pieces – to promote positive Center City revitalization stories and accomplishments. During the 2011 – 2012 fiscal year, the Redevelopment Commission will continue to market the assets of Greenville’s center city via the means described above.

Fiscal Note: Potential use of general operating and Center City bond funds for marketing activities

12. First Street/Town Common Corridor Improvements

The Center City - West Greenville Revitalization Plan calls for “Improvement of the open space in the Town Common to leverage other adjacent residential and commercial projects”. In a similar manner as Central Park in New York City serves as a major attraction to commercial development around its boundaries, the Town Common can serve to attract development to Greenville’s center city, although at a much smaller scale than that of the Central Park example. Toward that end, the Redevelopment Commission along with the Recreation and Parks Department has completed a public visioning process that culminated in the drafting and adoption of the Town Common Master Plan. The plan is intended as a vision document that will guide improvements to the park and surrounding areas in the years ahead. While large scale implementation of the master plan elements will require significant capital funding that is not currently available, one plan element that may be further explored is the narrowing of First Street with excess road right-of-way re-allocated toward on-street parking. Should additional

funding become available, such an approach could be expanded to include full streetscaping of the park's frontage along 1st Street.

Fiscal Note: Potential use of general and Center City bond funds for planning, design and construction activities (Design & construction budget: \$50,000)

13. Establishment of a Center City Science Center**

The Eastern North Carolina Science Center (Go-Science) is a 501C3 nonprofit focused on enhancing the level of science and math literacy for the people of Greenville and eastern North Carolina. Envisioned as a teaching, learning and research center, the science center will ultimately offer programs from kindergarten through twelfth grade as well as undergraduate and graduate-level programs for the independent adult learner. Proposed components to be phased in over a number of years include a planetarium, exhibit space capable of hosting a wide range of life and physical science displays, a Challenger Space Shuttle learning center as well as a gift shop and café. The center would be open to the general public as a regional resource. During the 2010-2011 fiscal year, the Redevelopment Commission purchased a commercial building on Dickinson Avenue for the purpose of making the building available to the Go-Science organization to operate a science center. The location of this important resource in Greenville's Center City will provide an important entertainment and cultural resource and will also serve to draw in numerous visitors to the Center City. During the current fiscal year, the Redevelopment Commission will work with the Go-Science organization to develop an agreement for use of the property, and will complete required environmental remediation on the site.

Fiscal Note: Use of EPA Brownfield Grant funds for environmental assessment, planning and remediation activities

14. Uptown Theatre Project**

In December of 2008, the Redevelopment Commission completed the acquisition of the historic State Theatre. The theatre, originally known as White's Theatre and later as the Park, has been shuttered for more than a decade and has fallen into disrepair over that time. Working through a partnership with the Magnolia Arts Center, the Redevelopment Commission will develop a plan that will lead to design for improvements to the theatre along with required fundraising to complete the renovation. It is expected that restoration activities will be completed in two phases, with initial structural stabilization and weatherization activities taking place during the 2011 – 2012 fiscal year followed by a full restoration project once funds have been raised.

Fiscal Note: Potential use of Center City bond and grant funds for construction activities (Phase I construction budget for fly-loft stabilization: \$104,000)

15. Promotion of Ecotourism Activities**

An action item associated with the goals of the City Council for the 2010 – 2011 fiscal year includes an effort to tie into a regional ecotourism initiative being promoted by various organizations for the eastern region of our state. This action item as well as the broader initiative is based on the premise that Eastern North Carolina can be a major destination for eco and other sustainable tourism, thereby producing an economically valuable and environmentally sound tourism industry in the region. Examples of existing activities that have been cited by supporters of this concept include hunting and fishing tours, estuarine cruises, wildlife tours, natural history field trips, back-water paddle adventures, horseback riding trails, and camping trips. With amenities such as the Town Common and greenway trails as well as plans for the location of a hotel and intermodal transportation facility, Greenville's Center City is poised to be an active participant in this effort. As the City Council studies the proper role for the City of Greenville, the Redevelopment Commission will examine how Greenville's Center City revitalization areas can fit into the larger effort.

Fiscal Note: No funding currently identified for activities associated with this project.

16. West Greenville Basketball Complex

Developed through joint visioning between the Community Development Department, Recreation and Parks Department and Police Department, the basketball complex is a way to address the need in West Greenville for additional recreational opportunities. Such opportunities are discussed within the Center City – West Greenville Revitalization Plan, and have started to be addressed through the installation of walking paths in Thomas Foreman Park which are part of the West 5th Street Gateway Project. Such a facility might also provide an opportunity for the Police Department to further its community policing activities within West Greenville, quite possibly in conjunction with the Police Athletic League. A carefully designed and monitored basketball complex could provide an outlet for West Greenville's youth to engage in competitive recreation in a safe atmosphere. Such a complex might also become a regional draw through the opportunity to host events such as three on three tournaments. After considering several sites within West Greenville, the City-owned former warehouse property located along Albemarle Avenue appears best suited for this project. The property's location has several inherent advantages to include proximity to residential areas yet a location in the warehouse district that is removed on most sides from residential development. The Albemarle Avenue property provides enough space for as many as five courts, attendant, bathroom and equipment storage areas as well as ample parking.

Fiscal Note: Use of West Greenville bond funds for planning and design. (Estimated design budget: \$60,000)

17. Merchant's Alley Project**

Merchant's Alley is a pedestrian corridor running on a north/south axis, mid-block, between West Fifth and West Fourth Streets in Greenville's Central Business District. During the past decade, the walking surface of the alley has been in a state of near constant disrepair, as improvement projects to adjoining buildings has required cuts to the surface in order to install and/or repair underground utilities. Recent lighting studies completed by City of Greenville and Greenville Utilities staff have also highlighted a need for updated lighting in the alley. Through a design contract authorized during the 2010-2011 fiscal year, the Redevelopment Commission will prepare construction plans that will lead to the installation of a removable paver system in the alley, as well as installation of appropriate lighting and limited ornamental vegetation.

Fiscal Note: Use of Center City bond funds for design and construction.

(Design budget: \$19,600, estimated construction budget \$157,000)

**Denotes carryover item

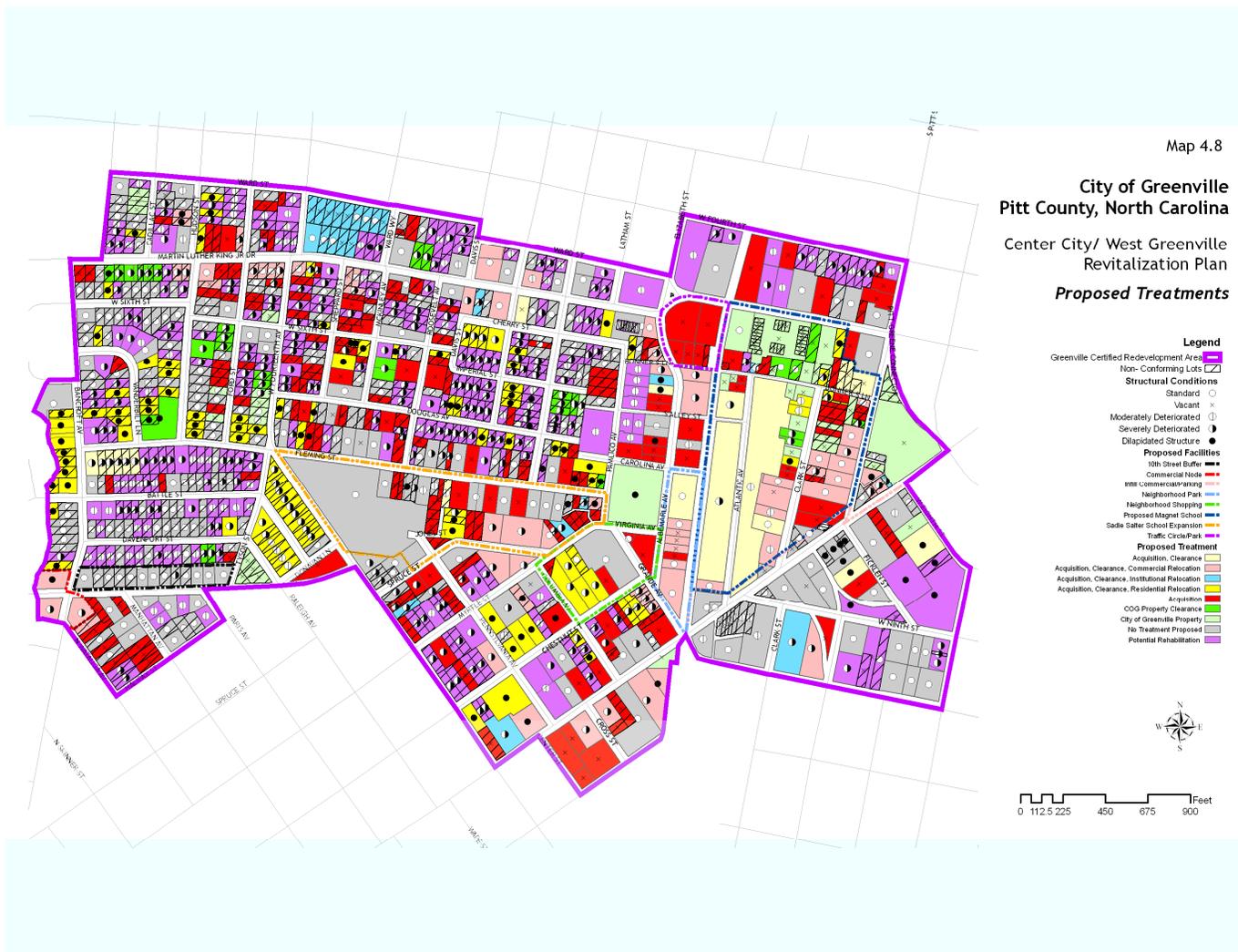
C. Budget

<u>Center City Bond Funds</u>		Carryover from 10' - 11' Budget	2011 - 2012 Budget
Acquisition: 114-4666-452.50-00@	Per acquisition list in RDC Annual Work Plan	\$67,379.00	\$67,379.00
Demolition: 114-4666-452.55-00(R)	Abatement and demolition of structures acquired by RDC	\$80,050.00	\$80,050.00
Infrastructure: 114-4666-452.63-00@	Design and construction of public projects	\$1,244,828.00	\$1,396,000.00
Development Financing: 114-4666-452.72-00@	Business start-up grants, business retention, expansion and attraction incentives	\$30,955.00	\$120,000.00
Construction 114-466-463--03-00 @	Structural repairs to Uptown Theatre	\$298,000	\$104,000.00
Totals:		\$1,721,212.00	\$1,767,429.00
<u>West Greenville Bond Funds</u>			
Acquisition: 113-4665-452.50-00@	Per acquisition list in RDC Annual Work Plan	\$0.00	\$0.00
Business Relocation: 113-4665-452.70-00@	Business relocation payments in accordance with adopted relocation plan	\$0.00	\$0.00
Demolition: 113-4665-452.55-00@	Demolition of structures acquired by RDC; right-of-way clearance	\$0.00	\$0.00
Infrastructure: 113-4665-452.63-00@	Design for W. 5th Streetscape Phase II	\$243,530.00	\$105,000.00
Construction: 113-4665-452.03-00@	Predevelopment activities for basketball complex & incubator projects	\$30,000.00	\$103,530.00
Development Financing: 113-4665-452.72-00@	Business start-up grants, business retention, expansion and attraction incentives	\$116,584.00	\$116,584.00
Totals:		\$390,114.00	\$325,114.00

*** Carryover funds are associated with ongoing projects and programs

D. Property Acquisition

In furtherance of the projects outlined above, and in conjunction with the ongoing West Greenville 45-Block CDBG Project, City of Greenville staff will utilize General Obligation Bond, CDBG and City of Greenville general funds to implement a property acquisition program that will focus on the acquisition of blighted properties as well as other properties where current uses do not conform to the intent of the Center City – West Greenville Revitalization Plan. It is expected that the Affordable Housing Loan Committee will continue to provide guidance throughout the acquisition process for purchase of residential properties within the CDBG project area. Real properties within the West Greenville Redevelopment Area (see map below) may be acquired during the current program year based on their compliance with the Center City – West Greenville Revitalization Plan, availability of funding, the willingness of property owners to sell their property, and staff capacity to implement the acquisition. Properties within the Center City Revitalization Area will be considered for acquisition based upon their relevance to projects described within this work plan.





City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Other Post-Employment Benefits (OPEB) irrevocable Trust Fund required changes

Explanation: Beginning in fiscal year 2006-2007, the City and other public employers were charged with new Governmental Accounting Standards Board (GASB) regulations to more actively manage increasing obligations incurred by making available Other Post-Employment Benefits (OPEB). In November 2008, the City Council approved making a contribution of \$250,000 into a State-managed fund that would accumulate funds annually to address this liability. The City's contributions have been deposited into an irrevocable trust created and managed by the North Carolina State Treasurer for the Local Government OPEB Fund (the "Fund").

As permitted by G.S.147-69.2 (**Investments authorized by Special Funds held by the State Treasurer**) and G.S. 147-69.4 (**Local Government Other Post-Employment Benefit Fund**), the State Treasurer's Office administers the "Fund". This pooled Fund has been used by local governments to accumulate all or some of its annually required contribution (ARC) for OPEB. Prior to commencing contributions into this fund, the City Council authorized a Contribution Agreement.

Effective June 30, 2011, the Governmental Accounting Standards Board is requiring changes in the administration of the Fund. Under the existing Fund, reporting requirements would be at the State level, thus the General Assembly has changed the fund into an investment fund. As a result, the City and the other participating municipalities will have to establish an irrevocable trust that meets the requirements of GASB. In order to complete this additional requirement, the City will have to complete the following:

- Establish a Trust Agreement
- Identify Trustees for the Trust
- Resubmit a Contribution Agreement

Attached is a draft Trust and Contribution Agreement as recommended by the Local Government Commission. Both documents have been reviewed by the City Attorney's Office and McGladrey and Pullen, the City auditor, to ensure compliance with GASB regulations.

For consideration of Trustees for the newly established Trust Fund, staff recommends the appointment of the City's Finance Officer, City Manager, and one member from the City Council. This recommendation is consistent with the Local Government Commission's suggestions.

Fiscal Note: No direct financial impact.

Recommendation: Approve the attached Trust Agreement, Contribution Agreement, and appointment of proposed Trustees.

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**AGREEMENT ESTABLISHING
LOCAL GOVERNMENT OTHER POST-EMPLOYMENT BENEFITS TRUST**

This **Trust Agreement** is entered into as of the 1st day of July, 2011 (hereinafter “**Effective Date**”), by and between The City of Greenville, North Carolina (hereinafter the “**Employer**”) and the City’s Board of Trustees (the “**Trustee**”);

RECITALS :

WHEREAS, the Employer wishes to establish a trust pursuant to Section 159-30.1(b) of the North Carolina General Statutes, to be known as the “Local Government Other-Post Employment Benefits Trust” (hereinafter the “**Trust**”), for the purpose of funding its obligation to provide post-employment benefits other than pension benefits, as required to be reported under GASB 45;

WHEREAS, this Trust is established by the Employer with the intention that the Trust qualify as an irrevocable tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and the Regulations issued thereunder and as a tax-exempt trust under the provisions of the applicable laws of the State of North Carolina; and

WHEREAS, Employer has appointed the Trustee as trustee of the Trust, and the Trustee has accepted such appointment pursuant to the terms and conditions set forth in this Trust Agreement; and

NOW THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

- 1.1 “**Assets**” shall mean all contributions and transfers of assets received into the Trust on behalf of the Employer, together with the income and earnings from such contributions and transfers and any increments accruing to them, net of any investment losses, benefits, expenses or other costs.
- 1.2 “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.
- 1.3 “**Employer’s Agent**” shall mean an individual or entity appointed by the Employer to act in such matters as are specified in the appointment.
- 1.4 “**Effective Date**” shall mean the date as of which the Trust is established, as set forth above.
- 1.5 “**Employer**” shall mean the City of Greenville, North Carolina.
- 1.6 “**GASB**” shall mean the Governmental Accounting Standards Board.
- 1.7 “**GASB 45**” shall mean Statement Number 45 issued by GASB requiring public agencies to report OPEB Obligations on their balance sheets effective after December 31, 2006.
- 1.8 “**GASB 45 Investment Policy**” shall mean the written investment policy for the Trust which shall be adopted by the Employer and delivered to the Trustee.

- 1.9** “**Investment Advisory Committee**” shall mean a group of qualified private and public sector employees selected by the Employer that will be responsible for establishing and maintaining broad policies and objectives for all aspects of the Trust investments. The committee will review and approve the development or revision of all matters concerning Trust investments. Investment matters addressed by the Investment Advisory Committee shall be communicated to the Employer, and the Employer shall communicate in writing to the Trustee any such investment matters necessary for the Trustee to fulfill its duties hereunder.
- 1.10** “**OPEB**” shall mean “other post-employment benefits,” such as medical, dental, vision, life insurance, long-term care and other similar benefits, provided to retirees, other than pension benefits.
- 1.11** “**OPEB Obligation**” shall mean an Employer’s obligation to provide post-employment health care and welfare benefits to its “eligible employees” as specified in such Employer’s written policies, the Plan and/or applicable collective bargaining agreements.
- 1.12** “**Plan**” shall mean the plan document adopted by the Employer for the purpose of documenting the Employer’s OPEB Obligations and governing the Employer’s satisfaction thereof, a copy of which is attached here as Exhibit A.
- 1.13** “**Plan Administrator**” shall mean the individual designated by position of employment at the Employer to act on its behalf in all matters relating to the Plan and Trust.
- 1.14** “**Qualified Investments**” shall mean all investments authorized under Section 159-30.1(b) of the North Carolina General Statutes, including the following:
- (1) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
 - (2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.
 - (3) Obligations of the State of North Carolina.
 - (4) Bonds and notes of any North Carolina local government or public authority, to the extent permitted in Section 159.30(c)(4) of the North Carolina General Statutes.
 - (5) Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided, that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized.

- (6) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates of particular obligation.
- (7) Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- (8) Participating shares in a mutual fund for local government investment; provided, that the investments of the fund are limited to Qualified Investments hereunder, and the fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment.
- (9) A commingled investment pool established and administered by the State Treasurer pursuant to Section 147-69.3 of the North Carolina General Statutes.
- (10) A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to Sections 160A-460 through 160A-464 of the General Statutes of North Carolina, if the investments of the pool are limited to those qualifying for investment under Section 159.30(c)(4) of the North Carolina General Statutes.
- (11) Evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian.
- (12) Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if:
 - (a) Such obligations that are subject to such repurchase agreement are delivered (in physical or in book entry form) to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a safekeeping receipt issued by a depository satisfactory to the local government or public authority, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current

market value, calculated at least daily, of not less than one hundred percent (100%) of the repurchase price, and, provided further, that the financial institution serving either as trustee or as fiscal agent for the local government or public authority holding the obligations subject to the repurchase agreement hereunder or the depository issuing the safekeeping receipt shall not be the provider of the repurchase agreement;

- (b) A valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedures, conforming, to the extent practicable, with federal regulations and satisfactory to the local government or public authority have been established for the benefit of the local government or public authority or its assignee;
 - (c) Such securities are free and clear of any adverse third party claims; and
 - (d) Such repurchase agreement is in a form satisfactory to the local government or public authority.
- (13) In connection with funds subject to the arbitrage and rebate provisions of the Code, participating shares in tax-exempt mutual funds, to the extent such participation, in whole or in part, is not subject to such rebate provisions, and taxable mutual funds, to the extent such fund provides services in connection with the calculation of arbitrage rebate requirements under federal income tax law; provided, the investments of any such fund are limited to those bearing one of the two highest ratings of at least one nationally recognized rating service and not bearing a rating below one of the two highest ratings by any nationally recognized rating service which rates the particular fund.
- (14) Investments of the State Treasurer authorized pursuant to Section 147-69.2(b4) of the North Carolina General Statutes.

1.15 “**Registered Investment Advisor**” shall mean any Registered Investment Advisor as defined by Securities and Exchange Commission regulations appointed by the Employer or Plan Administrator who has entered into a consulting or management agreement with the Employer for investing the Assets of the Trust.

