



Agenda

Greenville City Council

January 14, 2013
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 Mitchell

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 from the City Council Planning Session held on January 20-21, 2012, a City Council budget work session held on May 21, 2012, and regular City Council meetings held on May 7 and June 14, 2012
2. Sale and grant of easement by City of Greenville to Piedmont Natural Gas
3. Sale and grant of easements by Greenville Utilities Commission to Piedmont Natural Gas
4. Reimbursement resolution for financing Greenville Utilities Commission's heavy equipment and

vehicles purchase with installment purchase loan

5. Resolution relating to the authorization and issuance of a Greenville Utilities Commission enterprise system revenue refunding bond
6. Electric capital projects budget ordinance for Greenville Utilities Commission's Telephone System Replacement Project
7. Establishment of fair market value of City-owned property (a portion of the Perkins Complex) for purposes of conveyance
8. Final Construction Change Order and Amendment No. 1 to the Construction Management Contract for the Dickinson Avenue/Chestnut Street Area Drainage Improvement Project
9. Request by the North Carolina Department of Transportation to purchase City-owned property for the 10th Street Connector Project
10. Authorization to use a Governor's Highway Safety Program grant for the purchase of radar units
11. Report on contracts awarded

VII. New Business

12. Presentations by Boards and Commissions
 - a. Environmental Advisory Commission
 - b. Pitt-Greenville Airport Authority
13. Presentation on City Branding Process
14. Management and Operational Analysis - Bradford Creek Public Golf Course
15. Legislative Initiatives for the 2013 Session of the North Carolina General Assembly

VIII. Review of January 17, 2013, City Council Agenda

IX. Comments from Mayor and City Council

X. City Manager's Report

XI. Closed Session

- To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter

132 of the General Statutes, said law rendering the information as privileged or confidential being the Open Meetings Law

- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body

XII. Adjournment



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

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- Title of Item:** Minutes from the City Council Planning Session held on January 20-21, 2012, a City Council budget work session held on May 21, 2012, and regular City Council meetings held on May 7 and June 14, 2012
- Explanation:** Proposed minutes from the City Council Planning Session held on January 20-21, 2012, a City Council budget work session held on May 21, 2012, and regular City Council meetings held on May 7 and June 14, 2012 are presented for review and approval
- Fiscal Note:** There is no direct cost to the City.
- Recommendation:** Review and approve proposed minutes from the City Council Planning Session held on January 20-21, 2012, a City Council budget work session held on May 21, 2012, and regular City Council meetings held on May 7 and June 14, 2012.
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Attachments / click to download

- [Proposed_Minutes_of_January_20_21_2012_City_Council_Planning_Retreat_927901](#)
 - [Proposed_Minutes_of_Budget_Work_Session_held_May_21_2012_941623](#)
 - [Proposed_Minutes_of_May_7_2012_City_Council_Meeting_942486](#)
 - [Proposed_Minutes_of_City_Council_Meeting_held_June_14_2012_927364](#)
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PROPOSED MINUTES
ANNUAL PLANNING SESSION
GREENVILLE CITY COUNCIL
JANUARY 20-21, 2012



Having been properly advertised, the Annual Planning Session of the Greenville City Council was held on Friday and Saturday, January 20-21, 2012 in the Clubhouse at Bradford Creek Golf Course, located at 4950 Old Pictolus Road in Greenville, with Mayor Allen M. Thomas presiding. Mayor Thomas called the meeting to order at 5:00 pm on Friday, January 20, 2012.

Those Present:

Mayor Allen M. Thomas, Mayor Pro-Tem Rose H. Glover, Council Member Kandie Smith, Council Member Marion Blackburn, Council Member Calvin R. Mercer, Council Member Max R. Joyner, Jr. and Council Member Dennis J. Mitchell

Those Absent:

None

Also Present:

City Manager Wayne Bowers, City Attorney David A. Holec, and City Clerk Carol L. Barwick

APPROVAL OF THE AGENDA

Upon motion by Council Member Mercer and second by Council Member Joyner, the City Council unanimously approved the agenda.

City Manager Wayne Bowers introduced Margaret Henderson, of the University of North Carolina School of Government, who will serve as facilitator for discussion.

FRIDAY'S SESSION

Ms. Henderson thanked the Mayor and Council Members for inviting her to serve as facilitator for their planning retreat. She stated her goal for the Friday evening session is to identify critical issues and events facing Greenville – to view the City from a 30,000 foot perspective, and for Saturday, Ms. Henderson stated she expects to clarify the City Council's goals in relation to those critical issues and events.

Following an extensive informal exercise wherein Council Members wrote out individual issues and concerns and subsequent discussion, the following key issues/concerns emerged:



Also Present:

City Manager Wayne Bowers, City Attorney David A. Holec, and City Clerk Carol L. Barwick

SATURDAY'S SESSION

FINANCIAL UPDATE AND DISCUSSION

City Manager Wayne Bowers and Accounting Manager Kimberly Branch gave the City's financial report. The previous year's results were positive with revenue at \$70.8 million and expenses at \$69 million. The General Fund balance as of June 30, 2011, is \$29.1 million. Looking at a comparison of Greenville to its peer cities, the City is in line with its benchmarks because of a healthy fund balance. The current budget is about \$77 million. Year to date, \$43 million of revenue has been collected and \$31 million has been spent.

Mr. Bowers advised that Pitt County is in the middle of a reevaluation process and the results should be in by the end of the month. He also went over the effects of the hurricane and said that the City had fronted about \$1.5 million and that money would be fully reimbursed by the Federal Emergency Management Agency (FEMA). He went over the enterprise funds and said that he would recommend an increase in the fee for sanitation services as it has been delayed for a couple years. He reminded the City Council that the Golf Course Fund would need to be examined for future operations.

COMMUNITY SAFETY

Police Chief William Anderson thanked the City Council for their support over the past 5 ½ years and stated Deputy Chief Joe Bartlett would make the presentation.

Deputy Chief Bartlett stated numbers for 2011 remained consistently below the previous year's numbers. The Police Department and the City of Greenville as a whole has had fewer reported crimes. He also discussed the merits of a Concealed Handgun ordinance and implementing a pop-up alert system.

ECONOMIC DEVELOPMENT

Ms. Henderson began a discussion about community prosperity and economic development.

Assistant City Manager Thom Moton clarified for the City Council the steps that had been voted on. He said that staff understood that an Economic Advisory Committee is important to the City Council and it was further understood that there are some concerns about the name of the committee. He pointed out that he and Community Development Director Merrill Flood recognized the need for a subcommittee to the advisory committee that



should consist of the Mayor and two Council members. This smaller group would make reports to the City Council as a whole.

Following a general discussion regarding potential names for the advisory committee and the need for a subcommittee, it was decided that the advisory committee would be called the Mayor's Economic Development Advisory Committee.

CITY COUNCIL PROCEDURES

City Attorney Dave Holec reported on a survey of other cities in North Carolina regarding methods they currently utilize to streamline their meetings. Several cities implemented the following practices:

- Use of a consent agenda
- Time limitations on public comment periods
- Time limitations on public hearings
- Motion to call the question
- Time limitations on Council debate

Mr. Holec stated the policy presented for consideration is based on Durham's model and would place a reasonable limit on Council debate.

After discussion, motion was made by Council Member Joyner, and seconded by Council Member Mitchell, to approve the draft policy. The initial vote resulted in a tie with Council Members Joyner, Mitchell and Smith voting in favor and Mayor Pro-Tem Glover and Council Members Blackburn and Mercer voting against. Mayor Thomas broke the tie, voting in favor of the motion.

2012-2013 STRATEGIC GOALS

- Economic Development

Council Member Mercer stated he feels the City will start growing once the economy turns, and that is a big issue. The City needs high-quality, sustainable growth.

Council Member Mitchell agreed, but said there should be an emphasis on how it is measured.

Ms. Henderson reminded Council Members they had already given staff some guidance in terms of wants and design. She asked how they would define the changes desired.

Council Member Blackburn stated the City should develop an economic strategy that emphasizes the growth goal.



Council Member Mitchell stated this sets the bar very high, but in his opinion, the goal of economic development should be to decrease the unemployment rate, increase the median income and attract and retain new and existing businesses.

By consensus, the City Council agreed to Council Member Mitchell's suggested language.

- Public Safety

Council Member Joyner stated a comprehensive crime plan is one of the City's most pressing needs.

Mayor Thomas stated crime is not just about law enforcement. It's the community aspect of it, and the City needs a plan based on models implemented in other cities with measurable results.

Council Member Mitchell proposed a goal of decreasing crime by 10% each year.

Ms. Henderson asked if the overall goal is to engage community stakeholders in creating a comprehensive crime plan that will include strategies for decreasing crime by 10% for each year during the course of the plan.

By consensus, the City Council agreed to the language Ms. Henderson suggested.

- Parks and Recreation/Greenways/Bond Issue

Ms. Henderson asked what Council Members would like to see under this goal.

Council Member Blackburn said she would like to see expansion and enhancement to parks and greenways as resources allow.

Mayor Thomas suggested bringing existing parks up to standard and recommended prioritizing the underserved neighborhoods.

Council Member Smith stated the goal should be something measurable, such as enhancing two existing parks and developing two new parks.

Council Member Joyner stated some funding should be set aside for long-term park repairs.

Ms. Henderson suggested the City Council define appropriate access based on socio-economic need and geography.

By consensus, the City Council agreed to incorporate the key points listed herein.



- Infrastructure (including Information Technology)

Council Member Mitchell asked what are the most pressing problems currently with the City's infrastructure.

Public Works Director Wes Anderson stated City streets are currently on a 70 year resurfacing cycle. While the life span of a road is influenced by the use of the road, 12-15 years is generally accepted as the life expectancy for asphalt.

Council Member Mitchell suggested that stormwater problems should be addressed ahead of paving so they would not continue to undermine roads.

Council Member Smith stated the City should address stormwater problems by identifying the most drastic needs and working down the list.

Council Member Joyner mentioned the need for a traffic signal management system.

Council Member Blackburn recalled that Information Technology Director Rex Wilder had indicated a few years previously that \$30,000 could provide WiFi access throughout West Greenville.

Mr. Wilder clarified that access was just to outside, common areas like what is currently available downtown. It does not provide access inside homes.

Ms. Henderson suggested a draft goal of maintaining and preserving existing stormwater infrastructure and streets, and pursuing technology needs such as a traffic signal management system and WiFi access in targeted common areas of West Greenville. The City Council agreed by consensus.

- Neighborhood Preservation

Council Member Mercer suggested one measurable goal relating to housing would be to have an active association in every neighborhood.

Council Member Joyner recommended a review of the rules and regulations for Historic Districts with an eye toward the cost for repair and upkeep. He said it is a goal to lower the cost of repairs so people could afford to stay in the houses.

Council Member Blackburn stated that Council Member Joyner's suggestion primarily impacts her district and before adopting a goal that addresses District 3, she would like to take it to the people living in those houses for their feedback and input. She suggested looking at goal setting from a higher level and recommended the City Council consider developing strategies to protect and preserve neighborhoods through systematic approaches.



Mayor Thomas asked Council Member Blackburn to mention what they discussed about the three-person tenants and the Special Use Permit.

Council Member Blackburn stated she would prefer to leave the goal at “systematic approaches” for now.

Mayor Thomas asked if that is part of the goal.

Council Member Blackburn stated it is potentially part of it, but feels the goal can be fleshed out more over the coming weeks.

Ms. Henderson asked if Council Member Blackburn’s suggested language was okay with the group, with emphasis placed on Council Member Mercer’s comment regarding neighborhood associations and Council Member Joyner’s comment about Historic Districts.

Recommended language was accepted by general consensus.

- Public Transportation

Ms. Henderson asked what are Council Members’ concerns about transportation.

Council Member Blackburn recommended decreasing dependency on automobiles.

Council Member Mercer suggested the City Council consider implementing the recommendations of the Bicycle and Pedestrian Commission.

Council Member Mitchell asked what is included under Transportation.

Council Member Smith stated it is to maintain or influence public transportation.

Council Member Joyner said it is also to encourage alternative transportation.

Ms. Henderson suggested the goal might be that all citizens have access to efficient and effective traditional or alternative modes of transportation, and the City Council agreed by consensus.



ADJOURNMENT

There being no further discussion, Council Member Joyner moved to adjourn the meeting. Council Member Smith seconded the motion, which was approved by unanimous vote. Mayor Thomas declared the meeting adjourned at 2:48 pm.

Respectfully submitted,

Carol L. Barwick, CMC
City Clerk



PROPOSED MINUTES
BUDGET WORK SESSION OF THE CITY COUNCIL
CITY OF GREENVILLE, NORTH CAROLINA
MONDAY, MAY 21, 2012

The Greenville City Council held a budget work session on Monday, May 21, 2012 in Conference Room 329, located on the third floor of the Municipal Building, with Mayor Allen M. Thomas presiding. Mayor Thomas called the meeting to order at 7:00 pm, noting that Mayor Pro-Tem Rose Glover was absent due to a family medical emergency.

Those Present:

Mayor Allen M. Thomas, Council Member Kandie Smith, Council Member Marion Blackburn, Council Member Calvin R. Mercer, Council Member Max R. Joyner, Jr. and Council Member Dennis J. Mitchell

Those Absent:

Mayor Pro-Tem Rose H. Glover

Also Present:

Interim City Manager Thomas M. Moton, Jr., City Attorney David A. Holec, and City Clerk Carol L. Barwick

APPROVAL OF THE AGENDA

Council Member Joyner moved to approve the agenda as presented. Council Member Mitchell seconded the motion, which passed by unanimous vote.

DISCUSSION OF FY 2012-2013 BUDGET AND FY 2013-2014 FINANCIAL PLAN

Interim City Manager Thom Moton stated a detailed proposed budget was provided to the Mayor and Council Members the previous Friday. He then gave a cursory review of changes to the budget based on the property tax revaluation and the City Council's desire to maintain the existing tax rate rather than adopt the revenue neutral rate. The proposed budget was balanced with a combination of expense reductions, minor revenue enhancements and some use of fund balance. He stated a final proposed budget will be delivered to the Mayor and Council Members on Friday, May 25th with a public hearing for the budget scheduled for June 11th and adoption of the budget anticipated on June 14th. He then suggested the City Council address questions and concerns by fund, beginning with the General Fund.



GENERAL FUND

Council Member Mercer questioned the use of \$1 million of fund balance. Mr. Moton stated that amount was reflected in an early budget memo and has since been revised so that only \$150,000 from fund balance will be used for the coming fiscal year.

Council Member Mitchell asked if there are any negatives in using fund balance. Mr. Moton stated there were none in the manner in which Greenville uses its fund balance. If the elected officials were reluctant to set user fees sufficient to sustain operations and were consistently using fund balance to meet basic operating expenses, then it could potentially have a negative impact on the City's credit rating.

Council Member Blackburn observed that the law requires a municipality to maintain an 8% fund balance, but Greenville's policy is to maintain 14% although the City remains somewhat above that. In setting the tax rate for the coming year, the City Council made a choice to use a little of its excess fund balance. She then asked if fund balance is considered the same as a contingency fund.

Mr. Moton stated it is not. A contingency fund is money that is budgeted as an expense within the General Fund for things not planned for in advance, but for which a need is determined during the year. In the proposed budget and financial plan, contingency is set at \$150,000 for FY12-13 and \$200,000 for FY13-14.

Council Member Mitchell asked if a best-practice standard on fund balance could be determined from what other similarly-sized cities do.

Mr. Moton stated many factors would have to be considered in determining a best-practice. A city which relied heavily on sales tax would need a large fund balance, and even larger than that if they relied heavily on the tourist industry. Conversely, a city which was primarily supported by property tax revenues could afford to have a lower fund balance.

Council Member Mercer said he feels the staff has prepared a very conservative and practical budget. He asked if he was correct in the understanding that the City currently has undesignated fund balance of about 29%.

Mr. Moton stated he is correct. While the City does have some of its fund balance designated, about \$18.3 million remains undesignated.

Council Member Joyner asked whether population growth was factored into the tax base. Mr. Moton indicated it was projected at 2%



Council Member Joyner observed that was a very conservative estimate and stated he feels staff has done a great job and he is very comfortable with the budget presented.

Council Member Blackburn asked if proposed street funding is additional to what is normally included each year. Mr. Moton stated it is.

Council Member Smith asked if there is a list of streets to be improved. Mr. Moton stated the Road Conditions Survey is currently being updated.

Council Member Joyner stated he would like to meet with Department of Transportation officials about the State's poorly maintained streets within Greenville, or that he would like a report on their plan of action for street improvements.

Council Member Mercer asked about the Other Pay and Benefits (OPEB) increase. Mr. Moton stated that only the additional amount for the year is listed.

Council Member Blackburn asked if the market pay adjustment was related to the Classification and Compensation Study. Mr. Moton stated it was not. He said it was a 2.5% adjustment for all employees as a means of moving them forward, with a \$100,000 adjustment pool to be utilized for situations warranting special attention.

Council Member Mercer asked if the market pay adjustment proposed for FY13-14 can be adjusted. Mr. Moton stated that it could.

Council Member Mercer mentioned the major repairs fund for buildings, stating that it is good, but not funded at the level he feels is needed.

Council Member Blackburn stated there are a few small items, which she has mentioned previously, that she feels are needed in the coming budget. Some type of floor treatment is needed for tap dancing classes at Jaycee Park to prevent a potential slip and fall liability, and trail markers are needed at Eastside Park. Council Member Joyner added that park safety concerns need to be addressed for all parks.

Mr. Moton stated the theme of the coming budget year is "Bridging the Gap" and, in future budgets, the City can move forward to transformation and reform. The coming budget year, unfortunately, is one where the City must simply maintain and hold any new needs for a future year unless existing needs are reduced.

Council Member Joyner stated he would like the upcoming efficiency report to be returned directly to the City Council.



Council Member Mercer said he feels the report should be handled by management, with recommendations presented to the City Council. He said to do any other way, he feels there is a danger of it being politicized.

Council Member Smith agreed with Council Member Joyner that the report should go to the City Council as a matter of transparency. She said she did not feel it would become a political issue.

Council Member Mitchell stated the City Manager is the person charged with leading the City Council in the proper direction. He said he feels it is appropriate that the report go to Mr. Moton, to then be presented to the City Council with recommendations.

Council Member Mercer clarified that the efficiency report will be a public record and he was not suggesting that management hide the report from the City Council. He was merely suggesting the City Council should allow its professional staff to review the report and develop sound recommendations to present to the City Council along with the report rather than simply proving the report and leaving it up to the City Council to figure out what needed to be done.

Council Member Blackburn asked about the 90% target for Bradford Creek to recover its expenses and how that percentage was determined. Mr. Moton stated the 90% is merely a barometer established to measure success. Bradford Creek is being added to the Recreation and Parks budget; if they spend more than they have budgeted for Bradford Creek, they must find the money elsewhere within their budget.

Council Member Mercer stated he is a big supporter of Sheppard Memorial Library and he is concerned about sustainability going into the future. He observed that the traditional formula of the City contributing 2/3 of its funding with the County contributing 1/3 actually results in Greenville's residents contributing a larger share because they pay taxes to both the City and the County.

Council Member Mitchell agreed it was an issue which should perhaps be revisited and suggested the Mayor address it in his meetings with the County.

Council Member Joyner suggested the City take a hard look at retirement issues for employees as they seem to have 2-3 types of benefits not available to the average person.

Mr. Moton briefly explained state-required retirement contributions for both general employees and for law enforcement. He noted that initially staff was proposing a 50% reduction in 401K benefits for general employees, but in the current proposal, only a 25% reduction is recommended.

Mr. Moton then discussed a number of revenue enhancement strategies, including potential service fee increases.



Council Member Mercer stated he was pleased to see some attention being given to fees for non-City residents who benefit from City services. He said he feels it is prudent to fairly distribute the cost of running the City to the people who come in from the surrounding area to participate in the City's recreation programs rather than have citizens subsidizing them.

Mr. Moton stated he feels the recommendations currently presented are the best scenario for establishing a sustainable balanced budget.

SANITATION FUND

Council Member Blackburn stated she supports the need for fee increases already presented, but said she does not want to see the City balance its budget strictly on Sanitation fees.

Council Member Joyner asked what value there is in establishing an enterprise fund if the fund is not required to recover its costs.

Mr. Moton briefly discussed the inefficiency of the City's current dual service system for refuse collection, adding that Sanitation fees have remained unchanged for the past four years. He summarized proposed service rates and stated that disabled individuals would be granted an exemption.

Council Member Blackburn stated she does not feel the current economy is the proper climate in which the City should begin an initiative to recover its indirect costs.

STORMWATER FUND

Mr. Moton discussed Stormwater revenues and stated that, while no fee increase is proposed in the coming budget, increases will be necessary in future years. The Stormwater fund already recovers 50% of its costs and, recognizing that residents can only absorb so much at one time, the fund was deemed healthy enough to delay an increase.

Council Member Blackburn expressed concern that a fee increase in Stormwater was initially proposed, but is now off the table, while the proposed adjustment to Sanitation fees was increased.

Mr. Moton stated Stormwater has a positive fund balance, but Sanitation has a deficit.

Council Member Mercer stated he does not agree with no fee increase for Stormwater where there is such a high increase in Sanitation fees. Stormwater impacts both residential and



commercial customers, whereas Sanitation only impacts residential. A slight increase in Stormwater fees would enable the fund to meet more of its indirect cost, thereby reducing its impact on the General Fund, which could then support other needs.

Mr. Moton stated that a detailed presentation will be made at the June 11th City Council meeting prior to the public hearing on the budget. Citizens will have the opportunity to comment, as will the City Council, and motions can be made at that time for any changes the City Council wishes to make.

NON-MAJOR FUNDS

Mayor Thomas stated one item which has not been discussed previously, but that is vital to the City's economic development future, is a parking deck. If the economy makes the hoped-for improvement, adequate parking will be vital to the growth of the City. He stated he would like to see that fund continue to grow.

Mr. Moton stated a number of potential locations have been identified and staff is looking to develop partnerships for funding. The deck should be built in an area where there would immediately be users.

APPOINTMENTS TO BOARDS AND COMMISSIONS

Affordable Housing Loan Committee

Council Member Smith made a motion to appoint Margaret Wood to serve a first three-year term that will expire February 2015. Motion was seconded by Council Member Joyner and it carried unanimously.

Planning & Zoning Commission

Council Member Smith made a motion to elevate John Weitz from the Alternate #1 position to a regular member for an unexpired term expiring May 31, 2014; to elevate Torico Griffin from the Alternate #2 position to the Alternate #1 position for a first three-year term expiring May 31, 2015; and to appoint Kevin W. Burton to the Alternate #2 position for a first three-year term expiring May 31, 2015. The motion was seconded by Council Member Joyner and it carried unanimously.



ADJOURNMENT

Mayor Thomas stated that Staff has recommended cancelling the May 23, 2012 Budget Committee meeting. Upon motion by Council Member Mercer and second by Council Member Blackburn, the City Council voted unanimously to cancel said meeting.

Council Member Mitchell moved to adjourn the meeting, seconded by Council Member Smith. There being no discussion, the motion to adjourn passed by unanimous vote and Mayor Thomas adjourned the meeting at 9:18 pm.

Respectfully submitted,

Carol L. Barwick, CMC
City Clerk

PROPOSED MINUTES
MEETING OF THE CITY COUNCIL
CITY OF GREENVILLE, NORTH CAROLINA
MONDAY, MAY 7, 2012



The Greenville City Council met in a regular meeting on the above date at 6:00 PM in the City Council Chambers, third floor of City Hall, with Mayor Allen M. Thomas presiding. The meeting was called to order, followed by the invocation by Mayor Thomas and the Pledge of Allegiance to the flag.

Those Present:

Mayor Allen M. Thomas; Mayor Pro Tem Rose H. Glover; Council Member Kandie D. Smith; Council Member Marion Blackburn; Council Member Calvin R. Mercer; Council Member Max R. Joyner, Jr.; and Council Member Dennis J. Mitchell

Those Absent:

None

Also Present:

Thomas Moton, Interim City Manager; David A. Holec, City Attorney; Carol L. Barwick, City Clerk and Polly Jones, Deputy City Clerk

APPROVAL OF THE AGENDA

Motion was made by Council Member Joyner and seconded by Council Member Mercer to approve the agenda. Motion carried unanimously.

PUBLIC COMMENT PERIOD

Jim Decker – 214 King George Road

Mr. Decker stated it is no mystery why Greenville was selected by *Sports Illustrated* to be one of their outstanding cities in the nation. In his opinion, Bradford Creek Golf Course makes Greenville a great place to work, live, and recreate. The inability to cover the golf course's costs is somewhat of an economic reality and not through any lack of management or mismanagement. Therefore, the idea to solicit a proposal for a management company is unwarranted and ill considered. In fact, under a management company, the support that Bradford Creek Golf Course has garnered so strongly would probably dissipate, if the programs that it has built disappear. Bradford Creek Golf Course should be moved into the General Fund with targets for covering its expenses and revenues. In the 12 years that Bradford Creek Golf Course has been owned by the City, it has met its operating expenses 9 of those 12 years and in some years contributed significant sums of money toward retiring

the debt. There are 23 municipal golf courses in North Carolina including Raleigh and Charlotte, but most of them are located in places like Thomasville, Orangeville, Gastonia, Forge City and Lexington. Greenville should aspire to be the type of community like those communities.

Dan Swardell – 2411 Kathleen Drive

Mr. Swardell stated his hope and recommendation is removing the enterprise and placing the golf course into the General Fund and finding ways to increase revenue. There is a wealth of talent that could help with ideas to increase revenue. Hopefully, the City Council will not consider closing the golf course or having a new management team and will consider some other way to retain Bradford Creek Golf Course for all of the citizens.

James M. Kenny – 120 Wilkshire Drive

Dr. Kenny stated that he sees Bradford Creek Golf Course as becoming an issue of the haves and have-nots. A private club has the right to do what it wants including raising its golfing rates to a somewhat exorbitant level. Two Kiwanis clubs are leaving and one community-oriented nonprofit is planning to leave Greenville. If the clubs leave, there is no reason to assume that is going to happen to the golf course portion. The have-nots end up with having no place to play golf. Retirees, the largest growing voting population, enjoy playing golf and would have no place to play on a fixed income. Medically, Greenville will lose a good cardiovascular activity and a great social time. To lose Bradford Creek Golf Course would be the beginning of dismantling this Sportstown USA, and it might be worth a follow-up story.

Leavy Brock, Jr. – 241 Water View Road

Mr. Brock stated there are 3 different ways to enter Greenville on Highway 264 and the golf course sits in a good location. People from out of town admire this golf course especially in February, March and April when Bradford pear trees are blooming. Over the years, he had the opportunity to watch the greens and fairways and how the golf course developed. There are a lot of City and County organizations that use the golf course for tournaments. Mr. Brock commended the friendly staff for doing a great job. Mr. Brock asked that the City Council retain the Bradford Creek Golf Course for the retirees and youth.