ARTICLE II THE TRUST

2.1 Purpose

The purpose of the Trust is to hold assets from which to satisfy the Employer’s commitment to provide post-employment benefits (other than pension benefits), as offered by the Employer to its employees in accordance with the Employer’s policies and/or applicable collective bargaining agreements.

2.2 Trustee Accounting

The Trustee shall be responsible only for maintaining records and maintaining accounts for the Assets of the Trust. The Employer shall be responsible for Plan-level accounting for OPEB.

2.3 No Diversion of Assets

The Assets in the Trust shall be held in trust for the exclusive purpose of providing OPEB to eligible employees of the Employer and defraying the reasonable administrative and actuarial expenses of the Trust. The Assets in the Trust shall not be used for or diverted to any other purpose, except as expressly provided herein.

2.4 Type and Nature of Trust

Neither the full faith and credit nor the taxing power of the Employer is pledged to the distribution of benefits hereunder. Except for contributions and other amounts hereunder, no other amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of any Employer, but are payable solely from the Assets of the Trust, as more fully described herein. No employee of any Employer or beneficiary may compel the exercise of the taxing power by any Employer.

Distributions of Assets under the Trust are not debts of any Employer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens or encumbrances, upon any of the Employer's property, or upon any of its income, receipts, or revenues, except amounts in the accounts which are, under the terms of the Plan and Trust set aside for distributions. Neither the members of the governing body of the Employer nor its officers, employees, agents or volunteers are liable hereunder.

ARTICLE III ADMINISTRATIVE MATTERS

3.1 Certification to Trustee

The governing body of the Employer, or other duly authorized official, shall certify in writing to the Trustee the names and specimen signatures of the Plan Administrator and Employer's Agent, if any, and all others authorized to act on behalf of the Employer whose names and specimen signatures shall be kept accurate by the Employer acting through a duly authorized official or governing body of the Employer. The Trustee shall have no liability if it acts upon the direction of a Plan Administrator or the Employer's Agent that has been duly authorized hereunder even if that the Plan Administrator or the Employer's Agent is no longer authorized to act, unless the Employer has informed the Trustee of such change in writing.

3.2 Removal of Trustee

The Employer may remove the Trustee. Such action must be in writing and delivered to the Trustee by giving at least ninety (90) days' prior written notice to the Trustee.

3.3 Resignation of Trustee

The Trustee may resign as trustee of the Trust at any time by giving at least ninety (90) days' prior written notice to the Employer and the Plan Administrator. The Employer's appointment of a successor trustee to the Trust will vest the successor trustee with title to the Assets of its Trust upon the successor trustee's acceptance of such appointment.

3.4 Plan Administrator

The governing body of the Employer shall have plenary authority for the administration and investment of the Trust pursuant to applicable state law and applicable federal laws and regulations. The Employer shall by resolution designate a Plan Administrator. Unless otherwise specified in the instrument the Plan Administrator shall be deemed to have authority to act on behalf of the Employer in all matters pertaining to the Trust. Such appointment of a Plan Administrator shall be effective upon receipt and acknowledgment by the Trustee and shall be effective until the Trustee is furnished with a resolution of the Employer that the appointment has been modified or terminated.

3.5 Failure to Appoint Plan Administrator

If the Employer does not appoint a Plan Administrator, or if such appointment lapses, the Employer shall be deemed to be the Plan Administrator.

3.6 Employer's Agent

The Plan Administrator, acting on behalf of the Employer, may delegate certain authority, powers and duties to Employer's Agent to act in those matters specified in the delegation. Any such delegation must be in writing that names and identifies the Employer's Agent, states the effective date of the delegation, specifies the authority and duties delegated, is executed by the Plan Administrator and is acknowledged in writing by the Employer's Agent and certified as required in Section 3.1.

3.7 Notice

Effective notice hereunder shall be delivered via United States Mail or other reliable means of delivery, including via telecopy, electronic mail or overnight delivery service, to the following:

EMPLOYER:

The City of Greenville
200 W. 5th Street
Greenville, North Carolina 27858

Attention: Bernita W. Demery, Director of Financial Services

PLAN ADMINISTRATOR:

The City of Greenville
200 W. 5th Street
Greenville, North Carolina 27858

TRUSTEE:

**ARTICLE IV
THE TRUSTEE**

4.1 Powers and Duties of the Trustee

Except as otherwise provided in Article V, and subject to the provisions of Article VI, the Trustee shall have full power and authority with respect to property held in the Trust to perform all acts, take all proceedings, and exercise all rights and privileges, whether specifically referred to or not in this document, as could be done, taken or exercised by the absolute owner, including, without limitation, the following:

- (a) To invest and reinvest the Assets or any part hereof in Qualified Investments pursuant to this Trust and applicable state law.
- (b) To place uninvested cash and cash awaiting distribution in any type of interest-bearing account including, without limitation, time certificates of deposit or interest-bearing accounts issued by a commercial bank or savings and loan association organized under the laws of the State of North Carolina or having its principal office in North Carolina;
- (c) To borrow money for the purposes of the Trust from any source with or without giving security; to pay interest; to issue promissory notes and to secure the repayment thereof by pledging all or any part of the Assets;
- (d) To take all of the following actions: to vote proxies of any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust;
- (e) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(h) To exercise all the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable federal or state laws as amended from time to time, it being intended that, except as herein otherwise provided, the powers conferred upon the Trustee herein shall not be construed as being in limitation of any authority conferred by law, but shall be construed as consistent or in addition thereto.

4.2 Additional Trustee Powers

In addition to the other powers enumerated above, the Trustee in any and all events is authorized and empowered:

(a) To pay administrative fees as directed by the Plan Administrator;

(b) To invest funds pending required directions in a designated account as directed by the Investment Advisory Committee or if there is no designated account, any type of interest-bearing account including without limitation, time certificates of deposit or interest-bearing accounts issued by a commercial bank or savings and loan association organized under the laws of the State of North Carolina or having its principal office in North Carolina Trustee or any affiliate thereof;

(c) To cause all or any part of the Trust to be held in the name of the Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are a part of the Trust and the Trustee shall hold evidences of title to all such investments;

(d) To appoint a custodian with respect to the Trust Assets;

(e) To employ such agents and counsel as may be reasonably necessary in managing and protecting the Assets and to pay them reasonable compensation from the Trust; to employ any broker-dealer, including a broker-dealer affiliated with the Trustee, and pay to such broker-dealer at the expense of the Trust, its standard commissions; to settle, compromise or abandon all claims and demands in favor of or against the Trust; and to charge any premium on bonds purchased at par value to the principal of the Trust without amortization from the Trust, regardless of any law relating thereto;

(f) To abandon, compromise, contest, arbitrate or settle claims or demands; to prosecute, compromise and defend lawsuits, but without obligation to do so, all at the risk and expense of the Trust;

(g) To exercise and perform any and all of the other powers and duties specified in this Trust Agreement or the Plan;

(h) To permit such inspections of documents at the principal office of the Trustee as are required by law, subpoena or demand by a United States agency;

(i) To comply with all requirements imposed by applicable provisions of law;

(j) To seek written instructions from the Plan Administrator or other fiduciary on any matter and await their written instructions without incurring any liability. If at any

time the Plan Administrator or the fiduciary should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust;

(k) To compensate such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Plan Administrator in connection with the administration of the Plan and to pay from the Trust the necessary expenses of such firms, personnel and assistants, to the extent not paid by the Plan Administrator;

(l) To act upon proper written directions of the Employer, Plan Administrator or Employer's Agent;

(m) To pay from the Trust the expenses reasonably incurred in the administration thereof, as provided in the Plan;

(n) To hold uninvested reasonable amounts of cash whenever it is deemed advisable to do so to facilitate disbursements or for other operational reasons,

(o) To have and to exercise such other additional powers as may be advisable for the effective and economical administration of the Trust.

ARTICLE V INVESTMENTS

5.1 Trust Investments

The Employer and the Investment Advisory Committee, if any, shall have responsibility to select Qualified Investments for the Trust Assets. The Employer and the Investment Advisory Committee, if any, may appoint a Registered Investment Advisor to the Trust by executing a written consulting or management agreement with said Registered Investment Advisor.

5.2 Trustee Fees

As may be agreed upon, in writing, between the Employer and Trustee, the Trustee will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to the Trust. The Trustee shall be entitled to receive its fees and expenses when due directly from the Trust. Notwithstanding the foregoing, any Trustee who is an employee of the Employer shall receive no fee for service as a Trustee hereunder.

5.3 Contributions

Eligible Employees may be permitted to make contributions to the Trust, subject to approval of the Plan Administrator. The Plan Administrator shall, on behalf of the Employer, make all contributions to the Trustee. Such contributions shall be in cash, unless the Trustee agrees to accept a contribution that is not in cash. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of this Trust Agreement. The Trustee shall not have any duty to determine or inquire whether

any contributions to the Trust made to the Trustee by the Plan Administrator are in compliance with the Employer's policies and/or collective bargaining agreements applicable state law, nor shall the Trustee have any duty or authority to compute any amount to be paid to the Trustee by the Plan Administrator; nor shall the Trustee be responsible for the collection or adequacy of the contributions to meet the Employer's OPEB Obligation, as may be determined under GASB 45. The contributions received by the Trustee from the Employer shall be held and administered pursuant to the terms hereof without distinction between income and principal.

5.4 Records

(a) The Trustee shall maintain accurate records and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. Such records shall be available at all reasonable times for inspection by the Employer and Plan Administrator. The Trustee shall, at the direction of the Plan Administrator, submit such valuations, reports or other information as the Plan Administrator may reasonably require.

(b) The Assets of the Trust shall be valued at their fair market value on the date of valuation, as determined by the Trustee based upon such sources of information as it may deem reliable; provided, however, that the Plan Administrator shall instruct the Trustee as to valuation of assets which are not readily determinable on an established market. The Trustee may rely conclusively on such valuations provided by the Plan Administrator and shall be indemnified and held harmless by the Employer with respect to such reliance. If the Plan Administrator fails to provide such values, the Trustee may take whatever action it deems reasonable, including employment of attorneys, appraisers or other professionals, the expense of which will be an expense of administration of the Trust. Transactions in the account involving such hard to value assets may be postponed until appropriate valuations have been received and Trustee shall have no liability therefore.

5.5 Statements

(a) Periodically as specified, and within sixty (60) days after December 31, or the end of the Trust's fiscal year if different, Trustee shall render to the Plan Administrator as directed, a written account showing in reasonable summary the investments, receipts, disbursements and other transactions engaged in by the Trustee during the preceding fiscal year or period with respect to the Trust. Such account shall set forth the assets and liabilities of the Trust valued as of the end of the accounting period.

(b) The Plan Administrator may approve such statements either by written notice or by failure to express objections to such statements by written notice delivered to the Trustee within ninety (90) days from the date the statement is delivered to the Plan Administrator. Upon approval, the Trustee shall be released and discharged as to all matters and items set forth in such statement as if such account had been settled and allowed by a decree from a court of competent jurisdiction.

5.6 Exclusive Benefit

The Assets of the Trust shall be held in trust for the exclusive purpose of providing OPEB to the Eligible Employees of the Employer pursuant to the Employer's policies and/or applicable collective bargaining agreements, and defraying the reasonable

expenses associated with the providing of such benefits, and shall not be used for or diverted to any other purpose.

ARTICLE VI FIDUCIARY RESPONSIBILITIES

6.1 More Than One Fiduciary Capacity

Any one or more of the fiduciaries with respect to the Trust Agreement or the Trust may, to the extent required thereby or as directed by the Plan Administrator pursuant to this Trust Agreement, serve in more than one fiduciary capacity with respect to the Trust Agreement and the Trust.

6.2 Fiduciary Discharge of Duties

Except as otherwise provided by applicable law, each fiduciary shall discharge such fiduciary's duties with respect to the Trust Agreement and the Trust:

- (a) solely in the interest of the Eligible Employees and for the exclusive purpose of providing OPEB to Eligible Employees, and defraying reasonable administrative and actuarial expenses associated with providing such benefits; and
- (b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

6.3 Limitations on Fiduciary Responsibility

To the extent allowed by the state law applicable to this Trust Agreement:

- (a) No fiduciary shall be liable with respect to a breach of fiduciary duty by any other fiduciary if such breach was committed before such party became a fiduciary or after such party ceased to be a fiduciary.
- (b) No fiduciary shall be liable for a breach by another fiduciary except as provided by law.
- (c) No fiduciary shall be liable for carrying out a proper direction from another fiduciary, including refraining from taking an action in the absence of a proper direction from the other fiduciary possessing the authority and responsibility to make such a direction, which direction the fiduciary in good faith believes to be authorized and appropriate.

6.4 Indemnification

The Trustee shall not be liable for, and the Employer shall indemnify, defend and hold the Trustee harmless from and against any claims, demands, loss, costs, expense or liability in connection with this Trust Agreement, including reasonable attorneys' fees and costs incurred by the Trustee, arising as a result of Employer's active or passive negligent act or omission or willful misconduct in the execution or performance of the Employer's duties under this Trust Agreement.

In addition, the Trustee shall not be liable for, and Employer shall indemnify and hold the Trustee harmless from and against any claims, demands, loss, costs, expense or liability arising out of or in connection with this Trust Agreement, including reasonable attorneys' fees and costs incurred by the Trustee, in the event that the Trust loses or fails to qualify for tax exempt status under Section 115 of the Code and the Regulations issued or as a tax-exempt trust under the provisions of North Carolina law, unless such results directly or indirectly from the active or passive negligent act or omission of the Trustee or an employee or agent thereof.

This section shall survive the termination of this Trust Agreement.

ARTICLE VII AMENDMENT, TERMINATION AND MERGER

7.1 No Obligation to Continue Trust

Continuance of the Trust and continuation of the Employer's policies and/or applicable collective bargaining agreements that provide OPEB are not assumed as a contractual obligation of the Employer.

7.2 Amendments

(a) The Trust Agreement may only be amended or terminated as provided herein. The Employer shall have the right to amend this Trust Agreement from time to time, and to similarly amend or cancel any amendments. A copy of all amendments shall be delivered to the Trustee and Plan Administrators promptly as each is made.

(b) Such amendments shall be set forth in an instrument in writing executed by the Employer and the Trustee. Any amendment may be current, retroactive or prospective, provided, however, that no amendment shall:

(1) Cause the Assets of any Trust to be used for or diverted to purposes other than for the exclusive benefit of Eligible Employees of the Employer or for the purpose of defraying the reasonable expenses of administering such Trust.

(2) Have any retroactive effect so as to reduce the benefits of any Eligible Employees as of the date the amendment is adopted, except that such changes may be made as may be required to permit this Trust Agreement to meet the requirements of applicable law.

(3) Change or modify the duties, powers or liabilities of the Trustee hereunder without its consent.

7.3 Termination of the Plan

A termination of the Employer's obligation to provide OPEB pursuant to the Employer's policies and/or applicable collective bargaining agreements for which the Trust was established shall not, in itself, effect a termination of the Trust. Upon any termination of the Employer's obligation to provide OPEB pursuant to the Employer's policies and/or applicable collective bargaining agreements, the Assets of the Trust shall be distributed by the Trustee when directed by the Plan Administrator. From and after the date of such

termination and until final distribution of the Assets the Trustee shall continue to have all the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of such assets and the Trust shall continue until the Assets have been completely distributed in accordance with the Employer's policies and/or applicable collective bargaining agreements.

7.4 Fund Recovery Based on Mistake of Fact

Except as hereinafter provided, the Assets of the Trust shall never inure to the benefit of the Employer. The Assets shall be held for the exclusive purposes of providing post-employment health care and welfare benefits to Eligible Employees and defraying reasonable expenses of administering the Trust. However, in the case of a contribution which is made by an Employer because of a mistake of fact, that portion of the contribution relating to the mistake of fact (exclusive of any earnings or losses attributable thereto) may be returned to the Employer, provided such return occurs within two (2) years after discovery by the Employer of the mistake. If any repayment is payable to the Employer, then, as a condition precedent to such repayment, the Employer shall execute, acknowledge and deliver to the Trustee its written undertaking, in a form satisfactory to the Trustee, to indemnify, defend and hold the Trustee harmless from all claims, actions, demands or liabilities arising in connection with such repayment.

7.5 Termination

The Trust may be terminated only by the Employer. Such action must be in writing and delivered to the Trustee in accordance with the terms of this Trust Agreement.

ARTICLE VIII MISCELLANEOUS PROVISIONS

8.1 Nonalienation

Eligible Employees do not have an interest in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee or any other party. Trust Assets shall not be subject to the claims of the Employer or the claims of its creditors.

8.2 Saving Clause

In the event any provision of this Trust Agreement and each Trust are held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Trust Agreement and/or Trust, but this instrument shall be construed and enforced as if said provision had never been included.

8.3 Applicable Law

This Trust Agreement shall be construed, administered and governed under the Code and the law of the State of North Carolina. To the extent any of the provisions of this Trust Agreement are inconsistent with the Code or applicable state law, the provisions of the Code or state law shall control. In the event, however, that any provision is susceptible to

more than one interpretation, such interpretation shall be given thereto as is consistent with the Trust Agreement being a tax-exempt trust within the meaning of the Code.

8.4 Employment of Counsel

The Trustee may consult with legal counsel (who may be counsel for the Trustee or the Employer) and charge the Trust. The Trustee shall be fully protected in relying on advice of such counsel.

8.5 Gender and Number

Words used in the masculine, feminine or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

8.6 Headings

Headings used in this Trust Agreement are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

8.7 Counterparts

This Trust Agreement may be executed in an original and any number of counterparts by the Employer and Trustee, each of which shall be deemed to be an original of the one and the same instrument.

AGREED TO AND ACCEPTED this ____ day of _____, 20__ .

TRUSTEE

EMPLOYER

**CITY OF GREENVILLE, NORTH
CAROLINA**

By: Bernita W. Demery

Title: Director of Financial Services

EXHIBIT A

THE HEALTH CARE PLAN OF THE CITY OF GREENVILLE
SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Benefits

Eligibility for Allowance

A participant must be eligible and approved to receive retirement benefits in accordance with the regulations of the North Carolina Local Governmental Employees Retirement System (NCLGERS) and have worked a minimum of five (5) years with the City of Greenville.

Amount of Allowance

The City will contribute to the cost of retiree health insurance premiums based on the years of service and hire date if the hire date is prior to June 30, 2011 with the City using the following schedule for employees:

Years of Service at Retirement	City Contribution*
20 or more	95%
5 - 19	0%

- Employees hired after 6/30/2011 will be eligible for the modified benefits, based on age and length of service for pre-65 retirees and a defined contribution for the post-65 retirees.

Tiered Structure for Pre-65 Coverage

Years of Service	Age	Percentage	Age	Percentage
20-24 Years	55-59	50%	60+	65%
25+ Years	55-59	75%	60+	95%

Upon retirees reaching Medicare eligibility or age 65 and older, who are eligible for Medicare, would get a \$250 monthly stipend.

Participating retired employees with a minimum of twenty (20) years of service shall have their coverage transferred to a Medicare supplement plan after qualifying for Medicare,

with the City continuing to contribute the same percent as described above.

Other Post Employment Benefits Health care, prescription drugs, and vision benefits are provided in the City's retiree health care plan. The City will pay 50% of the total premium cost of a retiree life insurance benefit in the amount of \$7,000 for those retirees who were hired prior to August 15, 1975.

Dependent Coverage The retiree may continue dependent coverage (and pay the full cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the retiree's death. Retired employees with less than twenty (20) years of service at retirement shall have their dependents dropped from the group health insurance plan once the retiree becomes Medicare eligible.



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Revised Financial Policy Guidelines

Explanation: These policy guidelines establish reasonable parameters for the financial operations of the City to ensure that operating and capital needs are met while maintaining financial sustainability. The significant revisions include changes to the Capital Improvement Budget, Capital Reserve, and Cash Management sections. Additionally, sections have been added for the Identity Theft Prevention Program and Other Post Employment Benefits (OPEB).

All proposed policy changes are highlighted in yellow. Deleted words, phrases, or sections can be identified with the strike-through font in the yellow highlighted areas. The Capital Reserve change recommends foregoing the annual transfer to Capital Reserve, for future unfunded projects, when General Fund expenses exceed revenues at the end of the previous fiscal year. The Cash Management change recommends the quarterly and annual distribution of the investment report to City Council and the Investment Advisory Committee. The Identity Theft section is there to inform reviewers of the official policy that was approved in April of 2009. The OPEB section is an addition to update the guidelines to include how the City anticipates addressing retiree health insurance benefit obligations.

Developing and monitoring financial policy is one criterion in evaluating the financial strength and capacity of a city when its bond rating is evaluated by national rating agencies. The revisions to these guidelines will provide the needed information to assist the City with maintaining its current bond ratings with Moody's Investors Services and Standard & Poor's. Financial oversight resulting from these guidelines will promote a greater degree of confidence in the City by its citizens, investors, and others interested in the City's financial position. These guidelines, last revised at the November 6, 2008, City Council meeting, will allow the City to continue to manage the fiscal resources available for operating and capital expenditures.

Fiscal Note: No direct cost.

Recommendation: Approve the attached Financial Policy Guidelines as revised.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [Financial Policy Update FY 2011 895239](#)

Proposed

Financial Policy Guidelines

For:

City of Greenville, North Carolina

Authority: North Carolina General Statutes and other Public Finance Law

Supersedes: Update in November 2008

Review Responsibility: Financial Services

Review Scheduled: Annually or as needed

Approval Needed: City Council (Document # 895239v3)

Adopted: _____

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

TABLE OF CONTENTS

	Page
Objectives	2
Capital Improvement Budget	3-4
Vehicle Replacement Fund	5
Debt Management	6-7
Financial Reserves	8
Budget Development	9-10
Cash Management and Investment	11-12
Revenue Collections	13
Identity Theft Prevention Program	14
Other Post Employment Benefits	15

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

FINANCIAL POLICY GUIDELINES – OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practices of the City of Greenville, North Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is the cornerstone of sound financial management. Effective fiscal policy:

- Contributes significantly to the City’s ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the City rather than single issue areas,
- Promotes the view of linking long-run financial planning with day to day operations, and
- Provides the City Council, citizens and the City’s professional management team a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

There are a few identified policies that are elaborated on and approved by City Council within separate documents (i.e. Cash and Investment Policy and Revenue Collections Policy). To these ends, the following fiscal policy guideline is presented.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

CAPITAL IMPROVEMENT BUDGET

1. The City will prioritize all capital improvements in accordance with an adopted capital improvement program (CIP).
2. The City will develop a five-year plan for capital improvements and review and update the plan at least every two years. The City conducts a needs assessment and projects are ranked according to priority. The estimated costs and potential funding sources for each capital project proposal will be identified before it is submitted for approval **within the Capital Improvement Program (CIP) budget.** The estimated costs will include consideration for inflation; the inflation rate to be determined annually in the budget process and disclosed in the capital budget. Additional projects can be added to the CIP without ranking, but funding for projects added in this manner are subject to normal operating budget constraints.
3. The City will enact a capital budget at least every two years based on the five-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.
4. In general, effective maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, state or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met.
5. The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
6. The City will seek intergovernmental assistance to finance those capital improvements that are consistent with the capital improvement plan and City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
7. The City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The City will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

CAPITAL IMPROVEMENT BUDGET (cont.)

8. The City will project its equipment replacement and maintenance needs for five years and will update that projection at least every two years. Using this projection, a maintenance and replacement schedule will be developed.
9. The City will identify the estimated costs and potential funding sources for each capital project proposed before it is submitted for approval.
10. The City will attempt to determine the most cost effective and flexible financing method for all new projects.
11. The City will match the financing of major capital assets to the debt schedules that closely assign payments with the expected major asset life span to insure intergenerational equity.

Financial Policy Guidelines

City of Greenville, North Carolina

June 2011

VEHICLE REPLACEMENT FUND

1. Biennially, a Public Works team will review all vehicles and place them into categories as described in the vehicle replacement guidelines. The team will consist of the Director of Public Works, Operations Manager, and Fleet Superintendent. **This list is reviewed and approved by the City Manager during the budget preparation process.** The list is intended to guide the purchase of vehicles/equipment as a part of the City's Vehicle Replacement Program in an efficient and timely manner ensuring the appropriate equipment is purchased.
2. Equipment is evaluated by four criteria: age, mileage, general overall condition, and maintenance cost. Each vehicle is scored on a point system to determine which units are eligible for replacement consideration. Point criteria includes: year of vehicle, mileage, general overall condition and maintenance costs. Any Vehicle that scores a score of 10 or greater will be eligible for replacement.
3. Replacement recommendations will be based on a replacement schedule (vehicles by type) created by the Public Work Department. Any changes to the recommended list must be submitted in writing to the City Manager.
4. City departments will pay **quarterly** replacement rates to **finance** the vehicle replacement fund in preparation for future scheduled replacements.
5. The **quarterly** rates are calculated based on the cost plus inflation rate of the vehicles on hand within the respective departments. The costs divided by the expected useful life will determine what is paid on a **quarterly** basis to the replacement fund to pay for future replacements. Because the City is forward-funding replacement cost for purchases of future vehicles, an inflation factor of 3-5% per year is included in estimates. **The calculation of the monthly charged rates will be based on actual vehicle costs, not a budget or estimate.**

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

DEBT MANAGEMENT

1. The City will confine long-term borrowing to capital improvement or projects that cannot be paid for from current revenues or fund balance except where approved justification is provided.
2. The City will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current-year (pay-as-you-go) appropriations.
3. When the City finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be calculated at least every two years and included in the review of financial trends.
4. Where feasible, the City will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
5. The City will retire tax anticipation debt, if any, annually when taxes are collected only if cash flow is needed.
6. Prior to the issuance of new General Obligation (GO) debt, consideration shall be given to forecasted tax rate requirements, ratio of net GO debt to assessed taxable value, net GO debt per capita, and debt service payments to General Fund operating budget.
7. Direct net debt as a percentage of total assessed value of taxable property should not exceed 2.5%. Direct net debt is defined as any and all debt that is tax-supported.
8. The ratio of direct debt service expenditures as a percent of total governmental fund expenditures will be targeted to remain at or below 10.0% but in any case should not exceed 12.0% with an aggregate direct debt ten-year principal payout ratio target of 60.0% or better.
9. The City recognizes the importance of underlying and overlapping debt in analyzing financial condition. The City will regularly analyze total indebtedness including underlying and overlapping debt.
10. The City may employ municipal finance professionals to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors.
11. The City will select a method of sale that is the most appropriate in light of the financial market, transaction-specific conditions, City-related conditions, and in accordance with State law.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

DEBT MANAGEMENT (cont.)

12. The City will use fixed rate debt in most cases to finance its capital needs; however, the City may issue variable rate debt up to 20 percent of its total debt portfolio, when necessary.
13. Debt structures that result in significant “back loading” of debt should be avoided.
14. The Financial Services Director will maintain good communication with bond rating agencies
 - a. The Financial Services Director will provide periodic updates on the City’s financial condition.
 - b. Required disclosure on every financial report and bond prospectus will be followed.
 - c. The City may request ratings prior to the sale of securities from the major rating agencies for municipal bond issues.
15. The City will strive to achieve and maintain the highest credit rating awarded by the municipal bond rating agencies.
16. The City may undertake refinancing of outstanding debt:
 - a. When such refinancing allows the City to realize significant debt service savings (net present value savings equal to at least 2.0 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year; or
 - b. When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service; or
 - c. When a restrictive covenant is removed to the benefit of the City.
17. The Financial Services Director shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements for the federal tax code.

Financial Policy Guidelines

City of Greenville, North Carolina

June 2011

FINANCIAL RESERVES

1. The City will establish and maintain an Insurance Loss Reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained at no less than \$2.0 million.
2. In preparation of the last budget ordinance amendment of any given year, the city will review budgeted insurance loss, deductibles and premium accounts. If insurance losses, deductibles, and premiums are less than budgeted for any fiscal year, these unspent monies will be transferred to the Insurance Loss Reserve Fund for future unexpected claims.
3. ~~Unreserved, Undesignated~~ Unassigned Fund Balances (as defined by GASB Statement 54 will be funds that remain available for appropriation by the City Council after all "non-spendable amounts, commitments and restrictions for future expenditures, and required reserves defined by State statutes, have been calculated. The City will define these remaining amounts as "unassigned fund balances."
4. The City will strive to maintain an ~~unreserved, undesignated~~ Unassigned General Fund balance at the close of each fiscal year of at least 14.0% of the total annual operating budget.
5. The City Council may, from time-to-time, appropriate unassigned fund balances that will reduce ~~unreserved, undesignated unassigned~~ fund balances below the 14.0% threshold for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the City of Greenville. In such circumstances, the City Council will adopt a plan to restore the unassigned fund balance to or above the threshold within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the City, then the City Council will establish a different but appropriate time period.
6. The excess ~~unreserved, undesignated unassigned~~ fund balance may be used to fund one-time capital expenditures or other one-time costs, if those monies have not been transferred to the Capital Reserve Fund. In the event that expenditures exceed revenues within the General Fund during the previous fiscal year, transfers to Capital Reserve will be waived for the current fiscal year.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

BUDGET DEVELOPMENT

1. The City will develop the Budget in conjunction with a stated program of performance objectives and measures in which to gauge progress toward meeting those objectives.
2. The Financial Services Department will maintain a system for monitoring the City's budget during the fiscal year. This system will provide opportunity for departments and management to monitor and evaluate monthly financial information on expenditures and performance at both the department and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of North Carolina budgetary statutes.
3. The City will continue to focus on using one-time or other special revenues for funding special projects.
4. The City will pursue an aggressive policy seeking the collection of delinquent licenses, permits and other fees due to the City.
5. Budgeted contributions for non-profit agencies will continue to be limited to no more than 15.0% of the annual Community Development Block Grant ("CDBG") entitlement funds.
6. For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level when establishing user fees. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery attainment levels, to compare them to the current fee structure, and to recommend adjustments where necessary.
7. The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and economic development. The City shall also strive to minimize the property tax burden on Greenville residents.
8. In order to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and resulting impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should help avoid the need for mid-year service reductions.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

BUDGET DEVELOPMENT (cont.)

9. The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue updates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget, for recurring expenditures.
10. The tax rate will be set each year based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement project operational expenditure impacts and programmed debt service.
11. Expenditure budgets are reviewed by staff, the City Manager, and City Council prior to adoption and are continually monitored throughout the budget year. Budgeted funds will be spent for the categorical purposes for which they were intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued. Donations will be spent only toward the intent for which they were given.
12. The City will review the financial position of nonprofit corporations or organizations receiving funding to determine the entity's ability to carry out the intended purpose for which funding was granted. For organizations receiving \$20,000 or more in any fiscal year, the City may require the nonprofit to have an audit or review performed for the fiscal year in which the funds are received and to file a copy with the City.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

CASH MANAGEMENT AND INVESTMENT

1. The City's cash management approach consolidates cash balances from all funds to maximize investment earnings (pooling of funds). The accounting for the individual fund cash balances will continue to be maintained separately. Investment income will be allocated to the individual funds based on their respective participation and in accordance with generally accepted accounting principles. Where applicable, this policy also incorporates the following Government Accounting Standards Board Statements:
 - I. GASB Statement No. 31 - *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, implemented July 1, 1997. It should be noted that GASB Statement No. 32 amends No. 31 but only as it applies to Section 457 plans. ~~so it is not applicable to the City of Greenville.~~
 - II. GASB Statement No. 40 – *Deposit and Investment Risk Disclosure*, effective July 1, 2004.
2. The City has established an Investment Policy to provide safe and responsible guidelines for the investment of idle funds in the best interest of the public while fully maximizing the rate of return.
 - ◆ Safety of principal is the highest objective of the Investment Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.
 - ◆ The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the maturity of investments to meet the anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio will consist largely of securities with active resale markets.
 - ◆ The portfolio shall be designed with the objective of attaining a market rate of return. Return on investment is of secondary importance compared to the above described safety and liquidity objectives. The investments prescribed in this policy are limited to relatively low risk securities; therefore, management anticipates investment portfolio will earn a fair return relative to the risk being assumed.
3. The Investment Committee consists of the City Manager, Assistant City Manager, Director of Financial Services, and Financial Services Manager. Members of the investment committee meet every other month to determine general strategies and monitor results.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

CASH MANAGEMENT AND INVESTMENT (cont.)

4. The Investment Advisory Committee consists of three Greenville, NC residents with qualifications related to investing (i.e. bankers, stock brokers, accountants, economists, etc.). These members will be appointed by City Council and will meet three times a year. Members of the Investment Advisory Committee will meet to review the City's current portfolio and to consider any new investment recommendations that the committee has, in order to determine general strategies and monitor results.
5. The Director of Financial Services, or designee, will prepare an investment report monthly for management. Additionally, quarterly and annual investment reports will be generated and provided to the Investment Advisory Committee and City Council.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

REVENUE COLLECTIONS

1. The determination of the need for an allowance for doubtful accounts and write-offs will be based on an established method of calculation and computed and adjusted annually.
2. For write-offs of delinquent balances, the policy establishes threshold to permit the timely write-off of all receivable categories. Thresholds vary dependent upon the types and circumstances of the revenue and the related state law.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

IDENTITY THEFT PREVENTION PROGRAM

1. This program has been authorized and approved by the City Council in compliance with Federal Trade Commission (FTC) requirements, effective April 2009.
2. This written program is designed to protect consumer identity, over all City accounts, and prevent theft of customer identity.
3. An annual status of this program and any incidents of identity theft detected or mitigated will be reported to the City Manager and Assistant City Manager and made available to the City Council.

Financial Policy Guidelines

City of Greenville, North Carolina
June 2011

OTHER POST EMPLOYMENT BENEFITS

1. The City will use a deliberative process to ensure the sustainability of any OPEB it offers to employees. The City will carefully evaluate and design benefits to ensure benefits are sustainable.
2. The City Manager will provide assumptions included in the proposed budget related to the actuarially determined Annual Required Contribution (ARC) and the period of time necessary to fully fund the OPEB liability in accordance with the Governmental Accounting Standards Board Statement 45 (GASB 45).
3. The City will provide retiree healthcare pay-as-you-go OPEB costs and will contribute pre-funding deposits to the Treasurer's OPEB Trust, or other Trusts as approved by the state of North Carolina and/or City Council.



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Resolution Providing for the Issuance of \$3,225,000 General Obligation Public Improvement Bonds, Series 2011

Explanation: The City is scheduled to issue \$3,225,000 of the remaining \$8,085,000 from the general obligation bonds that were approved by referendum in November 2004. The purchase date is scheduled for June 15, 2011. The attached resolution will approve the sale of the bonds and approve certain other documents and actions relating to the bond sale (Notice of Sale and Official Statement).

Fiscal Note: The June 15, 2011, bond sale date includes the sale of \$3,225,000 in general obligation bonds--- \$1,225,000 for West Greenville Revitalization, and \$2,000,000 for Center City Revitalization.

Recommendation: Approve the attached resolution providing for the issuance of the 2011 General Obligation Public Improvement Bonds.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

- [Updated Resolution for GO 2011 Sale 898369](#)
- [POS General Obligation Debt Final 2011 898524](#)
- [Final Notice of Sale GO 2011 898525](#)

A regular meeting of the City Council of the City of Greenville, North Carolina was held in the City Council Chambers at the City Hall in Greenville, North Carolina, the regular place of meeting, on June 6, 2011 at 6:00 P.M.

Present: Mayor Patricia C. Dunn, presiding, and Council Members _____

Absent: _____

* * * * *

The Director of Financial Services introduced the following resolution, a copy of which had been provided to each Council Member, and was read by its title:

RESOLUTION PROVIDING FOR THE ISSUANCE OF
\$3,225,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2011

BE IT RESOLVED by the City Council of the City of Greenville:

Section 1. The City Council has determined and does hereby find, declare and represent:

(a) That orders authorizing \$5,000,000 West Greenville Revitalization Bonds and \$5,000,000 Center City Revitalization Bonds of said City were adopted by the City Council on November 22, 2004, each of which orders was approved by the vote of a majority of the qualified voters of said City who voted thereon at a referendum duly called and held on November 2, 2004.

(b) That \$3,775,000 principal amount of the West Greenville Revitalization Bonds and \$3,000,000 principal amount of the Center City Revitalization Bonds mentioned in subsection (a) above have been issued as part of an issue of \$12,715,000 General Obligation Public Improvement Bonds, Series 2006, dated November 1, 2006 and maturing May 1, in the years 2008 to 2027, inclusive.

(c) That no notes have been issued in anticipation of the receipt of the sale of the bonds mentioned in subparagraph (a) above.

(d) That it is necessary at this time to issue an additional \$1,225,000 of the West Greenville Revitalization Bonds and \$2,000,000 of the Center City Revitalization Bonds.

(e) That it is desirable to consolidate for the purpose of their issuance the bonds to be issued as described in subparagraph (d) above into a single issue of bonds, such bonds to be designated “General Obligation Public Improvement Bonds, Series 2011” and to have such terms as hereinafter provided.

(f) That the weighted average of the maximum periods of usefulness of the improvements to be financed with the proceeds of the bonds to be issued as described in subsection (d) above is estimated as a period of at least twenty years from June 29, 2011, the scheduled date of delivery of the bonds to be issued as hereinafter provided, and that such period expires on June 29, 2030.

Section 2. Pursuant to the respective orders mentioned above, there shall be issued bonds of the City of Greenville, North Carolina (the “Issuer”) in the aggregate principal amount of \$3,225,000, designated “General Obligation Public Improvement Bonds, Series 2011” and dated the date of their delivery (the “Bonds”). The Bonds shall be stated to mature annually, June 1 \$165,000 2012 to 2016, inclusive, \$160,000 2017 to 2031, inclusive, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable semiannually on June 1 and December 1 of each year, the first interest payable on December 1, 2011, until payment of such principal sum. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated

upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which

shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to the beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Director of Financial Services of the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified securities depository to replace DTC, the Issuer will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof (“Certificated Bonds”) in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Issuer may also deliver one or more

Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk of the Issuer and the corporate seal or a facsimile of the corporate seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Issuer of the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following forms:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- _____

\$ _____, _____, _____

United States of America
State of North Carolina
City of Greenville

CITY OF GREENVILLE
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2011

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
_____ 1, 20__	___%	_____

The City of Greenville, North Carolina (the “Issuer”), a municipal corporation in Pitt County, North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Director of Financial Services of the Issuer (the “Bond Registrar”), the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on June 1 and December 1 in each year, the first interest payment date being December 1, 2011, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

This bond is one of an issue of bonds designated “General Obligation Public Improvement Bonds, Series 2011 (the “Bonds”) and issued by the Issuer for the purpose of providing funds, together with any other available funds, for revitalizing the West Greenville and Center City areas of the City, and this bond is issued under and pursuant to The Local

Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, two orders adopted by the City Council of the Issuer, each of which was approved by the vote of a majority of the qualified voters of the Issuer who voted thereon at a referendum duly called and held, and a resolution duly passed by said City Council (the “Resolution”).

The Bonds maturing prior to June 1, 2022 are not subject to redemption prior to maturity. The Bonds maturing on June 1, 2022 and thereafter may be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2021, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000 and, further, that so long as a book-entry system with The Depository Trust Company, New York, New York (“DTC”) is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and given by certified or registered mail to Cede & Co., the nominee of DTC, at its address appearing upon the registration books of the Issuer. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date plus accrued interest to such date and, if moneys for payment of such redemption price and the accrued interest have been deposited by the Issuer as provided in the Resolution, interest on the Bonds or the portion thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such

participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the Issuer will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of the Issuer for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the corporate limits of the Issuer sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of the Issuer, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Issuer, by resolution duly passed by its City Council, has caused this bond to be manually signed by its Mayor and its City Clerk and its corporate seal to be impressed hereon, all as of the ___ day of June, 2011.