Louis Zincone – 1730 Beaumont Drive

Mr. Zincone stated the loss at Bradford Creek Golf Course is supposed to be approximately \$50,000, and that is less than 1 percent of the budget appropriated for the Recreation and Parks Department. That loss has decreased since last year, and he is looking forward to it becoming zero as the economy turns around. Golfing is no less important than other programs sponsored by the City and none of the programs return a higher proportion of the cost through fees collected. He urged that the golf course be removed from being an Enterprise Fund and moved to the General Fund. Bradford Creek Golf Course sponsors 2-3

golf tournaments for the youth from out of town and their friends and parents attend the tournaments and purchase items. This encourages more activity in Greenville and new money is being brought into Greenville and Pitt County. Private clubs could not serve as a substitute because they offer the whole package. Golfers could play ten times at Bradford Creek Golf Course at the rate charged by private golf clubs.

Robert Woods – 304 Prince Road

Mr. Woods stated that as a senior citizen he is alive today because of his playing golf. He walks the golf course and has lost weight. Leave something for the senior citizens of Greenville to do. Mr. Woods compared the large and sufficient signage of other public golf courses to the small and need for more signage for Bradford Creek Golf Course.

David Loy – 307 Marybeth Drive

Dr. Loy stated that there are ethnic and racial groups and junior and senior citizens' programs at Bradford Creek Golf Course, which is really a melting pot and a wonderful place. The people that play at Bradford Creek are a very specific population.

Eric Brestel – 106 Christenbury Drive

Mr. Brestel made comments about how Greenville appears to prospective businesses. Mr. Brestel stated that an amenity such as Bradford Creek Golf Course complements the City and is a reasonable facility to have in the City. The golf course should be looked at as far as projecting the City of Greenville's image.

Mr. Donald Williams – 800 River Drive

Mr. Williams stated at a called meeting of the Recreation and Parks Commission, there was an extensive discussion of costs. Even though it is possible to raise a lot of revenue, he feels that they should take it off the current system of accounting and place it under the General Fund.

Darin White – 3120 Cleere Court

Mr. White summarized the motion that was passed unanimously by the Recreation and Parks Commission at their April 25, 2012 meeting stating that they expressed their support to the Greenville City Council for the continual provision of affordable public golf opportunities at Bradford Creek Golf Course, in order that citizens with moderate income have the opportunity to enjoy golf without traveling significant distances. The Commission stands with the citizens. Mr. White stated Bradford Creek Golf Course is impacting the citizens of Greenville in ways that one would not believe.

Gordon Polk – No address given

Mr. Polk stated that the golf course accommodates little children, middle-aged people, and seniors with pain, but those seniors can play golf. The golf course is a great asset and raises

a lot of funds for Dream Factory and other programs. Equipment suffers a great deal and the golf course will be damaged, if the City Council is considering leasing. Eventually, the golf course will bring in revenue.

Adelle Grier – No address given

Ms. Grier stated the golf course should not be sold or leased or made into a park. Transportation that will get the people to the golf course should be addressed. The people who work at Bradford Creek Golf Course should not lose their jobs.

Robin Smith – No address given

Mr. Smith stated that there are children who played at Bradford Creek Golf Course who are currently playing in school at the University of North Carolina and North Carolina State University. Golf has been an integral part of why children have been able to continue their education. There is no marketing or commercial advertising for Bradford Creek Golf Course and that may be something that could be looked at in the future.

Mr. Willie Wilson – No address given

Mr. Wilson suggested that during the City Council’s deliberation process, Bradford Creek Golf Course should be looked at as recreation, similar to soccer and the other services that the City provides its citizens, and not as an enterprise. Golfing is a service of the City and money for providing golfing is not much different than the money subsidized for soccer. The Elm Street Gym and other gyms are services provided by the City. These are services that the citizens will use and benefit from. If the City treats each service with the same respect and value, everybody in the community will appreciate golfing.

CONSENT AGENDA

Interim City Manager Thomas Moton introduced items on the Consent Agenda, reading out the title of each as follows:

1. Resolution accepting dedication of rights-of-way and easements for Emerald Park, Phase 1, Section 2 (Resolution No. 023-12)
2. Declaration of Perpetual Land Use Restrictions for Greenville Utilities Commission’s former Manufactured Gas Plant Site
3. Series resolution for Greenville Utilities Commission for vehicles and heavy equipment purchases through installment purchase financing (Resolution No. 024-12)

Motion made by Council Member Joyner and seconded by Council Member Mercer to approve the Consent Agenda. Motion carried unanimously.

OLD BUSINESS

ORDINANCE AMENDING CERTAIN DEFINITIONS IN THE TRAFFIC REGULATIONS CHAPTER OF THE GREENVILLE CITY CODE - ADOPTED

Motion made by Council Member Joyner and seconded by Council Member Mercer to adopt the ordinance amending certain definitions in the Traffic Regulations chapter of the Greenville City Code. Motion carried unanimously. (Ordinance No. 12-018)

NEW BUSINESS

PRESENTATION OF THE PROPOSED FISCAL YEAR 2012-2013 OPERATING BUDGET AND FISCAL YEAR 2013-2014 FINANCIAL PLAN FOR:

City of Greenville

Interim City Manager Moton stated the following during his presentation.

At the April 9, 2012 City Council meeting, staff presented a budget with a revenue neutral tax rate (including growth) of \$.5644 per \$100 valuation. The overall budget included the continuation of existing services and recognized the City's commitment to address the liability associated with Other Post-Employment Benefits (OPEB) by increasing the funding by \$50,000 in FY 2012-2013 and by an additional \$50,000 in FY 2013-2014. It recognized the value of having employee compensation being addressed through a 2 percent market and 1½ percent merit increases for employees. The overall budget also continued on a limited basis with capital improvements of \$880,000 in the first year and \$840,000 in the second year.

Aside from the April 9, 2012 meeting, there have been two other opportunities to have discussion about the budget, one City Council Budget Work Session (April 23, 2012) and one City Council Budget Committee Meeting (May 1, 2012). Throughout the process, staff had tremendous feedback and communication with the Mayor and City Council as it relates to potential changes to the tax rate; whether to keep the same tax rate of \$.5200 or move up to a tax rate as much as \$.02 higher than revenue neutral. The proposed budget that will

be discussed this evening is based upon \$.5200 which effectively reflects a tax decrease. It will result in less tax revenue taken in deliberately than what could be the case after a revaluation.

Interim City Manager Moton stated the difference between adopting a revenue neutral tax rate and maintaining the current tax rate is a revenue reduction of \$2,115,502 in FY 2012/2013 and \$2,157,812 in FY 2013/2014. Based on the guidance received from the City Council to receive a budget based upon \$.5200 (current tax rate), staff used a combination of expense reductions and revenue enhancement to close the gap. Staff's objectives for the budget are the following:

- Maintain existing service levels to the fullest extent possible
- Increase service levels in some cases (i.e., economic development)
- Invest in the future (human capital, future efficiencies, technology for public safety, street improvements, etc.)
- Continue to do more with less.

If the City Council adopts the \$.5200 tax rate, staff recognizes that the loss in revenues resulting from the Pitt County revaluation is a temporary problem. Loss of revenue may be regained from economic activity within a few years. An overview of key items funded in this budget and financial plan include the following:

- ❖ An overall continuation of existing service levels for FY 2012/2013 and FY 2013/2014
- ❖ Increasing OPEB contributions by \$50,000 in FY 2012/2013 and by an additional \$50,000 in FY 2013/2014
- ❖ 2.5 percent market increase in FY 2012/2013 and FY 2013/2014
- ❖ A pay adjustment pool (\$100,000 in FY 2012/2012 and \$50,000 in FY 2013/2014)
- ❖ Capital Improvements (\$880,000 in FY 2012/2013 and \$840,000 in FY 2013/2014)

Items that were not originally in the budget presented on April 9, 2012, but, which are included in the budget at this time are the following:

- ❖ Staffing and operations of EMS Unit at new Fire Station #7 (\$171,228 for 3 months in FY 2012/2013 and \$515,000 for full year in FY 2013/2014)
- ❖ Additional funding for Street Improvements (\$300,000 for full year in FY 2013/2014 and \$200,000 in FY 2013/2014)
- ❖ Creation of Economic Development Fund (\$100,000 in FY 2012/2013 and \$50,000 in FY 2013/2014)
- ❖ An Efficiency Study (\$100,000 in FY 2012/2013 and \$50,000 in FY 2013/2014)

- ❖ Public Safety Technology Improvements (i.e. additional cameras for high crime areas) (\$100,000 in FY 2012/2013)
- ❖ Creation of a City Council Discretionary Fund (\$50,000 in FY 2012/2013 and \$50,000 in FY 2013/2014)

Council Member Joyner asked could the \$50,000 for the City Council Discretionary Fund be taken out of the General Fund.

Interim City Manager Moton responded in the past, contingency funds were used. There will still be contingency funds, but the \$50,000 for the Discretionary Fund will actually be in the Mayor and City Council's budget. That way the City Council could elect to take action on certain items that will not be anticipated. Raleigh and some other cities use the Discretionary Fund as well.

Council Member Joyner asked what is the amount of Raleigh's Discretionary Fund.

Interim City Manager Moton responded that he is unsure and would rather check Raleigh's budget and be precise. The City Council could continue to use the General Fund, but staff is trying to recognize that the City Council has been a little more reform oriented. Staff could simply eliminate the Discretionary Fund and increase the contingency fund by \$50,000 and it would have the same effect.

Interim City Manager Moton resumed his presentation providing the following information:

The funding gap is additional funding that must be provided by a combination of expense reductions and revenue enhancements. The additional expenses that are being added to the budget based on service enhancements in the next fiscal year would be \$821,228, and the following year it would be \$915,000. The total amount for the first year at the funding gap is \$2,936,730 and in the second fiscal year it would be \$3, 072,812.

Interim City Manager Moton summarized the proposed expense reduction strategies and estimated savings, stating one of the elements that was also proposed and discussed was making adjustments to the payment schedule for the Vehicle Replacement Fund which is a tool used when the City begins paying itself for the eventual replacement of all rolling stock over \$5,000. Mowers, large commercial grade lawnmowers, trailers, police vehicles and other rolling stock are paying into this fund. What is proposed is a temporary measure recognizing that the City is trying to bridge the gap during the recovery from the recession by reducing the contribution to the Fund by 20 percent for next two fiscal years and extending the use of essential vehicles by one year and then extending the use for nonessential vehicles by two years. Currently, the Vehicle Replacement Fund balance is

\$6.1 million. Estimated savings from this action would be \$554,880 in FY 2012/2013 and \$555,159 in FY 2013/2014.

Staff made adjustments to the Employee Compensation Plan. Originally, the budget proposed a 2 percent Market increase and then a 1.5 percent Merit. Presently, a 2.5 percent Market and \$100,000 Pay Adjustment Pool is being proposed for FY 2012/2013 with a savings of \$268,800 for FY 2012-2013 and \$288,082 for FY 2013/2014 with a 2.5 percent Market increase and \$50,000 Pay Adjustment Pool. Another item would be the City's contribution to the 401(k) supplemental retirement plan, which is voluntary. Staff would not recommend this as a long-term policy, but on an emergency basis to bridge the gap and the recovery from the recession, Staff recommends reducing the City's voluntary contributions by 50 percent. The City currently makes a \$40.00 contribution bi-weekly for every employee except those who are law enforcement. Staff is proposing to reduce that contribution to \$20.00 per pay period, which would change the benefit level for employees from \$1,040 to \$520 per year.

Council Member Joyner asked if the City has another form of retirement for the employees and is the 401(k) their second form of retirement for the employees.

Interim City Manager Moton stated the 401(k) is a supplemental retirement plan and the City's primary mechanism for providing for employees' retirement is the Local Government Employees' Retirement System (LGERS). City employees contribute 6 percent of their pay and the City makes contributions of 7 percent of the employees' pay to LGERS.

Council Member Joyner stated that the State mandates the City's contributions, and he has seen figures indicating that the City's share may increase to 8.5 percent.

Interim City Manager Moton responded the figures are based on returns on investments that were significantly lower. Two things have happened since those original estimates. One is it is based on having employees' salaries increasing by 4 percent. For the last 2 or 3 years, very few organizations have increased wages so the actual increases are projected to be less. In fact, this budget shows a slight reduction in what was projected a year ago. The State makes an actual calculation based on expected benefits, then the City makes the contribution. The State mandates that the City must contribute 5 percent of the gross pay of law enforcement officers. Interim City Manager Moton stated that the estimated savings for this temporary action would be \$300,000 for the first and second years.

Interim City Manager Moton continued his presentation with how the City departments develop their budgets. Budget spending is basically in 3 broad categories: Personnel, Operations and Maintenance, and Capital or Capital Outlay and has been tailored with the following in mind:

- Reduce the departmental targets by \$550,000
- Revenue neutral targets for all City Departments total \$10,580,388
- The proposed reductions are equal to a 5.2% reduction in overall revenue neutral targets
- Specific reductions will be directed so as to maintain current service levels

Staff is proposing some use of fund balance to address capital needs. The City has a healthy fund balance that exceeds both the Local Government Commission recommendations and City Policy. As of June 30, 2011, fund balance was \$29,154,211. The available fund balance is \$18,302,241 (29%). The Local Government Commission recommends at least 8% (\$5,019,853) be held in fund balance, while the City Policy is 14% (\$8,748,742).

Expense Reduction is one component of bridging the gap and the other component is the opportunity for revenue enhancement. Staff proposes utilizing the revenue enhancement strategies outlined below as a means of closing the revenue gap created by maintaining the existing tax rate in lieu of adopting a revenue neutral tax rate.

Proposed Revenue Enhancement Strategies

General Description	Details	Estimated Additional Revenues	
		FY 12/13	FY 13/14
Increasing Cap on Business Licenses	Increase the current business license cap fee from \$2,000 to \$5,000 in FY 13/14 <i>Note: It is too late to change this fee structure for FY 12/13.</i>	\$0	\$157,306
Rescue Transport Fees	Increases in various transport fees.	\$162,335	\$165,562
User Fee Increases for Non-City Residents	Increases in recreation program and Aquatics and Fitness user fees for non-city residents.	\$37,150	\$37,150
Other Fee Adjustments	Various minor fees adjustments across multiple City Departments.	\$15,170	\$17,970
TOTAL		\$214,655	\$377,988

The anticipated additional revenues generated by alternative tax rates are provided below.

Additional Revenues Generated by Alternative Tax Rates

Alternative Tax Rate	FY 12/13	FY 13/14
\$.5200	\$0	\$0
\$.5400	\$1,123,380	\$1,145,848
\$.5644	\$2,491,634	\$3,689,629
\$.5844	\$3,617,284	\$3,689,629

Council Member Blackburn stated tonight the City Council had a budget presentation at a revenue neutral rate of \$.5644 per \$100 valuation, an unchanged tax rate (\$.52) which in essence is a reduction in the tax rate and a budget that works with about \$2 million less.

Interim City Manager Moton agreed, stating that to maintain \$.52 is, in his opinion, basically having a tax decrease. The City Council is deliberately deciding to take less revenue in on property taxes. The whole point of revenue neutral is that once the County does the revaluation, the City is supposed to reset its tax rate to generate the same revenues as the prior year before the revaluation. \$.52 is, in essence, a decision to have less revenue.

Council Member Blackburn stated that she has some concerns about some of the proposed changes, specifically as it concerns employees and capital projects. Council Member Blackburn noted that capital plans have been the last to be funded in previous budgets and asked where does the City stand with its capital projects in this proposed budget.

Interim City Manager Moton responded even with the revenue neutral rate, \$880,000 has been allocated for capital outlay or capital improvements. That amount still maintains at \$.52, but what it does not allow the City to do at \$.52 is to have \$2 million to anticipate issuing bonds so that the City could do some major improvements. Whether it would be roadways, buildings or parks, the City does not have the money or the debt capacity. While the City is retiring debt at a very good rate, in order to issue more debt, the City must have the capacity to pay more bills. If less money is taken in for property tax, the City cannot really issue debt without some form of new revenue.

Council Member Joyner asked if it is true that 30 percent of the homes in the revaluation had their property values raised. If so, even if the City stays at the \$.52 tax rate, those homes would get a tax increase

Interim City Manager Moton responded any property owner whose property value is greater than what it was prior to the revaluation, even at a \$.52 tax rate, will pay more in property tax.

Council Member Mercer asked if the Vehicle Replacement Fund, procedure or practice for how long staff uses cars is based on best practice. He expressed concern that the City may be moving in the direction of borrowing from the future to pay for the present.

Interim City Manager Moton responded in the continuing recovery from the recession, the City is only bridging the gap. These are the responses that staff is providing about how to recover from the recession. They are fairly common practices, but not long-term solutions. Reducing the commitment to the Vehicle Replacement Fund beyond 2 years would be unwise. Staff would go back to a position before the Vehicle Replacement Fund was created which is borrowing money to purchase vehicles that the City did not have money for. The benefit of the Vehicle Replacement Fund is instead of making an installment purchase; the City would purchase the vehicle.

Mayor Thomas asked how much is in the Vehicle Replacement Fund presently and how much did the City spend last year.

Interim City Manager Moton responded \$6.1 million is in the Vehicle Replacement Fund. This fiscal year, the City will spend about \$2.8 million.

Council Member Mercer stated that staff is calling this "bridging the gap", but it is not far from borrowing from the future. The establishment of a building major repair fund is something that he pushed for in the past and is the same concept. Council Member Mercer asked how concerned is staff that this fund is not in the budget. He feels that the City should follow this kind of prudent practice with the buildings as well.

Interim City Manager Moton responded that there are certainly a couple of important items that are not in the budget. If the City Council would individually poll city departments, the department heads would tell the City Council that they have a lot of other needs that are not in the budget. One of the most important decisions to be made is eventual replacement of enterprise resource planning or the main financial system of \$2-3 million. Presently, there are no funds set aside for it. It took awhile for staff to get the Vehicle Replacement Fund started and, once established, fund balance was allocated after a couple of good years as seed money. It has been the custom that in October or November of every year, after the audit is completed, staff is able to inform the City Council of what funds are available that could be set aside for capital reserve, and it could be at that time that the City Council consider taking some capital reserve money to create a major building renovation and repair fund.


Interim City Manager stated the City really needs to allocate funds for technology. The City is currently using a 20-year old system and does not have the more modern and efficient management tools that staff can query and get reports that the City Council has come to expect.

Mayor Pro-Tem Glover stated there are several buildings in Recreation and Parks and other parts of the City that are absolutely in need of repair and actually appear to be dangerous to be in. She has a problem with the City not having a major building renovation and repair fund, although she understands the waiting to determine what funds are available. The fund needs to be started in this budget cycle. She is sure that when Greenville was named Sportstown USA, those buildings in disrepair were not shown to the people who were looking at park facilities. She is asking that the City Council and staff be cautious about taking funds out of the budget which are top priorities that the City Council had in their planning session and to make sure that all of the City buildings are not getting more dilapidated. In a couple of years, some of those building will be in awful condition.

Interim City Manager Moton stated that it is staff's hope tonight that the City Council will provide additional policy guidance in terms of the direction the City Council wants to go with major issues then staff could fairly quickly finalize the budget. Staff exercised the same responsible forecasting of revenues, meaning that staff does not try to guess revenues that will not materialize. The effect of a \$.52 tax rate is in essence less revenue and a maintenance budget, meaning if the City did not have a building/maintenance/repair fund this year, the City will probably be unable to fund one in the coming year with the same tax rate.

Council Member Blackburn stated one of the City Council's concerns is that what has been done in the past has not been enough. Council Member Blackburn asked if by maintaining, is the City losing ground with the capital spending and capital improvements.

Interim City Manager Moton reminded Council Members that in 2008 and 2009, the recession happened and for 3 years the City has been very fiscally constrained and has not increased spending. In the 2008, 2009 and 2010 budgets, the City could have taken some fund balance money and done more. The reason the City is in the position that it is presently, with a very healthy fund balance, is because the City Council and management team did not do those things. He then identified some of the City's General Fund unmet capital needs is as follows:



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

General Fund Unmet Capital Needs
FY 2013 & FY 2014 Capital Improvement Plan

	MET	UNMET
Information Tech.	\$540,924	\$976,712
Fire/Rescue	270,000	2,920,000
Financial Services	90,000	160,000
Rec. & Parks	366,610	8,828,500
Public Works	345,000	4,624,500
Community Development	-	2,775,000
Library	117,466	13,334
Total	\$1,730,000	\$20,298,046

Mayor Thomas asked staff to define unmet.

Interim City Manager Moton responded unmet is unfunded or no funds available and these are the priorities as submitted by the departments and these are items unfunded. Essentially, the City is funding \$1.7 million of the General Fund capital improvements. Unmet needs total about \$20 million and the City could not include them in the General Fund without a big bond issue. It is possible to address another \$2-\$3 million worth of needs if the City had additional money.

Council Member Blackburn asked does this budget include a freeze on filling vacant employee positions.

Interim City Manager Moton stated that it includes the freeze of 5-10 nonessential positions. Each of those positions reduces the amount of fund balance that will need to be used.

Council Member Blackburn stated the City has a new census in addition to a revaluation and there is a lot of good information. The City has grown by 20,000 people and there is greater expectation for streets, building funds, vehicle replacement funds, but the City has not increased the size of its staff with the exception of police positions.

Interim City Manager Moton responded that the City has been fortunate to have COPS grants that allowed 8 positions in the Police Department and the SAFER grant that allowed

the City to add 8 positions in the Fire Department. There are a few other non-public safety positions added. The reality of it is if the City could have more people in strategic areas, it would probably be beneficial. Staff is currently working on grant applications to add additional firefighters that will cover the full costs for a very short period of time. By the time the City exits the second year of this 2-year budget cycle, hopefully funds will be back up to take on the costs. The Police Department is doing the same for 8 police officers that will be fully funded and then the City would take over the full costs. Other parts is utilizing contract services when there is less staff, the City may save on some of the costs of not filling the position.

Motion made by Council Member Joyner and seconded by Council Member Mitchell to not set the budget but to set the tax rate at \$.52 per \$100 valuation.

Council Member Mercer stated that he is not opposing the motion, but he is curious as to why the City is doing that tonight when the City Council is in the midst of discussing and educating the public on the proposed budget. The agenda item is the recommendation from staff is that the City Council receives the presentation on the proposed budget which has been done. Normally, the City Council Members talk to their constituents and come back later. A budget work session is scheduled for May 21, 2012 where this will be discussed. The tax rate is critical to that and then, this City Council over his objection, set up a subset of this Council as a budget committee that is meeting five times and he was only able to attend one of the meetings.

Council Member Mitchell stated that staff is asking for policy direction from the City Council and is currently working on two major budgets simultaneously and needs to know from the City Council which direction that they should go in so that their efforts can be devoted to one budget.

Council Member Blackburn stated that she appreciates the need to go ahead and set a tax rate. Staff has received requests from the City Council and is working with budgets. She does not support retaining the same tax rate. There may be something below revenue neutral or options within revenue neutral, but she is also a taxpayer. She would be more of an advocate for retaining a revenue neutral rate versus doing what in effect is going to be a tax decrease by keeping that rate the same. A revenue neutral rate would allow the City to maintain its current level which is already kind of a precarious budget level especially because it concerns capital outlay.

Mayor Thomas stated that normally by this time, staff has a budget in a notebook which they have distributed to the City Council in order to move on. This is an unusual situation this year. This is the citizens' money and fortunately, staff and the City Council have done a good job from a fund balance standpoint. The State requires an 8 percent fund balance, the

City has a higher standard of 14 percent and the City's fund balance is closer to 28 percent. Sometimes it is necessary to bridge the gap and not reach in the citizens' pockets, especially those at 30 percent whose property values actually have gone up and the commercial properties that have gone up. Mayor Thomas stated that he is in favor of keeping the current tax rate.

Mayor Pro-Tem Glover stated it is really hard for citizens to hear that the City is planning to raise the tax rate and it is hard for her to consider raising the tax rate when other rates are going up. Any rate that goes up is a tax on our citizens who are doing just as bad as the City is with the recession. She is not in favor of raising the tax rate knowing that there are other fees that will probably go up this year. Greenville has grown, next year Greenville may have some new residents paying more taxes, and new buildings are being built. As building permits increase and services increase, the City's revenues will pick up as well.

Council Member Mercer stated that he is extremely proud of the healthy fund balance and if the City did not have it, the City Council would not even be in the ballpark of considering holding the line on a \$.5200 tax rate. Should this motion pass, the City Council certainly has more work to do in terms of the expenditure side as well as the revenue side.

Council Member Blackburn stated that a budget like this of keeping the tax rate the same is going to limit how the City grows and to some extent, prevent the City from keeping up which was barely done before. If the City Council would adopt a revenue neutral tax rate, taxes would remain about the same. There are changes but that is related to the value of property and in that case those are the taxes that are paid. In the past, the tax rate has been as high as 61 cents. Her final concern is that austerity, when adopted in other locations, has not been successful and she is concerned that the City Council has already been able to see the effects of an austerity budget in other communities and places. She is concerned that if the City Council takes this approach, especially now given what is known, it does not work to allow a community or business or even nations to grow. She is concerned that if the City Council adopts the same tax rate at this time, it is not going to be a good step for Greenville as a city. Therefore, she advocates for the revenue neutral rate.

Council Member Mitchell stated that staff proved him wrong that City Council was going to be forced to move up to a higher tax rate. Staff brought back a budget that is far from austerity. The City's contributions to OPEB were increased, staff will receive a pay raise and the City would have a small adjustment pool for some merit rate adjustments. It covers increased health insurance, maintains the same capital improvements with a revenue neutral budget, funds a new EMS fire station and includes an additional \$300,000 for street improvements and another \$200,000 for the following year, to fund economic development which is going to help Greenville grow out of this situation. Maybe after 2 years, the City will have more money to work with from increased sales and revenue. There are plans for

an efficiency study that is going to bring back even more opportunities for decreased costs, for some public safety improvements and for creating a City Council Discretionary Fund. Staff and the City Council were able to not decrease any services to the citizens while also doing some major upgrade and putting money back in citizens' pockets. That is commendable that the City is able to do that and keep a fund balance that is higher than what the State requires.

Council Member Smith asked which one of the Capital Improvement Projects (CIP) will suffer. Therefore, that means there will be a decrease in services to the citizens. When looking at how much money that is reserved for the CIP, the next question will be what is priority, what is at the top and what is at the bottom. She is hearing from her constituents that District 1 is at the bottom and there are projects that are not being done in their area. If the tax rate remains at \$.5200, there will be a battle with prioritizing the projects because everybody will want something in their districts. If she can get the question of how this will affect District 1 answered, that would be awesome, but the City Council has not sat down and reviewed all of the different capital projects.

City Attorney Holec reminded the City Council of what the effect of this action would be if it is approved. The City Council is giving direction to the staff to proceed with further presentation on the budget with the \$.5200 tax rate. The actual adoption of the budget rate will not occur until the City Council adopts the ordinance which occurs after the public hearing.