[SEAL]

Mayor

City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

Director of Financial Services of the
City of Greenville, North Carolina,
as Bond Registrar

By: _____
Authorized Signatory

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

_____ the within bond and all rights thereunder and hereby irrevocably constitutes and appoints

_____ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in

the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing prior to June 1, 2022 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2022 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2021, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000 and, further, that so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the Issuer, provided that such notice to Cede & Co. shall be given by certified or registered mail. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event the Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letter, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If

moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the

principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Director of Financial Services of the Issuer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the “Bond Registrar”), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office the books of the Issuer for registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended, except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

Section 7. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2011, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, currently located at <http://emma.msrb.org> or any other entity designated or authorized by the Securities and Exchange Commission designated to receive reports pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “MSRB”) and to the state information depository for the State of North Carolina (“SID”), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2011, to the MSRB and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings “The City – Debt Information” and “The City – Tax Information” in the Official Statement relating to the Bonds (excluding any information on overlapping units) and (ii) the combined budget of the Issuer for the current fiscal

year, to the extent such items are not included in the financial statements referred to in (a) above;

(c) within 10 business days, to the MSRB and to the SID, if any, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults; if material
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570-TEB) or other material notices or determinations with respect to or events affecting the tax status of the Series 2011 Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds; if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasance of any of the Bonds;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material; and
- (13) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

- (d) in a timely manner, to the MSRB and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds then outstanding may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;
- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and
- (c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer

(such as bond counsel), or by approving vote of the registered owners of a majority in principal amount of the Bonds then outstanding pursuant to the terms of this resolution, as it may be amended from time to time.

The Issuer agrees that the annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 8. The actions of the Director of Financial Services of the Issuer in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds and the action of the Local Government Commission of North Carolina in asking for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement and a Supplement to such Official Statement relating to the sale of the Bonds are hereby ratified and approved. Such Preliminary Official Statement, to be dated June 7, 2011 and substantially in the form presented to the City Council, is hereby approved, and the Mayor, the City Manager and the Director of Financial Services of the Issuer are each hereby authorized to approve changes in such Official Statement, to approve such Supplement, and to execute such Official Statement and such Supplement for and on behalf of the Issuer.

Section 9. This resolution shall take effect upon its passage.

* * * * *

After consideration of the foregoing resolution, Council Member _____
moved for the passage thereof, which motion was duly seconded by Council Member _____
_____, and the foregoing resolution was passed by the following vote:

Ayes: _____

_____.

Nays: _____.

* * * * *

I, Carol L. Barwick, City Clerk of the City of Greenville, North Carolina, DO HEREBY
CERTIFY that the foregoing has been carefully copied from the recorded minutes of the City
Council of said City at a meeting held on June 6, 2011, said record having been made in Minute
Book No. ___ of the minutes of said City Council, beginning at page ___ and ending at page __,
and is a true copy of such much of said proceedings of said City Council as relates in any way to
the passage of the resolution described in said proceedings.

I DO HEREBY FURTHER CERTIFY that a schedule of regular meetings of said City
Council, stating that regular meetings of said City Council are held in the City Council Chambers
in the City Hall in Greenville, North Carolina on various dates, including Monday, June 6, 2011
at 6:00 P.M., has been on file in my office as of a date not less than seven days before the date of
said meeting in accordance with G.S. §143-318.12.

WITNESS my hand and the official seal of said City, this ____ day of June, 2011.

City Clerk

[SEAL]

Ratings
Moody's:
S&P:
(See "Ratings" herein)

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 7, 2011

NEW ISSUE—Book-Entry Only

This Official Statement has been prepared by the Local Government Commission of North Carolina and the City of Greenville, North Carolina to provide information in connection with the sale and issuance of the Bonds described herein. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety. Unless otherwise indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

\$3,225,000

**City of Greenville, North Carolina
General Obligation Public Improvement Bonds, Series 2011**

Dated: Date of Delivery

Due: As shown on inside cover page

Tax Exemption

In the opinion of Sidley Austin LLP, which is based on current law and assumes continuing compliance by the City with certain covenants and with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Bonds is not includable in the gross income of the owners of the Bonds for purposes of federal income taxation and is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax; however, interest on the Bonds is included in the calculation of the federal alternative minimum tax liabilities of corporations. In the opinion of Sidley Austin LLP, which is based on existing law, interest on the Bonds is exempt from all present State of North Carolina income taxes. See "TAX EXEMPTION" herein.

Redemption

The Bonds are subject to optional redemption at the times and price as set forth herein.

Security

The Bonds constitute general obligations of the City, secured by a pledge of the faith and credit and taxing power of the City.

Interest Payment Dates

June 1 and December 1, commencing December 1, 2011.

Denominations

\$5,000 or any integral multiple thereof.

Expected Closing/Settlement

June 29, 2011

Bond Counsel

Sidley Austin LLP, New York, New York

Financial Advisor

First Southwest Company

Sale Date

June 15, 2011

Sale of Bonds

Pursuant to sealed bids in accordance with the Notice of Sale.

The date of this Official Statement is June ____, 2011

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

Due June 1 of the Year Indicated

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield¹</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield¹</u>
2012	\$165,000			2022	\$160,000		
2013	165,000			2023	160,000		
2014	165,000			2024	160,000		
2015	165,000			2025	160,000		
2016	165,000			2026	160,000		
2017	160,000			2027	160,000		
2018	160,000			2028	160,000		
2019	160,000			2029	160,000		
2020	160,000			2030	160,000		
2021	160,000			2031	160,000		

¹Information obtained from underwriters of the Bonds.

CITY OF GREENVILLE, NORTH CAROLINA

CITY COUNCIL

Patricia C. Dunn Mayor

Bryant Kittrell Mayor Pro Tem

Rose Glover

Marion Blackburn

Max Joyner, Jr.

Kandie Smith

Calvin Mercer

CITY STAFF

Wayne Bowers..... City Manager

Bernita W. Demery.....Director of Financial Services

David A. Holec, Esq. City Attorney

FINANCIAL ADVISOR

First Southwest Company
Charlotte, North Carolina

BOND COUNSEL

Sidley Austin LLP
New York, New York

TABLE OF CONTENTS

	Page
Introduction	
The Local Government Commission of North Carolina	
The Bonds.....	
Description.....	
Redemption Provisions	
Authorizations and Purposes.....	
Security	
The City	
General Description	
Demographic Characteristics	
Commerce and Industry	
Government and Major Services	
Government Structure.....	
Education.....	
Transportation	
Medical Facilities	
Cultural	
Recreation.....	
Greenville Utilities Commission	
Other Services	
Debt Information.....	
Legal Debt Limit	
Outstanding General Obligation Debt.....	
General Obligation Debt Ratios	
General Obligation Debt Service Requirements and Maturity Schedule	
General Obligation Bonds Authorized and Unissued.....	
General Obligation Debt Information for Overlapping Unit	
Other Long-Term Commitments.....	
Debt Outlook	
Tax Information.....	
General Information	
Tax Collections	
Ten Largest Taxpayers for Fiscal Year Ended June 30, 2010	
2010-11 Budget Commentary	
2011-12 Budget Outlook	
Pension Plans	
Other Post-Employment Benefits	
Contingent Liabilities	
Continuing Disclosure	
Approval of Legal Proceedings.....	
Ratings	
Tax Exemption.....	
Financial Advisor.....	
Underwriting	
Miscellaneous.....	
Appendices	
A — The North Carolina Local Government Commission	A-1
B — Certain Constitutional, Statutory, and Administrative Provisions Governing or Relevant to the Incurrence of General Obligation Bonded Indebtedness by Units of Local Government of the State of North Carolina	B-1
C — Management Discussion and Analysis.....	C-1
D — Financial Information	D-1
E — Proposed Form of Legal Opinions.....	E-1
F — Description of DTC’s Book-Entry System	F-1

State of North Carolina

Department of State Treasurer

JANET COWELL
TREASURER

*State and Local Government Finance Division
and the Local Government Commission*

T. VANCE HOLLOMAN
DEPUTY TREASURER

INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, is intended to furnish information in connection with the public invitation for bids for the purchase of \$3,225,000 General Obligation Public Improvement Bonds, Series 2011 (the "Bonds"), of the City of Greenville, North Carolina (the "City").

The information furnished herein includes a brief description of the City and its economic condition, government, debt management, tax structure, financial operations, budget, pension plans and contingent liabilities. The City has assisted the Local Government Commission of North Carolina (the "Commission") in gathering and assembling the information contained herein.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that the information herein is correct as of any date subsequent to the date hereof. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

This Official Statement is deemed to be a final official statement with respect to the Bonds within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). In accordance with the requirements of such Rule, the City has agreed in a resolution adopted by the City Council of the City prior to the sale of the Bonds to certain continuing disclosure obligations. See the caption "Continuing Disclosure" herein.

THE LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA

The Commission, a division of the Department of State Treasurer, State of North Carolina (the "State"), is a State agency that supervises the issuance of the bonded indebtedness of all units of local government and assists these units in the area of fiscal management. Appendix A to this Official Statement contains additional information concerning the Commission and its functions.

THE BONDS

Description

The Bonds will be dated as of their date of delivery and will bear interest from their date. Interest on the Bonds will be payable semiannually on each June 1 and December 1, commencing December 1, 2011. The Bonds will mature, subject to the optional redemption provisions set forth below, on the dates set forth on the inside cover page of this Official Statement.

The Bonds will be issuable as fully registered bonds in a book-entry system maintained by The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases and transfers of the Bonds may be made only in authorized denominations of

\$5,000 and in accordance with the practices and procedures of DTC. See Appendix F hereto for a description of the book-entry system and DTC.

Redemption Provisions

The Bonds maturing prior to June 1, 2022 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2022 and thereafter will be redeemable, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2021, at 100%, plus interest accrued to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000 and, further, that so long as a book-entry system with DTC is used for determining beneficial ownership of bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of interest of each Direct Participant in the Bonds to be redeemed. If less than all of the Bonds then subject to redemption shall be called for redemption, the particular maturities and amounts of the Bonds to be redeemed shall be determined by the City.

Notice of redemption shall be given by certified or registered mail to Cede & Co., DTC's nominee, as the registered owner of the Bonds. Such notice shall be mailed not more than 60 days nor less than the 30 days prior to the date fixed for redemption. The City will not be responsible for mailing notices of redemption to anyone other than Cede & Co.

On the date fixed for redemption, notice having been given as hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date fixed for redemption have been deposited by the City to be held in trust for the registered owners of the Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under the resolution providing for their issuance or to be deemed outstanding, and the registered owner of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. If a portion of a Bond shall have been selected for redemption, a new Bond or Bonds of the same maturity, of any authorized denomination or denominations and bearing interest at the same rate for the unredeemed portion of the principal amount of such Bonds shall be issued.

Authorizations and Purposes

The Bonds are being issued pursuant to the provisions of The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, four bond orders duly adopted by the City Council of the City, and a resolution duly passed by said City Council for the purpose of financing improvements to the City's redevelopment expenditures in areas of the City known as West Greenville and Center City.

Security

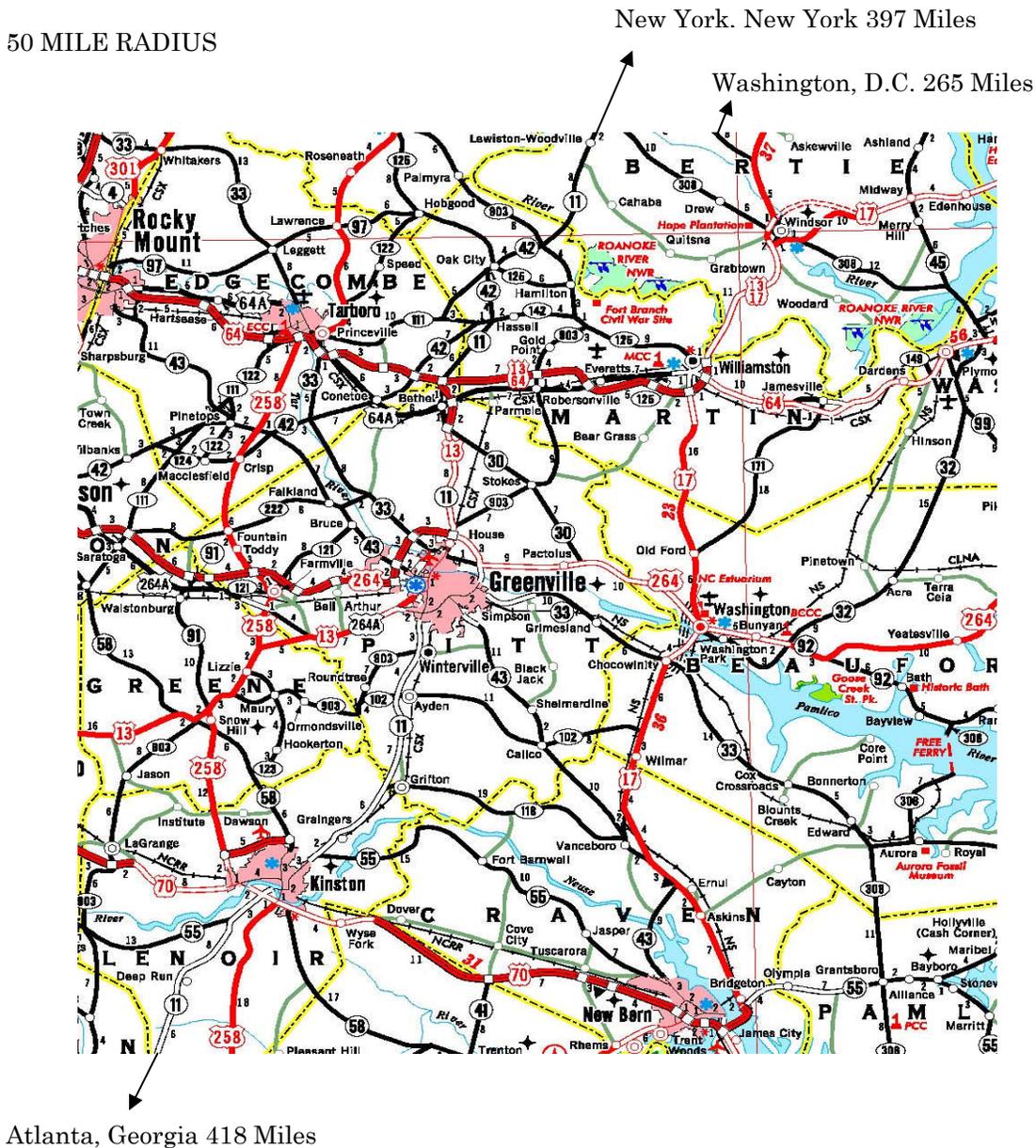
The City is authorized and required by law to levy on all property taxable by the City such ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon.

THE CITY

General Description

The City is the educational, commercial, and meeting hub in the Eastern North Carolina Region. The City is approximately 87 miles west of the Atlantic Ocean and approximately 265 miles south of our nation's capital, Washington, D.C. Pitt County has a 2010 population of 168,148 and the City has a population of 84,554. The average summer temperature is 84°F, while the average winter temperature is 44°F. The average yearly rainfall for Pitt County is approximately 48.24 inches. The City was founded in 1771 as "Martinsborough," after the Royal Governor Josiah Martin. In 1774, the City was moved to its present location on the south bank of the Tar River, three miles west of its original site. In 1786, the name was changed to Greensville in honor of General Nathanael Greene, the Revolutionary War hero, and later shortened to Greenville.

Consistently ranked among the top ten cities to live, the City is a small city with a big city calling card. In 2009, Forbes Magazine ranked the City as the 2nd Best Small Place for Business and Careers in the nation. The City's revitalized downtown district is just one example of why the City is noteworthy. With its mixed use landscape of local eateries and shops, art gallery, residential and office space, "Uptown Greenville" represents the vibrant cityscape of the City.



Demographic Characteristics

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City to be as follows:

<u>1990</u>	<u>2000</u>	<u>2010</u>
44,972	62,432	84,554

Per capita income data for the County and the State are presented in the following table:

<u>Year</u>	<u>County¹</u>	<u>State</u>
2005	\$29,432	\$31,041
2006	30,724	33,562
2007	32,205	34,968
2008	33,539	35,683
2009	33,089	34,879

¹Separate data for the City are not available.

Source: United States Department of Commerce, Bureau of Economic Analysis.

The following table indicates the total taxable retail sales for the City during the five fiscal years ended June 30, 2010:

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Total Taxable</u> <u>Retail Sales</u>	<u>Increase (Decrease) over</u> <u>Previous Year</u>
2006	\$1,061,670,325	(3.9)%
2007	1,134,979,924	6.9
2008	1,131,860,499	(0.3)
2009	1,080,645,460	(4.5)
2010	1,508,725,376	4.0

Source: North Carolina Department of Revenue, Sales and Use Tax Division.

The data in the table above set forth gross retail sales. Since July 1, 2006, retailers have been required to submit, on a monthly basis, taxable sales, rather than gross retail sales. In North Carolina, certain sales are not subject to sales tax. For the twelve-month period ended June 30, 2010, taxable retail sales in the City were \$1,508,725,376. These are not comparable to the gross retail sales figures for the prior fiscal years.

Commerce and Industry

The City and Pitt County has a diverse employment and manufacturing base, including numerous manufacturers with either a corporate, non-manufacturing employer, or divisional headquarters. The local economy is well diversified with government, wholesale/retail trade and manufacturing each accounting for approximately 25% of total employment. Agriculture is also a strong contributor to the economy; tobacco, corn, soybeans, wheat, peanuts, eggs, livestock, poultry, and vegetables are the primary agricultural products. The primary manufactured goods are chemicals (pharmaceuticals), textiles, apparel, transportation equipment, machinery, and fabricated materials.

DSM Pharmaceuticals creates products and services in Life Sciences and Materials Sciences. Markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. The company is headquartered in the Netherlands, with locations on five continents. DSM was the fourth largest employer in the County in 2010.

NACCO Material Handling Group designs, engineers, and manufactures materials handling equipment for virtually every market niche, including warehouse trucks, counterbalanced trucks, and large capacity cargo and container handling trucks. NACCO began in 1913 with the incorporation of the Cleveland & Western Coal Company. NACCO entered the lift truck industry in 1985-1989 when it acquired Hyster and Yale brands and is now a world leader in the lift truck industry with an estimated eight percent market share worldwide and 21.5% market share in the Americas as of 2009. NACCO came to the City in 1974. NACCO has a highly diverse customer base with over 600 different end-user applications in more than 600 industries. NACCO was the fifth largest employer in the County in 2010.

Grady-White Boats makes offshore sport fishing boats. Grady-White Boats are products of a result of North Carolina saltwater heritage and years of sport fishing experience. Grady-White Boats, with their self-bailing cockpits and basic or level floatation characteristics, are known for their safety. During 2009, Grady-White celebrated 50 years of private ownership (41 years by the same family) providing a level of continuity that ensures customers a consistently high-quality product. Grady-White Boats is the only coastal boat builder to be ranked highest in its class for customer satisfaction and has won "Highest in Customer Satisfaction" by J.D. Powers and Associates eight years in a row. The National Marine Manufacturers Association has also awarded Grady-White Boats their top customer satisfaction award in the fiberglass outboard boats category every year since the awards inception eight years ago.

The following table lists the major employers in or within a few miles of the City:

<u>Company/Institution</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Pitt County Memorial Hospital	Health Care	7,900
East Carolina University	Education	5,300
Pitt County Public Schools	Education	3,100
DSM Catalytica Pharmaceuticals, Inc.	Pharmaceuticals	1,100
NACCO Materials Handling Group	Lift Trucks	1,000
County of Pitt	Government Administration	970
Pitt Community College	Education	860
City of Greenville	Government Administration	740
Physicians East	Medical Care	500

Source: Pitt County Development Commission.

The following table indicates construction activity in the City, as reflected in the type, number and value of building permits issued by the City:

<u>Fiscal Year</u>	<u>COMMERCIAL</u>		<u>RESIDENTIAL</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2006	42	\$65,032,987	1,131	\$112,794,406	\$177,827,393
2007	46	44,247,334	1,088	137,606,718	181,854,052
2008	36	52,479,140	975	120,510,866	172,990,006
2009	17	11,495,901	349	43,343,851	54,839,752
2010	22	21,944,855	344	38,719,329	60,664,184

Source: City Inspections Department.

The North Carolina Employment Security Commission has estimated the percentage of unemployment in Pitt County¹ to be as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January	4.6%	5.0%	9.2%	11.4%	9.8%	July	4.8%	6.3%	11.1%	10.3%
February	4.6	5.0	9.9	11.4	9.8	August	4.8	6.6	11.0	10.1
March	4.5	5.2	10.4	11.3	9.7	September	4.9	6.8	11.0	10.0
April	4.6	5.3	10.7	11.1	N/A	October	4.9	7.3	11.1	9.9
May	4.6	5.7	11.0	10.8	N/A	November	4.9	7.8	11.2	9.8
June	4.7	6.0	11.0	10.5		December	5.0	8.5	11.3	9.8

¹Separate data for the City are not available.

Government and Major Services

GOVERNMENT STRUCTURE

The City has a council-manager form of government. The City Council is comprised of a Mayor and six council members. The Mayor and all council members are elected every two years and serve two-year terms. All municipal elections are held on a nonpartisan basis.

The City Council is the governing body of the City. The City Council appoints the members of various boards and commissions, the City Manager, the City Attorney and the City Clerk. The Mayor presides over City Council meetings. The City Manager is the chief administrative officer of the City and serves at the pleasure of the City Council.

EDUCATION

East Carolina University

East Carolina University (ECU) is a public, coeducational, doctoral/research university. ECU is the largest institution of higher learning in eastern North Carolina and the third-largest university in North Carolina. Established in 1907, ECU is one of 16 universities in the State University system. ECU has grown from 174 students during its first year of classes in 1909 to 27,816 students enrolled during the Fall 2010 semester and has been the fastest-growing campus in the University of North Carolina system for the past six years.

ECU employs over 5,253 people and is the City's second largest employer. ECU's campus has grown from 43 acres in 1907 to almost 1,400 acres today. ECU is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate, masters, and doctoral degrees.

University spirit infuses the City whose residents proudly claim to live in a "Pirate Nation." During football season, there are "Paint It Purple" Fridays when everyone is encouraged to don the Purple and Gold in support of the Pirates. On Fridays before a home football game, celebrations called "Freeboot Fridays," inaugurated by Uptown Greenville, draw students, residents, and visiting fans into the downtown district for food, drinks, prizes, and entertainment.

Brody School of Medicine – In the early 1960s, a group of leaders from eastern North Carolina proposed that a medical school be established at what was the East Carolina College. The Brody School of Medicine at East Carolina University is accredited by the Liaison Committee on Medical Education. East Carolina University is accredited by the Southern Association of Colleges and Schools. In time, East Carolina University was authorized to establish a health affairs division as a foundation for a medical program, and then a one-year medical school whose participants completed their medical education at the University of North Carolina-Chapel Hill. Finally in 1974, the General Assembly of North Carolina appropriated the funds to establish a four-year medical school at East Carolina University. Currently the Brody School of Medicine is developing plans to expand the medical school class size from 72 per class to 120 per class to meet increased demand for physicians.

ECU School of Dental Medicine – The new dental school is opening in the fall of 2011 with 50 students enrolled and is the State's Second Dental School. To remedy the State's rank of 47th in dentists per capita, ECU and UNC-Chapel Hill have jointly developed a plan to increase the number of dentists in the State and to establish the ECU School of Dental Medicine. There are four counties without any primary practicing dentists. Seventy-nine counties are recognized as federally designated dental shortage areas. This was the primary motivation for ECU to pursue the foundation of a dental school.

The City, by way of the University, are bringing together an outstanding group of experienced dental educators from around the country to be fulltime school faculty. Faculty recruitment efforts have been successful because this School's future reputation will be based on having innovative curricular design and extensive use of the latest technology to enhance education and clinical care. The School also will have equally wonderful and skilled staff members who also thrive for excellence.

The building for the Dental School is under construction and 52 students are enrolled for August 2011. A local orthodontist and businessperson donated \$4 million to help attract the best faculty and students to this school. In recognition of his generosity, the new building has been named Ledyard E. Ross Hall. It will be state-of-the-art in every way, including advanced educational technology, the latest in dental equipment, and using new concepts in research space design.

Pitt Community College

Pitt Community College ("PCC") chartered in March, 1961, is a comprehensive community college of the North Carolina Community College system. PCC was one of 11 community colleges in the State to earn "Exceptional Institutional Performance" status. Pitt Community is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate degrees. PCC offers over 60 curriculum programs and a wide range of continuing education courses for students in the Greenville area. Pitt Community offers 44 Associate Degree programs, numerous certificate programs, 22 diploma programs, and 18 University Transfer programs. As of Spring 2011, the school enrollment was 8,146 students. PCC employs over 860 people and was the City's seventh largest employer in 2010.

Pitt County School System

Pitt County School System is accredited by the Southern Association of Colleges and Schools and is one of the first 100 school systems in the nation to achieve the distinction of "Quality School System." District Accreditation is a process designated to recognize school systems that embrace improving student learning as a systematic process. This achievement recognizes the quality of education afforded the students in Pitt County Schools through the leadership of the superintendent and governing authority, the dedication and service of the professional staff, and the support of community stakeholders. The school system currently serves more than 23,235 students in kindergarten through twelfth grade in 30 schools; approximately 300 new students enter the system each year. The Pitt County School Board is the largest in the state with 12 members representing six districts. Board members are elected and serve six-year staggered terms. Pitt County Schools was the third largest employer in the City in 2010.

The following table shows the number of schools by grade level and average daily membership for the Pitt County School Administrative Unit:

<u>School Year</u>	<u>Elementary Grades (K-5)</u>		<u>Intermediate Grades (6-8)</u>		<u>Secondary Grades (9-12)</u>		<u>Total ADM</u>
	<u>No. of Schools</u>	<u>ADM*</u>	<u>No. of Schools</u>	<u>ADM*</u>	<u>No. of Schools</u>	<u>ADM*</u>	
2006-07	22	10,500	13	5,340	6	6,769	22,609
2007-08	22	10,800	13	5,163	6	6,987	22,950
2008-09	22	11,029	13	5,144	6	7,067	23,240
2009-10	22	10,851	13	5,140	6	7,031	23,022
2010-11	22	10,883	13	5,316	6	7,068	23,267

*Average daily membership (“ADM”) (determined by actual records at the schools for the first month of school) is computed by the North Carolina Department of Public Education on a uniform basis for all public schools in the State. The average daily membership computations are used as a basis for teacher allotments and for distribution of local funds if there is more than one school unit within a county.

Source: Superintendent’s Office of the Pitt County School Administrative Unit.

TRANSPORTATION

The City supports over 218 linear miles of street and is easily accessible by an east-west connector, U.S. Highway 264, and a north-south connector, U.S. Highway 13.

Greenville Area Transit (GREAT) operates fixed-route service for the City that provides ADA para transit service within a ¼ mile corridor of the regular fixed bus routes. The Pitt Area Transit System (PATS) provide curb-to-curb van service and is operated by Pitt County and provides human service and Rural General Public (RGP) transportation in Pitt County.

Pitt-Greenville Airport (PGV) covers 1000 acres, located outside the City. The airport is only two miles from the East Carolina University Campus. With three runways, PGV is used mainly for general aviation and charters. However, one commercial airline provides service at PGV.

In 2010, Pitt-Greenville Airport set an all-time passenger traffic record and finished the year with a 9.5% increase in traffic compared to calendar year 2009. For 2010, the Pitt-Greenville Airport recorded 127,680 passengers utilizing US Airways Express and 3,761 additional passengers associated with chartered flights. The total of 131,441 passengers utilizing the airport surpasses the previous annual record of 121,645 set in 2009. Calendar year 2010 is the fourth year in a row and the seventh year out of the last eight years that the airport has shown growth in passenger traffic.

MEDICAL FACILITIES

Pitt County Memorial Hospital

Pitt County Memorial Hospital (PCMH) is one of four academic medical centers in North Carolina. It is the flagship hospital for University Health Systems of Eastern Carolina and serves as the teaching hospital for the Brody School of Medicine at East Carolina University, training medical students and residents, nurses and other health care professionals. The hospital has 761 beds and is a tertiary referral center and provides acute, intermediate, rehabilitation and outpatient health services to more than 1.3 million people in 29 counties. In an average year, about 33,000 inpatients and more than 266,000 out-patients are treated in the facilities. More than 3,000 babies are born in a typical year. Pitt County Memorial Hospital is fully accredited by the Joint Commission for the Accreditation of Health Care Organizations. In 2008, *Working Mother* magazine selected PCMH for its Best Company list for the fourth time.

The clinical staff includes more than 500 physicians and 1,200 nurses. With more than 6,600 employees, PCMH was the City's largest employer in 2010.

The East Carolina Heart Institute is the first in North Carolina devoted exclusively to education, research, treatment, and prevention of cardiovascular diseases. The \$160 million, six-story, 375,000 square-foot inpatient care facility has 120 beds, six operating rooms and 11 interventional laboratories. Each room has a family area equipped with its own television, lighting, phone line, and seats that convert for sleeping. The facility employs 375 additional staff. These jobs will result in significant growth for eastern North Carolina's economic development.

The reputation of PCMH will stand to grow in stature with the construction of an addition to the Children's Hospital. This facility will serve 170,000 patients annually. Thanks to a generous donation of \$9 million, the project will further enhance an already impressive array of medical care options serving residents of this community and those across the region. University Health Systems has broken ground on a \$48 million addition to its children's hospital. Scheduled for completion in 2013, the larger facility will have a higher capacity, more advanced technology and improved comfort for patients and their families.

It stands to be an impressive asset in the City's medical district, joining the East Carolina Heart Institute and the School of Dental Medicine as recent projects there. The need here is evident, though North Carolina has made strides in improving the health for its youngest residents. The statewide infant mortality rate reached a record low in 2009. That number is historically much higher in rural communities and across eastern North Carolina. That rate will lower through improved access to care, which an expanded children's hospital can provide. However, with a design that puts kids at the forefront and recognizes that fear is an impediment to healing, the facility will help treat the many ailments that afflict children.

CULTURE

There are numerous art galleries, museums, community and university theatres, as well as the countless music venues to choose from throughout the area. Local theater groups such as the Magnolia Arts Center and the Greenville Theater Project contribute heavily to the performing arts scene in the community. The Smiles and Frowns Playhouse has provided first-rate children's theatre in the city for almost twenty years.

RECREATION

The Greenville Recreation and Parks Department provides a variety of athletic, recreational, and arts and crafts activities for all ages and abilities. The department maintains over 25 parks and recreational facilities, including numerous gymnasiums, recreation and community centers,

swimming pools, a soccer complex, softball and baseball fields, playgrounds, a greenway, the Greenville Toyota Amphitheater at the Town Commons, Bradford Creek Golf Course, the Aquatics and Fitness Center, the Extreme Park, the Sports Connection, and River Birch Tennis Center.

For the second year in a row, KaBOOM, a national non-profit which empowers communities to build playgrounds, named Greenville “Playful City, USA.” The City joins 118 other communities across the nation in achieving this distinction and is just one of 33 to do so in back to back years. The City received this distinction for its commitment and innovative approaches to make play a priority by creating initiatives designed to increase the quantity and quality of play and playgrounds, while improving access to existing play opportunities. The City was also recognized for inviting residents to participate in the planning of parks and trails, particularly those in proximity to residential neighborhoods.

GREENVILLE UTILITIES COMMISSION

The Greenville Utilities Commission (“Commission”), established in 1905, operates under a separate charter issued by the North Carolina General Assembly (“Commission Charter”). Under the provisions of the Commission Charter, the Commission has the authority and responsibility to supervise and manage the operation, maintenance, improvement, and extension of water, sewer, electric and natural gas facilities in the City and surrounding service area.

The Commission is governed by a eight-member Board of Commissioners responsible for approving rates, development plans, the annual budget, and setting policy that is carried out by the Commission’s General Manager. All eight board members are appointed by the City Council. All Board members, except the City Manager, are appointed to serve three-year staggered terms, with a maximum of two consecutive terms. One of the Board members is the City Manager of the City *ex officio*, and two of the members are nominated by the Pitt County Board of Commissioners.

Electric System

The Commission operates an electric distribution system serving the City and approximately 75 percent of the rural portion of the County with approximately 63,136 accounts. The Commission’s electric system is the second largest municipal electric system in the State, both in terms of number of customers served and quantity of electricity purchased and distributed, and is the largest electric supplier in Pitt County. Other providers in the County include Progress Energy Carolinas (PEC), Dominion North Carolina Power, Edgecombe-Martin EMC, Pitt-Greene EMC and the towns of Ayden, Farmville, and Winterville. The Commission provides power delivery and transmission services to the Town of Winterville, which has a power purchase agreement with PEC.

The electric system consists of 63 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as over 1,473 miles of overhead distribution lines, 1,102 miles of underground distribution lines at 12,470 volts and 56 miles of fiber optic lines. The electric system includes 19 distribution substations with a load capacity in excess of 540 MVA (megavolt amps), as well as two point-of-delivery transmission substations and two sub transmission substations.

The Commission is a leader in the State in residential load management and has device controls for an estimated 42,605 appliances including customer heat pumps, air conditioners, water heaters, and electric furnaces. Approximately 31% of the Commission’s residential customers participate in this program.

The Commission provides a transfer to the General Fund which is based on six percent (6%) of the difference between the electric system’s net fixed assets and total bonded indebtedness plus an amount equal to fifty percent (50%) of the Commission’s retail cost of service for the City’s public lighting. The transfer to the General Fund for fiscal year 2009-2010 was \$4,203,818.

The City and 31 other North Carolina municipalities are members (“Participants”) of the North Carolina Eastern Municipal Power Agency (“Power Agency”), a joint agency of the State of North Carolina, which purchased from PEC in 1982 undivided ownership interests in two coal-fired and three nuclear-fueled electric generating plants (the “Project”). The Power Agency has also contracted with PEC for the interconnection of the Project with the PEC system and for the supply of supplemental capacity and energy and other services by PEC to the Power Agency.

The City has entered into two major agreements with the Power Agency. Under one of these agreements (“Project Power Sales Agreement”), the City has agreed, in exchange for a share of the power and energy from the Project (“Project Output”), to take or pay its share of Project Output whether or not the Project is completed, operable or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project Output for any reason whatsoever. Under the second agreement (“Supplemental Power Sales Agreement”) with the Power Agency, the Power Agency is the City’s all requirements bulk power supplier, and the City purchases all of its bulk power supply requirements in excess of its share of Project Output from the Power Agency. The Power Agency purchases from PEC the additional power and energy, in excess of Project Output supplied from the Project, required to meet the bulk power supply requirements of the Participants.

The City’s obligations under these agreements are payable as an operating expense of the Commission. Copies of the Project Power Sales Agreement and the Supplemental Power Sales Agreement are on file with the Power Agency and the City. The Power Agency bills each Participant monthly under the Power Sales Agreements.

To finance its ownership interest in the Project, the Power Agency has issued bonds, of which \$2,254,510,000 principal amount was outstanding as of January 1, 2011. The City’s share of Project Output is 16.1343% and its allocable share of Power Agency outstanding debt is \$363,749,407.

The City’s purchases of electricity from the Power Agency over each of the past five fiscal years are set forth below:

<u>Fiscal Year Ended June 30</u>	<u>Total kWh Purchased</u>	<u>Total Purchased Power Cost</u>
2006	1,576,035,238	\$119,088,915
2007	1,602,317,691	126,759,918
2008	1,682,384,734	130,057,125
2009	1,676,909,500	151,025,704
2010	1,689,257,857	155,902,628

The City, together with the other 31 Participants, is also a member of ElectriCities of North Carolina, Inc. (“ElectriCities”), a joint municipal agency serving the interests of municipal electrical systems. There are currently 99 members of ElectriCities, including municipalities and university systems from North Carolina, South Carolina, and Virginia.

Factors Affecting the Electric Utility Industry. The electric utility industry is undergoing pervasive and fundamental changes. One such change is increased competition, in both wholesale and retail markets, for the sale of electricity generation services. In large measure, this increase in competition is the outgrowth of statutory changes and regulatory initiatives at the federal and state levels. It is manifested in a number of ways, including the following: inter-fuel competition; municipal and industrial self-generation; the availability of open access wholesale transmission services under standardized tariffs; the emergence of independent power producers and other merchant generators; and the greater use of alternative and renewable energy resources and demand response. In many areas of the United States, electric utilities no longer have a monopoly in power generation in their service areas, and are no longer the sole power supply option for at least some of their customers. In many instances, electric utilities that serve retail loads have found it

necessary to grant rate concessions to larger commercial or industrial customers, sometimes with corresponding adverse effects on the rates paid by residential and other customers. Utilities with comparatively high-cost power supply resources often find it difficult to retain customers and recover through rates the full cost of their resources. Currently North Carolina does not have retail competition and the potential for customer choice is minimal. The Commission offers a Coincident Peak rate and incremental cost structure which provide a means to compete for industrial load.

Electric utilities also are subject to increasing federal, state and local statutory and regulatory requirements affecting a broad range of matters, including the following: the siting and construction of new generation and transmission facilities; mandatory reliability standards for the bulk electric power system; homeland security, including protection of critical infrastructure facilities from damage or attack; employee safety; renewable resource mandates; and air, water quality, land use and other environmental factors.

Neither the Commission nor the City can predict what effects these factors may have in the future on the business operations and financial condition of the electric system.

Renewable Energy Legislation. Legislation enacted by the Legislature in 2007 establishes a renewable energy and renewable energy portfolio standard for electric power suppliers in the State of North Carolina (the “REPS Legislation”). The REPS Legislation requires that the Participants, included as electric power suppliers under certain provisions of the law, supply the following percentages of their respective retail energy sales from renewable energy resources: 3% of 2011 retail sales in 2012, 2013 and 2014, 6% of 2013 retail sales in 2014, 2015, and 2016 and 10% of 2017 retail sales in 2018 and thereafter. Of the foregoing amounts, .02% of retail sales in the State must be provided from each of solar energy resources and swine waste resources in the years 2012, 2015, and 2018, respectively. Finally, 170,000 MWh, 700,000 MWh and 900,000 MWh of electric power sold to retail customers in the State in the years 2012, 2013 and 2014, respectively, must be supplied by poultry waste resources (collectively, the “REPS Standard”). As defined in the bill, renewable energy resources include solar electric, solar thermal, wind, hydropower, geothermal, ocean current or wave energy resource, biomass resources, including agricultural waste, animal waste, wood waste, spent pulping liquors, combustible residues, combustible liquids, combustible gases, energy crops, or landfill methane, waste heat derived from renewable energy resources and used to produce electricity, useful measurable thermal energy at a retail electric customer’s facility, or hydrogen derived from a renewable energy resource.

Notwithstanding the foregoing schedule, the bill provides a cap on the amount an electric power supplier must expend annually on its renewable energy portfolio and a cap on the amounts an electric supplier can recover from its retail customers in amounts equal to \$10, \$50 and \$500 per residential, commercial and industrial account, respectively, in the years 2008 through 2011, \$12, \$150 and \$1,000 per residential, commercial and industrial account, respectively, in the years 2012 through 2014, and \$34, \$150 and \$1,000 per residential, commercial and industrial account, respectively, in the years 2015 and thereafter. In addition, pursuant to rules recently promulgated by the North Carolina Utilities Commission pursuant to authority granted by the REPS Legislation, each electric power supplier is required, beginning in 2008, to file annually with the North Carolina Utilities Commission a plan for complying with the REPS Legislation; the compliance plan must cover the year in which the plan is filed and the immediately subsequent two calendar years. In addition, beginning in 2009, each electric power supplier is required to file annually with the NCUC a report describing the electric power supplier’s compliance with the REPS Legislation during the previous calendar year. Compliance with the REPS Legislation can be achieved through the purchase of Renewable Energy Certificates (“RECs”) and by various energy efficiency and demand side management programs that have energy efficiency effects. At present, the cost effect of compliance is minimal due to the existing programs that qualify the cost cap and the availability of RECs.

The City and the Commission are unable to predict, at this time, the impact of the REPS Legislation on its electric system operations or rates in the future.

Water System

The Commission operates a water treatment and distribution system that serves the City and a portion of the County. The distribution system currently consists of approximately 626 miles of line with approximately 34,336 connections. Raw water is supplied by the Tar River and eight deep wells. Based on a Hydrological Study of Flow in the Tar River completed in 2003 the Commission believes that the raw water sources will be adequate to meet the water needs of the City for the foreseeable future. Treatment is accomplished through a modern water treatment plant placed in operation in 1983 and expanded in 2002 with a present capacity of 22.5 million gallons per day (“MGD”). With the 2.0 MGD peaking capacity of the supplemental supply from the eight deep wells, the total peak day capacity of the water system is 24.5 MGD.