Council Member Mercer asked if the City Council Members could change their minds later. He said he understood that the motion is to adopt the tax rate.

City Attorney Holec responded that his understanding of the motion was to provide direction to the Interim City Manager for the tax rate that the City Council wants the budget to be presented. The City Council actually cannot adopt the tax rate until the City Council has the public hearing.

An amendment of the motion was made by Council Member Mercer and seconded by Council Member Smith to table the motion until May 21, 2012 Budget Work Session.

Council Member Joyner stated that he will not be voting for that motion. He feels that staff needs adequate time to prepare the budget and staff and the City Council are behind in the process. According to the State, the City should have 8 percent in reserves and the City has 28 percent. It is time for staff to prepare a budget at this tax rate.

Mayor Pro-Tem Glover stated that the City Council needs to give staff instructions because time is winding up to get this budget prepared in a booklet format and bring it back to the

City Council. At this time, it is going to be really tight for staff to get the budget ready for approval and to get the budget actually to the Local Government Commission. The directions for staff are to bring the City Council a budget with the \$.52 tax rate. The City Council is not approving the motion tonight and is simply giving staff directions which were asked for at the conclusion of Interim City Manager Moton's presentation. She will not support delaying the directions to staff at this time.

Council Member Mitchell stated that this budget has the same amount of capital improvements as the revenue neutral budget. By going with a revenue neutral tax rate, no more money is added to capital improvements as far as the \$880,000 is concerned for FY 2012-2013 and \$840,000 for FY 2013-2014. There is no huge increase in funding more capital improvements with the revenue neutral. However, if the \$.58 is used to prepare the budget, then maybe there would be an increase. Staff is in limbo working on 2 possibilities and maybe even a third one because staff does not know what direction the City Council prefers.

Interim City Manager Moton stated that the highest tax rate that Greenville had recently is \$.62 per \$100 valuation in 1988. On the revenue neutral budget, there was more spending. In order to get what staff has at the \$.52 tax rate, some of the spending was taken out. Also, staff augmented the reductions with revenue from fund balance. Any amount over a penny on the tax rate (\$.53) would generate about \$560,000; two pennies on the tax rate (\$.54) would generate \$1.1 million and it does allow for more spending. The revenue neutral budget had more compensation for employees and staff has taken that out and reduced the benefits. The challenge for staff is ordinarily in developing the budget, but there is more consensus amongst the City Council as far as what directions that they want to go in. There is a desire for direction so that staff can pursue and finish the other elements of the budget. Staff needs to know the City Council's appetite for the primary source of funding and the property tax is 40 percent of the general fund and staff needs to know that as well.

Council Member Smith asked if the City Council has the meeting on May 21, 2012, will it be too late to get everything done since that meeting was already planned anyway.

Interim City Manager Moton responded there are some other issues that need to be addressed such as the Sanitation Fund. Refuse collection has unnecessary added costs because the City is maintaining a dual system. There is a need to have a discussion about a rate increase. That is significant and needs some more work. As for giving direction on a tax rate, May 15 is the next Budget Committee Meeting. The City Council could revisit or continue this for that time, but he certainly would not recommend it for May 21. Staff needs guidance on this issue.

Council Member Mercer withdrew his motion to table the issue until the May 21, 2012 Budget Work Session.

The original motion to give staff directions to prepare a budget using the current tax rate of \$.5200 passed with a 4:2 vote. Mayor Pro-Tem Glover and Council Members Mercer, Mitchell and Joyner voted in favor of the motion and Council Members Blackburn and Smith voted in opposition.

Greenville Utilities Commission

General Manager Tony Cannon of the Greenville Utilities Commission (GUC) began the presentation with the following information:

In April 2012, the Commissioners adopted the Greenville Utilities Commission Proposed Preliminary FY 2012-2013 Budget and FY 2013-2014 Plan. This is a balanced budget with no rate increases proposed at this time.

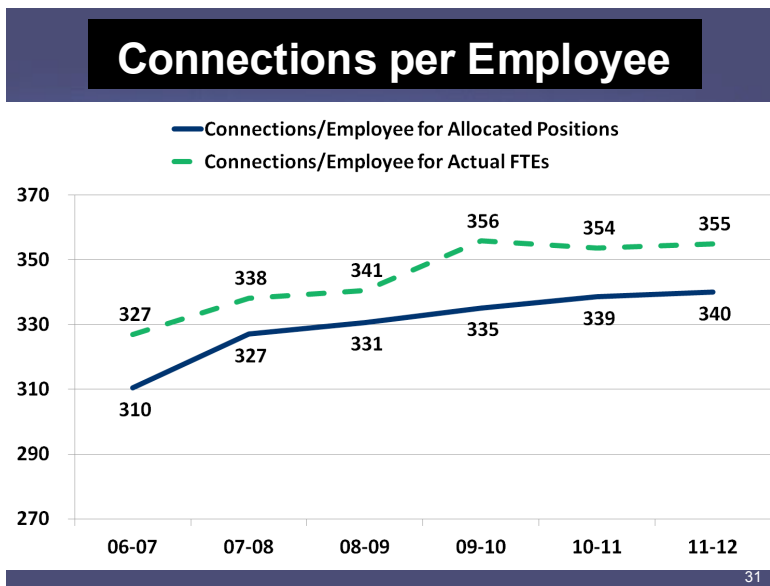
Fund Budget Status FY 2011-12

There have been several budget challenges including the following:

- Sluggish economic recovery
- Reduced growth in new connections which have had an impact on revenue
- Weather
 - Hot summer
 - Hurricane Irene
 - Fourth warmest winter on record since 1895
- Continuing to absorb \$696,000/year of the February 2009 electric wholesale increase. Total impact to date is \$5.6 million.

GUC reduced their Capital Outlay expenses by \$784,000. Since 2009, there has been an administrative cap on hiring and a reallocation of positions. There are 435 allocated positions and GUC is currently operating with 420 positions. An increase in the allocated positions during the FY 2012-2013 Budget is not anticipated. Weather has impacted revenues and staff prepared a series of graphs outlining that there is a direct correlation between degree days and GUC's revenue, which is annually.

In regards to the administrative cap on hiring, the blue line in the graph are the connections per employee for allocated positions. That has been increased from 310 for FY 2006-2007 to 340 for FY 2011-2012 based on allocated positions and that is through the use of technology.



Over the last 4-5 years, Staff reviewed all of their business processes and found efficiencies where possible. Some functions were combined within the departments and opportunities creating efficiency without impacting the effectiveness of what GUC does were taken advantage of. The green dotted line indicates 15 connections per employee were added by imposing an administrative cap on hiring.

Capital Investment

GUC's current year projection is to end the year balanced and an overall revenue of \$1,108.503 is anticipated. The City Council will receive GUC's adjustments for the year in May which will indicate that revenues are down. Staff believes GUC will end the year with about \$1.1 million essentially on a \$275,000,000 breakeven budget. GUC is anticipating transferring money into the Capital Projects Fund. Some of the projects are funded through long-term financing and some of it is through cap. The capital projects are funded by generating the revenues and putting that into the Capital Project Fund.

Commissioners are shown key performance indicators monthly relating to the financial health of the organization including debt service coverage, fund balance and days cash on hand. All three of those are needed where it is creating opportunity for the utility to invest and grow in a community. The projection for the end of FY 2011- 2012 is 2.41x Debt Service coverage, 18.6 percent Fund Balance, and with 119 Days Cash on Hand. Other indicators are related to reliability and safety. Staff always considers how the proposed budget will impact all of their performance indicators not only the financial indicators.

GUC compares its electric system reliability goals to other utilities including Progress Energy, Duke Power and Dominion North Carolina Power. In 2011, GUC reached a warning rate which was due to Hurricane Irene and approximately 65 percent of GUC's system was without power. GUC is a capital intense business. Over the next five years of spending, GUC anticipates approximately \$106 million in capital projects, which is about on pace with the amount that has been spent in the past.

The difference in this budget is that GUC is investing in technology, and Staff has been working on this particular project for approximately three years. Staff is in the process of updating the customer billing systems and asset management so that work orders are sent out and received from the trucks. Staff has been negotiating with vendors for several months and a host of employees have been involved with outlining what is needed to be more efficient and effective with customers. Staff has reviewed all of their business processes and made sure that their employees have the technology to move forward so that the system can grow and provide the services to their customers. GUC. As always investments should be made in electric water, sewer, and natural gas systems which age, must be replaced and prepared for growth.

Proposed Balanced Budget FY 2012-2013

Whenever starting GUC's budget process, the mission statement is revisited and the goals are made.

- High level of service, safety and reliability
- Strong cash position
- Adequate fund balance levels
- Lowest reasonable cost
- Competitive rates

These goals help them to move their balanced scorecard which translates GUC's mission into action and action into measurable outcomes which are regularly reported to the Commissioners. Staff does that through customer, financial, internal business processes and employees and organizational capacity corporate key performance indicators (KPIs). GUC has done very well in the area of safety and has reached 2,000,000 hours without a loss workday incident and the restricted workday incident rate is down to 1. GUC's capital spending ratio is in red and Staff is researching that indicator to make sure that it is set appropriately. There is additional capital spending which is paid through the Powell Bill. There has been a tremendous amount of focus on the liability side of the balance sheet without an equal amount of focus on the assets side of the balance sheet. If the general assets owned by GUC were replaced through the Power Agency today, it would cost approximately \$80,000,000. The life of the assets has been extended tremendously to far

exceed the debt. The debt rolls off in 2026 and some of the assets go out to 2046. The Budget fund balance status for FY 2012-2013 is that it is balanced and break even budget. A \$1,221, 744 on a total budget of \$278 million is less than ½ of 1 percent. It is breakeven on something that has to be managed closely, but Staff feels that is something that could be done this year. GUC will be turning over to the City approximately \$5.9 million increasing their funding to the OPEB Trust Fund by \$50,000 as agreed, the \$300,000 for the next year. The lion's share of GUC's budget has been and will continue to be purchased power and gas which makes up approximately 72 percent of the budget. Their debt service coverage is still strong at 2.07; fund balance at 17.8 percent and 115 days cash on hand for the post budget. The electric, water, sewer, and gas funds each essentially break even. Purchased power makes up about 80 per cent of the Electric Department budget. Staff compares GUC to other utilities and a new one was added this year, Edison Electric Institute. Edison Electric Institute's national average for a typical residential customer using 1,000 KWH with LM credits, Edison Electric Institute's national average for a typical summer bill is \$125.00 and GUC's bill is less at \$124.99. For the Greenville area the median is \$130.55. In the winter, the median is less at \$127.04.

Mayor Thomas asked if the cities listed on the graphs are ElectriCities' customers.

General Manager Cannon responded that a good number of them are, but not all of the cities are ElectriCities' customers. The cities and utility providers were selected regionally.

General Manager Cannon resumed the presentation of the Greenville Utilities Commission's budget and plan stating the following information.

GUC's Water Fund is budgeted at \$16,584,832. In regards to the Water Fund Debt Service, GUC owns its production plants for water and sewer that requires a tremendous investment. The average for the State of North Carolina is 6,000 gallons of water. GUC at \$26.71 falls below the median of \$29.63 and its neighboring competitors. The Commissioners' philosophy has always been that GUC should stay near the median and not necessary always below the median but not always above it either because the median is a good barometer of how the utility is performing as an organization.

The Sewer Fund is budgeted for \$17,507.052 with a projected equity of about \$190,000 and \$5,403,810 worth of Debt Service. GUC's typical sewer bill in the amount of \$35.20 is below the median of \$36.88.

The Gas Fund has been the stellar performer over the last few years due to a large part that alternative fuels used by interruptible customers have gone up so much particularly oil. These users have come back to natural gas and GUC has been able to build some equity in the Gas Fund over the last few years and put it into a long-term rate stabilization, which

GUC used this past year. GUC had stock in process at one point during the year and because there was adequate fund balance, GUC was able to absorb that and not pass that along to their customers. That was about \$1.2 million. GUC's anticipated revenues are approximately \$40 million and expenses are around \$39 million. Staff feels that GUC will have fund equity ending the year somewhere around \$650,000. There are not quite as many natural gas providers in the State as there are water, sewer, and electric providers. Every natural gas utility in the State falls below the median.

Long-term Financial Forecast

When staff made their budget presentation to the City Council last year, GUC was forecasting rate increases for the upcoming budget. This budget is based on normal weather and if there is abnormal weather, it will certainly impact the budget. Staff will be monitoring the budget monthly throughout the year and taking the reports to the Commissioners to let them know where GUC stands with its projections toward the end of the year. Also, staff does this in the context of a 5-year model because GUC does not want to have rate shock any given year. Staff is moving some money over into Capital Projects because there are \$156,000,000 worth of projects to do over the next 5 years.

In regards to the Electric Fund, last year, GUC had forecasted a 1 percent rate increase and GUC is able to forego that this year. Also, GUC has forecasted an increase for 2015 and 2016. Staff feels that if the weather stays normal perhaps there will be an increase next year and GUC will be able to forego some of those increases added to future years within this fund and still be able to provide what is needed as far as key performance indicators are concerned.

The Water Fund is fairly consistent for the next 5 years and the same is with the Sewer Fund. Staff tries to minimize the dollar amount that goes to impact the customer. When staff takes a look at all of the GUC increases together staff tries to keep that at a very manageable level for their customers. Some of these percentages are actually higher than what the dollars are.

The Gas Fund has been true to its performance and over the last couple of years, it has been good. Staff feels that this year and next year that GUC can forego increases in the Gas Fund, but there are still forecasted increases going out.

Some of the key provisions in the GUC Preliminary FY 2012-2013 Budget include the following a very modest growth in the number of connections (Electric - 1.0%; Water - 1.2%; Sewer- 1.2 %; and Gas - 1.0%). There are no customer rate adjustments. GUC has a \$9.7 million investment in annual capital outlay and the debt service is built in to support long-term investment through long-term financing. GUC will be continuing the dual option self-insured health insurance plan and the self-insured dental insurance plan. \$300,000

will be transferred to the OPEB reserve. GUC is working within their allocated positions and some of the positions will be reallocated to meet its needs. GUC has allowed in its budget a 3 percent Market Adjustment and 1.5 percent for merit increases. There are funds in the budget to support their technology program, OPTICS (Optimizing Processes and Technology to Improve Customer Service).

To recap where the dollar goes for the FY 2012-2013, 70 percent is for the purchase power and gas; 12 percent is for salaries/personnel costs; 9 percent is in the budget for system infrastructure, only 7 cents out of every dollar goes to operations and maintenance; and GUC turns about 2 percent back to the City.

BRADFORD CREEK GOLF COURSE OPERATIONAL ALTERNATIVES - APPROVED

Director of Recreation and Parks Gary Fenton stated in May 2010, the City paid off the remaining debt on Bradford Creek Golf Course (Bradford Creek) from its acquisition in 1999. At that time, the City Manager proposed a review of the golf course's operations to take place after 2 years of operating without a debt payment. The purpose of the review was to decide if the City should continue to operate the Golf Course and if so, under what conditions and what arrangements. Over the past months, staff has worked to prepare a report that provided a course history in comparison to other golf opportunities in the area, Bradford Creek's financial performance from the FY 2011 Budget data and a set of operational alternatives for the future. On several occasions over the past few years, it has been noted that Bradford Creek has not operated at as true enterprise fund because it was not being charged to cover its indirect costs such as the City's processing of its paychecks, bills, services of the City Attorney's Office, portion of the Recreation & Parks Director's salary, etc. Apparently, since the beginning of the operation 12 years ago, the goal was to cover 100 percent of the direct expenses plus the principle and interest on the debt. Direct expenses were defined as the cost the City would not incur if it did not operate a public golf course including salaries and benefits for staff, utility charges and cost of the maintenance equipment, golf course leases, supplies, concessions, etc. On numerous occasions, since the City acquired the golf course, it ended the year covering 100 percent of the direct cost, but it was never able to cover 100 percent of the debt service as well. The first year was only a partial year and there was no debt service that year, but for the following 8 fiscal years, it covered its direct cost but somewhere between 26 and 93 percent of the principle and interest payment, with an average of 59 percent of that payment covered in those 8 years. The total interest paid was \$352,000 and the total principle paid was \$704,000, but taking into account in subsequent years Bradford Creek Golf Course came up short of even covering its direct expenses that would reduce the payment on the principle down to \$543,000. In recent years, the economy has challenged the golf industry all across the country. To some degree or another, most golf courses have seen a significant drop in participation. Unfortunately, during that same period, much of Bradford Creek Golf

Course's maintenance equipment, which was acquired as part of the acquisition in 1999, aged out and needed to be replaced. The operation had to take on the expense of two new equipment leases and that annual cost is just under \$49,000, which is a lot more than any leases in the past. With that said, recent golf course participation and revenues have been really good. At \$117,000, April was Bradford Creek's highest revenue month since the beginning of the operation. As news of this operational review spread, a lot of people have expressed their support for the operation and the City Council has heard from some of them this evening. Some have been fearful of closure. Probably because ceasing operations was included among the options that were listed 2 years ago when the time of the operational review was set. At a special meeting on April 25, 2012, the Recreation & Parks Commission gave their input on the issue. Also, the Commission ultimately passed a motion unanimously expressing their support to the Council for the continued provision of affordable opportunities at Bradford Creek in order that citizens with moderate income have the opportunity to enjoy the sport without traveling significant distances. A good array of recreational opportunities is important to the health, well being and quality of life, and the economy of our community. There are alternatives presented and the first two options involve closing and selling Bradford Creek Golf Course either for use as a golf course or for some other use. The third option was to close the golf course and operate it as a park. While the golf course might make a beautiful park, without significant capital investment it would be little revenue to offset expenditures and more could be easily spent maintaining the park than any subsidy that the City might give to the golf operation. Options 4 and 5 involve soliciting a management company either to maintain and operate the golf course or simply operate the course with the maintenance remaining with the City. Either of these options involves entrusting the maintenance of the City's asset and/or the delivery of a City service to an outside firm. Also, it requires the development of very detailed request for proposal (RFP), a careful analysis of each response to the RFP and an extensive and detailed contract. Though this would take time, it is anticipated that the entire process could be completed in about 9 months. The 6th alternative is to consider operating the golf course as it is and not really as an enterprise fund. So, the City might want to rename it, but as an operation that targets a 100 percent recovery of direct costs and any future debt service payments due to major capital repairs or improvements needed on the golf course. This option may require the continuation of researching ways to reduce costs and increasing revenues including a differential fee for non-City residents while establishing an effective means of validating residency. If this particular option is selected, staff will propose that an independent golf industry expert such as the National Golf Foundation be contracted to review and assess the efficiency of the City's overall golf operations and formulate recommendations regarding future operational methods. It is estimated that such a study would cost about \$20,000. The 7th alternative is to move the operation into the General Fund where it would no longer be an enterprise fund. Staff would propose targeting a 90 percent recovery of direct costs and allowing any revenues

that exceeded that 90 percent to be captured in a special protected fund that could help offset future capital needs at the golf course.

Council Member Mitchell asked as indicated, two years ago, after the City Manager gave a recommendation of options to take if the golf course did not meet its direct cost obligations, what was done by the Recreation & Parks Department to try to mitigate those problems.

Director of Recreation and Parks Fenton responded staff provided opportunities for people to rent the facility, pushed organizations and groups and made specials for men, women, seniors, youngsters. Also, staff did a lot of online programming and marketing and created a mailing list through the Recreation and Parks Department's computerized reservation system. The Department has done new brochures and promotional material showing what is exactly available at the golf course and changed some of the features of the clubhouse to make it more rentable.

Parks Superintendent Mark Gillespie stated the VIP Partners Program new point of sale system was important that everybody comes through the gate they collect the email addresses from them and two thousand names have been collected. Bradford Creek Golf Course has a \$500.00 advertisement budget. Staff created a new website indicating the tee-times, various rates and updates of the new lease equipment. The VIP Partners Program has gained attention.

Head Golf Pro Mike Cato stated the VIP Partners numbers have increased and it is obviously the biggest program and the best way to save money as a resident or for anybody that comes to the golf course. The VIP Partners Program is marketed through emails, Facebook and other social media. Last year was the worst winter ever experienced by the golf course, and no matter how much marketing is put forth, players cannot use the golf course due to weather conditions.

Council Member Mitchell asked are there improvements scheduled for other areas.

Parks Superintendent Gillespie responded that the weak months tend to be in the fall because golf competes against the football season, and staff should really focus on marketing in that arena. Tournament rates are down during that period as well and fall tournaments require more promotion. There are a lot of industries in town and staff can also do more direct contact with the various companies in Greenville. Companies are becoming more competitive for employees and want to begin offering more benefits.

Mayor Thomas asked do most golf courses have a general manager plus a golf pro.

Head Golf Pro Cato responded most golf courses do have a general manager and a head professional to run more of the programming aspects.

Director of Recreation and Parks Fenton stated there was a time when those two positions were not merged into one position.

Parks Superintendent Gillespie stated that has been part of the golf course's struggle as well because the Head Golf Pro has been trying to do everything.

Council Member Joyner stated that the City Council is seeking ways for the golf course to be self-sufficient. Knowing on May 10, 2010 that a determination would be presented to the City Council again, he wished that the City had contacted the National Golf Foundation two years ago. He met with other golf club managers and asked what they are doing differently than Bradford Creek Golf Course. The golf club managers' budgets compared to Bradford Creek Golf Course's budget indicates that the greens are high maintenance costing \$150,000 more to fertilize than these other golf courses' greens. If Bradford Creek Golf Course's operations are going to be successful, staff might look at changing the cost of the maintenance of the greens and to narrow the fairways. Wayfinding signs are needed so that people know that the City has a public golf course. One of the members of the Recreation & Parks Commission recommended having discounted tee times. There is so much knowledge and passion about golf in Greenville. The General Fund cannot continue to rescue the golf course and the Recreation and Parks Department does not have the money to fund the golf course. An annual tournament will help to raise money for the public golf course. Any member of the golf course could invite a guest to participate in the tournament. At Bradford Creek Golf Course the first 60 people who sign up get to play in the tournament.

Head Golf Pro Cato stated Bradford Creek does offer tournaments to the VIP Partners including a VIP appreciation night. One of the issues is getting the word out to everybody and not only to the people who actually play golf at Bradford Creek. All of the ideas are great and staff has tried some and do some of them and would like to sit down with people and discuss those ideas more.

Mayor Thomas asked is staff tracking who is playing golf and is staff tracking citizens as well as non-citizens.

Director of Recreation and Parks Fenton responded staff has not done that in the past. Because the golf course was obviously intended to be an enterprise fund, there was not any kind of fee differential.

Mayor Thomas asked do most golf courses track the people who play their course.

Head Golf Pro Cato responded if it is a membership-based golf course, there is a membership database. At Bradford Creek, names of players are collected during tee time. If time permits, staff also asks for addresses, etc. It is a time management issue more so than not being able to get the contact information from each player.

Mayor Thomas asked what kind of system is set up and does staff have peer cities with information about their public golf courses.

Head Golf Pro Cato responded the golf course's peer cities are Wilson, Goldsboro, and Jamestown and one outside of Greensboro. Honestly, managers of public golf courses contact him more asking how Bradford Creek is handled.

Mayor Thomas asked is staff in contact with Concord or Mecklenburg County which have already gone through this review with the National Golf Foundation.

Director of Recreation and Parks Fenton responded Head Golf Pro Cato is very familiar with Mecklenburg County's operation because he worked at the golf course there for many years.

Parks Superintendent Gillespie responded that staff visited the manager of four golf courses in Mecklenburg County two years ago and this is how staff developed the initial marketing effort. The manager is a past president of the North Carolina Golf Course Association and he runs a very strong youth program.

Mayor Thomas asked has staff compared the costs and how to run the golf course with other public golf courses.

Head Golf Pro Cato responded that he has done that with the Goldsboro and Wilson golf courses, but he has not with Mecklenburg. The manager of Mecklenburg County manages four golf courses for the City and he owns two private golf courses and that is hard to compare to Greenville.

Director of Recreation and Parks Fenton stated regarding the signage issue, there are complexities of non-City highways. A sign to the golf course is way off the highway, but it can hardly be seen and the City is not allowed to place a sign on the highway. Also, it is not the time to put 9 holes out of operation and then the other 9 holes out of operation in order to install greens. However, it is something that needs to be done.

Mayor Thomas asked are the golf courses in Goldsboro and Wilson enterprise funds, and if they are, do they turn a profit or lose money.

Director of Recreation and Parks Fenton responded Wilson's golf course is not an enterprise fund.

Parks Superintendent Gillespie stated that because there has not been a systematic method of capital reinvestment in the golf course, there has not been money to put back into the golf course. Staff has identified very comprehensively the needs; for instance the renovation of the bunkers.

Director of Recreation and Parks Fenton stated that one of the issues that staff could look at is what the City Council's thoughts are about this facility which is presently owned by the City of Greenville. There will be a day when a major capital investment will be needed and is that something that staff should look to the operation to generate the money to set aside ultimately to get those addressed when they come about or is it just another capital improvement of the City's facilities.

Mayor Pro-Tem Glover stated that there is one employee trying to check everybody in, sell hotdogs, etc. Staff could operate more efficiently if there was more help even with part-time employees. Some people may be complaining about waiting for service and that might be a hindrance in the operation of the golf course. The golf course is needed in the City and people get to play golf that otherwise would not be able to play anywhere else. If there were more tournaments, people would come to Greenville instead of going to other cities' tournaments. Efficiency is one of the greater things that may be a stumbling block for Bradford Creek. There is a lot of work for the Head Golf Pro. She is happy that the citizens came out and gave their input.

Council Member Smith asked, regarding services provided without full cost recovery, how often do PAL (Police Athletic League) and Cornerstone Church use the golf course.

Head Golf Pro Cato responded staff has provided the Cornerstone Church Clinic for two years. The first year he actually went to the Cornerstone Church and worked with the children at the Church gym. This year the children were brought to Bradford Creek for a six session series of clinics. The Cornerstone Church was charged a reduced fee and actually an athletic director who runs their program has assisted with determining the fee to accommodate their program. Staff is trying to recover some of the cost for providing the Clinic.

Council Member Smith asked how is staff reaching out to other youth to increase that number.

Head Golf Pro Cato responded that PAL is a new program. A grant was received from the Carolina Golf Association to offer a golf program to children who could not afford it. Staff

chose to partner and has had three clinics with PAL which will extend through the summer and fall with this grant money. There is a potential to have 120-200 children eventually come through this program and staff is trying to reach out more.

Council Member Smith stated there are other churches that have a lot of youth and could also partner with Bradford Creek such as Koinonia Christian Center Church, which has partnered with the City with many programs and has youth and reached a broad section of the community. Reaching out is another way to market because if the kids participate so will the parents. People will not complain about providing services to the City's underserved youth.

Parks Superintendent Gillespie stated the key impediment for doing more programs is that the Head Golf Pro is already doing two jobs. The reason the grant was so important for the PAL Program is that the grant enabled staff to hire people to help him assist with the program. Staff is looking for opportunities to reach out and can improve on that.

Director of Recreation and Parks Fenton stated there is a price tag associated with a need for more staff and that raises the expense which means if it is an enterprise fund or at least trying to recover its full cost it means that more play is needed to pay that off. In the past, truthfully, staff has developed a budget that they can look at and ask the minimum that they can actually invest to protect this resource and to operate it effectively and then we say that is the amount of revenue that they have to generate. In most operations you figure out how much revenue you can generate to make the budget fit, but there is an investment here. In trying to cut cost, they cut emergent weed control and received a lot of complaints and lost money that year. In recent years with the golf challenges across the nation, the National Golf Foundation hears it time after time of operations that because they need to cut their budget, they reduced maintenance. When they reduce maintenance, they reduced the quality of the golf experience and then they reduced revenue. That is not the solution either.

Motion made by Council Member Mitchell and seconded by Council Member Mercer to relieve the Bradford Creek Golf Course from enterprise fund standards, continue to conduct an independent assessment of its operations to formulate recommendations for performance enhancement so that the golf course can be managed and operated within the current Recreation and Parks Department budget.

Council Member Mitchell stated that Mr. Fenton did a good job of trying to explain this issue. This was a recommendation that was included in the budget process two years ago and it is hard to tell by reading the minutes and to determine what the intent was but to him it was a way to relieve the debt from this golf course. An enterprise fund was a fund that was set up so that it could recover all its cost both indirect and direct. It was hard for

him to grasp the concept of calling things enterprise funds and not treating them that way. It was never about attacking the golf course or not wanting the City to have this type of operation. Bradford Creek should have never been set up as an enterprise fund. He has done research and cannot find too many services outside of sewer and sanitation that are enterprise funds and could not find a golf course as an enterprise fund. A recreational activity like golf should not been set up like an enterprise fund. That is not say that the City should give up on Bradford Creek breaking even because he believes that Bradford Creek can recover its costs possibly make revenue to put in the fund to take care of some of its capital operations. His fear of taking Bradford Creek away from the enterprise is that it will lose that and it is going to start depending on the budget. Bradford Creek is an outstanding asset to the City. Signage is an issue to get to Bradford Creek and that is something to work on. The conversation is centered on the enterprise fund and not golf.

Council Member Joyner asked in the motion, is there a shortfall in the budget to cover Recreation and Parks or the General Fund and if so, is there a cap.

Council Member Mitchell responded that it is a technicality because the Recreation and Parks Department comes out of the General Fund.

Interim City Manager Moton stated that if Bradford Creek is moved out of the enterprise fund to the General Fund, recreation is already in the General Fund and it is just the matter of having a target. It used to be that the Recreation and Parks department made their budget based on the revenues that they had to have and the rest of the City's departments make their budget based on the money that they have available. The City departments have to make their operations fit. One of the things that have to happen is to actually have a more realistic budget. Staff cannot continue budgeting revenues that they know have not hit that benchmark. Staff used very practical realistic budgeting of revenues for the General Fund and it has to be the same way with Bradford Creek. It would certainly help that being done if Bradford Creek is in the General Fund.

Council Member Joyner asked how is the Aquatics and Fitness Center set up.

Interim City Manager Moton responded that the Aquatics and Fitness Center is in the General Fund. Staff accounts for it as a division and the Center submits an individual budget, but it is part of the overall Recreation and Parks Fund. The decision to move the Center into the General Fund was probably done two or three years ago.

Council Member Joyner stated that the Aquatics and Fitness Center was an enterprise fund that did not work so it was changed also.

Interim City Manager Moton stated that when he researched the budgeting history in Greenville, there were other areas set up as enterprise funds or stand alone such as the Teen Center, etc. Partly, it was a way to account for expenses more so than to actually have to perform as a profit operating center.

Council Member Joyner asked how long does it take for the National Golf Foundation's analysis.

Director of Recreation and Parks Fenton responded the analysis would take 3-4 months.

Council Member Joyner stated that the study should be done because something different is required.

Interim City Manager Moton stated potentially, that would be an item that would seem to be an appropriate use of the contingency fund, if the City Council wanted staff to spend the money. It has not been done because it is an additional expense. If the City Council wants staff to start the Request for Proposal process, he would recommend approval of the money in this fiscal year.

Council Member Smith asked how much did the City recoup last year.

Director of Recreation and Parks Fenton responded that the department had operating expenses of \$856,000 and was \$96,000 short of breaking even.

Council Member Mercer spoke in support of the motion moving the golf course out of the enterprise category. A significant consideration is there is an economic value to quality of the life in the City. The data and experts are clear about this. Having a public golf course with the kinds of services that it provides does help bring tourists, retirees, business startups or relocations. These are the kinds of things that quality of life makes a city attractive for economic development. He heard in a public meeting that one of the tourism experts in the area said that visitors and tourists who come to Greenville ask about whether there is mass transit and a public golf course.

Council Member Smith stated that she attends the Commission meetings and hears the complaints from citizens who are hearing that it is not 90 percent and is 85 percent of the costs. If it is 85 percent, the City Council should be aware and would have to figure where the funds are coming from if Bradford Creek is changed from an enterprise fund. It is not good business sense to say that the City is going to change it without having an approximate goal. So, the City Council will know what numbers are being looked at because if not who is going to be able to know the costs, the citizens, and the City Council does not want that to happen. We want it to stay affordable and that is the reason for getting a

range so that the City Council could look at it while reviewing a new budget and be smart about it.

Director of Recreation and Parks Fenton stated that if staff came up with a \$50,000 shortfall, which again staff is going to do better at that this year, of the \$850,000 budget, an \$85,000 shortfall would be 90 percent recovery. With 50 or 25 percent, the golf course will be up there with 95 or 96 percent recovery. But with that previous figure from the previous year, staff would not have made 90 percent recovery that year. A 90 percent recovery is a very realistic target.

Interim City Manager Moton stated that for FY 2011, the budget for Bradford Creek was \$813,352 and that was in revenues and it is balanced. Based on that budget, Bradford Creek last year lost \$86,824 and that is the amount of funds is slightly less than 10 percent and in reality the revenue was \$750,000. Again, that was the case where the prior year, FY 2010, actual revenues were \$753,000. So, the revenues for 2 years were in the \$750,000 range but the actual budget was based on what the need was to make the budget balanced. In essence, the budget revenues were sort of stretched to try to make ends meet. The budget needs to reflect what staff feels the revenues will be.

Council Member Joyner stated staff has not put in the direct costs and everybody is aware of that. Council Member Joyner asked if a report was included in the motion and what is the fair timeline.

Interim City Manager Moton stated there are several intervals. Certainly, if staff proceeds with an efficiency operational study, there will be a report back at that point and time. The Recreation and Parks Commission would want to have the report as well as the City Council. Based on that report, there will probably be some recommended action and then certainly there needs to be a sufficient period of time to implement some of the actions. The first point should be to report back on the operational efficiency study. At that point and time, staff can provide implementation as well as a period to provide evaluation and report back to the City Council.

Director of Recreation and Parks Fenton asked whether there are funds to actually move forward with the report now or is it something that waits until the new fiscal year. Once staff has sent out the RFP, someone might respond that the report could be finished in 3 or 4 months.

Council Member Mitchell stated that the report is part of his motion.

Council Member Joyner stated that the amendment to the motion is to have a report back in 3 months or less.

Mayor Thomas asked how long will it take to do the efficiency report.

Interim City Manager Moton responded that when the RFPs are mailed out, staff would like to give firms at least 3 weeks to respond from the time they receive it. Time would then be needed to evaluate and award the contract which is under \$30,000 so he could sign off on it. At worst, it would probably take probably 8-15 weeks depending upon when it is scheduled to do the work. He is recommending that staff on a bi-monthly basis provide the City Council with a progress report of their activities and where staff is with different aspects of operating Bradford Creek. This will allow the City Council to keep more informed about staff's progress.

Motion was made by Council Member Mitchell and seconded by Council Member Mercer to have staff on a bi-monthly basis to provide the City Council with a progress report of their activities and where staff is with different aspects of operating the Bradford Creek Golf Course.

Council Member Blackburn stated that one of the options mentioned is an estimated goal of 90 percent. One of the concerns heard and that she might have is if Bradford Creek is pulled out of the enterprise fund and put into the General Fund, it might be good for the City to have a benchmark such as a 90 percent estimated income or recouping 90 percent of the estimated direct cost.

Director of Recreation and Parks Fenton stated that is something that staff can work with. The Aquatics and Fitness Center is in the budget and it has its own budget so that staff can track it separately from other expenditures and revenues. It is not built to recover 100 percent and is built to recover 78 percent of its costs.

Council Member Mitchell stated that some of the Recreation and Parks Department programs might recover 10 percent, 15 percent or 90 percent. That should be part of a larger review plan of that department and to look at all of the City's programs to determine what do we hope that the programs might recover.

Mayor Pro-Tem Glover stated hopefully, when the City Council receives the efficiency study, staff could look at a contracted service to help fill in at the golf course. Even though the City is trying not to hire more people, it would make the golf course more efficient. The amount of money for marketing may have caused the golf course to fall short. When staff returns with the study and it says that more marketing and employees are needed, the City Council will have to consider that.

Mayor Thomas stated that also includes looking at how the golf course allocates its personnel costs.

Motion was made by Council Member Smith and seconded by Mayor Pro-Tem Glover to amend the motion to include a 90 percent benchmark.

Council Member Mercer stated that he certainly supports the sentiment and the spirit of the motion. One of the messages of the long discussion that has gone on for several weeks is to efficiently run the golf course without compromising the quality out there. He is uncomfortable with putting a specific percentage on it so he will be voting against the amendment but he supports what the goal is.

Mayor Pro-Tem Glover withdrew her second to the motion to include a 90 percent benchmark.

The amendment to amend the motion to include a 90 percent benchmark died for the lack of a second.

Interim City Manager Moton stated that having a cost recovery policy for recreational programs is important. A number of cities in North Carolina have set fees based on the type of activity. For example, some activities such as swimming pools in the summer are expected to recover 5 percent. It is appropriate to set a philosophy of what the City Council's costs recovery goal is whether it will be tonight or when the efficiency study is returned to the City Council. Policy should be the way that the City Council addresses this so that all understand what the expectations are with a recommendation from the Recreation and Parks Commission.

The original motion along with the amendment of the motion to include the bi-monthly report outlining the progress of the Bradford Creek Golf Course passed unanimously.

ESTABLISHMENT OF FAIR MARKET VALUE OF CITY-OWNED PROPERTY IN PARAMORE PARK - APPROVED

Motion made by Council Member Joyner and seconded by Council Member Mitchell to establish fair market value for the 958.32 square feet (.22 acres) of City-owned property in Paramore Park at \$550.00 and to authorize staff to start the sealed bid process for the same. Motion carried unanimously.

BUDGET ORDINANCE AMENDMENT #10 TO THE 2011-2012 CITY OF GREENVILLE BUDGET (ORDINANCE #11-038) AND AMENDMENT TO THE GREEN MILL RUN GREENWAYS CAPITAL PROJECT FUND (ORDINANCE #12-007.02) - ADOPTED

Motion made by Council Member Mitchell and seconded by Council Member Mercer to approve the budget ordinance amendment #10 to the 2011-2012 City of Greenville budget (Ordinance #11-038) and amendment to the Green Mill Run Greenways Capital Project Fund (Ordinance #12-007.02). Motion carried unanimously. (Ordinance No. 12-019)

REVIEW OF MAY 10, 2012 CITY COUNCIL AGENDA

The Mayor and Council reviewed the agenda for the May 10, 2012 City Council meeting.

COMMENTS BY MAYOR AND CITY COUNCIL

Council Member Mitchell stated that May is National Foster Care Month and it is very important to people. There are opportunities to become a foster parent to these children who need love, care and guidance.

Council Member Blackburn congratulated Police Captain Ted Sauls and Financial Services Manager Kimberly Branch for receiving their certifications for completion of the County and Municipal Administration Course at the School of Government.

Council Member Blackburn announced that the Greenville Rec Run 5K is scheduled for Saturday, May 12, 2012, 8:00 a.m. at the H. Boyd-Lee Park. The Kids Dash is scheduled for 9:00 a.m.

Mayor Pro-Tem Glover announced that the next Police Community Relations Committee meeting is scheduled for Wednesday, May 9, 2012, 7:00 p.m. at the Eppes Recreational Center.

Mayor Thomas announced that Greenville Community Foundation in partnership with A Time for Science extended an invitation to the City Council to attend the event where Captain Mark Kelly, Commander of the Space Shuttle in his final mission, will speak at the Greenville Convention Center on Tuesday, May 8, 2012, 7:00 p.m. Captain Kelly is the husband of U.S. Congresswoman Gabrielle Giffords who was shot last year. This will be a striking and touching presentation, and a lot is to be offered there.

Mayor Thomas stated that he enjoyed meeting Mark and Adam Sheetz and the entire Sheetz Family at the grand opening of their store located north of the river. Sheetz is a great investment made by the family and is a private owned company out of Pennsylvania.

There are over 42 locations in North Carolina and 14 additional stores are being built in this state.

CITY MANAGER'S REPORT

Interim City Manager Moton announced the following:

- The next City Council Budget Committee meeting date is May 15, 2012, from 2:00 p.m. to 3:30 p.m.
- The next regular City Council meeting is scheduled for Monday, May 21, 2012.
- Consensus was received from the City Council to change the regular City Council meeting scheduled for Monday, May 21, 2012 to a Joint Pay and Benefits Committee meeting starting at 6:00 p.m. in the Greenville Utilities Commission Board Room.
- The City Council received information on May 2, 2012 asking that each City Council Member make a recommendation or appointee to the Intermodal Transportation Center Stakeholders Committee.
- Staff received a notice on Friday, May 4, 2012 from the North Carolina Department of Transportation (NCDOT) announcing a citizens' informational workshop held by NCDOT on Tuesday, May 8, 2012 from 4:00 p.m. to 7:00 p.m. to discuss the proposed extension of Firetower Road from Greenville Boulevard to Memorial Drive.
- Staff received a notice that NCDOT is starting a study and a project scope to widen Evans Street between Greenville Boulevard all the way to Worthington Road/ Cooper Street. NCDOT requested that staff provides comments back to them by May 30, 2012. The Metropolitan Planning Organization (MPO) and the Bicycle & Pedestrian Committee will also provide feedback regarding that study.

CLOSED SESSION

Council Member Joyner moved to enter closed session in accordance with G.S. §143-318.11(a)(1) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes, said laws rendering the information as privileged or confidential being the Personnel Privacy Statute and the Open Meetings Law and in accordance with G.S. §143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. Council Member Blackburn seconded the motion, which passed by unanimous vote

Mayor Thomas declared the City Council in closed session at 9:35 pm and called a brief recess to allow Council Members time to relocate to Conference Room 337.

Upon conclusion of closed session discussion, motion was made by Council Member Mercer and seconded by Council Member Joyner to return to open session. Motion was approved unanimously, and Mayor Thomas returned the City Council to open session at 10:09 pm.

ADJOURNMENT

Motion was made by Council Member Joyner and seconded by Council Member Blackburn to adjourn the meeting. Motion carried unanimously. Mayor Thomas declared the meeting adjourned at 10:10 p.m.

Respectfully Submitted



Polly Jones
Deputy City Clerk



PROPOSED MINUTES
MEETING OF THE CITY COUNCIL
CITY OF GREENVILLE, NORTH CAROLINA
THURSDAY, JUNE 14, 2012

A regular meeting of the Greenville City Council was held on Thursday, June 14, 2012 in the Council Chambers, located on the third floor at City Hall, with Mayor Allen M. Thomas presiding. Mayor Thomas called the meeting to order at 7:00 pm. Council Member Joyner gave the invocation, followed by the Pledge of Allegiance.

Those Present:

Mayor Allen M. Thomas, Mayor Pro-Tem Rose H. Glover, Council Member Kandie Smith, Council Member Marion Blackburn, Council Member Calvin R. Mercer, Council Member Max R. Joyner, Jr. and Council Member Dennis J. Mitchell

Those Absent:

None

Also Present:

Interim City Manager Thomas M. Moton, Jr., City Attorney David A. Holec, City Clerk Carol L. Barwick and Deputy City Clerk Polly W. Jones

APPROVAL OF THE AGENDA

Interim City Manager Thom Moton reminded the City Council that the applicant for the Brighton Park rezoning has requested a continuance to August. He also requested the addition of a closed session to the agenda.

Upon motion by Council Member Joyner and second by Council Member Blackburn, the agenda and suggested changes were approved by unanimous vote.

SPECIAL RECOGNITION

- Fair Housing Poster Contest Winners

Francine Pena, of the Human Relations Council, introduced the following winners of the Fair Housing Poster Contest: for Grades K-5 (Group Posters), 3rd Place went to



Alexis DeSoto and Bella Diorio, 2nd Place went to Blake Walker and Russell Bray and 1st Place went to Savannah Harrell and Kylie Dunbar; for Grades 6-8, the winner was Alyann Burke and for Grades 9-12, the winner was Daria Burke.

APPOINTMENTS

Affordable Housing Loan Committee

Council Member Smith continued the appointment of a replacement for Gregory James, who had resigned, to the next meeting.

Board of Adjustment

Mayor Thomas recommended the reappointment of William Fleming to a first three-year term that will expire June 30, 2015. Motion was made to that effect by Council Member Blackburn, seconded by Council Member Joyner and carried unanimously.

Council Member Smith continued the appointment of John Hutchens who was no longer eligible to serve.

Council Member Joyner recommended the reappointment of Thomas Taft to a first three-year appointment that will expire June 2015. Motion was made to that effect by Council Member Blackburn, seconded by Council Member Smith and carried unanimously.

Greenville Bicycle & Pedestrian Commission

Council Member Mercer made a motion to appoint Robert Turner to replace JP Walsh, filling an unexpired term that will expire January 31, 2015. The motion was seconded by Council Member Joyner and carried unanimously.

Greenville Utilities Commission

Council Member Joyner made a motion to appoint Chip Little to replace J. Freeman Paylor who was no longer eligible to serve, for a first three-year term expiring on June 30, 2015. Council Member Blackburn seconded the motion and it carried unanimously.

Human Relations Council

Mayor Pro-Tem Glover chose to continue the appointments to fill both the East Carolina University and Pitt Community College seats until the next meeting due to lack of applicants.

Pitt-Greenville Conventions & Visitors Authority

Mayor Pro-Tem Glover made a motion to appointment Linda Snell to fill an unexpired term that will expire July 2014, replacing Hanna Magnusson, who was no longer eligible to serve.



She continued the replacement for Ivory Mewborn, a County member who had resigned. Council Member Joyner seconded the motion and it carried unanimously.

Police Community Relations Committee

Mayor Pro-Tem Glover continued the replacement of the District #2 seat until the next meeting.

Youth Council

Council Member Blackburn continued the appointments due to lack of applicants.

NEW BUSINESS

PUBLIC HEARINGS

- (Continued to August 9th) Ordinance requested by Brighton Park Apartments, LLC, to rezone 0.63 acres located on the western right-of-way of Brighton Park Drive approximately 50 feet south of its intersection with Melrose Drive from MO (Medical-Office) to MR (Medical-Residential)
- Resolution authorizing an application to the Federal Transit Administration for a Section 5307 grant for federal operating and capital assistance for Greenville Area Transit (GREAT) for Fiscal Year 2012-2013 (Resolution No. 033-12)

Interim Public Works Director Scott Godefroy introduced the City's new Transit Manager, Stephen Mancuso, who comes to Greenville with 25 years experience with the City of Durham.

Mr. Mancuso stated that grant funding supports transit systems that are open to the public in areas with populations between 50,000 and 200,000. The federal funds are available to reimburse the City for 50% of the operating deficit and 80% of capital expenditures. The total federal amount allocated for the City of Greenville is \$1,087,410. Maximum matching funds are estimated at \$417,898 and are included in the FY2012-2013 budget.

Council Member Blackburn asked if this represents the entire Transit budget. Mr. Mancuso stated there is other funding in the budget.

Mayor Thomas declared the public hearing open at 7:14 pm and invited comment in support of the grant application. Hearing none, he invited comment in opposition. Also hearing none, Mayor Thomas closed the public hearing at 7:15 pm.



Council Member Joyner moved to authorize the application to the Federal Transit Administration for a Section 5307 grant for federal operating and capital assistance for Greenville Area Transit (GREAT) for Fiscal Year 2012-2013. Mayor Pro-Tem Glover seconded the motion, which passed by unanimous vote.

- Ordinance directing the enforcement officer to repair, alter or improve, or to vacate and close the nonresidential building or structure located at 917 West Fifth Street (Ordinance No. 12-026)

Chief Building Inspector Les Everett stated the nonresidential building at 917 West Fifth Street was found to be out of compliance with the Nonresidential Building or Structure Code for the City of Greenville. The initial Notice of Violation and Hearing was sent by certified mail on January 9, 2012 to the property owner informing him of the violations cited by the Enforcement Officer. A hearing was held with no one appearing on behalf of the owner. It was determined that the building was in violation of the minimum standards and the cost to repair would not exceed 50% of the current value.

Pursuant to the enforcement procedure of the Nonresidential Building or Structure Code, an order was issued to the owner directing that the building be repaired so that it complies with the minimum standards or that it be vacated and closed. The owner did not perform the needed repairs within the time established by the enforcement officer.

Current tax value on the property is \$87,084, with cost to repair the property for occupancy estimated at \$15,000. Cost to vacate and close is estimated at \$2,000. Utilities to the structure were disconnected on March 30, 2009.

Interim City Manager Moton stated he recently met with property owner Phillip Higgs, Jr. and his sister. Mr. Higgs has been ill for some time, but is recovered now and has expressed a desire and willingness to update the building. Staff's desire would be to accommodate Mr. Higgs' request, but proceed with adoption of the ordinance so that if Mr. Higgs fails to follow through, appropriate action can be taken without further delay.

Council Member Blackburn asked what is involved in the abatement process.

Mr. Everett stated the property would initially be boarded up for safety, then repairs could begin to deteriorated areas.



Council Member Blackburn asked if there was a time limit on how long a property could remain in a boarded up condition.

City Attorney Dave Holec stated two years is a State mandated limit for nonresidential structures when the cost of repair is less than 50% of the structure's value.

Council Member Mitchell asked if the Redevelopment Commission had offered to buy the property.

Economic Development Officer Carl Rees stated the Redevelopment Commission is interested in the property and they have had some conversation with the owner, but at present, there is a large gap between their opinion of the value of the property and that of the owner.

Mayor Thomas declared the public hearing open at 7:24 pm and invited comment in support of the ordinance. Hearing none, he invited comment in opposition. Also hearing none, Mayor Thomas closed the public hearing at 7:25 pm.

Council Member Joyner moved to adopt the ordinance directing the enforcement officer to repair, alter or improve, or to vacate and close the nonresidential building or structure located at 917 West Fifth Street. Council Member Blackburn seconded the motion, which passed by unanimous vote.

- Naming of Elm Street Park Little League field as Stallings Stadium at Elm Street Park

Recreation and Parks Director Gary Fenton stated on June 9, 2011, the Greenville Little Leagues, a non-profit 501(c)(3) organization providing Little League Baseball services within the City of Greenville, requested and received permission from City Council to initiate a major capital improvement to the City-owned baseball facility the organization utilizes at Elm Street Park. The project, funded through a generous donation and requiring no City funds, is underway and entails the installation of stadium seating behind home plate, increased spectator capacity, an improved backstop with netting, a new press box, storage area, and office space. In addition to benefiting area residents, it is anticipated this improvement will further foster the Greenville Little Leagues' ability to attract high-level baseball tournaments to the City of Greenville.

The proposal was made with the condition that the facility be named "Stallings Stadium at Elm Street Park" in honor of the Stallings family, who provided the donation. Though generally referred to as the "Little League Field at Elm Street Park," the facility currently has no official name. This naming is permitted by and



referenced in Section 3-F-4 and 3-G-4 of the City's Policy and Guidelines for Naming or Renaming City of Greenville Parks, Recreation Facilities, and Geographic Features within Parks.

At their May 9, 2012 meeting, the members of the Recreation and Parks Commission unanimously passed a motion to recommend that City Council name this Little League field as "Stallings Stadium at Elm Street Park."

Council Member Joyner observed this was an unsolicited gift from a family that does much for this City.

Mayor Thomas declared the public hearing open at 7:29 pm and invited comment in support of the naming. Hearing none, he invited comment in opposition. Also hearing none, Mayor Thomas closed the public hearing at 7:30 pm.

Council Member Joyner moved to name Elm Street Park Little League field as Stallings Stadium at Elm Street Park. Council Member Smith seconded the motion, which passed by unanimous vote.

PUBLIC COMMENT PERIOD

Mayor Thomas opened the public comment period at 7:32 pm and explained procedures to be followed by anyone who wished to speak.

There being no one present who wished to address the City Council, Mayor Thomas declared the public comment period closed at 7:33 pm.

OTHER ITEMS OF BUSINESS

- Presentation on sales tax issue by David Baker, North Carolina Department of Revenue

Interim City Manager Moton stated that sales tax is a revenue that is collected by the State and distributed to counties and municipalities. Recently, the North Carolina Department of Revenue (NCDOR) contacted the City of Greenville and Pitt County staff in mid-March to schedule a meeting to discuss a sales tax matter. City and County staffs met with representatives of NCDOR on March 20, 2012, at which time it was explained that NCDOR would be recapturing \$4.2 million of overpayment in sales tax to all the jurisdictions in Pitt County. The error that NCDOR discovered occurred over a 30 month period from 2007-2009. Staff was further informed that



this recapture would be offset by a \$1.3 million sales tax credit due to jurisdictions in Pitt County.

The recapture amount is due to an audit NCDOR conducted of one of the larger non-profits in Pitt County. The \$1.3 million sales tax credit is a result of a second audit that has not been fully described to date. The net effect is that Pitt County and all municipalities located within the County have to collectively pay back to the NCDOR \$2.9 million.

Recognizing the potential impact of this discovery on local budgets, a group of City and County representatives, including Interim City Manager Thomas Moton and County Manager Scott Elliot, traveled to Raleigh on May 3, 2012 to meet with the State's Secretary of Revenue. The purpose of this meeting was to better understand the circumstances that led to the overpayment and to attempt to minimize the fiscal impact on Pitt County and the municipalities. The result of the meeting was a decision by the Secretary to allow repayment to occur over 30 months, which was the same span of time that the overpayment occurred.

Mr. Moton stated the proposed FY 2012-2013 budget and FY 2013-2014 annual plan have been adjusted to reflect the City's anticipated reduction in sales tax revenues of \$29,691.42 per month for 30 months. He then introduced David Baker, Director of the Local Government Division of the North Carolina Department of Revenue, to answer any questions the City Council might have.