Average daily water use in the fiscal year ended June 30, 2010 was approximately 10.98 MGD, with a maximum daily usage of approximately 15.61 MGD. Approximately 84.5% of the water system’s 34,336 connections are located within the City limits.

The North Carolina Department of Environment and Natural Resources (“DENR”) regulates the quality of water sold by the Commission to its customers, and the water treatment plant operates in compliance with DENR regulations. The water system meets the current standards of the Federal Safe Drinking Water Act.

DENR has implemented rules restricting water use from certain aquifers in areas of eastern North Carolina. Although the Commission’s water supply is not affected by these restrictions, several neighboring communities are mandated to reduce their aquifer withdrawals and are seeking supplemental water supplies. Foresight and long range planning in the areas of water treatment and aquifer storage have positioned the Commission to form partnerships with these neighboring communities to provide water service to areas outside the traditional service area. The Commission has entered into contracts to deliver water to the neighboring communities of Bethel, Farmville, Stokes, Winterville, and Greene County and there are continuing discussions with other communities. Water sales to Winterville began in January 2007, water sales to Stokes began in March 2010, and water sales to Farmville began in December 2010. Water sales to Greene County are anticipated to begin in October 2011 and water sales to Bethel are anticipated to begin in June 2011.

The water system’s rate structure is designed to generate sufficient revenues to allow the water system to cover costs of water maintenance and operations and the portion of the debt incurred to finance water system improvements. Water rates are set to recover costs from each class of customers. Every five years the Commission contracts with an outside firm to review revenue requirements, rates and rate structure to ensure adequate recovery of costs. The most recent study was completed in May 2007.

Sanitary Sewer System

The Commission operates a wastewater collection and treatment system that serves the City as well as some adjacent areas. Mandatory connection is required by Commission rules and regulations which are incorporated into the City code by reference.

The collection system consists of approximately 468 miles of line with approximately 27,805 connections. Capacity of the current treatment plant, placed on line in 1985 and expanded in 1995, is 17.5 MGD, with a permitted maximum daily treatment of approximately 24.12 million gallons. During the fiscal year ended June 30, 2010, 10.12 million gallons of wastewater were treated on an average day.

The wastewater treatment plant is regulated by the North Carolina Department of Environment and Natural Resources (“DENR”) Division of Water Quality, which enforces federal standards through the National Pollutant Discharge Elimination system as defined in the Clean Water Act. The treatment plant routinely meets all federal and state regulatory standards.

Treated wastewater is discharged into the Tar River. The Commission operates an Industrial Pretreatment program, which currently has six participants: NACCO Materials Handling, DSM Pharmaceuticals, Inc., DSM Dyneema, LLC., Hatteras Hammocks, Karastan Carpets, and Fuji Silysia.

The sewer system’s rate structure is designed to generate sufficient revenues to allow it to cover costs of sewer operations and the portion of the debt incurred to finance sewer system capital improvements. Sewer rates are set to recover costs from each customer class. Every five years, the Commission contracts with an outside consultant to review the sewer system’s revenue requirements, rates and rate structure to ensure adequate recovery of costs. The most recent rate study was completed in May 2007.

Gas System

The Commission provided natural gas service to 22,004 customers in the fiscal year ended June 30, 2010, a 1.6% increase over the prior year, and a 17.0% increase over the five year period. As a result of customer growth and expansion of the system, the miles of natural gas pipeline have increased by 12.6% over the past five years. The natural gas system has 597 miles of pipeline and 422 miles of service lines and moved 3,116,455 dekatherms of natural gas during the fiscal year ended June 30, 2010.

The Commission entered a ten-year gas services agreement effective January 5, 2010 with Piedmont Natural Gas (“PNG”) that provides Firm Transportation, Excess Redelivery, and Bundled Sales Peaking Services. The Commission secures its natural gas supplies through various natural gas marketers and transports the natural gas on a daily basis through Transcontinental Gas Pipe Line Corporations’ transmission pipeline to PNG’s gas system. The Commission routinely uses counterparties to buy and sell natural gas contracts on its behalf. A Risk Management Policy, which includes a Hedging Plan and Credit Risk Policy, was developed by the Commission to mitigate the risks associated with purchasing natural gas on the New York Mercantile Exchange (“NYMEX”).

The Commission entered a fifteen year agreement with Patriots Energy Group (“PEG”) effective February 1, 2007 to purchase 20% of the Commission’s firm volumes (2,000 dekatherms per day during the winter period, November through March). As a result of the agreement the Commission receives an annual price discount of approximately \$150,000.

The Commission utilizes liquefied natural gas (“LNG”) as a supply source for the peak day natural gas requirements. LNG is purchased from a regional supplier and transported by trucks to the Commission’s facility. The utilization of LNG as a natural gas supply for peak day requirements is part of a long range plan to enhance the natural gas system’s reliability, control natural gas costs, and offer additional services to the Commission’s customers. The Commission completed a permanent facility that stores and vaporizes LNG into gas in December 1997. An expansion of that facility, which doubled storage capacity, was substantially completed in the fall of 2001 and enhancements to the security features at the site were completed in 2004. A second expansion, completed in December 2006, doubled the send out capacity as well as adding redundancy and reliability to the operations of the facility.

The policy of the Commission is to set natural gas system rates at a level to generate sufficient revenues to allow the natural gas system to be self-supporting. To achieve such result, the

Commission has adopted a purchased gas adjustment clause as a rate change mechanism to provide that all purchased gas costs incurred by the Commission are passed along to natural gas customers.

The Commission provides a transfer to the General Fund of the City, which is based on six percent (6%) of the difference between the natural gas system's net fixed assets and total bonded indebtedness. The transfer to the General Fund for fiscal year 2009-2010 was \$1,020,962.

OTHER SERVICES

The City provides policy, fire protection and rescue operations services. In addition, the City supports various housing programs and also provides refuse collection service to the residents. The City owns and operates ten off-street parking lots. In addition, the City leases and operates five off-street lots in the central business district.

Debt Information

LEGAL DEBT LIMIT

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt in the approximate amount of \$434,135,000 as of April 30, 2011. For a summary of certain constitutional, statutory and administrative provisions governing or relating to the incurrence of debt by units of local government of the State, see Appendix B.

OUTSTANDING GENERAL OBLIGATION DEBT

General Obligation Bonds	Principal Outstanding as of			
	June 30, 2008	June 30, 2009	June 30, 2010	April 30, 2011
Refunding Bonds	\$ 4,785,000	\$ 3,410,000	\$ 2,060,000	\$ 745,000
Public Improvement Bonds	15,540,000	15,020,000	14,500,000	14,275,000
Public Building Bonds	<u>285,000</u>	<u>160,000</u>	<u>35,000</u>	<u>35,000</u>
Total Bonds	<u>\$ 20,610,000</u>	<u>\$ 18,590,000</u>	<u>\$ 16,595,000</u>	<u>\$15,055,000</u>

Latest Bonds Issued:

2006-07 \$12,715,000 General Obligation Public Improvement Bonds, Series 2006, 13.31 years average maturity, 4.2907% true interest cost.

Note: The table above does not include \$95,181,381 combined enterprise system general obligation/revenue bonds outstanding at June 30, 2010 which are payable from the net revenues of the City's electric, natural gas, sanitary sewer and water systems.

GENERAL OBLIGATION DEBT RATIOS

<u>At July 1</u>	<u>Total GO Debt Outstanding</u>	<u>Assessed Valuation</u>	<u>Total GO Debt to Assessed Valuation</u>	<u>Population¹</u>	<u>Total GO Debt Per Capita</u>
2006	\$ 11,795,000	\$ 4,068,816,035	0.29%	69,517	\$169.67
2007	12,990,000	4,756,966,929	0.27	72,233	179.83
2008	20,610,000	5,807,420,488	0.35	76,058	270.98
2009	18,590,000	5,965,800,595	0.31	81,092	229.25
2010	16,595,000	5,703,630,369	0.29	84,554 ²	196.27
<hr/>					
After Bonds now offered are issued	\$ 17,950,000	\$ 5,703,630,369	0.31%	84,554 ²	\$212.29

¹Estimate of Office of State Budget and Management.

²United States Department of Commerce, Bureau of the Census.

GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE

Fiscal Year	UTILITIES		OTHER		TOTAL		Bonds Now Offered
	Existing Debt		Existing Debt		Existing Debt		
	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	
2010-11	\$ 1,202,463.24	\$ 1,471,068.64	\$ 667,536.76	\$ 1,099,467.62	\$ 1,870,000	\$ 2,570,536.26	\$ 165,000
2011-12	458,281.37	686,652.75	741,718.63	1,148,536.01	1,200,000	1,835,188.76	165,000
2012-13	227,890.31	439,266.47	737,109.69	1,115,312.29	965,000	1,554,578.76	165,000
2013-14	251,858.59	452,388.35	608,141.41	955,077.91	860,000	1,407,466.26	165,000
2014-15	251,858.59	440,127.33	608,141.41	927,013.93	860,000	1,367,141.26	165,000
2015-16	249,853.09	425,805.49	605,146.91	895,623.27	855,000	1,321,428.76	165,000
2016-17	309,836.85	473,573.19	600,163.15	862,305.57	910,000	1,335,878.76	160,000
2017-18	332,913.83	481,273.57	567,086.17	800,342.69	900,000	1,281,616.26	160,000
2018-19	334,919.34	469,546.38	570,080.66	779,892.38	905,000	1,249,438.76	160,000
2019-20	336,924.84	457,736.46	568,075.16	754,248.54	905,000	1,211,985.00	160,000
2020-21	360,990.90	467,483.22	604,009.10	765,941.78	965,000	1,233,425.00	160,000
2021-22	360,990.90	452,141.10	539,009.10	675,108.90	900,000	1,127,250.00	160,000
2022-23	360,990.90	437,250.22	539,009.10	652,874.78	900,000	1,090,125.00	160,000
2023-24	360,990.90	422,359.36	539,009.10	630,640.64	900,000	1,053,000.00	160,000
2024-25	360,990.90	407,017.24	539,009.10	607,732.76	900,000	1,014,750.00	160,000
2025-26	360,990.90	391,675.12	539,009.10	584,824.88	900,000	976,500.00	160,000
2026-27	360,990.90	376,333.02	539,009.10	561,916.98	900,000	938,250.00	160,000
2027-28							160,000
2028-29							160,000
2029-30							160,000
2030-31	\$ 6,483,736.35	\$ 8,751,697.91	\$ 10,111,263.65	\$ 13,816,860.93	\$ 16,595,000	\$ 22,568,558.84	\$ 3,225,000

GENERAL OBLIGATION BONDS AUTHORIZED AND UNISSUED

<u>Purpose</u>	<u>Date Approved</u>	<u>Authorized and Unissued</u>	<u>Bonds Now Offered</u>	<u>Balance</u>
Street Improvement West Greenville	11/4/2004	\$4,860,000	\$ —	\$ 4,860,000
Revitalization	11/4/2004	1,225,000	1,225,000	-
Center City Revitalization	11/4/2004	<u>2,000,000</u>	<u>2,000,000</u>	-
		\$8,085,000	\$ 3,225,000	\$ 4,860,000

GENERAL OBLIGATION DEBT INFORMATION FOR OVERLAPPING UNIT AS OF April 30, 2011

<u>Unit</u>	<u>2010 Population¹</u>	<u>Assessed Valuation</u>	<u>Tax Rate Per \$100</u>	<u>Debt Authorized and Unissued</u>		<u>Total GO Debt</u>		<u>Total GO Debt Per Capita</u>
				<u>Utility</u>	<u>Other</u>	<u>Utility</u>	<u>Other</u>	
Pitt County	168,148	\$11,554,751,000	\$.665	\$ —	\$ —	\$ —	\$ —	\$ —

¹United States Department of Commerce, Bureau of the Census.

OTHER LONG-TERM COMMITMENTS

The City issued \$6.8 million special obligation revenue bonds on March 15, 2001 to finance a portion of the cost of construction of an exhibit hall that, with an adjacent hotel, constitutes the convention center complex. Debt service on the special obligation revenue bonds (annually approximately \$535,000) and promotion expenses for the convention center are payable solely from the proceeds of a hotel occupancy tax levied and collected by the County and transferred to the City for pledge to these bonds or the Convention Center Authority for tourism and promotion expense. A private operator affiliated with the hotel owner and operator is responsible for the operating expenses of the exhibit hall.

In October 2004, the City issued \$15.985 million in certificates of participation to finance various construction projects. Funds were used to construct and equip a fire/rescue station, and to renovate and expand City Administrative facilities, and a City Library branch.

In October 2006, the City issued the first portion of the 2004 Referendum approved General Obligation bonds in the amount of \$12,715,000. These funds are to finance stormwater drainage, street improvements and revitalization projects.

In June 2009, the City entered into an Installment Agreement for \$12,013,516, to refinance a 1998 certificate of participation and issue additional funding for street improvements.

The State of North Carolina has committed \$25,481,463 in low-interest revolving loans under the 1987 Clean Water Revolving Loan and Grant Act to the City. At June 30, 2010 \$10,783,509 of these loan funds has been received by the City.

DEBT OUTLOOK

The City prepares a capital improvement, plan which is updated annually. The City decides on funding sources varying from general obligation bonds, certificates of participation, installment financing agreements and cash. The Commission prepares long-term capital improvement plans as well. All capital projects and funding sources are subject to Commission approval.

Tax Information

GENERAL INFORMATION

	Fiscal Year Ended or Ending June 30			
	<u>2008</u>	<u>2009</u>	<u>2010³</u>	<u>2011</u>
Assessed Valuation:				
Assessment Ratio ¹	100%	100%	100%	100%
Real Property	\$4,116,561,551	\$5,148,262,002	\$5,358,352,190	\$5,000,105,241
Personal Property	596,214,107	616,651,923	576,155,778	666,657,684
Public Service Companies ²	<u>44,191,271</u>	<u>42,506,563</u>	<u>31,292,627</u>	<u>36,867,444</u>
Total Assessed Valuation	\$4,756,966,929	\$5,807,420,488	\$5,965,800,595	\$5,703,630,369
Rate per \$100	0.56	0.52	0.52	0.52
Levy - adjusted	\$ 26,650,553	\$ 30,211,997	\$ 31,039,086	\$ 29,658,878

¹Percentage of appraised value has been established by statute.

²Valuation of railroad, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³Estimated.

Note 1: The last revaluation of real property became effective January 1, 2008. The next revaluation will become effective January 1, 2012.

TAX COLLECTIONS

<u>Fiscal Year Ended June 30</u>	<u>Prior Years' Levies Collected</u>	<u>Current Year's Levy Collected</u>	<u>Percentage of Current Year's Levy Collected</u>
2007	\$737,389	\$ 24,356,252	96.51%
2008	838,605	25,866,384	97.06
2009	812,156	29,330,914	97.08
2010	778,718	30,202,323	97.30

TEN LARGEST TAXPAYERS FOR FISCAL YEAR ENDED JUNE 30, 2010

<u>Company</u>	<u>Type of Enterprise</u>	<u>2010 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>Tax Levy</u>
North Campus Crossing	Apartments	\$ 45,418,511	0.76%	\$ 236,176
Copper Beach Townhouses	Apartments	43,132,107	0.72	224,287
Marelda Greenville Mall	Shopping Center	41,868,724	0.70	217,717
PL Greenville LP (Bellamy)	Apartments	39,542,426	0.66	205,621
Carolina Telephone	Telecommunications	38,500,000	0.65	200,200
Corridor Greenville LLC	Apartments	29,909,333	0.50	155,529
Southeast Region (Pirates Cove)	Apartments	21,899,283	0.37	113,876
Waterford Place Apartments	Apartments	21,400,965	0.36	111,285
Centro Heritage/Univ Commons	Shopping Center	20,710,833	0.35	107,696
Lowe's Home Centers	Shopping Center	<u>20,407,167</u>	<u>0.34</u>	<u>106,117</u>
		\$322,789,349	5.41%	\$ 1,678,504

2010-11 Budget Commentary

The City's year-to-date General Fund net results (revenues less expenditures) improved \$992,872 or 10% over fiscal year 2010 net results. This improvement was the result of increased grant revenues and strong sales tax revenues. Expenditures also decreased due to the decision to complete some major capital improvement projects in the latter half of fiscal year 2011. The delay in capital improvement project activity caused a significant decrease in the Powell Bill Fund's year-to-date total expenditures. As a percent of budget, total Powell Bill Fund spending declined from 50% to 33%. Powell Bill Fund Capital Improvement spending as a percentage of budget fell from 49% to seven percent. If Powell Bill Fund Capital Improvement spending was consistent with fiscal year 2010, General Fund expenditures would have actually risen approximately one percent and net results would have improved four percent rather than the 10% stated above.

Year-to-date unadjusted sales tax receipts increased 10% over fiscal year 2010. However, last year's receipts are distorted by deductions the State made to repay sales tax overpayments the City received in fiscal year 2009. Adjusting fiscal year 2010 sales tax receipts to compensate for the \$303,852 in repayments, fiscal year 2011 sales tax revenues increased \$665,798 or 7.8% from adjusted prior year amounts. The City's top ten revenue sources are expected to break even compared to budget estimates with better than expected sales tax receipts off-setting an expected shortfall in property tax receipts. Whether the General Fund meets revenue estimates is dependent on the realization of grant revenues.

Departmental spending is within expected limits and, as a percentage of budget, is two percent more than fiscal year 2010. Overall General Fund expenditures declined one percent as compared to fiscal year 2010 spending levels. As noted above, this decrease is largely due to the decrease in capital improvement activity in the Powell Bill Fund.

2011-12 Budget Outlook**General Fund**

The City biennially adopts and approves a fiscal year budget and a second year Financial and Operating plan. Fiscal year 2011-2012 is the second year of the biennial budget and is scheduled for adoption at the City Council's regular meeting on June 9, 2011. The City Manager's recommended budget includes a tax rate of \$.52 cents per \$100 of assessed value, no increase over the current fiscal year tax rate. The General Fund budget of \$73,082,369 represents 77% of the total recommended budget of \$94,499,484 and funds City services, excluding the combined enterprise funds, managed by

Greenville Utilities Commission. Sales tax revenue is projected to be 3% higher or \$417,973 more than the previous year; and the recommended budget also includes an appropriation of fund balance of \$865,627.

Enterprise Funds. The remaining enterprise funds of Stormwater, Golf, Sanitation, and Transportation do not include a fee increase in the City Manager's recommended budget.

Greenville Utilities Commission (GUC) Combined Enterprise Fund; Electric, Water, Sewer, Gas:

GUC's financial budget goals focus on several key performance indicators such as end-of-year performance, debt service coverages and fund balances. The long-term sustainability of each fund is also taken into consideration to ensure that GUC is poised to continue to meet its mission and future financial challenges. To that end, the GUC Board of Commissioners approved water and sewer rate adjustments that went into effect on April 1, 2011. The water rate adjustments were inclusive of an 8.4% increase for the typical residential customer using 6,000 gallons per month plus an irrigation rate adjustment. The residential adjustment represents a monthly increase of \$2.07 for the typical residential customer. The proposed irrigation rate is 1.5 times the residential rate. The sewer rate adjustments were inclusive of an 8.9% increase for the typical residential customer using 6,000 gallons of water per month. The residential adjustment represents a monthly increase of \$2.87 for the typical residential customer. No rate adjustments, other than purchase gas adjustments as needed, were proposed for the fiscal year 2011-12 budget.

Pension Plans

The City participates in the North Carolina Local Governmental Employees' Retirement System and three other pension plans.

North Carolina Local Governmental Employees' Retirement System — The North Carolina Local Governmental Employees' Retirement System (the "System") is a service agency administered through a board of trustees by the State for public employees of counties, cities, boards, commissions and other similar governmental entities. While the State Treasurer is the custodian of System funds, administrative costs are borne by the participating employer governmental entities. The State makes no contributions to the System.

The System provides, on a uniform System-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers and employees. Employee members contribute six percent of their individual compensation. Each new employer makes a normal contribution plus, where applicable, a contribution to fund any accrued liability over a 24-year period. The normal contribution rate, uniform for all employers, is currently 6.35 percent of eligible payroll for general employees and 6.82 percent of eligible payroll for law enforcement officers, these rates are expected to increase to 6.88 percent and 7.35 percent, respectively, effective July 1, 2011. The accrued liability contribution rate is determined separately for each employer and covers the liability of the employer for benefits based on employees' service rendered prior to the date the employer joins the System.

Members qualify for a vested deferred benefit at age 50 with at least 20 years of service or at age 60 after at least five years of creditable service to the unit of local government. Unreduced benefits are available: at age 65, with at least five years of creditable service; at age 60, with at least 25 years of creditable service; or after 30 years of creditable service, regardless of age. Benefit payments are computed by taking an average of the annual compensation for the four consecutive years of membership service yielding the highest average. This average is then adjusted by a percentage formula, by a total years of service factor, and by an age service factor if the individual is not eligible for unreduced benefits.

Contributions to the System are determined on an actuarial basis.

For additional information concerning the City’s participation in the System see the Notes to the Basic Financial Statements of the City in Appendix D.

Financial statements and required supplementary information for the System are included in the Comprehensive Annual Financial Report (“CAFR”) for the State. Please refer to the State’s CAFR for additional information.

Other Pension Plans — The City also participates in the (1) Law Enforcement Officers’ Special Separation Allowance, (2) Supplemental Retirement Income Plan for Law Enforcement Officers and (3) Supplemental Retirement Income Plan for all Other Employees. For information concerning the City’s participation in such plans see the Notes to the Basic Financial Statements of the City in Appendix D.

Other Post-Employment Benefits

The City has elected to provide post-retirement health care benefits which are considered to be other post-employment benefits (OPEB) to retirees of the City who participate in the North Carolina Local Governmental Employees’ Retirement System (the “System”) and have at least five years of creditable service with the City. Retirees pay 5% and the City pays 95% of the cost of coverage for these benefits for retirees with a minimum of twenty-years of creditable service with the City. Retirees with at least five years but less than twenty years of creditable service in the Plan pay for their coverage. The City does not pay any portion of premiums for retiree spouses. Currently 120 retirees are eligible for postretirement health benefits. The City has contracted with an actuarial firm to determine its OPEB liability and it is anticipated that the study will be completed in December 2006. The City is evaluating its OPEB benefits to determine the impact of changes in future benefits on OPEB liability. The City will determine the method of funding its OPEB liability when the actuarial study is completed. OPEB liability will be reported in the City’s comprehensive annual financial statements beginning with the fiscal year ending June 30, 2007 in accordance with GASB guidance.

On May 10, 2011, the City Council voted to amend OPEB benefits for employees hired on or after July 1, 2011. Retiring employees will need to be a minimum of 55 years old and have served the City a minimum of 20 consecutive years to receive OPEB benefits. Please see the chart below for a summary of the new OPEB benefits. The percentage of the health insurance premium the City will pay is dependent on the age of the employee and the number of years the employee served the City. Retirees who are 55 to 59 years of age and have twenty to twenty-four years of service will be eligible to have the City pay for 50% of the cost of the health insurance premium for the City’s plan. If the retiree is 60 to 65 years old, the City will pay 65% of the cost. If the retiree has more than twenty-five years of service upon retirement, the above numbers change to 75% and 95% respectively. Should the employee be 65 years old and Medicare eligible upon retirement, the City will provide the retiree with a \$250 stipend toward Medicare supplemental insurance.

TIERED STRUCTURE PRE-65 COVERAGE

Years of Service	AGE	
	55-59	60+
20-24	50%	65%
25+	75%	95%

<u>Current Premium</u>	<u>Monthly Contributor</u>	<u>95%</u>	<u>75%</u>	<u>65%</u>	<u>50%</u>
\$413.81	Employer	\$411.17	\$324.61	\$281.33	\$216.41
	Employee	21.64	108.20	151.48	216.40

In addition to the above changes, the City Council also resolved to continue to investigate viable ways to mitigate future OPEB costs for the City.

Contingent Liabilities

The City has no contingent liabilities at the present time, which, in the opinion of counsel to the City, would materially affect the City's ability to meet its financial obligations.

CONTINUING DISCLOSURE

In the bond resolutions to be adopted by the City, the City will undertake, for the benefit of the beneficial owners of the Bonds, to provide:

- (a) by not later than seven months from the end of each fiscal year of the City to The Electronic Municipal Market Access ("EMMA") administered by Municipal Securities Rulemaking Board (the "MSRB") audited financial statements of the City for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such fiscal year, unaudited financial statements of the City for such fiscal year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;
- (b) by not later than seven months from the end of each fiscal year of the City to the MSRB (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under heading "The City - Debt Information and - Tax Information" in this Official Statement relating to the Bonds (excluding any information on overlapping units) and (ii) the combined budget of the City for the current fiscal year, to the extent such items are not included in the financial statements referred to in (a) above;
- (c) in a timely manner not in excess of ten business days after the occurrence of the event to EMMA notice of any of the following events with respect to the Bonds:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
 - (7) modification to rights of the beneficial owners of the Bonds, if material;

- (8) other than calls for mandatory sinking fund redemption, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the City;
 - (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (14) appointment of a trustee or successor or additional trustee, or change of name of trustee for the Bonds, if material; and
- (d) in a timely manner, to EMMA, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

The City may meet the continuing disclosure requirements described above by complying with any other procedure that may be authorized by the United States Securities Exchange Commission in lieu of the manner described above.

All information provided to EMMA as described above shall be provided in an electronic format as prescribed by EMMA and accompanied by identifying information as prescribed by EMMA.

At present, Section 159-34 of the General Statutes of North Carolina requires the City's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The bond resolution to be adopted by the City will provide that if the City fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any of acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the respective series of Bonds.

Pursuant to each such resolution, the City will reserve the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City;
- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

- (c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the City (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the series of Bonds outstanding pursuant to the terms of such resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

The City has not failed to provide any information required to be provided by an undertaking previously made by the City pursuant to the requirements of Rule 15c2-12.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Sidley Austin LLP, New York, New York, Bond Counsel, whose approving legal opinion will be available at the time of the delivery of the Bonds. The proposed form of such opinion is attached hereto as Appendix D.

RATINGS

Moody's Investors Service, Standard & Poor's Ratings Services, and the North Carolina Municipal Council have given the Bonds ratings of _____, _____, and _____, respectively. Those ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained only from the respective organization providing such rating. Certain information and materials not included in the Official Statement were furnished to such organizations. There is no assurance that such ratings will remain in effect for any given period of time or that any or all will not be revised downward or withdrawn entirely. Any downward revision or withdrawal of a rating may have an adverse effect on the market prices of the Bonds.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Sidley Austin LLP, Bond Counsel, except as provided in the following sentence, interest on the Bonds will not be includable in the gross income of the owners of the Bonds for purposes of federal income taxation under existing law. Interest on the Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the City to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and its covenants regarding use, expenditure, and investment of the proceeds of the Bonds and timely payment of certain investment earnings to the United States Treasury; and no opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or upon the advice or approval of counsel other than Bond Counsel.

In the opinion of Bond Counsel, interest on the Bonds will not be a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. The Code contains other

provisions that could result in tax consequences, upon which Bond Counsel renders no opinion, as a result of ownership of such Bonds or the inclusion in certain computations of interest that is excluded from gross income. Interest on the Bonds owned by a corporation will be included in the calculation of the corporation's federal alternative minimum tax liability.

Original Issue Discount

The excess, if any, of the amount payable at maturity of the Bonds over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Bonds with original issue discount (a "Discount Bond") will be excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. In general, the issue price of a maturity of the Bonds is the first price at which a substantial amount of Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes. Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed below. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements, or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Bonds is sold to the public may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

The excess, if any, of the tax basis of Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is ("bond premium"). Bond premium is amortized over the term of such Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Bonds are required to decrease their adjusted basis in such Bonds by the amount of amortizable bond premium attributable to each taxable year such Bonds are held. The amortizable bond premium on such Bonds attributable to a taxable year is not deductible for federal income tax purposes; however, bond premium on such Bonds is treated as an offset to qualified stated interest received on such Bonds. Owners of such Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of bond premium upon sale or other disposition of such Bonds and with respect to the state and local tax consequences of owning and disposing of such Bonds.

Backup Withholding

Interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest on the Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Other Tax Consequences

Under existing law, in the opinion of Bond Counsel, which is based on current law, interest on the Bonds will be exempt from all present State of North Carolina income taxes.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Bonds or the inclusion in certain computations of interest on the Bonds that it excluded from gross income for purposes of federal income taxation.

PRESPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Ownership of tax-exempt obligations may result in collateral tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Future Tax Developments

Future legislative proposals, if enacted into law, regulations, rulings or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Further, legislation or regulatory actions and proposals may affect the economic value of the federal tax exemption or the market value of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, regulations, rulings or litigation, as to which Bond Counsel expresses no opinion.

FINANCIAL ADVISOR

First Southwest Company, Charlotte, North Carolina, has acted as financial advisor to the City in connection with the issuance of the Bonds. The firm has provided technical assistance in structuring the Bonds.

Rule G-23 of the Municipal Securities Rulemaking Board allows any broker, dealer or municipal securities dealer, who has a financial advisory relationship, to purchase new issues on a competitively bid basis with prior written consent of the issuer. First Southwest has received written permission from the City to submit a competitive bid at the public sale for the Bonds. First Southwest, through the competitive bidding process, may acquire as principal or as a participant in a syndicate of underwriters, all or a portion of the City's Bonds.

UNDERWRITING

The underwriters for the Bonds are _____

_____.¹

The underwriters for the Bonds have agreed, subject to certain conditions, to purchase all but not less than all of the Bonds. If all of the Bonds are sold at the public offering yields hereinabove set forth, the underwriters anticipate total selling compensation of \$_____.¹ The public offering prices or yields of the Bonds may be changed from time to time by the underwriters.

¹Information provided by underwriters of the Bonds.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact.

Reference herein to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

The execution of this Official Statement has been duly authorized by the Local Government Commission of North Carolina and the City Council of the City.

**LOCAL GOVERNMENT COMMISSION
OF NORTH CAROLINA**

By

T. Vance Holloman
Secretary of the Commission

CITY OF GREENVILLE, NORTH CAROLINA

By

Patricia C. Dunn
Mayor

By

Wayne Bowers
City Manager

By

Bernita W. Demery
Director of Financial Services

APPENDIX E

[Proposed Form of Opinion of Sidley Austin LLP]

City Council of the
City of Greenville, North Carolina

Based on our examination, as bond counsel, of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, relative to \$3,225,000 General Obligation Public Improvement Bonds, Series 2011, dated their date of delivery (the "Bonds"), of the City of Greenville, North Carolina (the "City"), we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to The Local Government Bond Act, as amended, and Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina.

2. The Bonds constitute valid and binding general obligations of the City, for the payment of the principal of and the interest on which all taxable real and tangible personal property within the City is subject to the levy of ad valorem taxes, without limitation as to rate or amount.

3. Except as provided in the following sentence, interest on the Bonds is not includable in the gross income of the owners thereof for purposes of federal income taxation based on existing law. Interest on the Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the City to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the Bonds, and their respective covenants regarding use, expenditure, and investment of the proceeds of the Bonds and the timely payment of certain investment earnings to the United States Treasury, and we render no opinion as to the effect on the exclusion from gross income of the interest on the Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us.

4. Interest on the Bonds is exempt from all State of North Carolina income taxes.

5. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax.

The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of the Bonds or the inclusion in certain computations (including without limitation those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation, or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur and we have no obligation to update this opinion in light of such actions or events.

Respectfully submitted,

Sidley Austin LLP

APPENDIX F

Book-Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s nominee). One fully-registered Bond certificate will be issued for each stated maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into their transactions. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC’s nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within any one maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of the Bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instruction and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased, through its Participant, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records. The requirement for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

Notice of Sale and Bid Form

Note:

- Bonds are to be awarded on a true interest cost (TIC) basis as described herein.
- No bid for less than all of the Bonds offered or for less than 100% of the aggregate principal amount of the Bonds will be entertained.
- The Bonds will NOT be designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

City of Greenville, North Carolina

\$3,225,000

**General Obligation Public Improvement Bonds,
Series 2011**

*Sealed and Electronic Bids Will Be Received Until 11 A.M., North Carolina Time,
June 15, 2011*

NOTICE OF SALE
\$3,225,000
CITY OF GREENVILLE, NORTH CAROLINA
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2011

Sealed and electronic bids (as described below) will be received until 11 o'clock A.M., North Carolina Time, June 15, 2011, by the Local Government Commission of North Carolina (the "Commission") at its office, 4505 Fair Meadow Lane, Suite 102, Raleigh, North Carolina 27607, such bids to be opened in public at said time and place on said day, for the purchase of \$3,225,000 General Obligation Public Improvement Bonds, Series 2011 of the City of Greenville, North Carolina (the "City"), dated their date of delivery, and maturing (subject to the right of prior redemption as hereinafter set forth) annually, June 1, \$165,000 2012 to 2016, inclusive, and \$160,000 2017 to 2031, inclusive, (collectively the "Bonds"). There will be no auction.

Proposals may be delivered by hand, by mail or electronically. Electronic proposals must be submitted via BiDCOMP/PARITY, but no proposal shall be considered which is not actually received by the Local Government Commission (the "Commission") at the place and on or prior to the date and time specified above for submission of bids. The Commission shall not be responsible for any failure, misdirection or error in the means of transmission selected by any firm submitting a proposal.

The City reserves the right to change, cancel or reschedule, from time to time, the date or time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on BiDCOMP/PARITY, or by other means as necessary. The City may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids.

To the extent any instructions or directions set forth in BiDCOMP/PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about BiDCOMP/PARITY, potential purchasers may contact BiDCOMP/PARITY at (212) 849-5021. Each prospective purchaser is solely responsible for making necessary arrangements to access BiDCOMP/PARITY for purposes of submitting its proposal in a timely manner and in compliance with this Notice of Sale. The terms of this Notice of Sale and the sale of the Bonds shall be governed by North Carolina law.

The Commission does not have a registration process for prospective purchasers. Prospective purchasers who intend to submit their proposal by BiDCOMP/PARITY must register and be a contracted customer of i-Deal LLC's BiDCOMP competitive bidding system before the sale. By submitting a bid for the Bonds, the prospective purchaser represents and warrants to the Commission that such proposal is submitted for and on behalf of the prospective purchaser by an officer or agent who is duly authorized to bind the prospective purchaser to a legal, valid and enforceable contract for the purchase of the Bonds. **Neither the Commission nor the City has reviewed or verified the accuracy or completeness of the information contained in BiDCOMP/PARITY or assumes any responsibility for the accuracy or completeness of such information.**

The Bonds will be issued as fully registered Bonds in a book-entry only system under which The Depository Trust Company, New York ("DTC") will act as securities depository for the Bonds as fully described in the Preliminary Official Statement described below. Purchases and transfers of the Bonds may be made only in authorized denominations of \$5,000 or multiples thereof and in accordance with the practices and procedures of DTC. Interest on the Bonds will be payable on December 1, 2011, and semiannually thereafter on June 1 and December 1 of each year, and principal of the Bonds will be payable at maturity or upon early redemption to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC.

The Bonds will be general obligations of the City, all the taxable real and tangible personal property within which will be subject to the levy of an ad valorem tax, without limitation as to rate or amount, to pay the Bonds and the interest thereon.

The Bonds maturing prior to June 1, 2022 will not be subject to redemption prior to their maturity. The Bonds maturing on June 1, 2022 and thereafter will be subject to redemption prior to their maturity, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2021, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with interest accrued thereon to the date fixed for redemption.

No bid for less than all of the Bonds offered or for less the face value of the Bonds plus accrued interest will be entertained. Bidders are requested to name the interest rate or rates, in multiples of 1/8 or 1/20 of 1%, and each bidder must specify in his bid the amount and the maturities of the Bonds of each rate. Any number of interest rates may be named, provided the difference between the lowest and highest rates named in the bid shall not exceed 3%. All Bonds maturing on the same date must bear interest at the same rate, and the interest rate on any bond shall be the same throughout its life. All of the Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest interest cost to the City, such cost to be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the interest payment dates to the proposed delivery date (June 29, 2011) and equal to the price bid.

Each bid delivered by hand or mail must be submitted on a form to be furnished with additional information by the undersigned and must be enclosed in a sealed envelope marked "Bid for Public Improvement Bonds (City of Greenville)." A good faith deposit (the "Deposit") in the amount of **\$64,500** will be required for each bid. The Deposit may be submitted in the form of an official bank check, a cashier's check or a certified check upon an incorporated bank or trust company payable unconditionally to the order of the State Treasurer of North Carolina accompanying the bid. Alternatively, the successful bidder's Deposit may be in the form of a wire transfer sent by the successful bidder upon initial notification of the award of the Bonds. Award or rejection of bids will be made on the date above stated for receipt of bids, and any checks of unsuccessful bidders will be returned immediately. If the Deposit of the successful bidder is provided by check, the check of the successful bidder will be cashed by the State Treasurer. If the Bonds are awarded to a bidder whose Deposit is by wire transfer, the successful bidder must submit its Deposit to the State Treasurer not later than 2:00 P.M. North Carolina Time on the date of the award of the Bonds, to the bank account instructed to the successful bidder by the Commission during the initial notification of the award. If the Deposit is not received by that time, the Commission will reject its award to the initial successful bidder and will contact the next lowest bidder and offer said bidder the opportunity to become the successful bidder, on the terms as outlined in said bidder's bid, so long as a wire transfer of the Deposit is submitted by said bidder within two hours of the time offered. The Commission will not award the Bonds to the successful bidder absent receipt of the Deposit prior to awarding the Bonds. The Deposit of the successful bidder will be invested solely for the benefit of the City, and no interest on the Deposit will accrue to the successful bidder. At closing, the principal amount of the Deposit will be applied, without interest, as partial payment for the Bonds. In the event that the successful bidder fails to comply with the terms of its bid, the Deposit and any interest earnings will be retained as and for full liquidated damages. If the City fails to deliver the Bonds, then the Deposit and any interest earnings will be remitted to the successful bidder as and for full liquidated damages.

The CUSIP Service Bureau will be requested to assign CUSIP identification numbers to the Bonds. Assignment of the CUSIP identification numbers is solely within the discretion of the CUSIP Service Bureau, and neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of or pay for the Bonds in accordance with the terms of his bid. All expenses in relation to the printing of CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the City.

The successful bidder will be required to furnish, prior to the delivery of the Bonds, a certificate substantially in the form attached to the Notice of Sale and Bid Form relating to the Bonds and acceptable to Sidley Austin LLP, as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

Prior to the sale of the Bonds, the City will adopt a resolution undertaking, for the benefit of the beneficial owners of the Bonds, to provide the information described under the heading "Continuing Disclosure" in the Official Statement relating to the Bonds in the manner provided therein.

The Bonds will be delivered on or about June 24, 2011, against payment therefor in Federal Reserve Funds, at DTC.

The approving opinion of Sidley Austin LLP, New York City, Bond Counsel, the proposed form of which appears in the Preliminary Official Statement relating to the Bonds, will be furnished without cost to the purchaser. There will also be furnished the usual closing papers.

The Bonds will NOT be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Rule G-23 of the Municipal Securities Rulemaking Board allows any broker, dealer or municipal securities dealer, who has a financial advisory relationship, to purchase new issues on a competitively bid basis with prior written consent of the issuer. First Southwest Company, the financial advisor to the City, has received written permission from the City to submit a competitive bid at the public sale for the Bonds. First Southwest Company, through the competitive bidding process, may acquire as principal or as a participant in a syndicate of underwriters all or a portion of the Bonds.

The right to reject all bids and to waive minor irregularities or obvious errors is reserved.