Mr. Baker stated this was his first time addressing a City Council and he wished it were under different circumstances. He stated this particular issue is not an uncommon occurrence, but the dollar amount is significantly higher than what is typical. He stated reallocation, or moving sales tax money from County "A" to County "B" is fairly common. Often it results from their internal auditors noticing something, which is what happened in this case, but sometimes cities or counties will hire re-allocators to audit on their behalf, then contact their office.

Mr. Baker stated he would like to quickly explain what happens with sales tax when it comes into the department, and the problem that they have that causes this type of reallocation. He suggested thinking of sales tax as 100 buckets, with every county having its own bucket. There is one extra bucket out there – Bucket 101. As taxes come into the department, they are assigned to a bucket based on the documentation submitted as to where the taxes were collected. Whenever it is unclear where the money should go, it goes into Bucket 101. By statute each month, funds in that bucket are distributed proportionately to all counties based on their share of overall sales tax for that month. Money constantly goes in and out of these buckets.



A retailer or vendor is responsible for collecting the sales tax, filling out a return and submitting the payment to the department. Payments come in and they are assigned to the appropriate bucket. Auditors are continually making assessments and adjustments. Local governments and non-profits pay a lot of money to the State on sales tax but they are entitled to get that money back. Six months or a year later, the non-profit or local government may apply for a refund and that money is taken out of that bucket. What happens, and what caused this particular problem, is that the payments coming in and the refunds going out do not come out of the same buckets as a result of how documentation is filed. If we send all the money to one county, but the refunds should be spread across five other counties, then you have four counties that didn't get their money and one that received too much. The department is constantly looking for ways to solve this problem and has hired a full-time auditor. We are also looking at the ways in which non-profits file their requests to avoid this type of problem.

Mayor Thomas asked if other counties would be receiving the funds paid back in this case and if the Department collects interest on the payments from non-profits until they are refunded.

Mr. Baker stated the money paid by Pitt County and Greenville, etc. would go to other counties, and that money paid to the department goes into its general fund and does earn interest.

Mayor Thomas asked if Pitt County has had this issue previously.

Mr. Baker stated it has happened before, and Pitt County has, in the past, been on both sides of the equation.

Mayor Thomas stated Greenville would like to avoid being in this situation in the future and said if there was anything the City could do to assist, he would like to hear about it.

Council Member Blackburn asked if the money would be going to counties or to non-profits.

Mr. Baker stated it would go to counties because the non-profits already had their money.

Council Member Joyner stated Mr. Baker mentioned a re-allocator. He asked if Greenville should hire one.



Mr. Baker recommended allowing the State to look at the issue first.

- Resolution requested by Greenville Auto Auction, LLC for an extension of the City of Greenville's Extra-Territorial Jurisdiction (ETJ) (Resolution No. 033-12)

Community Development Director Merrill Flood stated that Greenville Auto Auction, LLC is in the process of undergoing site improvements that include adding additional pavement. Because the paving increases the amount of impervious surface to the property, stormwater regulations apply. This property is located at the edge of the City of Greenville's ETJ. The business owner also owns an adjacent vacant tract of land that is within Pitt County's planning jurisdiction. The business owner wants to have both properties under one jurisdiction so that the properties may be combined to gain favorable consideration of stormwater regulations.

When Pitt County initiated County-wide zoning, it established a policy of how ETJ extensions would be considered. The procedure begins with a municipality requesting an ETJ extension. The request is forwarded to the Pitt County Planning Board and then to the Pitt County Board of Commissioners. If considered favorably, the request will go before the City of Greenville Planning and Zoning Commission and then to City Council for adoption of the ETJ extension. A rezoning application will accompany the request to change the property from County zoning to a City zoning classification.

Upon motion by Council Member Joyner, and second by Council Member Mitchell, the City Council voted unanimously to adopt the resolution requesting that the Pitt County Board of Commissioners agree to an extension of the City's ETJ to include property owned by Greenville Auto Auction, LLC.

- Establishment of fair market value for 608, 610, and 612 Roosevelt Avenue

Community Development Director Flood stated that Mr. and Mrs. Dax Crandell have notified City staff of their interest in purchasing three City-owned properties at 608, 610 and 612 Roosevelt Avenue. The Crandells have indicated that their intention would be to purchase the properties and build affordably priced homes on the them. The proposed sales prices would be similar to the prices of homes built and sold by the City of Greenville and non-profit housing providers currently in the mid \$90,000 range.

If City Council desires to initiate the sales action, the City Council must first establish fair market value of the properties by means of an appraisal, then advertise the properties for sealed bids. Because there has been a recent assessment of property value by the Pitt County Tax Assessor's Office, staff believes that the property values



established by the County reflect the market values of the properties. Based upon recent value assessments established by the County, the land values of the properties are as follows: 608 Roosevelt Avenue at \$2,800, 610 Roosevelt Avenue at \$3,054 and 612 Roosevelt Avenue at \$3,309.

According to Mr. Flood, 610 Roosevelt Avenue has a dilapidated structure located on the property that would need to be demolished and has a total tax value for building and land of \$12,608. Since demolition expenses for that location would be incurred by the buyer, Mr. Crandell has requested that parcel's fair market value be based upon the assessed land value only.

These properties are located within the 45-Block Revitalization Area. In accordance with the re-use plan of the Center City-West Greenville Revitalization Plan, the properties were designated for rehabilitation, if feasible, or acquisition. Roosevelt Avenue was identified as an area of housing in the plan. Mr. Crandell is building four single-family homes just to the north of these properties at the present time.

Upon motion by Council Member Joyner, and second by Council Member Mitchell, the City Council voted unanimously to establish the fair market value for 608 Roosevelt Avenue at \$2,800, 610 Roosevelt Avenue at \$3,054 and 612 Roosevelt Avenue at \$3,309 and to authorize staff to advertise and accept sealed bids for the lots with the condition that they be developed for the production of housing.

- Ordinances adopting budgets for the 2012-2013 Fiscal Year and Operating Plans for Fiscal Year 2013-2014:
 - City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention and Visitors Authority (Ordinance No. 12-027)
 - Greenville Utilities Commission (Ordinance No. 12-028)

Interim City Manager Moton asked that the City Council consider adoption of FY 2012-2013 budget ordinances for City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention and Visitors Authority and for Greenville Utilities Commission as two separate items, and that they do likewise with the financial plans for the following fiscal year. He then stated the FY 2-12-2013 budget ordinances provide revenues and appropriations for various funds as follows:

General Fund	\$75,006,681
Debt Service Fund	\$4,611,468
Public Transportation Fund	\$2,240,749
Fleet Maintenance Fund	\$4,364,411
Sanitation Fund	\$7,441,360



Stormwater Utility Fund	\$3,280,219
Community Development Housing Fund	\$1,581,461
Health Fund	\$12,015,632
Vehicle Replacement Fund	\$3,769,058
Sheppard Memorial Library	\$2,238,134
Convention & Visitors Authority	\$1,650,100
Greenville Utilities Commission	\$278,250,949

Annual Operating Budget for 2012-2013 Fiscal Year for City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention and Visitors Authority

Council Member Joyner moved to adopt the FY2012-2013 Budget Ordinance for the City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention & Visitors Authority with the following changes: (1) add \$50,000 for lighting improvements in neighborhoods which do not have adequate lighting to meet City Code, (2) add an additional \$25,000 for Uptown Greenville to match funding from two other entities for economic development, (3) make Sanitation fees \$11.75 per month for curbside collection and apartments and \$40.80 for backyard collection, (4) include – if it's not already in the budget – 2.5% pay increase for employees with an additional \$100,000 for special pay adjustments, (5) and increase pay for the Mayor by \$200 a month, for the Mayor Pro-Tem by \$150 a month and for Council Members by \$100 a month. Council Member Blackburn seconded the motion.

Council Member Blackburn asked if funding for flooring for dance classes at Jaycee Park and bathrooms for the Greenville Aquatics and Fitness Center (GAFC) need to be addressed formally, or if she can have assurance that it will be repaired during the coming budget year. She stated she would put it in the form of a motion to amend Council Member Joyner's motion to provide funding as staff determines to the aforementioned repairs/improvements, which she understands would cost approximately \$30,000. Council Member Mercer seconded the motion to amend.

Council Member Joyner stated Recreation and Parks has a multi-million dollar budget and should be able to find funding within that to make the needed repairs.

Recreation and Parks Director Gary Fenton clarified that the departmental budget was \$6 million and that the bathrooms to which Council Blackburn referred were actually locker rooms located adjacent to the pool. The high humidity has caused peeling paint and other safety concerns.



Council Member Mitchell stated there should be a policy in place for setting priorities on needed repairs. He asked if this was the department's highest repair priority.

Mr. Fenton stated it was not; however, not all needed repairs could be accomplished with a \$30,000 expenditure. Without a review of needs, he was not prepared to say if this was the most pressing need in the \$30,000 range.

Council Member Blackburn stated this was a request for a modest amount of money that could make substantial improvements to two highly visible facilities. The room at Jaycee Park is used not only by people in her district, but by residents from throughout Greenville. It is already equipped with mirrors for dance and the classes are revenue generating. With the GAFC, people pay membership dues and the City should provide them with a quality facility.

Financial Services Director Bernita Demery stated at the end of the fiscal year, staff always looks at capital projects that were not able to be funded in the budget process. Council Member Blackburn's requests could be made a priority for consideration at that time. Likewise, as operating monies are reviewed throughout the coming year, it would be known by February or March if monies were available at that time to make those improvements and a budget amendment could be made at that time. It might also be possible to fund with capital reserve funds in November or December.

Council Member Blackburn withdrew her motion with the expectation that the work be funded within the next six months.

Council Member Joyner referred to Council Member Mitchell's prior comment about setting priorities on needed repairs. If other projects are ranked higher than those discussed, the higher priorities should be funded first.

Mr. Fenton stated it becomes a challenge to rank priorities on projects because a project that costs \$400,000 may be a higher priority than something that costs \$40,000, but there may only be funding available to do the \$40,000 project. He asked if it would be appropriate to generate lists of projects in the \$20,000 to \$50,000 range.

Council Member Mitchell stated it is important to have an overall list of priorities. If a \$300,000 is the priority, but only \$20,000 is available, those funds should be saved toward paying for the \$300,000 priority. Not having a priority listing puts both staff and the City Council in a precarious position. The City should have a policy to determine how capital needs are addressed.



Mr. Moton stated with regard to the GAFC, it is located north of the river where no other fitness centers are located, plus it is revenue generating through its memberships. He stated he feels it would be appropriate to find a way to take care of the locker room issue because it makes it difficult to sell memberships. First impressions do mean a lot.

Council Member Smith asked for a review of the changes to the budget included in Council Member Joyner's original motion.

Council Member Joyner listed the following:

- Add \$50,000 for lighting improvements in neighborhoods which do not have adequate lighting to meet City Code
- Add an additional \$25,000 for Uptown Greenville to match funding from two other entities for economic development
- Make Sanitation fees \$11.75 per month for curbside collection and apartments and \$40.80 for backyard collection
- Include a 2.5% pay increase for employees with an additional \$100,000 for special pay adjustments
- Increase pay for the Mayor by \$200 a month, for the Mayor Pro-Tem by \$150 a month and for Council Members by \$100 a month.

Mr. Moton noted that the 2.5% pay increase for employees and the \$100,000 funding for special pay adjustments is already included in the budget.

Council Member Mitchell asked for an explanation of the additional funding for Uptown Greenville.

Council Member Joyner stated in the past, Uptown Greenville has sponsored events to bring people to the uptown area, such as the Pirate Fest and the Umbrella Market. They now have a new person on staff and their economic development focus is trying to bring businesses into the uptown area. There has been indication that two other entities are willing to match that amount, which will improve the City's tax base.

Council Member Mitchell asked if this would be handled in the form of a services contract that would go to the Redevelopment Commission for review then come back to the City Council for final approval.

Mr. Moton stated that would be the recommendation of the management team. It has been customary that the City have a contract that specifies the services to be received.



Council Member Smith asks how this differs from the City establishing its Economic Development Division and the work done by Economic Development Officer Carl Rees. She asked if this would pose a conflict.

Community Development Director Merrill Flood stated they would be able to work in concert to identify potential businesses for recruitment.

Council Mercer said he understood this would be coming to the City Council in September. He asked why not let the issue wait until then.

Mr. Moton stated this is an opportunity to get funding already in the budget, but the City Council will have the opportunity to review the contract and approve or disapprove it in September.

Council Member Blackburn asked about the Sanitation Fee increase under this proposal. She stated she last recalled a proposed rate of \$12.60 per month, but it is now being proposed at \$11.75. Certainly this will be more tolerable to the public, but she asked how much the General Fund would have to absorb to make that happen.

Mr. Moton stated there will be variables next year. The fee is based on the anticipated rate of customers making the switch from backyard to curbside collection. It can be adjusted again next fiscal year if necessary.

Council Member Smith said, going back to the Uptown Greenville issue, she noted on the memo in the agenda packet a reference to shifting the focus away from downtown events. She would like more detail on that concept before a contract is approved.

Council Member Mitchell asked how much is paid to Uptown Greenville in a one-year period.

Mr. Flood stated if the proposed budget and subsequent contract are approved, they will be paid a total of \$50,000 a year.

Council Member Mercer stated the budget process has been ongoing for a good while. He has concerns about various aspects of the budget that he has expressed previously in public meetings and will not address again here. The budget presented on Monday, for which a public hearing was held, was one that he could, with some reservations, vote to support. Changes that have been suggested tonight, four of which are expenditures, concern him. He stated he is certainly a strong



supporter of Uptown Greenville and agrees with the need for a proposed contract outlining services and feels it is not in the City's interest to deviate from that practice. In the situation the City is facing with Sanitation, he has argued that the City should keep costs as low as possible. His main concern with the motion is the salary increase for the Mayor and Council Members. This is an austere budget and to put this in at the last minute after the public hearing is concerning to him.

Council Member Joyner stated he wanted to go on record that he had spoken to each Council Member about a raise, although perhaps not a specific dollar amount. Each Council Member said directly to him that they would be in favor of a raise.

Council Member Mitchell stated he is very happy with the current budget. It avoids a tax increase and shows that the City can live within its means. While he agrees with Council Member Mercer's concern about some of this being new, if it can be done without a tax increase, he can support it.

Mayor Pro-Tem Glover stated she has always been against Sanitation fee increases, yet they have been numerous since she has been on the City Council. She expressed particular concern about the sizeable backyard fee increase and that many residents who are unable to bring their carts to curbside are not aware of exemptions in place that would allow them to get the cheaper curbside rate.

Council Member Joyner asked the Interim City Manager if Greenville could afford the budget he proposed. He reiterated that each Council Member was in favor of a pay increase when he asked them.

Mr. Moton stated it can, and recommended reducing Contingency by \$142,000 and making a loan from the General Fund to the Sanitation Fund.

Council Member Smith stated she supports the increase for elected officials, but to help alleviate Council Member Mercer's concern, perhaps staff could be directed to investigate how other cities handle increases for elected officials and perhaps work toward a plan where pay for elected officials is impacted along with other employees so there are no surprises in the future.

Council Member Mercer stated he respectfully disagrees with Council Member Joyner's characterization of the pay issue. He stated he never agreed to support anything specific like this as it is something which deserves to be fully aired in the public. He stated he would not vote to increase his own salary directly; only to increase salaries after an election. He stated the only time anyone spoke to him on this issue was two to three minutes before this meeting began.



Council Member Mitchell stated the issue of pay increases for the City Council arose after a Budget Committee meeting, and he believed it was Council Member Mercer who said if everyone else could agree with it, he could. He stated he, personally, would not have agreed if it were not unanimous.

Mayor Pro-Tem Glover agreed with Council Member Mitchell, stating she heard the remark. She said the matter had been discussed numerous times due to increased gas prices. She stated Council Member Mercer has always agreed and she doesn't understand why he does not recall it.

Council Member Mercer moved to divide the question so that there would be separate votes on the pay increase for City Council issue and adoption of the budget. Motion died for lack of a second.

On the original motion, which was to adopt the FY2012-2013 Budget Ordinance for the City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention & Visitors Authority with the following changes: (1) add \$50,000 for lighting improvements in neighborhoods which do not have adequate lighting to meet City Code, (2) add an additional \$25,000 for Uptown Greenville to match funding from two other entities for economic development, (3) make Sanitation fees \$11.75 per month for curbside collection and apartments and \$40.80 for backyard collection, (4) include – if it's not already in the budget – 2.5% pay increase for employees with an additional \$100,000 for special pay adjustments, (5) and increase pay for the Mayor by \$200 a month, for the Mayor Pro-Tem by \$150 a month and for Council Members by \$100 a month, the City Council voted 5 to 1 in favor, with Council Member Mercer casting the dissenting vote.

Annual Operating Budget for 2012-2013 Fiscal Year for Greenville Utilities Commission

Upon motion by Council Member Joyner and Second by Council Member Smith, the City Council voted unanimously to approve the annual operating budget for Greenville Utilities Commission for Fiscal Year 2012-2013.

Operating Plan for Fiscal Year 2013-2014 for City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention and Visitors Authority

Council Member Joyner moved to adopt the FY2013-2014 Operating Plan for the City of Greenville, including Sheppard Memorial Library and Pitt-Greenville Convention & Visitors Authority with the following changes: (1) add \$50,000 for Economic Development, (2) add \$50,000 for lighting improvements in neighborhoods which do not have adequate lighting, (3) add \$100,000 to Public



Safety for Technology Improvements, (4) add \$25,000 for Uptown Greenville to continue the economic development contract if approved in the previous year and (5) continue pay increases for the Mayor of \$200 a month, for the Mayor Pro-Tem of \$150 a month and for Council Members of \$100 a month which were approved in the Fiscal Year 2012-2013 budget. Council Member Joyner further moved that the 2.5% market adjustment for employees be deleted from the Fiscal Year 2013-2014 operating plan and that the matter be revisited closer to the beginning of that fiscal year. Council Member Smith seconded the motion.

Council Member Blackburn asked if Council Member Joyner's motion addressed Sanitation fees. She said she would like to add as a friendly amendment that Sanitation fees be maintained at Fiscal Year 2012-2013 rates, with the caveat that they be reviewed at a later date. Council Member Joyner and Council Member Smith accepted the amendment to the original motion.

Council Member Mercer stated he wished this had all been in the budget that the public was invited to speak on Monday night, although this late addition of items is not illegal. He stated he is very supportive of economic development efforts and wants to insure the City gets the best bang for the buck. He referenced start-up monies given previously to small businesses such as The Gold Post Café and The Scullery, and wondered if perhaps that might be a better use of funds.

As to the pay raise for elected officials, which obviously would continue into Fiscal Year 2013-2014, Council Member Mercer stated he knows he did not agree to any pay increase that would be implemented prior to the next election.

Interim City Manager Moton restated the points of Council Member Joyner's motion, with Council Member Blackburn's friendly amendment, to adoption of the Fiscal Year 2013-2014 Operating Plan with the following changes:

- Additional \$50,000 for Economic Development
- Additional \$50,000 for lighting improvements in neighborhoods which do not have adequate lighting
- Add \$100,000 to Public Safety for Technology Improvements
- Add \$25,000 for Uptown Greenville to continue the economic development contract if approved in the previous year
- Continuation of pay increases for the Mayor of \$200 a month, for the Mayor Pro-Tem of \$150 a month and for Council Members of \$100 a month which were approved in the Fiscal Year 2012-2013 budget
- Maintain Sanitation rates approved in the Fiscal Year 2012-2013 budget with the understanding those rates will be reviewed at a later date
- Deletion of the market adjustment for City employees, subject to review prior to the beginning of the fiscal year.



Council Member Joyner asked if it was Mr. Moton's opinion that Greenville could afford the budget he proposed.

Mr. Moton stated the proposed changes would add \$235,200 in cost which could be absorbed by Contingency in the General Fund. Maintaining Sanitation rates would, in principle, necessitate a \$690,144 loan from the general fund, which would be offset by the net reduction of \$865,933 by deleting the market pay adjustment for employees. He stated it was his opinion that the City could afford the budget proposed.

There being no further discussion, the Fiscal Year 2013-2014 Operating Plan passed by unanimous vote.

Operating Plan for Fiscal Year 2013-2014 for Greenville Utilities Commission

Upon motion by Council Member Joyner and Second by Council Member Mitchell, the City Council voted unanimously to approve the annual operating budget for Greenville Utilities Commission for Fiscal Year 2013-2014.

- 2012-2013 Redevelopment Commission Work Plan and Budget

Economic Development Officer Carl Rees, speaking on behalf of the Redevelopment Commission, said the group's mission is to assure that Greenville is a better place to live, raise a family and do business while improving the safety, security, image and economic vitality of the urban core and the neighborhoods of West Greenville. He stated they have been working since 2006 when the Center City Revitalization Plan was adopted.

Mr. Rees said he would like to focus on three of the Redevelopment Commission's work plan items, from the 18 identified in their presentation at the last City Council meeting, because these three correspond with City Council goals.

Uptown Parking Deck Site Analysis: Mr. Rees stated work has begun on site analysis with a goal of providing some decision points over the coming year. Three or four sites in the Uptown area will be considered along with two sights owned by East Carolina University. Sites will be evaluated on the following criteria:

- How well does the site serve existing businesses?
- How does the site leverage new business?
- How does the site serve traffic patterns?
- What cost would be associated with development of the site?



Mr. Rees stated review is anticipated in August, then if the City Council wishes to move forward on a site, cost estimates can be obtained, funding options explored and perhaps be ready to put the project out for bid by April. He estimated 6-8 months to construct a modular deck.

West Greenville Small Business Incubator: Mr. Rees stated this project has been lingering for awhile, but has recently been taken on by a new organization in Greenville. They've helped to establish a top-notch steering committee that is working to put a plan together for City Council consideration in the fall. They are considering a location along West First in the vicinity of the Gold Post Cafe. They will be targeting trade-type businesses with an interest in bringing workforce development to the neighborhood, including the potential to pair residents with businesses expanding from the incubator for employment.

Dickinson Avenue Streetscape Design: Mr. Rees stated business development in the area is anticipated; however, appearance is a concern. Also, parking is limited. Business owners already located there are anxious to see progress on this; however, most of the funding from the 2004 bond has been expended so the Redevelopment Commission is asking for something similar to what was done for Go Science. They are asking that the City Council make a finding that using up to \$150,000 of Center City Revitalization Bond proceeds to complete planning work for improvements to Dickinson Avenue from Reade Circle to 14th Avenue will promote Center City revitalization efforts. They are also asking that the City Council approve their 2012-2013 Work Plan and Budget.

Upon motion by Council Member Mitchell and second by Council Member Blackburn, the City Council voted unanimously to make a finding that using up to \$150,000 of Center City Revitalization Bond proceeds to complete planning work for improvements to Dickinson Avenue from Reade Circle to 14th Avenue will promote Center City revitalization efforts and to approve the Redevelopment Commission's 2012-2013 Work Plan and Budget.

COMMENTS FROM MAYOR AND CITY COUNCIL

The Mayor and City Council made general comments about past and future events.



CITY MANAGER'S REPORT

Interim City Manager Moton provided a brief update of the status of two rear-loading refuse trucks ordered 4-5 months prior to the service change. He stated a purchase order, once issued, is a form of contract. As such, the order could not be cancelled without consequences and the trucks are scheduled for delivery within the next couple weeks. There was a community interested in purchasing one from Greenville, but they are now looking toward automation. Greenville will continue seeking interested buyers for these vehicles, but until such time as the trucks can be sold, they will remain in the Sanitation fleet.

Mr. Moton then recommended the City Council consider cancelling their regularly scheduled meeting on June 25th.

Upon motion by Council Member Joyner, and second by Council Member Blackburn, the City Council voted unanimously to cancel the meeting as recommended by Mr. Moton.

(ADDED) CLOSED SESSION

Upon motion by Council Member Mitchell, seconded by Council Member Blackburn to hold a closed session as permitted by G.S. 143-318.11(a)(6), for the purpose of considering the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; and, as permitted by G.S. 143-318.11 (a)(5), to establish or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract, the City Council voted unanimously to enter closed session. Mayor Thomas declared the City Council in closed session at 9:48 pm and called a brief recess to allow Council Members time to relocate to Conference Room 337.

Upon conclusion of closed session discussion, motion was made by Council Member Joyner and seconded by Council Member Mitchell to return to open session. Motion was approved unanimously, and Mayor Thomas returned the City Council to open session at 10:40 pm.



ADJOURNMENT

Council Member Joyner moved to adjourn the meeting, seconded by Council Member Smith. There being no discussion, the motion to adjourn passed by unanimous vote and Mayor Thomas adjourned the meeting at 10:41 pm.

Respectfully submitted,

Carol L. Barwick, CMC
City Clerk



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Sale and grant of easement by City of Greenville to Piedmont Natural Gas

Explanation: **Abstract:** Piedmont Natural Gas is replacing its aging gas transmission lines from Greenville to Washington, NC. A larger line is being installed. Because of this, the existing easement's width on City owned property needs to be widened from 30 feet to 50 feet. Piedmont Natural Gas will pay \$500 for this additional easement and release and abandon easement areas no longer needed.

Explanation: Piedmont Natural Gas (PNG) is replacing its aging gas transmission lines from Greenville, NC, to Washington, NC. PNG plans to install a new 10-inch steel gas line adjacent to its existing 4-inch steel gas line (1959) and 6-inch steel gas line (1970). The installation of the new line will require an additional 20-foot easement along with the existing 30-foot easement for a total 50-foot easement. Both the 4-inch and 6-inch steel gas lines will be abandoned and removed once the new 10-inch steel line is in service.

The easement traverses a tract of land owned by the City which is between East 10th Street and the Tar River and north of but not adjacent to Courthouse Square Subdivision on 10th Street. The property is not developable and was received as a donation from J & S Partnership in 2001. The property is tax parcel 23460. This tax parcel is shown on the attached map from the City of Greenville's GIS website. The easement location on this property is shown on the attached surveyor's map. Also attached is copy of the easement document.

PNG will pay \$500 for the additional easement area and will release and abandon easement areas no longer required. The easement areas being released and abandoned are also shown on the attached surveyor's map and encompass 1.464 acres. The payment amount is based upon the easement area (1.107 acres) and the tax value of the property (\$400 per acre).

City staff has reviewed the proposed easement and does not object to the proposed easement location on the City's property.

There is a companion agenda item to this agenda item in which Council approval

of the sale and grant of easements for property owned by the City for the use and benefit of Greenville Utilities Commission is sought.

Fiscal Note:

The City would incur no cost with the grant of this easement. The City will receive \$500 for granting this easement.

Recommendation:

Approve the sale and grant of the easement to Piedmont Natural Gas across tax parcel 23640.