Copies of the Preliminary Official Statement and the Notice of Sale and Bid Form relating to the Bonds may be obtained from the Commission. The Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission except for the omission of certain pricing and other information allowed to be omitted by such Rule that will be made available to the successful bidder by the Commission in a Final Official Statement (the "Final Official Statement"). By the submission of a bid for the Bonds, the successful bidder contracts for the receipt of up to two hundred (200) copies of the Final Official Statement which will be delivered by the Commission to the successful bidder by June 24, 2011. The Commission will also deliver to the successful bidder on a timely basis additional copies of the Final Official Statement in such quantities as the successful bidder may request at the expense of the successful bidder. In order to complete the Final Official Statement the successful bidder must furnish on behalf of the underwriters of the Bonds the following information to the Commission by facsimile

transmission (919-807-2377) or overnight delivery received by the Commission within 24 hours after the receipt of bids for the Bonds:

- a. Initial offering prices (expressed as a price or yield per maturity).
- b. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars).
- c. The identities of the underwriters if the successful bidder is a part of a group or syndicate.
- d. Any other material information necessary for the Final Official Statement but not known to the City or the Commission (such as the bidder's purchase of credit enhancement).
- e. The successful bidder must provide the initial public offering prices, as the City will not include in the Official Statement an "NRO" ("not reoffered") designation to any maturity of the Bonds.

Concurrently with the delivery of the Bonds, the Mayor, the City Manager and the Director of Financial Services of the City will deliver to the purchaser of the Bonds a certificate stating that, to the best of their knowledge, the Preliminary Official Statement did not, as of its date and as of the sale date, and the Final Official Statement does not, as of the date of delivery of the Bonds, contain an untrue statement of a material fact or omit to state a material fact required to be included therein for the purpose for which the Preliminary Official Statement or the Final Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided such certificate shall not include consideration of information supplied by, or which should have been supplied by, the successful bidder for the Bonds for inclusion in the Final Official Statement.

In addition, concurrently with the delivery of the Bonds, the Secretary of the Commission will deliver to the purchaser of the Bonds a certificate stating that nothing has come to his attention which would lead him to believe that the Preliminary Official Statement, as of its date and as of the date of sale, and the Final Official Statement as of the date of delivery of the Bonds, contains an untrue statement of a material fact or omits to state a material fact required to be included therein for the purpose for which the Preliminary Official Statement or the Final Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided such certificate shall not include consideration of information supplied by, or which should have been supplied by, the successful bidder for the Bonds for inclusion in the Final Official Statement.

LOCAL GOVERNMENT COMMISSION
Raleigh, North Carolina

By: T. Vance Holloman
Secretary of the Commission

CERTIFICATE WITH RESPECT TO “ISSUE PRICE”

This certificate is furnished by _____
[name of firm], as a representative of the underwriters (the “Underwriters”) of the \$3,225,000 aggregate principal amount of City of Greenville, North Carolina General Obligation Public Improvement Bonds, Series 2011, dated their date of delivery (the “Bonds”), to establish the initial offering price of the Bonds for purposes of determining the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

THE UNDERSIGNED HEREBY CERTIFIES as follows:

1. On the date that the Bonds were awarded to the Underwriters at competitive bidding (the “Award Date”) the Underwriters (a) commenced making a bona fide public offering to the General Public of all of the Bonds and (b) began selling the Bonds and as of the Award Date sold or reasonably expected to sell all of the Bonds that had not been sold as of the close of business on the Award Date for cash to the General Public at the initial public offering prices for the respective maturities as set forth in Exhibit A.
2. The term “General Public” means the general public, excluding bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers.
3. The prices as set forth in Exhibit A do not exceed the fair market value of the Bonds as of the Award Date.
4. The Underwriters first sold at least ten percent of the aggregate face amount of each maturity of the Bonds to the General Public at prices equal to or less than the prices set forth in Exhibit A.

In connection with the above certification we have relied on the undertakings and representations of the other Underwriters respecting the offering of the Bonds as set forth in the [account letter] [agreement among underwriters] relating to the Bonds. Although certain information furnished in this certificate has been derived from other underwriters, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect. No representation is made as to the legal sufficiency of this certificate for any purpose. We understand that the foregoing information will be relied upon by Sidley Austin LLP in connection with its opinion as to the tax-exempt status of the interest on the Bonds. We assume no obligation to advise you of any changes that come to our attention subsequent to the date hereof and that would have caused us to alter in any respect the information set forth herein.

Dated: _____ [Name of Firm]
 By: _____
 Title: _____

Exhibit A

Initial Public Offering Price of the Bonds

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Price (% of Par)</u>
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BID FOR BONDS

_____, 2011

Local Government Commission
4505 Fair Meadow Lane, Suite 102
Raleigh, North Carolina 27607-6449

Sirs:

Subject to the provisions and in accordance with the terms set forth in the Notice of Sale and Bid Form relating to the Bonds hereinafter mentioned, which provisions and terms are hereby made a part of this bid, we make the following bid for the \$3,225,000 General Obligation Public Improvement Bonds, Series 2011 of the City of Greenville, North Carolina, described in said Notice of Sale, this bid being for not less than all of said Bonds:

For the \$3,225,000 General Obligation Public Improvement Bonds, Series 2011 maturing and bearing interest as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$165,000	_____ %	2022	\$160,000	_____ %
2013	165,000	_____ %	2023	160,000	_____ %
2014	165,000	_____ %	2024	160,000	_____ %
2015	165,000	_____ %	2025	160,000	_____ %
2016	165,000	_____ %	2026	160,000	_____ %
2017	160,000	_____ %	2027	160,000	_____ %
2018	160,000	_____ %	2028	160,000	_____ %
2019	160,000	_____ %	2029	160,000	_____ %
2020	160,000	_____ %	2030	160,000	_____ %
2021	160,000	_____ %	2031	160,000	_____ %

we will pay \$3,225,000, plus a premium of \$_____.

We will accept delivery of said Bonds at The Depository Trust Company in accordance with the Notice of Sale.

One of the following two paragraphs must be checked and completed as appropriate:

- () We enclose herewith a check for **\$64,500**, payable to the State Treasurer of North Carolina, to provide the good faith deposit required by the Notice of Sale. In the event this bid is the successful bid, then said check will be cashed in accordance with the terms of the Notice of Sale. Otherwise, said good faith deposit is to be returned to the undersigned.
- () A good faith deposit of **\$64,500** is not enclosed, but will be delivered to the State Treasurer of North Carolina by wire transfer by 2:00 p.m. on the date hereof if the undersigned is the successful bidder for the Bonds in accordance with the terms in the Notice of Sale. Said good faith deposit is to be applied in accordance with the terms in the Notice of Sale.

The closing papers referred to in said Notice of Sale are to include a certificate, dated as of the day of the delivery of the Bonds, stating that there is no litigation pending or, to the knowledge of the signer(s) of such certificate, threatened affecting the validity of the Bonds.

(Name of Firm)

(Authorized Officer)

(No addition or alteration, except as provided above, is to be made to this bid which may be detached from the annexed Notice of Sale. Bidder may for information only enter its calculation of true interest cost to be _____%. This information is neither required nor to be construed as a part of the foregoing bid.)



City of Greenville, North Carolina

Meeting Date: 6/6/2011
Time: 6:00 PM

Title of Item: Budget ordinance amendment #11 to the 2010-2011 City of Greenville budget (Ordinance No. 10-57), amendment to Administrative Facilities Project Fund (Ordinance No. 04-84), amendment to Insurance Loss Reserve Fund (Ordinance No. 94-140), amendment to Public Works Yard / Beatty Street Project Fund (Ordinance No. 08-11), amendment to Stormwater Drainage Project Fund (Ordinance No. 06-66), and amendment to Drew Steele Center Project Fund (Ordinance No. 09-42)

Explanation: Attached is an ordinance that contains an amendment to the 2010-2011 budget ordinance #10-57 and amendments to Ordinance #04-84 Administrative Facilities Project Fund, Ordinance #94-140 Insurance Loss Reserve Fund, Ordinance #08-11 Public Works Yard / Beatty Street Project Fund, Ordinance #06-66 Stormwater Drainage Project Fund, and Ordinance #09-42 Drew Steele Center Project Fund. These budget amendments are for consideration at the June 6, 2011, City Council meeting. For ease of reference, a footnote has been added to each budget ordinance amendment item that corresponds to the below explanation:

A To reallocate Contingency funds to cover projected overages in code enforcement demolitions. (Total - \$100,000).

B To appropriate Controlled Substance funds to purchase furniture for the new substation on Caldwell Court. (Total - \$14,000).

C To appropriate Federal Emergency Management Agency (FEMA) funds reimbursed to the City for expenses incurred during Tropical Storm Nicole and Hurricane Earl. (Total - \$33,807).

D To estimate funds for year-end closing of the Administrative Facilities Project Fund (City Hall Construction and Municipal Building Renovation), of which \$36,861 will be transferred to the General Fund, and appropriate additional funds received and spent in the Capital Project Fund. (Total - \$36,861 (General Fund) and \$202,666 (Administrative Facilities Project Fund)).

E To appropriate fund balance for funds approved for payment to Greenville Utilities Commission for the City's share on the River Hills Sewer Project. (Total - \$202,942).

F To appropriate fund balance for the Drew Steele Center. This balance was requested and approved at the April 11, 2011 City Council meeting. (Total - \$333,449).

G To reallocate funds for Workers Compensation Loss, Property and Casualty Loss, and General Liability Premium accounts and transfer the unused amount to the Insurance Loss Reserve Fund. (Total Net - \$168,299).

H To reallocate unused funds from Recreation and Parks operations accounts to Capital Improvements to fund the Eppes structural work change orders required to stabilize the building. (Total - \$50,000).

I To appropriate contingency funds to fund additional funds needed to offset the PAL program salaries. (Total - \$69,374).

J To recognize amounts in the Insurance Loss Reserve fund received from investment earnings and insurance settlements. (Total - \$3,221 Investment Earnings and \$59,751 Insurance Settlements).

K To reallocate bond funds appropriated within the Stormwater Drainage Project Fund into the Public Works (PW) Yard / Beatty Street Fund for storm drainage work. The total amount needed to cover change orders is \$175,000. There is \$77,150 currently within the PW Yard / Beatty Street Project Fund. (Total - \$97,850).

Fiscal Note:

The budget ordinance amendment increases General Fund by \$621,059, increases the Administrative Facilities Project Fund by \$189,900, increases the Public Works Yard / Beatty Street Project Fund by \$97,850, and increases the Drew Steele Center Project Fund by \$333,449.

<u>Fund Name</u>	<u>Adj. / Orig. Budget</u>	<u>Proposed Amendment</u>	<u>Adjusted Budget</u>
General	\$ 77 518 357	\$ 621,059	\$78,139,416
Administrative Facilities Project	\$ 13,347,540	\$ 189,900	\$13,537,440
Insurance Loss Reserve	\$ -	\$ 231,271	\$ 231,271
PW Yard / Beatty Street Project	\$ 403,700	\$ 97,850	\$ 501,550
Drew Steele Center Project	\$ 5,384,232	\$ 333,449	\$ 5,717,681

Recommendation:

Approve the attached ordinance that contains amendment #11 to the 2010-2011 City of Greenville budget (Ordinance No. 10-57), amendment to Administrative Facilities

Project Fund (Ordinance No. 04-84), amendment to Insurance Loss Reserve Fund (Ordinance No. 94-140), amendment to Public Works Yard / Beatty Street Project Fund (Ordinance No. 08-11), amendment to Stormwater Drainage Project Fund (Ordinance No. 06-66), and amendment to Drew Steele Center Project Fund (Ordinance No. 09-42)

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [Budget_Amendments_FY_2010_2011_872820](#)

ORDINANCE NO. _____

CITY OF GREENVILLE, NORTH CAROLINA

ORDINANCE (#11) AMENDING THE 2010-2011 BUDGET (ORDINANCE NO. 10-57), AMENDMENT TO ADMINISTRATIVE FACILITIES PROJECT FUND (ORDINANCE NO. 04-84), AMENDMENT TO INSURANCE LOSS RESERVE FUND (ORDINANCE NO. 94-140), AMENDMENT TO PUBLIC WORKS YARD / BEATTY STREET PROJECT FUND (ORDINANCE NO. 08-11), AMENDMENT TO STORMWATER DRAINAGE PROJECT FUND (ORDINANCE NO. 06-66), AND AMENDMENT TO DREW STEELE CENTER PROJECT FUND (ORDINANCE NO. 09-42)

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. **General Fund**, of Ordinance 10-57, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	ORIGINAL 2010-2011 BUDGET		#11 Amended 6/6/2011	Total Amendments		Amended 2010-2011 Budget
<u>ESTIMATED REVENUES</u>						
Property Tax	\$ 30,453,036		\$ -	\$ -		\$ 30,453,036
Sales Tax	13,125,147		-	-		13,125,147
Utilities Franchise Tax	5,770,350		-	-		5,770,350
Other Unrestricted Intergov't Revenue	2,513,907		-	-		2,513,907
Powell Bill	1,910,210		-	-		1,910,210
Restricted Intergov't Revenues	1,565,038	B,C	47,807	1,871,679		3,436,717
Building Permits	715,570		-	-		715,570
Other Licenses, Permits and Fees	2,771,954		-	-		2,771,954
Rescue Service Transport	2,626,000		-	-		2,626,000
Other Sales & Services	976,309		-	-		976,309
Other Revenues	212,085		-	-		212,085
Interest on Investments	1,865,731		-	-		1,865,731
Transfers In GUC	5,521,506		-	-		5,521,506
Other Financing Sources	789,786	D	36,861	789,372		1,579,158
Appropriated Fund Balance	2,983,066	E,F	536,391	1,678,670		4,661,736
TOTAL REVENUES	\$ 73,799,695		\$ 621,059	\$ 4,339,721		\$ 78,139,416
<u>APPROPRIATIONS</u>						
Mayor/City Council	\$ 383,212	G	\$ (11,698)	\$ (11,698)		\$ 371,514
City Manager	1,091,722		-	-		1,091,722
City Clerk	300,600		-	-		300,600
City Attorney	445,528		-	-		445,528
Human Resources	2,514,736	G	29,406	(45,594)		2,469,142
Information Technology	3,200,339		-	-		3,200,339
Fire/Rescue	12,652,643	C,G	57,994	212,180		12,864,823
Financial Services	2,285,851		-	127		2,285,978
Recreation & Parks	6,186,925	G,H	1,008	49,326		6,236,251
Police	22,393,782	A,B,G,I	(41,144)	885,195		23,278,977
Public Works	8,661,389	G	(33,637)	762,595		9,423,984
Community Development	1,628,061	G	(3,047)	295,302		1,923,363
OPEB	250,000		-	-		250,000
Contingency	949,440	A,I	(169,374)	(226,813)		722,627
Capital Improvements	5,141,327	D,E, H	289,803	1,149,724		6,291,051
Total Appropriations	\$ 68,085,555		\$ 119,311	\$ 3,070,344		\$ 71,155,899
<u>OTHER FINANCING SOURCES</u>						
Debt Service	\$ 4,021,368		\$ -	\$ -		\$ 4,021,368
Transfers to Other Funds	1,692,772	F,G	501,748	1,269,377		2,962,149
	\$ 5,714,140		\$ 501,748	\$ 1,269,377		\$ 6,983,517
TOTAL APPROPRIATIONS	\$ 73,799,695		\$ 621,059	\$ 4,339,721		\$ 78,139,416

Section II: Estimated Revenues and Appropriations. **Administrative Facilities Project Fund**, of Ordinance 04-84, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	Amended BUDGET		Amended 6/6/2011	Total Amendments		Amended 2010-2011 Budget
<u>ESTIMATED REVENUES</u>						
Special Fed/State/Loc Grants	\$ 121,028		\$ -	\$ -		\$ 121,028
Investment Earnings	826,746	D	24,095	24,095		850,841
Transfer from Other Funds	1,218,608		-	-		1,218,608
Other Revenue	32,216		-	-		32,216
Bond Proceeds	11,148,942	D	165,805	165,805		11,314,747
TOTAL REVENUES	\$ 13,347,540		\$ 189,900	\$ 189,900		\$ 13,537,440
<u>APPROPRIATIONS</u>						
Acquisition	\$ 950,000		\$ -	\$ -		\$ 950,000
Engineering	1,115,000		-	-		1,115,000
Construction	9,801,543	D	153,039	153,039		9,954,582
Capital Outlay	1,230,997		-	-		1,230,997
Other Expenditures	250,000		-	-		250,000
Transfer for General Fund	-	D	36,861	36,861		36,861
Total Expenditures	\$ 13,347,540		\$ 189,900	\$ 189,900		\$ 13,537,440
TOTAL APPROPRIATIONS	\$ 13,347,540		\$ 189,900	\$ 189,900		\$ 13,537,440

Section III: Estimated Revenues and Appropriations. **Insurance Loss Reserve Fund**, of Ordinance 94-140, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	ORIGINAL 2010-2011 BUDGET		Amended 6/6/2011	Total Amendments		Amended 2010-2011 Budget
<u>ESTIMATED REVENUES</u>						
Investment Earnings	\$ -	J	\$ 3,221	\$ 3,221		\$ 3,221
Misc. Income	-	J	59,751	59,751		59,751
Transfer from General Fund	-	G	168,299	168,299		168,299
TOTAL REVENUES	\$ -		\$ 231,271	\$ 231,271		\$ 231,271
<u>APPROPRIATIONS</u>						
Insurance Loss Reserve	\$ -	G, J	231,271	\$ 231,271		\$ 231,271
Total Expenditures	\$ -		\$ 231,271	\$ 231,271		\$ 231,271
TOTAL APPROPRIATIONS	\$ -		\$ 231,271	\$ 231,271		\$ 231,271

Section IV: Estimated Revenues and Appropriations. **PW Yard / Beatty Street Project Fund**, of Ordinance 08-11, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	ORIGINAL 2010-2011 BUDGET		Amended 6/6/2011	Total Amendments	Amended 2010-2011 Budget
ESTIMATED REVENUES					
Transfer from Other Funds	\$ 403,700	K	\$ 97,850	\$ 97,850	\$ 501,550
TOTAL REVENUES	\$ 403,700		\$ 97,850	\$ 97,850	\$ 501,550
APPROPRIATIONS					
PW Yard / Beatty Street	\$ 403,700	K	\$ 97,850	\$ 97,850	\$ 501,550
Total Expenditures	\$ 403,700	\$ -	\$ 97,850	\$ 97,850	\$ 501,550
TOTAL APPROPRIATIONS	\$ 403,700		\$ 97,850	\$ 97,850	\$ 501,550

Section V: Estimated Revenues and Appropriations. **Stormwater Drainage Project Fund**, of Ordinance 06-66, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	Amended BUDGET		Amended 6/6/2011	Total Amendments	Amended 2010-2011 Budget
ESTIMATED REVENUES					
Investment Earnings	\$ 204,000		\$ -	\$ -	\$ 204,000
Other Revenues	80,232		-	-	80,232
Bond Proceeds	5,100,000		-	-	5,100,000
TOTAL REVENUES	\$ 5,384,232		\$ -	\$ -	\$ 5,384,232
APPROPRIATIONS					
Engineering / Construction	\$ 5,384,232	K	\$ (97,850)	\$ (97,850)	\$ 5,286,382
Transfer to Other Funds	-	K	97,850	97,850	97,850
Total Expenditures	\$ 5,384,232	\$ -	\$ -	\$ -	\$ 5,384,232
TOTAL APPROPRIATIONS	\$ 5,384,232		\$ -	\$ -	\$ 5,384,232

Section VI: Estimated Revenues and Appropriations. **Drew Steele Center Project Fund**, of Ordinance 09-42, is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	Amended BUDGET		Amended 6/6/2011	Total Amendments	Amended 2010-2011 Budget
ESTIMATED REVENUES					
Donations	\$ 500,000		\$ -	\$ -	\$ 500,000
Spec Fed/State Grants	500,000		-	-	500,000
Transfer from General Fund	-	F	333,449	333,449	333,449
TOTAL REVENUES	\$ 1,000,000		\$ 333,449	\$ 333,449	\$ 1,333,449
APPROPRIATIONS					
Drew Steele	\$ 1,000,000	F	\$ 333,449	\$ 333,449	\$ 1,333,449
Total Expenditures	\$ 1,000,000	\$ -	\$ 333,449	\$ 333,449	\$ 1,333,449
TOTAL APPROPRIATIONS	\$ 1,000,000		\$ 333,449	\$ 333,449	\$ 1,333,449

Section VII: All ordinances and clauses of ordinances in conflict with this ordinance are hereby repealed.

Section VIII: This ordinance will become effective upon its adoption.

Adopted this the 6th day of June, 2011.

Patricia C. Dunn, Mayor

ATTEST:

Carol L. Barwick, City Clerk