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

Attachments / click to download

[COG GIS Map](#)

[Surveyor Map](#)

[Parcel No 10 City of Greenville EASEMENT PNG 944304](#)

GRANT OF EASEMENT
TRANSMISSION

Return Recorded Document to:
Sandy Ojint
Attachment
Pitt County
Administrator Property Records
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Dr.
Charlotte, NC 28210

STATE OF NORTH CAROLINA
COUNTY OF PITT
TAX ID # 4697889133

LINE NUMBER 42
PARCEL NUMBER TEN

THIS GRANT OF EASEMENT made this _____ day of _____, 2012, from the CITY OF GREENVILLE, a North Carolina municipal corporation (hereinafter designated as GRANTOR), to PIEDMONT NATURAL GAS COMPANY, INC., (hereinafter designated as GRANTEE).

WITNESSETH

WHEREAS, GRANTEE is the owner of an easement thirty (30) feet wide for the construction, operation, and maintenance of natural gas pipelines, as more particularly described in the instruments recorded in Book Z30, Page 531, and Book 318, Page 358, both Pitt County Registry (the "Existing Easement"), across certain land now owned by GRANTOR described in the instrument recorded in Book 1239 at Page 842 and shown in Map Book 23, Page 66, both Pitt County Registry; and

WHEREAS, the increasing demand for natural gas by GRANTEE's customers has made it necessary that the Existing Easement area be expanded by an additional twenty (20) feet in width, thereby increasing the easement to a width of fifty (50) feet, said twenty (20) foot expansion areas being shown as "NEW 50' GAS ESM'T" on the attached Exhibit 42-PIT-10 prepared by Regional Land Surveyors, Inc. dated 10/05/12 and revised 10/11/12 (the "Expansion Easement Area" and, collectively with the Existing Easement, the "Expanded Easement").

That GRANTOR, for and in consideration of the sum of \$500.00, and other valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, and conveys unto GRANTEE, its successors and assigns, a right of way and easement rights for the purpose of laying, constructing, maintaining, operating, repairing, altering, replacing, removing, and protecting one or more pipelines for the transportation of natural gas under, upon, over, through, and across the land of GRANTOR (or in which GRANTOR has interest) situated in Greenville Township, Pitt County, North Carolina, as described in the instrument recorded in Book 1239, page 842, and shown in Map Book 23, Page 66, both Pitt County Registry.

The right of way herein granted is 1.107 acres, more or less, being shown as the "NEW 50' GAS ESM'T" on Exhibit 42-PIT-10 prepared by Regional Land Surveyors, Inc. dated 10/05/12, and revised 10/11/12 a copy of which is attached hereto and made part hereof (the "Survey").

As a part of the consideration for this Grant of Easement, GRANTEE shall, by separate document recorded with the Pitt County Register of Deeds, release and abandon that portion of the two existing easements on GRANTOR's land (see Book Z30 at Page 521 and Book 318 at Page 358, Pitt County Registry) lying outside of the easement area granted herein, said area to be released encompassing 1.464 acres and being shown as "A PORTION OF THE EX. GAS ESM'T TO BE RELEASED" on the Survey.

GRANTEE shall have all rights necessary or convenient for the full use and enjoyment of the rights herein granted, including without limitation: (1) free and full right of access to and from said right of way over and across the aforesaid land; (2) to keep said right of way cleared of trees, buildings, and other obstructions; and (3) to construct, install, operate, utilize, rebuild, remove, protect and maintain pipes, valves, markers, cathodic protection equipment, anode beds and other appurtenant devices in conjunction with said gas facilities.

GRANTOR reserves the right to use the land over which said right of way and easement rights are hereby granted for all purposes not inconsistent with said easement rights, the North Carolina Utilities Commission, GRANTEE'S current encroachment specifications, and any federal, state, or local law, rule, or regulation, provided that GRANTOR and GRANTEE agree that: (1) notwithstanding anything to the contrary herein, GRANTOR shall give written notification to GRANTEE and GRANTOR shall obtain written approval from GRANTEE prior to any activity as defined in items (2)-(7) of this paragraph; (2) the depth of said gas facilities below the surface of the ground shall not be reduced nor increased by grading or any other work and any slopes allowed within said right of way shall be no greater than a four to one (4:1) ratio; (3) if streets, roads, equipment crossings, fences or utility lines are constructed across said right of way, they shall cross as nearly as possible at right angles to gas line(s) and in no event shall they be constructed laterally along and over the

easement; (4) fences shall have minimum twelve (12) foot wide gate(s) (5) Removable pavers shall be installed along the entire length and width of the pipeline easement in paved parking areas; (6) improvements shall not adversely affect, in GRANTEE'S sole discretion, the access to, safety, construction, reconstruction, operation, or maintenance of GRANTEE'S facilities and GRANTEE shall not be liable for damages to said future improvements installed within said right of way; (7) landscaping on the right of way shall be limited to lawn grasses and shrubs which have a maximum mature height of four (4) feet, (8) buildings, storage sheds, mobile homes, wells, septic tanks, and/or related drain fields, absorption pits, detention ponds, irrigation systems (except crossing), sprinkler heads, swimming pools, ponds, lakes, erosion control sediment traps, underground vaults, burial grounds, explosives or flammable materials, fires of any type, fire hydrants, catch basins, air strips, electrical transformers or enclosures, utility poles, dumpsters, trash, uprooted stumps, boulders, rubble, building materials, junk or inoperable vehicles, satellite signal receiver systems, or other obstructions are prohibited within said right of way; (9) GRANTOR shall not: (a) interfere with GRANTEE'S access or maintenance to its facilities, or (b) endanger the safety of GRANTOR, GRANTEE, or the general public; (10) GRANTEE reserves the right to construct future pipelines within said right of way and GRANTOR shall not interfere with or object to the construction of said future pipelines; and (11) all facilities installed by GRANTEE shall be and remain the property of GRANTEE and may be removed by it at any time and from time to time.

GRANTEE agrees that it shall be responsible for actual damages to improvements that existed prior to this EASEMENT and annual crops of GRANTOR both inside and outside said right of way on the above-referenced land caused by the construction, installation, operation, utilization, inspection, rebuilding, removal, and maintenance of said facilities, and in going to and from said right of way, and shall be responsible for the breakage caused to any bridge and any extraordinary damage to any road due to heavy hauling to and from said right of way, if claim is made within sixty (60) days after such damages are sustained.

To have and to hold said right of way and easement rights unto GRANTEE, its affiliates, successors, and assigns, perpetually and continuously. GRANTOR expressly give(s) GRANTEE, its successors and assigns, the right to assign, license, lease, or otherwise transfer, in whole or part, this GRANT OF EASEMENT or any rights given herein, to any person or entity, including but not limited to, any affiliated parent or subsidiary entity of GRANTEE, for the uses and purposes expressly stated herein.

GRANTOR hereby bind(s) GRANTOR and GRANTOR'S heirs, representatives, and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, this GRANT OF EASEMENT has been signed and sealed by GRANTOR, as of the date first above written.

GRANTOR:

CITY OF GREENVILLE a North Carolina
municipal corporation

By: _____ Sign
Allen M. Thomas, Mayor

ATTESTED: By: _____ Sign
Carol L. Barwick, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, North Carolina, 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 North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing GRANT OF EASEMENT was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

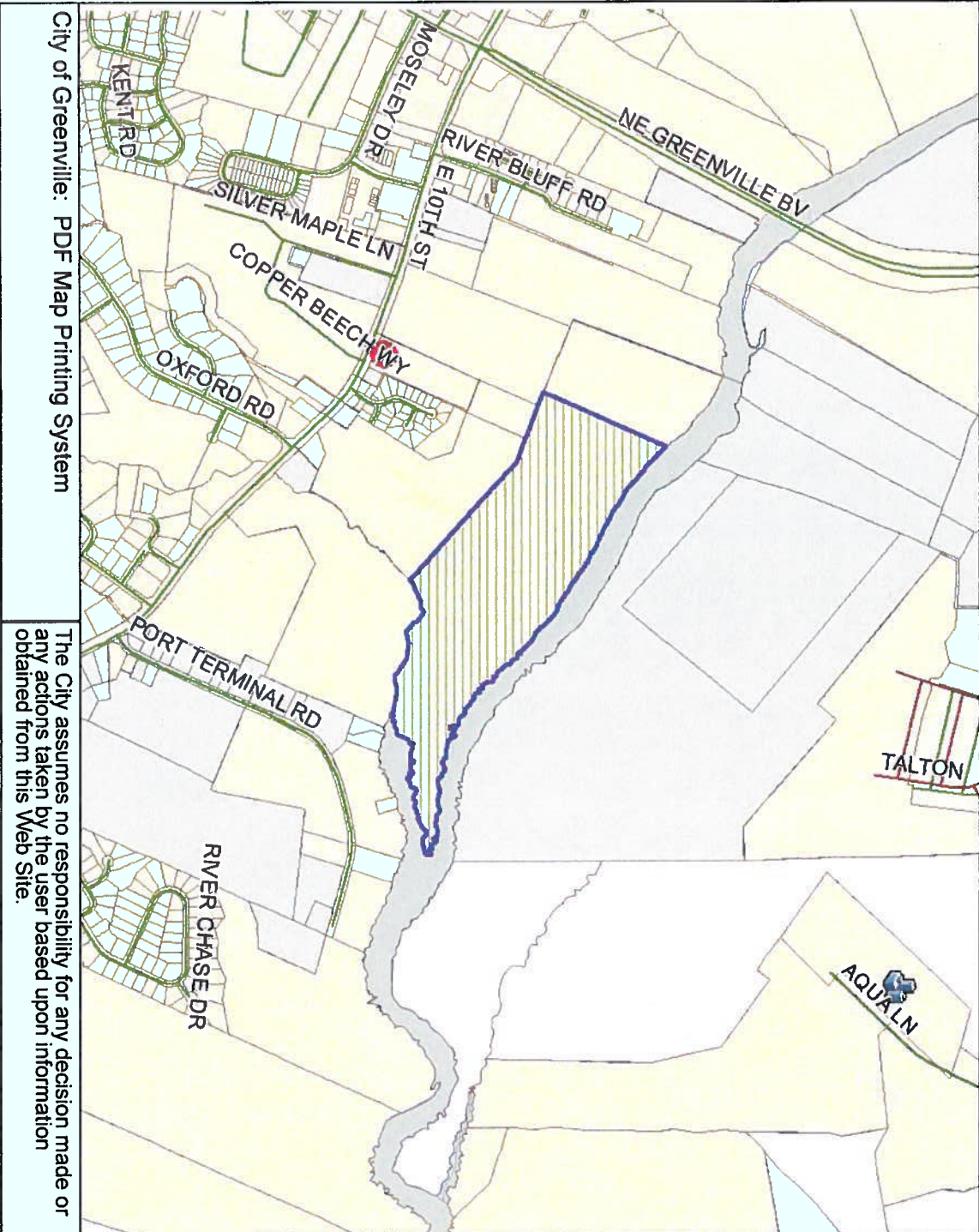
Witness my hand and seal this _____ day of _____, 20____.

Notary Public

Notary Seal

Print

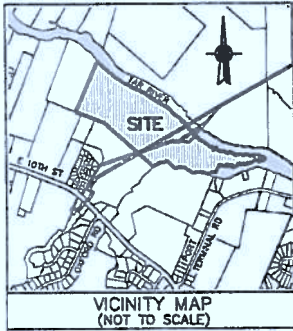
My Commission Expires: _____



City of Greenville: PDF Map Printing System

The City assumes no responsibility for any decision made or any actions taken by the user based upon information obtained from this Web Site.

<ul style="list-style-type: none"> City Addresses Public Facilities Airport Cemetery Community Center Conv Center Fire Government Hospital Library Medical Park Playground Police Rec Center School Stadium City Streets County Streets Tax Parcels Building Footprints River City Limits ETJ



CITY OF GREENVILLE PITT COUNTY, NORTH CAROLINA LINE 42

TITLE REFERENCES
DEED BOOK 1239 PAGE 842
MAP BOOK 23 PAGE 66

⑪
PIN: 5607180840
OUTDOOR PROPERTIES LLC
DB 1426 PG 120

REVIEW OFFICER CERTIFICATION:

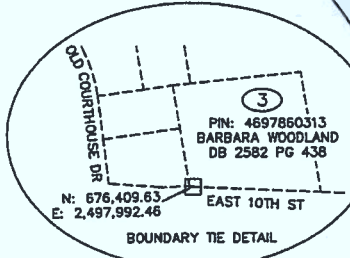
I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

LINE	LENGTH	BEARING
L1	16.38'	N49°11'11"W
L2	77.18'	N71°48'33"E
L3	70.18'	S60°15'52"W
L4	1067.84'	N80°15'52"E
L5	34.31'	S48°06'45"E
L6	17.78'	S41°01'12"E
L7	837.36'	S60°15'52"W
L8	249.84'	S71°48'33"W

LINE	LENGTH	BEARING
L9	92.87'	N80°15'52"E
L10	102.16'	S71°48'33"W
L11	21.68'	S49°11'11"E
L12	249.84'	N80°15'52"E
L13	409.27'	N71°48'33"E
L14	133.86'	S84°44'02"E
L15	354.04'	N55°54'12"E
L16	50.37'	S41°01'12"E
L17	299.16'	S55°54'12"W
L18	152.67'	S84°44'02"E
L19	193.50'	N40°40'29"E
L20	30.32'	S41°01'12"E
L21	204.60'	S40°40'29"W
L22	204.73'	N84°44'02"W
L23	31.53'	S55°54'12"W
L24	141.36'	N84°44'02"W
L25	643.67'	S71°48'33"W

LINE	LENGTH	BEARING
L26	36.65'	N49°11'11"W
L27	134.36'	S41°01'12"E
L28	48.34'	S41°01'12"E
L29	48.08'	S41°01'12"E



NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
- THIS SURVEY IS INTENDED FOR PNG EASEMENT ACQUISITION AND/OR ABANDONMENT ONLY.
- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

DAVID A. CLARK L-4649 DATE 10/11/12

- CONCRETE MONUMENT FOUND
 - COMPUTED POINT (NOT SET)
 - (X) PNG PARCEL NUMBER
- PROPOSED GAS LINE _____
- PROPOSED PNG EASEMENT _____
- EXISTING PNG EASEMENT _____
- SUBJECT BOUNDARY LINE _____
- ADJOINER BOUNDARY LINE _____
- TREE LINE _____

PIEDMONT NATURAL GAS COMPANY, INC.

ABANDONED AND NEW EASEMENT CROSSING PROPERTY OF CITY OF GREENVILLE
EASEMENT NO. 10
AREA IN P.N.G CO. NEW ESMT 48,210 SF / 1.107 AC
AREA IN P.N.G CO. RELEASED ESMT 63,786 SF / 1.464 AC
PITT COUNTY LATERAL Project# 2738993



Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

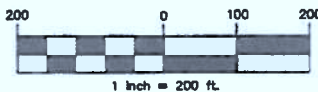


EXHIBIT
42-PIT-10
DATE 10/05/12 JOB# 1265.00

Item # 2

10/11/2012 12:06:54 PM EDT 126500_PIT0126500_PIT0126500.dwg 126500-X-10.dwg



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Sale and grant of easements by Greenville Utilities Commission to Piedmont Natural Gas

Explanation: ABSTRACT: Greenville Utilities Commission seeks to sell and grant gas easements to Piedmont Natural Gas.

Piedmont Natural Gas (PNG) is replacing its aging gas transmission lines from Greenville, NC, to Washington, NC. PNG plans to install a new 10-inch steel gas line adjacent to its existing 4-inch steel gas line (1959) and 6-inch steel gas line (1970). The installation of the new line will require an additional 20-foot easement along with the existing 30-foot easement for a total 50-foot easement. The existing easement originates at GUC's City Gate Station No. 4 on East 10th Street. The easement heads north across the Tar River then east towards Washington, NC, crossing GUC's Wastewater Treatment Plant property. Both the 4-inch and 6-inch steel gas lines will be abandoned and removed once the new 10-inch steel line is in service.


At the GUC regular meeting on December 20, 2012, the GUC Board of Commissioners approved an offer of \$1,625 for the 50-foot easement on GUC's City Gate Station No. 4 property and an offer of \$7,905 for the 20-foot easement on GUC's Wastewater Treatment Plant property and recommends to the City Council approval and execution of the sale and grant of easements to PNG.


Fiscal Note: No costs to the City


Recommendation: Approve sale and grant of easements to Piedmont Natural Gas across parcels 09776, 10064, 48152, and 33065.


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

Attachments / click to download

 [Easement 1](#)

 [Easement 2a](#)

 [Easement 2b](#)

 [Easement 2c](#)

GRANT OF EASEMENT
TRANSMISSION

Return Recorded Document to:
Attachment # 1 of 3
Sandy O'gint
Administrator Property Records
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Dr.
Charlotte, NC 28210

STATE OF NORTH CAROLINA
COUNTY OF PITT
TAX ID # 4697767117

LINE NUMBER 42
PARCEL NUMBER ONE

THIS GRANT OF EASEMENT made this _____ day of _____, 2012, from THE CITY OF GREENVILLE, NORTH CAROLINA, a North Carolina municipal corporation, for the use and benefit of GREENVILLE UTILITIES COMMISSION, a body politic (hereinafter designated as GRANTOR), to PIEDMONT NATURAL GAS COMPANY, INC., (hereinafter designated as GRANTEE).

WITNESSETH

That GRANTOR, for and in consideration of the sum of \$1,625.00, and other valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, and conveys unto GRANTEE, its successors and assigns, a right of way and easement rights for the purpose of laying, constructing, maintaining, operating, repairing, altering, replacing, removing, and protecting one or more pipelines for the transportation of natural gas under, upon, over, through, and across the land of GRANTOR (or in which GRANTOR has interest) situated in Greenville Township, Pitt County, North Carolina, as described in the instrument recorded in Book 2015, Page 864, Pitt County Registry.

The right of way herein granted is 0.124 acres, more or less, being shown as the "EXISTING PNG STATION CITY GATE #4", and 0.076 acres, more or less, being shown as the "NEW 50' GAS ESM'T" as shown on Exhibit 42-PIT-1 prepared by Regional Land Surveyors, Inc. dated 11/27/12, a copy of which is attached hereto and made part hereof (the "Survey").

As a part of the consideration for this Grant of Easement, GRANTEE shall, by separate document recorded with the Pitt County Register of Deeds, release and abandon that portion of the existing easement on GRANTOR's land (see Book E31 at Page 371, Pitt County Registry) lying outside of the easement area granted herein, said area to be released encompassing 0.047 acres and being shown as "A PORTION OF THE EX. GAS ESM'T TO BE RELEASED" on the Survey.

GRANTEE shall have all rights necessary or convenient for the full use and enjoyment of the rights herein granted, including without limitation: (1) free and full right of access to and from said right of way over and across the aforesaid land; (2) to keep said right of way cleared of trees, buildings, and other obstructions; and (3) to construct, install, operate, utilize, rebuild, remove, protect and maintain pipes, valves, markers, cathodic protection equipment, anode beds and other appurtenant devices in conjunction with said gas facilities.

GRANTOR reserves the right to use the land over which said right of way and easement rights are hereby granted for all purposes not inconsistent with said easement rights, the North Carolina Utilities Commission, GRANTEE'S current encroachment specifications, and any federal, state, or local law, rule, or regulation, provided that GRANTOR and GRANTEE agree that: (1) notwithstanding anything to the contrary herein, GRANTOR shall give written notification to GRANTEE and GRANTOR shall obtain written approval from GRANTEE prior to any activity as defined in items (2)-(7) of this paragraph; (2) the depth of said gas facilities below the surface of the ground shall not be reduced nor increased by grading or any other work and any slopes allowed within said right of way shall be no greater than a four to one (4:1) ratio; (3) if streets, roads, equipment crossings, fences or utility lines are constructed across said right of way, they shall cross as nearly as possible at right angles to gas line(s) and in no event shall they be constructed laterally along and over the easement; (4) fences shall have minimum twelve (12) foot wide gate(s) (5) Removable pavers shall be installed along the entire length and width of the pipeline easement in paved parking areas; (6) improvements shall not adversely affect, in GRANTEE'S sole discretion, the access to, safety, construction, reconstruction, operation, or maintenance of GRANTEE'S facilities and GRANTEE shall not be liable for damages to said future improvements installed within said right of way; (7) landscaping on the right of way shall be limited to lawn grasses and shrubs which have a maximum mature height of four (4) feet, (8) buildings, storage sheds, mobile homes, wells, septic tanks, and/or related drain fields, absorption pits, detention ponds, irrigation systems (except crossing), sprinkler heads, swimming pools, ponds, lakes, erosion control sediment traps, underground vaults, burial grounds, explosives or flammable materials, fires of any type, fire hydrants, catch basins, air strips, electrical transformers or enclosures, utility poles, dumpsters, trash, uprooted stumps, boulders, rubble, building materials, junk or inoperable vehicles, satellite signal receiver systems, or other obstructions are prohibited within said right of way; (9) GRANTOR shall not: (a) interfere with GRANTEE'S access or maintenance to its facilities, or (b) endanger the safety of GRANTOR, GRANTEE, or the general public; (10) GRANTEE reserves the right to construct future pipelines within said right of way and GRANTOR shall not interfere with or object to

the construction of said future pipelines; and (11) all facilities installed by GRANTEE shall be and remain the property of GRANTEE and may be removed by it at any time and from time to time.

GRANTEE agrees that it shall be responsible for actual damages to improvements that existed prior to this EASEMENT and annual crops of GRANTOR both inside and outside said right of way on the above-referenced land caused by the construction, installation, operation, utilization, inspection, rebuilding, removal, and maintenance of said facilities, and in going to and from said right of way, and shall be responsible for the breakage caused to any bridge and any extraordinary damage to any road due to heavy hauling to and from said right of way, if claim is made within sixty (60) days after such damages are sustained.

To have and to hold said right of way and easement rights unto GRANTEE, its affiliates, successors, and assigns, perpetually and continuously. GRANTOR expressly give(s) GRANTEE, its successors and assigns, the right to assign, license, lease, or otherwise transfer, in whole or part, this GRANT OF EASEMENT or any rights given herein, to any person or entity, including but not limited to, any affiliated parent or subsidiary entity of GRANTEE, for the uses and purposes expressly stated herein.

GRANTOR hereby bind(s) GRANTOR and GRANTOR'S heirs, representatives, and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, this GRANT OF EASEMENT has been signed and sealed by GRANTOR, as of the date first above written.

GRANTOR:

THE CITY OF GREENVILLE, NORTH CAROLINA, a
North Carolina municipal corporation, for the use
and benefit of GREENVILLE UTILITIES
COMMISSION, a body politic

By: _____ Sign
Allen M. Thomas, Mayor

ATTESTED: By: _____ Sign
Carol L. Barwick, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, North Carolina, 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 North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing GRANT OF EASEMENT was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

Witness my hand and seal this _____ day of _____, 20____.

Notary Public

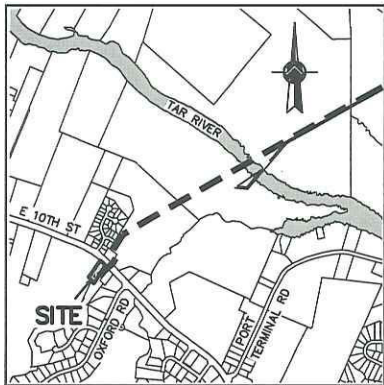
Print

Notary Seal

My Commission Expires: _____

CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

TITLE REFERENCES
DEED BOOK 2015 PAGE 864



VICINITY MAP
(NOT TO SCALE)



LINE	LENGTH	BEARING
L1	60.98'	N68°09'31"W
L2	50.01'	N20°50'40"E
L3	65.18'	S68°09'31"E
L4	6.32'	S68°09'31"E
L5	21.96'	S32°46'08"W
L6	28.97'	S32°46'08"W

LINE	LENGTH	BEARING
L3	65.18'	S68°09'31"E
L7	75.30'	N20°50'40"E
L8	80.59'	S66°06'14"W
L9	73.75'	S32°49'31"W

LINE	LENGTH	BEARING
L10	30.04'	N66°06'14"W
L11	10.29'	N20°50'40"E
L12	125.65'	N36°03'25"E
L13	46.98'	S24°28'05"W
L14	86.25'	S20°50'40"W

LINE	LENGTH	BEARING
L15	17.66'	N36°03'25"E

1A
PIN: 4697753826
COPPER BEECH TOWNHOME
COMMUNITIES THIRTY SPE, LLC
DB 2772 PG 501
MB 69 PG 65

A PORTION OF
THE EX. GAS ESM'T
TO BE RELEASED

EXISTING PNG
STATION
CITY GATE #4
(NEW ESM'T)

1
PIN: 4697767117
CITY OF GREENVILLE
DB 2015 PG 864

2A
PIN: 4697768097
MARJORIE RHODUS HARRIS
DB 1-30 PG 212
DB U-39 PG 658
MB 57 PG 10

2
PIN: 4697757941
MARJORIE RHODUS HARRIS
DB 262 PG 310
MB 67 PG 196

NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
- THIS SURVEY IS INTENDED FOR PNG EASEMENT ACQUISITION AND/OR ABANDONMENT ONLY.
- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

- ☐ CONCRETE MONUMENT FOUND
- IRON PIPE FOUND
- ▲ REBAR FOUND
- COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- G — G — G — G — PROPOSED GAS LINE
- — — — — PROPOSED PNG EASEMENT
- — — — — EXISTING PNG EASEMENT
- — — — — SUBJECT BOUNDARY LINE
- — — — — ADJOINER BOUNDARY LINE
- - - - - RIGHT-OF-WAY
- — — — — FENCE
- ○ ○ ○ ○ TREE LINE

PIEDMONT NATURAL GAS
COMPANY, INC.

ABANDONED AND NEW EASEMENT
CROSSING PROPERTY OF
CITY OF GREENVILLE
EASEMENT NO. 1

AREA IN P.N.G CO. NEW STATION ESMT 5,389 SF / 0.124 AC
AREA IN P.N.G CO. NEW 50' ESMT 3,312 SF / 0.076 AC
AREA IN P.N.G CO. RELEASED ESMT 2,041 SF / 0.047 AC

PITT COUNTY LATERAL Project# 2738993
LINE 42

REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER
FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT
TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL
STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER DATE

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF
NORTH CAROLINA, HEREBY STATE THAT TO THE BEST
OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY
SHOWN HEREON ACCURATELY DEPICTS THE AREA OF
EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT
NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN
HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

11/29/12
DATE



Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

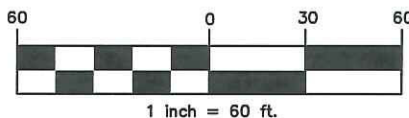


EXHIBIT
42-PIT-1
Item # 3
DATE 11/27/12 JOB# 1265.00

S:\CURRENT\PROG\126500_PNG_Greenville_Line42.dwg 11/27/2012 1:35:03 PM EST

GRANT OF EASEMENT
TRANSMISSION

Return Recorded Document to:
Attachment 1
Sandy Ogin
Administrator Property Records
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Dr.
Charlotte, NC 28210

STATE OF NORTH CAROLINA
COUNTY OF PITT
TAX ID # 5607389713

LINE NUMBER 42
PARCEL NUMBER THIRTEEN

THIS GRANT OF EASEMENT made this _____ day of _____, 2012, from THE CITY OF GREENVILLE, NORTH CAROLINA, a North Carolina municipal corporation, for the use and benefit of GREENVILLE UTILITIES COMMISSION, a body politic (hereinafter designated as GRANTOR), to PIEDMONT NATURAL GAS COMPANY, INC., (hereinafter designated as GRANTEE).

WITNESSETH

WHEREAS, GRANTEE is the owner of an easement thirty (30) feet wide for the construction, operation, and maintenance of natural gas pipelines, as more particularly described in the instruments recorded in Book B31, Page 305, and Book 139 Page 325, both Pitt County Registry (the "Existing Easement"), across certain land now owned by GRANTOR described in the instrument recorded in Book J45 at Page 527 and shown in Map Book 25, Page 47, both Pitt County Registry; and

WHEREAS, the increasing demand for natural gas by GRANTEE's customers has made it necessary that the Existing Easement area be expanded by an additional twenty (20) feet in width, thereby increasing the easement to a width of fifty (50) feet, said twenty (20) foot expansion area being shown as "NEW GAS ESM'T" on the attached Exhibit 42-PIT-13 prepared by Regional Land Surveyors, Inc. dated 10/05/12 (the "Expansion Easement Area" and, collectively with the Existing Easement, the "Expanded Easement").

That GRANTOR, for and in consideration of the sum of \$1,050.00, and other valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, and conveys unto GRANTEE, its successors and assigns, a right of way and easement rights encumbering the Expanded Easement area for the purpose of laying, constructing, maintaining, operating, repairing, altering, replacing, removing, and protecting one or more pipelines for the transportation of natural gas under, upon, over, through, and across the land of GRANTOR (or in which GRANTOR has interest) situated in Pactolus Township, Pitt County, North Carolina, as described in the instrument recorded in Book J45, page 527, and shown in Map Book 25, Page 47, both Pitt County Registry.

The new right of way herein granted is 0.268 acres, more or less, being shown as the "NEW GAS ESM'T" on Exhibit 42-PIT-13 prepared by Regional Land Surveyors, Inc. dated 10/05/12, a copy of which is attached hereto and made part hereof (the "Survey").

GRANTEE shall have all rights necessary or convenient for the full use and enjoyment of the rights herein granted, including without limitation: (1) free and full right of access to and from the Expanded Easement area over and across the aforesaid land; (2) to keep the Expanded Easement area cleared of trees, buildings, and other obstructions; and (3) to construct, install, operate, utilize, rebuild, remove, protect and maintain pipes, valves, markers, cathodic protection equipment, anode beds and other appurtenant devices in conjunction with said gas facilities.

GRANTOR reserves the right to use the land over which said right of way and easement rights are hereby granted for all purposes not inconsistent with said easement rights, the North Carolina Utilities Commission, GRANTEE'S current encroachment specifications, and any federal, state, or local law, rule, or regulation, provided that GRANTOR and GRANTEE agree that: (1) notwithstanding anything to the contrary herein, GRANTOR shall give written notification to GRANTEE and GRANTOR shall obtain written approval from GRANTEE prior to any activity as defined in items (2)-(7) of this paragraph; (2) the depth of said gas facilities below the surface of the ground shall not be reduced nor increased by grading or any other work and any slopes allowed within said right of way shall be no greater than a four to one (4:1) ratio; (3) if streets, roads, equipment crossings, fences or utility lines are constructed across said right of way, they shall cross as nearly as possible at right angles to gas line(s) and in no event shall they be constructed laterally along and over the Expanded Easement area; (4) fences shall have minimum twelve (12) foot wide gate(s); (5) Removable pavers shall be installed along the entire length and width of the pipeline easement in paved parking areas; (6) improvements shall not adversely affect, in GRANTEE'S sole discretion, the access to, safety, construction, reconstruction, operation, or maintenance of GRANTEE'S facilities and GRANTEE shall not be liable for damages to said future improvements installed within the Expanded Easement area; (7) landscaping within the Expanded Easement area shall be limited to lawn grasses and shrubs which have a maximum mature height of four (4) feet, (8) buildings, storage sheds, mobile homes, wells, septic tanks, and/or related drain fields, absorption pits, detention ponds, irrigation systems (except crossing), sprinkler heads, swimming pools, ponds, lakes, erosion control sediment traps, underground vaults, burial

grounds, explosives or flammable materials, fires of any type, fire hydrants, catch basins, air strips, electrical transformers or enclosures, utility poles, dumpsters, trash, uprooted stumps, boulders, rubble, building materials, junk or inoperable vehicles, satellite signal receiver systems, or other obstructions are prohibited within the Expanded Easement area; (9) GRANTOR shall not: (a) interfere with GRANTEE'S access or maintenance to its facilities, or (b) endanger the safety of GRANTOR, GRANTEE, or the general public; (10) GRANTEE reserves the right to construct future pipelines within the Expanded Easement area and GRANTOR shall not interfere with or object to the construction of said future pipelines; and (11) all facilities installed by GRANTEE shall be and remain the property of GRANTEE and may be removed by it at any time and from time to time.

GRANTEE agrees that it shall be responsible for actual damages to improvements that existed prior to this EASEMENT and annual crops of GRANTOR both inside and outside said right of way on the above-referenced land caused by the construction, installation, operation, utilization, inspection, rebuilding, removal, and maintenance of said facilities, and in going to and from the Expanded Easement area, and shall be responsible for the breakage caused to any bridge and any extraordinary damage to any road due to heavy hauling to and from said right of way, if claim is made within sixty (60) days after such damages are sustained.

To have and to hold said Expanded Easement and easement rights unto GRANTEE, its affiliates, successors, and assigns, perpetually and continuously. GRANTOR expressly give(s) GRANTEE, its successors and assigns, the right to assign, license, lease, or otherwise transfer, in whole or part, this GRANT OF EASEMENT or any rights given herein, to any person or entity, including but not limited to, any affiliated parent or subsidiary entity of GRANTEE, for the uses and purposes expressly stated herein.

GRANTOR hereby bind(s) GRANTOR and GRANTOR'S heirs, representatives, and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, this GRANT OF EASEMENT has been signed and sealed by GRANTOR, as of the date first above written.

GRANTOR:

THE CITY OF GREENVILLE, NORTH CAROLINA, a
North Carolina municipal corporation, for the use
and benefit of GREENVILLE UTILITIES
COMMISSION, a body politic

By: _____ Sign
Allen M. Thomas, Mayor

ATTESTED: By: _____ Sign
Carol L. Barwick, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, North Carolina, 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 North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing GRANT OF EASEMENT was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

Witness my hand and seal this _____ day of _____, 20____.

Notary Public

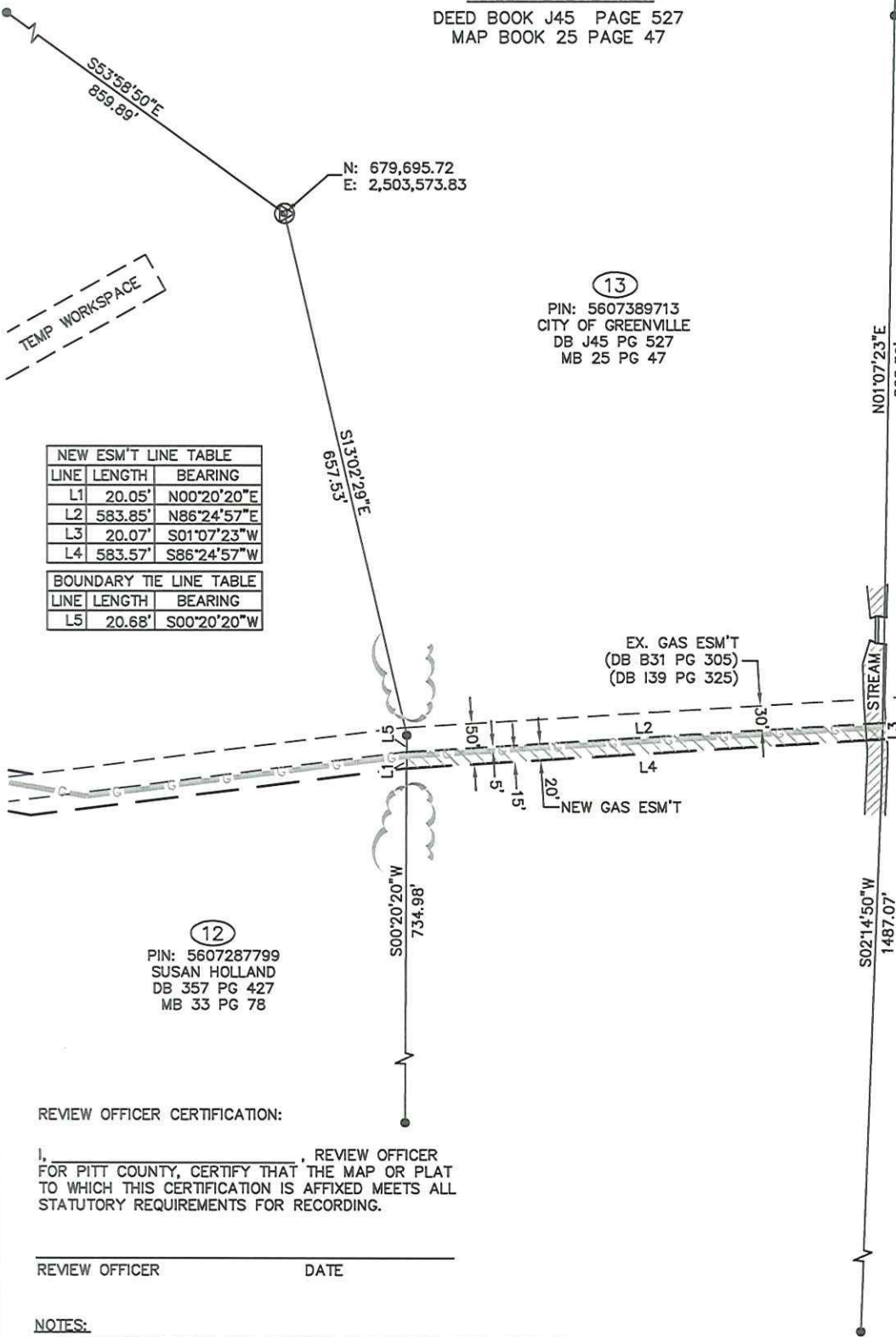
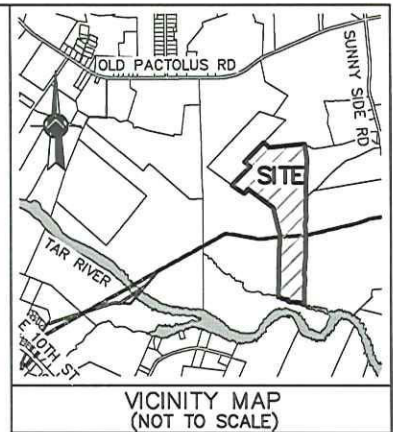
Notary Seal

Print

My Commission Expires: _____

CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

TITLE REFERENCES
DEED BOOK J45 PAGE 527
MAP BOOK 25 PAGE 47



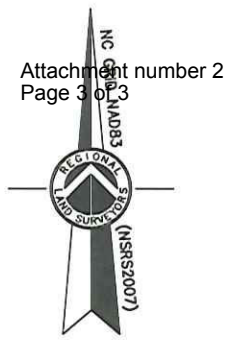
LINE	LENGTH	BEARING
L1	20.05'	N00°20'20"E
L2	583.85'	N86°24'57"E
L3	20.07'	S01°07'23"W
L4	583.57'	S86°24'57"W

LINE	LENGTH	BEARING
L5	20.68'	S00°20'20"W

(12)
PIN: 5607287799
SUSAN HOLLAND
DB 357 PG 427
MB 33 PG 78

(13)
PIN: 5607389713
CITY OF GREENVILLE
DB J45 PG 527
MB 25 PG 47

(14)
PIN: 5607586918
CITY OF GREENVILLE
DB 236 PG 573



REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
- THIS SURVEY IS INTENDED FOR PNG EASEMENT ACQUISITION AND/OR ABANDONMENT ONLY.
- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

10/5/12
DATE

PIEDMONT NATURAL GAS COMPANY, INC.

NEW EASEMENT CROSSING PROPERTY OF CITY OF GREENVILLE EASEMENT NO. 13

AREA IN P.N.G CO. NEW ESMT 11,674 SF / 0.268 AC
PITT COUNTY LATERAL Project# 2738993
LINE 42



- (⊙) AXLE FOUND
- (●) COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- — — — — PROPOSED GAS LINE
- — — — — PROPOSED PNG EASEMENT
- — — — — EXISTING PNG EASEMENT
- — — — — SUBJECT BOUNDARY LINE
- — — — — ADJOINER BOUNDARY LINE
- ~~~~~ TREE LINE

Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

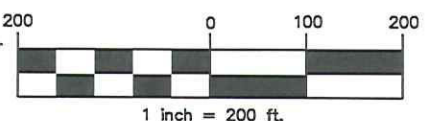


EXHIBIT
42-Pitt #13
DATE 10/05/12 JOB# 1265.00

S:\CURRENTPROJ\126500_PNG_Greenville_Line42.dwg 10/5/2012 10:46:13 AM EDT

GRANT OF EASEMENT
TRANSMISSION

Return Recorded Document to:
Attachment 1
Sandy Ojint
Administrator Property Records
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Dr.
Charlotte, NC 28210

STATE OF NORTH CAROLINA
COUNTY OF PITT
TAX ID # 5607586918

LINE NUMBER 42
PARCEL NUMBER FOURTEEN

THIS GRANT OF EASEMENT made this _____ day of _____, 2012, from THE CITY OF GREENVILLE, NORTH CAROLINA, a North Carolina municipal corporation, for the use and benefit of GREENVILLE UTILITIES COMMISSION, a body politic (hereinafter designated as GRANTOR), to PIEDMONT NATURAL GAS COMPANY, INC., (hereinafter designated as GRANTEE).

WITNESSETH

WHEREAS, GRANTEE is the owner of an easement thirty (30) feet wide for the construction, operation, and maintenance of natural gas pipelines, as more particularly described in the instruments recorded in Book Y30, Page 421, and Book F39 Page 582, both Pitt County Registry (the "Existing Easement"), across certain land now owned by GRANTOR described in the instrument recorded in Book 236 at Page 573, Pitt County Registry; and

WHEREAS, the increasing demand for natural gas by GRANTEE's customers has made it necessary that the Existing Easement area be expanded by an additional twenty (20) feet in width, thereby increasing the easement to a width of fifty (50) feet, said twenty (20) foot expansion area being shown as "NEW GAS ESM'T" on the attached Exhibit 1 of 2 and Exhibit 2 of 2, 42-PIT-14 prepared by Regional Land Surveyors, Inc. dated 10/05/12 (the "Expansion Easement Area" and, collectively with the Existing Easement, the "Expanded Easement").

That GRANTOR, for and in consideration of the sum of \$4,175.00, and other valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, and conveys unto GRANTEE, its successors and assigns, a right of way and easement rights encumbering the Expanded Easement area for the purpose of laying, constructing, maintaining, operating, repairing, altering, replacing, removing, and protecting one or more pipelines for the transportation of natural gas under, upon, over, through, and across the land of GRANTOR (or in which GRANTOR has interest) situated in Pactolus Township, Pitt County, North Carolina, as described in the instrument recorded in Book 236, Page 573, Pitt County Registry.

The new right of way herein granted is 1.256 acres, more or less, being shown as the "NEW GAS ESM'T" on Exhibit 1 of 2 and Exhibit 2 of 2, 42-PIT-14 prepared by Regional Land Surveyors, Inc. dated 10/05/12, copies of which are attached hereto and made part hereof (the "Survey").

GRANTEE shall have all rights necessary or convenient for the full use and enjoyment of the rights herein granted, including without limitation: (1) free and full right of access to and from the Expanded Easement area over and across the aforesaid land; (2) to keep the Expanded Easement area cleared of trees, buildings, and other obstructions; and (3) to construct, install, operate, utilize, rebuild, remove, protect and maintain pipes, valves, markers, cathodic protection equipment, anode beds and other appurtenant devices in conjunction with said gas facilities.

GRANTOR reserves the right to use the land over which said right of way and easement rights are hereby granted for all purposes not inconsistent with said easement rights, the North Carolina Utilities Commission, GRANTEE'S current encroachment specifications, and any federal, state, or local law, rule, or regulation, provided that GRANTOR and GRANTEE agree that: (1) notwithstanding anything to the contrary herein, GRANTOR shall give written notification to GRANTEE and GRANTEE shall obtain written approval from GRANTEE prior to any activity as defined in items (2)-(7) of this paragraph; (2) the depth of said gas facilities below the surface of the ground shall not be reduced nor increased by grading or any other work and any slopes allowed within said right of way shall be no greater than a four to one (4:1) ratio; (3) if streets, roads, equipment crossings, fences or utility lines are constructed across said right of way, they shall cross as nearly as possible at right angles to gas line(s) and in no event shall they be constructed laterally along and over the Expanded Easement area; (4) fences shall have minimum twelve (12) foot wide gate(s); (5) Removable pavers shall be installed along the entire length and width of the pipeline easement in paved parking areas; (6) improvements shall not adversely affect, in GRANTEE'S sole discretion, the access to, safety, construction, reconstruction, operation, or maintenance of GRANTEE'S facilities and GRANTEE shall not be liable for damages to said future improvements installed within the Expanded Easement area; (7) landscaping within the Expanded Easement area shall be limited to lawn grasses and shrubs which have a maximum mature height of four (4) feet, (8) buildings, storage sheds, mobile homes, wells, septic tanks, and/or related drain fields, absorption pits, detention ponds, irrigation systems (except

crossing), sprinkler heads, swimming pools, ponds, lakes, erosion control sediment traps, underground vaults, burial grounds, explosives or flammable materials, fires of any type, fire hydrants, catch basins, air strips, electrical transformers or enclosures, utility poles, dumpsters, trash, uprooted stumps, boulders, rubble, building materials, junk or inoperable vehicles, satellite signal receiver systems, or other obstructions are prohibited within the Expanded Easement area; (9) GRANTOR shall not: (a) interfere with GRANTEE'S access or maintenance to its facilities, or (b) endanger the safety of GRANTOR, GRANTEE, or the general public; (10) GRANTEE reserves the right to construct future pipelines within the Expanded Easement area and GRANTOR shall not interfere with or object to the construction of said future pipelines; and (11) all facilities installed by GRANTEE shall be and remain the property of GRANTEE and may be removed by it at any time and from time to time.

GRANTEE agrees that it shall be responsible for actual damages to improvements that existed prior to this EASEMENT and annual crops of GRANTOR both inside and outside said right of way on the above-referenced land caused by the construction, installation, operation, utilization, inspection, rebuilding, removal, and maintenance of said facilities, and in going to and from the Expanded Easement area, and shall be responsible for the breakage caused to any bridge and any extraordinary damage to any road due to heavy hauling to and from said right of way, if claim is made within sixty (60) days after such damages are sustained.

To have and to hold said Expanded Easement and easement rights unto GRANTEE, its affiliates, ^{Attachment number 3} ~~successors~~, and assigns, perpetually and continuously. GRANTOR expressly give(s) GRANTEE, its successors and assigns, the right to assign, license, lease, or otherwise transfer, in whole or part, this GRANT OF EASEMENT or any rights given herein, to any person or entity, including but not limited to, any affiliated parent or subsidiary entity of GRANTEE, for the uses and purposes expressly stated herein.

GRANTOR hereby bind(s) GRANTOR and GRANTOR'S heirs, representatives, and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, this GRANT OF EASEMENT has been signed and sealed by GRANTOR, as of the date first above written.

GRANTOR:

THE CITY OF GREENVILLE, NORTH CAROLINA, a
North Carolina municipal corporation, for the use
and benefit of GREENVILLE UTILITIES
COMMISSION, a body politic

By: _____ Sign
Allen M. Thomas, Mayor

ATTESTED: By: _____ Sign
Carol L. Barwick, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, North Carolina, 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 North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing GRANT OF EASEMENT was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

Witness my hand and seal this _____ day of _____, 20____.

Notary Public

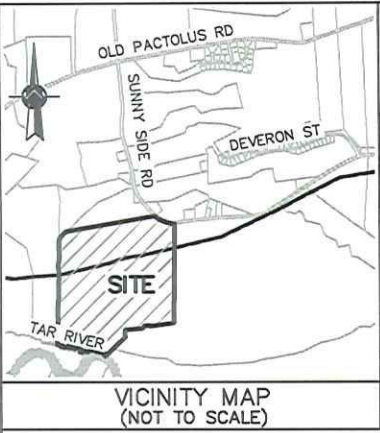
Notary Seal

Print

My Commission Expires: _____

CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

TITLE REFERENCES
DEED BOOK 236 PAGE 573



VICINITY MAP
(NOT TO SCALE)

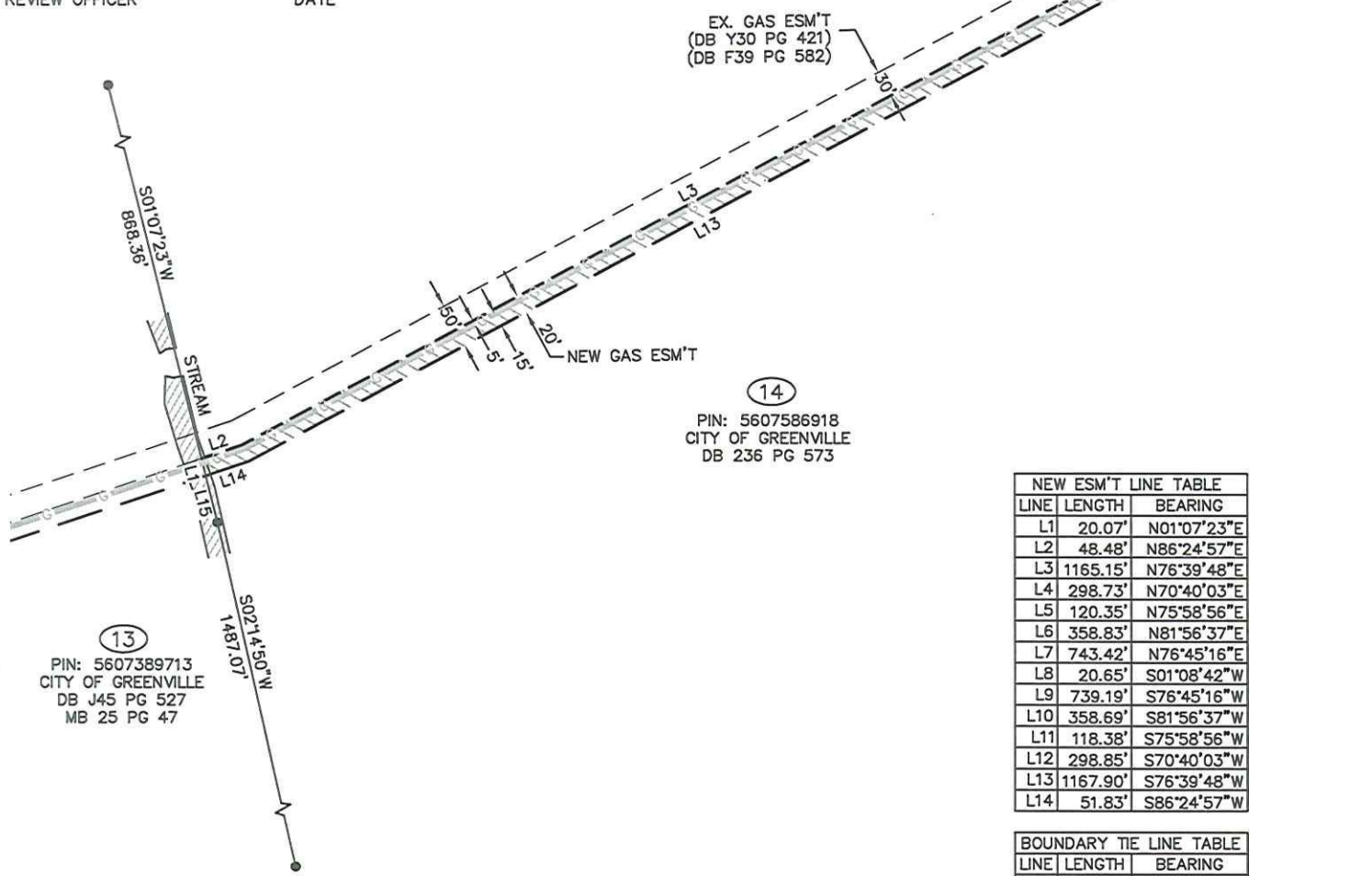
REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____



Attachment number 3
Page 3 of 4



EX. GAS ESM'T
(DB Y30 PG 421)
(DB F39 PG 582)

NEW GAS ESM'T

14

PIN: 5607586918
CITY OF GREENVILLE
DB 236 PG 573

13

PIN: 5607389713
CITY OF GREENVILLE
DB J45 PG 527
MB 25 PG 47

NEW ESM'T LINE TABLE		
LINE	LENGTH	BEARING
L1	20.07'	N01°07'23"E
L2	48.48'	N86°24'57"E
L3	1165.15'	N76°39'48"E
L4	298.73'	N70°40'03"E
L5	120.35'	N75°58'56"E
L6	358.83'	N81°56'37"E
L7	743.42'	N76°45'16"E
L8	20.65'	S01°08'42"W
L9	739.19'	S76°45'16"W
L10	358.69'	S81°56'37"W
L11	118.38'	S75°58'56"W
L12	298.85'	S70°40'03"W
L13	1167.90'	S76°39'48"W
L14	51.83'	S86°24'57"W

BOUNDARY TIE LINE TABLE		
LINE	LENGTH	BEARING
L15	54.85'	S01°07'23"W

NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
- THIS SURVEY IS INTENDED FOR PNG EASEMENT ACQUISITION AND/OR ABANDONMENT ONLY.
- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

10/5/12
DATE

PIEDMONT NATURAL GAS
COMPANY, INC.

NEW EASEMENT
CROSSING PROPERTY OF
CITY OF GREENVILLE

EASEMENT NO. 14

AREA ON THIS SHEET IN P.N.G CO. NEW ESMT 28,164 SF / 0.647 AC
TOTAL AREA IN P.N.G CO. NEW ESMT 54,698 SF / 1.256 AC

PITT COUNTY Lateral Project# 2738993
LINE 42



- IRON PIPE FOUND
- COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- G — C — G — C — G — C — PROPOSED GAS LINE
- — — — — PROPOSED PNG EASEMENT
- — — — — EXISTING PNG EASEMENT
- — — — — SUBJECT BOUNDARY LINE
- — — — — ADJOINER BOUNDARY LINE
- — — — — RIGHT-OF-WAY LINE
- ~~~~~ TREE LINE

Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

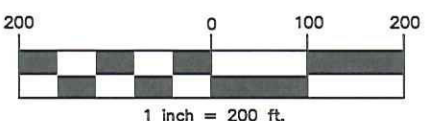
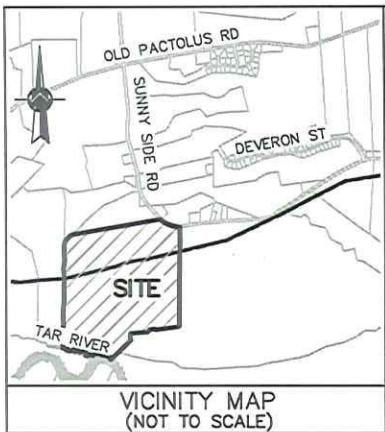


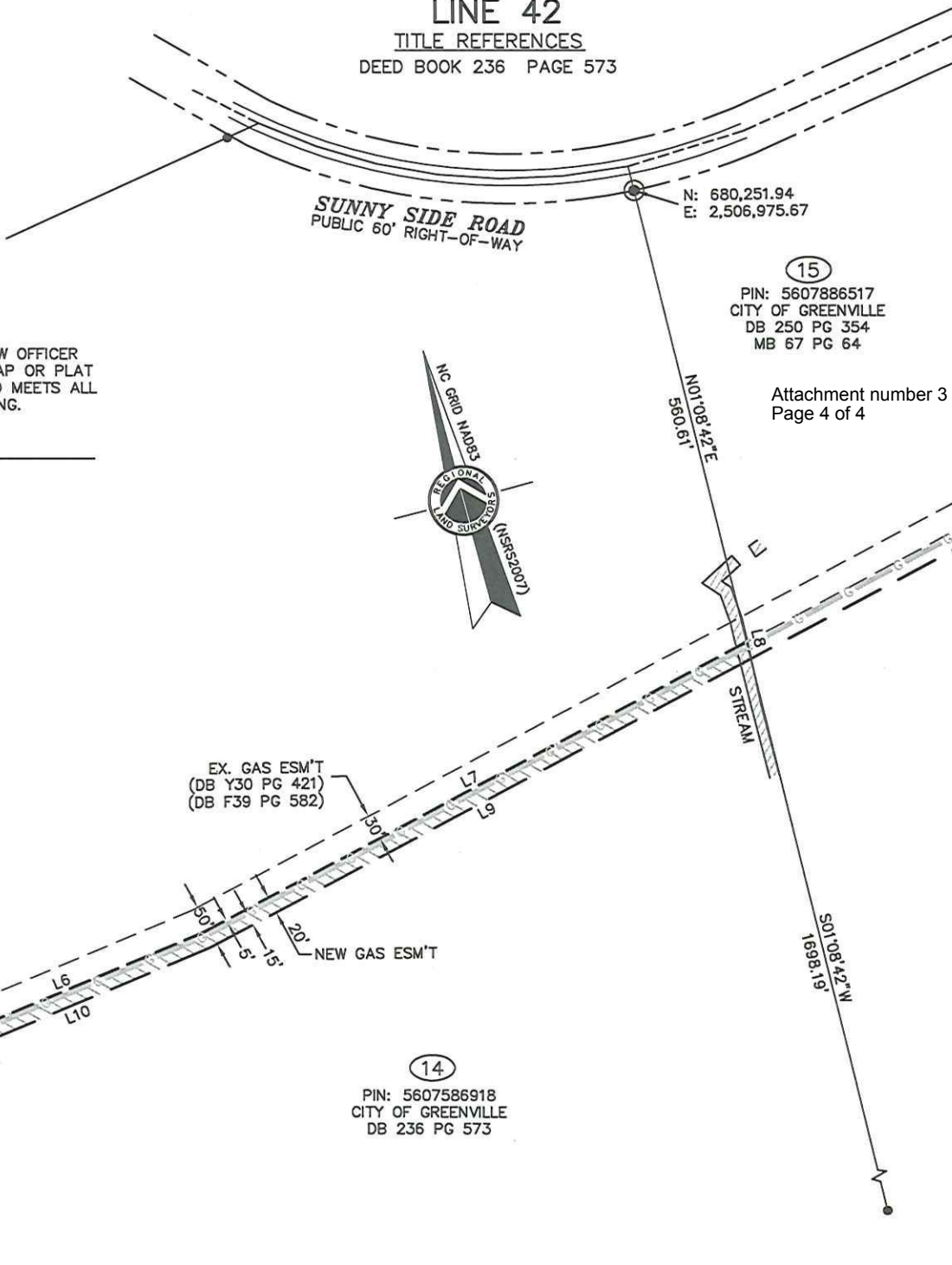
EXHIBIT 1 OF 2
42-PIT #14
DATE 10/05/12 JOB# 1265.00

S:\CURRENT\PROJ\26500_PNG_Greenville_Line42.dwg 10/5/2012 10:55:22 AM EDT



CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

TITLE REFERENCES
DEED BOOK 236 PAGE 573



REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

LINE	LENGTH	BEARING
L1	20.07'	N01°07'23"E
L2	48.48'	N86°24'57"E
L3	1165.15'	N76°39'48"E
L4	298.73'	N70°40'03"E
L5	120.35'	N75°58'56"E
L6	358.83'	N81°56'37"E
L7	743.42'	N76°45'16"E
L8	20.65'	S01°08'42"W
L9	739.19'	S76°45'16"W
L10	358.69'	S81°56'37"W
L11	118.38'	S75°58'56"W
L12	298.85'	S70°40'03"W
L13	1167.90'	S76°39'48"W
L14	51.83'	S86°24'57"W

LINE	LENGTH	BEARING
L15	54.85'	S01°07'23"W

NOTES:

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- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
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- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

10/5/12
DATE

PIEDMONT NATURAL GAS
COMPANY, INC.

NEW EASEMENT
CROSSING PROPERTY OF
CITY OF GREENVILLE

EASEMENT NO. 14

AREA ON THIS SHEET IN P.N.G CO. NEW ESMT 26,534 SF / 0.609 AC
TOTAL AREA IN P.N.G CO. NEW ESMT 54,698 SF / 1.256 AC

PITT COUNTY LATERAL Project# 2738993
LINE 42



- IRON PIPE FOUND
- COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- G — PROPOSED GAS LINE
- G — PROPOSED PNG EASEMENT
- G — EXISTING PNG EASEMENT
- S — SUBJECT BOUNDARY LINE
- A — ADJOINER BOUNDARY LINE
- R — RIGHT-OF-WAY LINE
- T — TREE LINE

Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

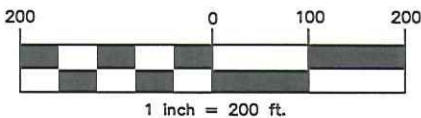


EXHIBIT 2 OF 2
42-Pitt #14
DATE 10/5/12 JOB# 1265.00

GRANT OF EASEMENT
TRANSMISSION

Return Recorded Document to:
Sandy Ojint
Attachments
Pitt County Property Records
Administrator
Piedmont Natural Gas Company, Inc.
4720 Piedmont Row Dr.
Charlotte, NC 28210

STATE OF NORTH CAROLINA
COUNTY OF PITT
TAX ID # 5607886517

LINE NUMBER 42
PARCEL NUMBER FIFTEEN

THIS GRANT OF EASEMENT made this _____ day of _____, 2012, from THE CITY OF GREENVILLE, NORTH CAROLINA, a North Carolina municipal corporation, for the use and benefit of GREENVILLE UTILITIES COMMISSION, a body politic (hereinafter designated as GRANTOR), to PIEDMONT NATURAL GAS COMPANY, INC., (hereinafter designated as GRANTEE).

WITNESSETH

WHEREAS, GRANTEE is the owner of an easement thirty (30) feet wide for the construction, operation, and maintenance of natural gas pipelines, as more particularly described in the instruments recorded in Book Y30, Page 435, and Book Y30, Page 437, both Pitt County Registry (the "Existing Easement"), across certain land now owned by GRANTOR described in the instrument recorded in Book 250 at Page 354 and shown in Map Book 67, Page 64, both Pitt County Registry; and

WHEREAS, the increasing demand for natural gas by GRANTEE's customers has made it necessary that the Existing Easement area be expanded by an additional twenty (20) feet in width, thereby increasing the easement to a width of fifty (50) feet, said twenty (20) foot expansion area being shown as "NEW GAS ESM'T" on the attached Exhibit 1 of 2 and Exhibit 2 of 2, 42-PIT-15 prepared by Regional Land Surveyors, Inc. dated 10/04/12 (the "Expansion Easement Area" and, collectively with the Existing Easement, the "Expanded Easement").

That GRANTOR, for and in consideration of the sum of \$2,680.00, and other valuable considerations, the receipt of which is hereby acknowledged, hereby bargains, sells, and conveys unto GRANTEE, its successors and assigns, a right of way and easement rights encumbering the Expanded Easement area for the purpose of laying, constructing, maintaining, operating, repairing, altering, replacing, removing, and protecting one or more pipelines for the transportation of natural gas under, upon, over, through, and across the land of GRANTOR (or in which GRANTOR has interest) situated in Pactolus Township, Pitt County, North Carolina, as described in the instrument recorded in Book 250 at Page 354 and shown in Map Book 67, Page 64, both Pitt County Registry.

The new right of way herein granted is 1.241 acres, more or less, being shown as the "NEW GAS ESM'T" on Exhibit 1 of 2 and Exhibit 2 of 2, 42-PIT-15 prepared by Regional Land Surveyors, Inc. dated 10/04/12, copies of which are attached hereto and made part hereof (the "Survey").

GRANTEE shall have all rights necessary or convenient for the full use and enjoyment of the rights herein granted, including without limitation: (1) free and full right of access to and from the Expanded Easement area over and across the aforesaid land; (2) to keep the Expanded Easement area cleared of trees, buildings, and other obstructions; and (3) to construct, install, operate, utilize, rebuild, remove, protect and maintain pipes, valves, markers, cathodic protection equipment, anode beds and other appurtenant devices in conjunction with said gas facilities.

GRANTOR reserves the right to use the land over which said right of way and easement rights are hereby granted for all purposes not inconsistent with said easement rights, the North Carolina Utilities Commission, GRANTEE'S current encroachment specifications, and any federal, state, or local law, rule, or regulation, provided that GRANTOR and GRANTEE agree that: (1) notwithstanding anything to the contrary herein, GRANTOR shall give written notification to GRANTEE and GRANTOR shall obtain written approval from GRANTEE prior to any activity as defined in items (2)-(7) of this paragraph; (2) the depth of said gas facilities below the surface of the ground shall not be reduced nor increased by grading or any other work and any slopes allowed within said right of way shall be no greater than a four to one (4:1) ratio; (3) if streets, roads, equipment crossings, fences or utility lines are constructed across said right of way, they shall cross as nearly as possible at right angles to gas line(s) and in no event shall they be constructed laterally along and over the Expanded Easement area; (4) fences shall have minimum twelve (12) foot wide gate(s); (5) Removable pavers shall be installed along the entire length and width of the pipeline easement in paved parking areas; (6) improvements shall not adversely affect, in GRANTEE'S sole discretion, the access to, safety, construction, reconstruction, operation, or maintenance of GRANTEE'S facilities and GRANTEE shall not be liable for damages to said future improvements installed within the Expanded Easement area; (7) landscaping within the Expanded Easement area shall be limited to lawn grasses and shrubs which have a maximum mature height of four (4) feet, (8) buildings, storage sheds, mobile homes, wells, septic tanks, and/or related drain fields, absorption pits, detention ponds, irrigation systems (except

crossing), sprinkler heads, swimming pools, ponds, lakes, erosion control sediment traps, underground vaults, burial grounds, explosives or flammable materials, fires of any type, fire hydrants, catch basins, air strips, electrical transformers or enclosures, utility poles, dumpsters, trash, uprooted stumps, boulders, rubble, building materials, junk or inoperable vehicles, satellite signal receiver systems, or other obstructions are prohibited within the Expanded Easement area; (9) GRANTOR shall not: (a) interfere with GRANTEE'S access or maintenance to its facilities, or (b) endanger the safety of GRANTOR, GRANTEE, or the general public; (10) GRANTEE reserves the right to construct future pipelines within the Expanded Easement area and GRANTOR shall not interfere with or object to the construction of said future pipelines; and (11) all facilities installed by GRANTEE shall be and remain the property of GRANTEE and may be removed by it at any time and from time to time.

GRANTEE agrees that it shall be responsible for actual damages to improvements that existed prior to this EASEMENT and annual crops of GRANTOR both inside and outside said right of way on the above-referenced land caused by the construction, installation, operation, utilization, inspection, rebuilding, removal, and maintenance of said facilities, and in going to and from the Expanded Easement area, and shall be responsible for the breakage caused to any bridge and any extraordinary damage to any road due to heavy hauling to and from said right of way, if claim is made within sixty (60) days after such damages are sustained.

To have and to hold said Expanded Easement and easement rights unto GRANTEE, its affiliates, ^{Attachment number 4} successors, and assigns, perpetually and continuously. GRANTOR expressly give(s) GRANTEE, its successors and assigns, the right to assign, license, lease, or otherwise transfer, in whole or part, this GRANT OF EASEMENT or any rights given herein, to any person or entity, including but not limited to, any affiliated parent or subsidiary entity of GRANTEE, for the uses and purposes expressly stated herein.

GRANTOR hereby bind(s) GRANTOR and GRANTOR'S heirs, representatives, and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, this GRANT OF EASEMENT has been signed and sealed by GRANTOR, as of the date first above written.

GRANTOR:

THE CITY OF GREENVILLE, NORTH CAROLINA, a
North Carolina municipal corporation, for the use
and benefit of GREENVILLE UTILITIES
COMMISSION, a body politic

By: _____ Sign
Allen M. Thomas, Mayor

ATTESTED: By: _____ Sign
Carol L. Barwick, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, North Carolina, 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 North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing GRANT OF EASEMENT was signed in its name by its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

Witness my hand and seal this _____ day of _____, 20____.

Notary Public

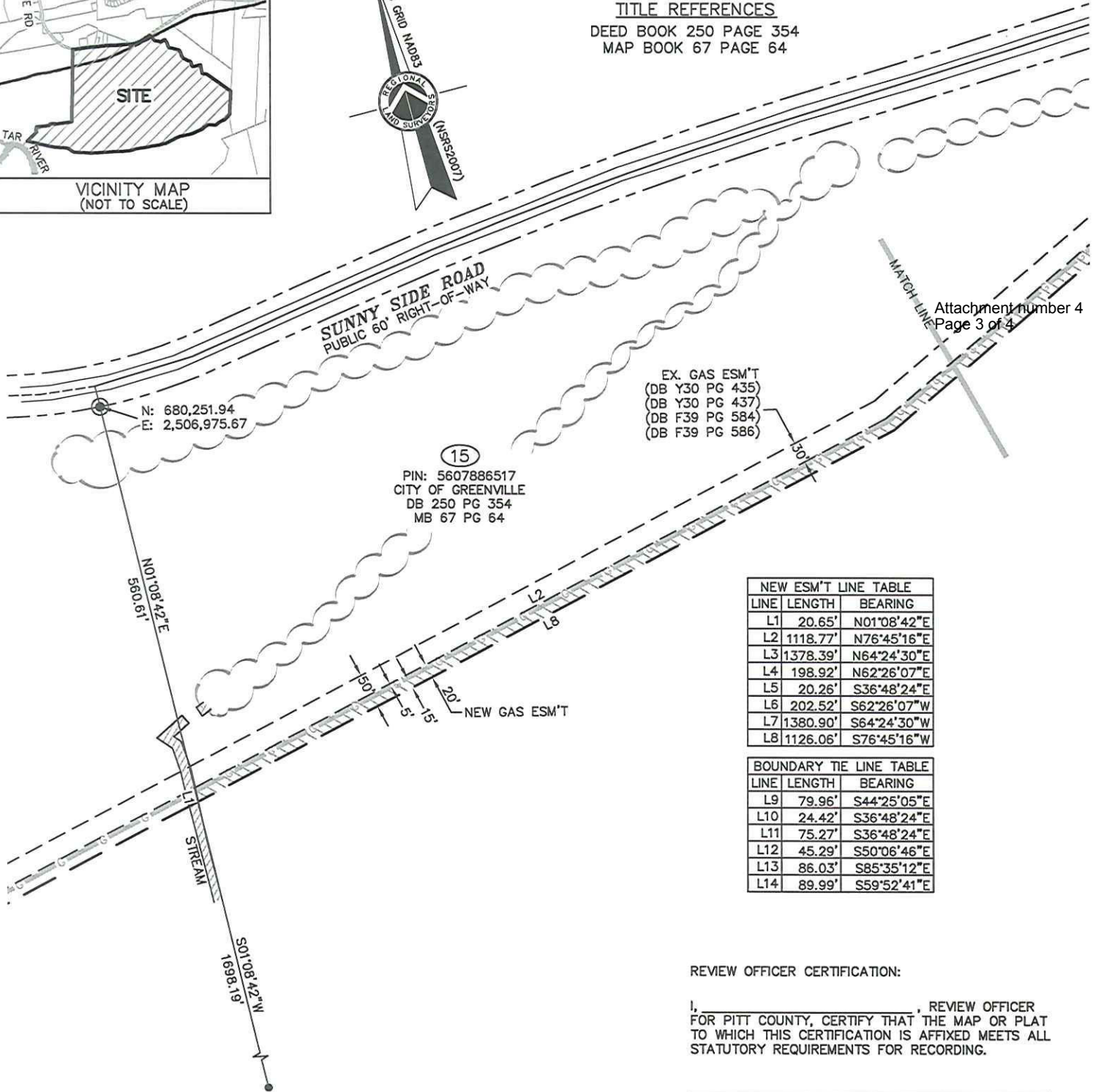
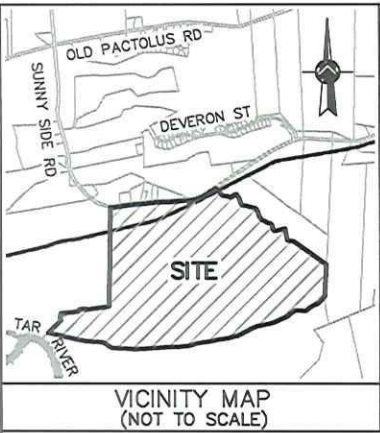
Print

Notary Seal

My Commission Expires: _____

CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

TITLE REFERENCES
DEED BOOK 250 PAGE 354
MAP BOOK 67 PAGE 64



LINE	LENGTH	BEARING
L1	20.65'	N01°08'42"E
L2	1118.77'	N76°45'16"E
L3	1378.39'	N64°24'30"E
L4	198.92'	N62°26'07"E
L5	20.26'	S36°48'24"E
L6	202.52'	S62°26'07"W
L7	1380.90'	S64°24'30"W
L8	1126.06'	S76°45'16"W

LINE	LENGTH	BEARING
L9	79.96'	S44°25'05"E
L10	24.42'	S36°48'24"E
L11	75.27'	S36°48'24"E
L12	45.29'	S50°06'46"E
L13	86.03'	S85°35'12"E
L14	89.99'	S59°52'41"E

REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

10/5/12
DATE

NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
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PIEDMONT NATURAL GAS
COMPANY, INC.

NEW EASEMENT
CROSSING PROPERTY OF
CITY OF GREENVILLE

EASEMENT NO. 15

AREA ON THIS SHEET IN P.N.G CO. NEW ESMT 24,888 SF / 0.571 AC
TOTAL AREA IN P.N.G CO. NEW ESMT 54,056 SF / 1.241 AC

PITT COUNTY LATERAL Project# 2738993
LINE 42



- IRON PIPE FOUND
- COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- G — PROPOSED GAS LINE
- G — PROPOSED PNG EASEMENT
- G — EXISTING PNG EASEMENT
- S — SUBJECT BOUNDARY LINE
- A — ADJOINER BOUNDARY LINE
- R — RIGHT-OF-WAY LINE
- T — TREE LINE

Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

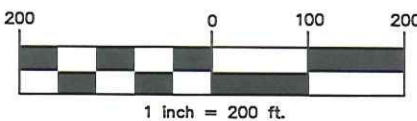
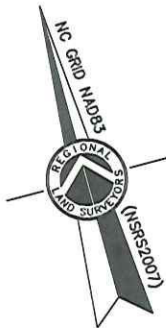
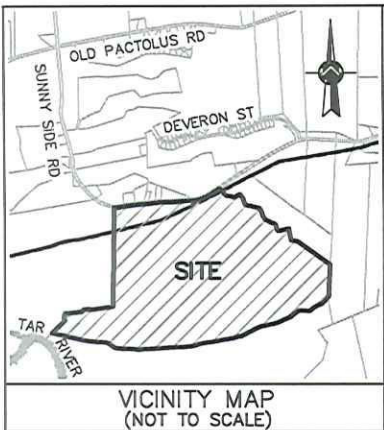


EXHIBIT 1 OF 2
42-PIT-15
DATE 10/4/12 JOB# 1265.00

CITY OF GREENVILLE
PITT COUNTY, NORTH CAROLINA
LINE 42

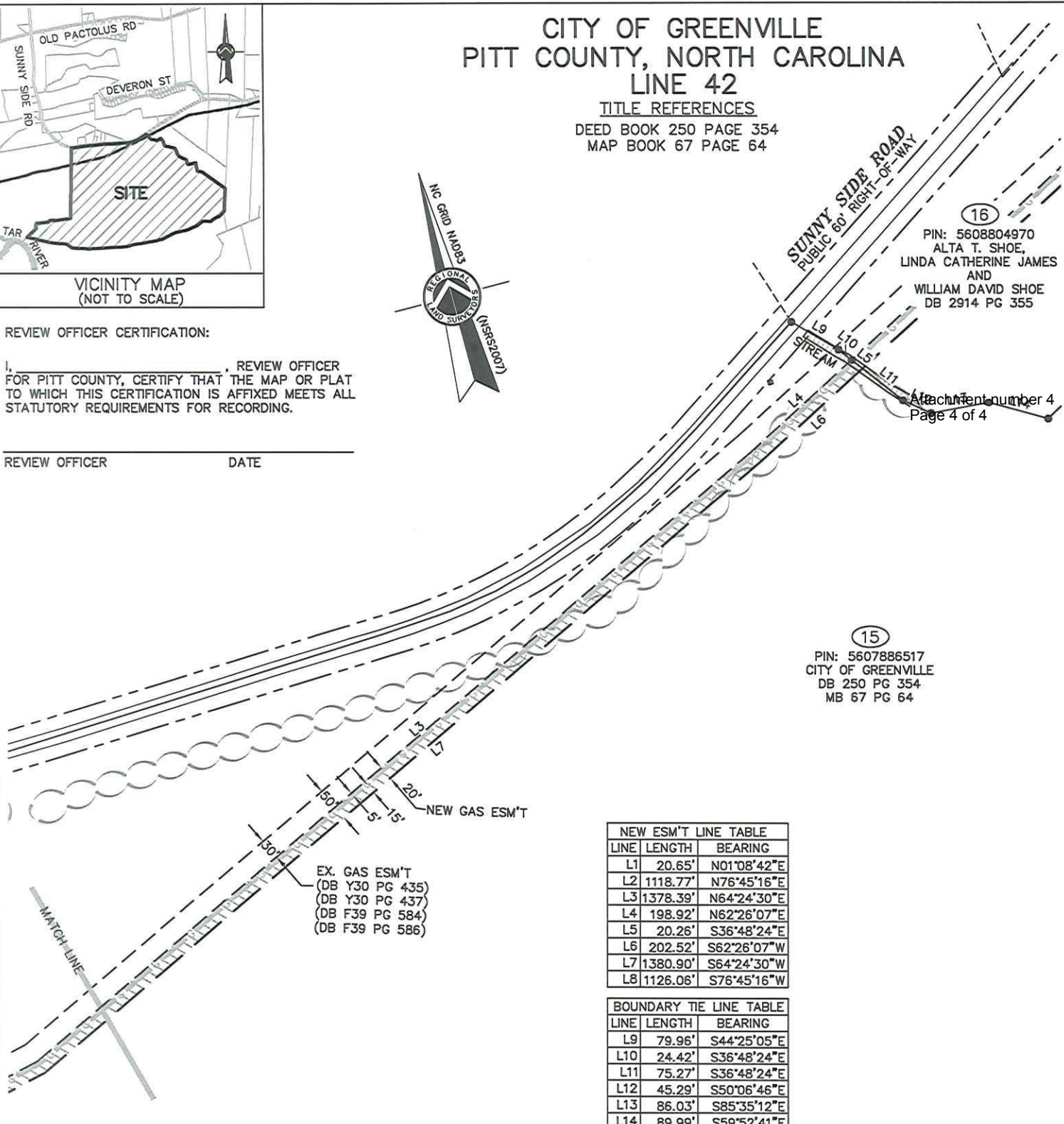
TITLE REFERENCES
DEED BOOK 250 PAGE 354
MAP BOOK 67 PAGE 64



REVIEW OFFICER CERTIFICATION:

I, _____, REVIEW OFFICER FOR PITT COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____



(16)
PIN: 5608804970
ALTA T. SHOE,
LINDA CATHERINE JAMES
AND
WILLIAM DAVID SHOE
DB 2914 PG 355

(15)
PIN: 5607886517
CITY OF GREENVILLE
DB 250 PG 354
MB 67 PG 64

NEW ESM'T LINE TABLE

LINE	LENGTH	BEARING
L1	20.65'	N01°08'42"E
L2	1118.77'	N76°45'16"E
L3	1378.39'	N64°24'30"E
L4	198.92'	N62°26'07"E
L5	20.26'	S36°48'24"E
L6	202.52'	S62°26'07"W
L7	1380.90'	S64°24'30"W
L8	1126.06'	S76°45'16"W

BOUNDARY TIE LINE TABLE

LINE	LENGTH	BEARING
L9	79.96'	S44°25'05"E
L10	24.42'	S36°48'24"E
L11	75.27'	S36°48'24"E
L12	45.29'	S50°06'46"E
L13	86.03'	S85°35'12"E
L14	89.99'	S59°52'41"E

NOTES:

- ALL PROPERTY LINES AND CORNERS ESTABLISHED USING EXISTING CORNERS FOUND, EXISTING BOUNDARY EVIDENCE AND DEEDS AND PLATS OF RECORD IN PITT COUNTY REGISTER OF DEEDS.
- AREA BY COORDINATE COMPUTATION.
- ALL DISTANCES ARE HORIZONTAL GROUND, IN FEET.
- SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, STREETS AND ASSESSMENTS, AS THE SAME MAY APPEAR OF RECORD IN THE REGISTER OF DEEDS OFFICE, CLERK OF COURT, TOWN OR COUNTY TAX OFFICES, OR WHICH MAY HAVE BEEN ACQUIRED BY PRESCRIPTIVE USE.
- THIS SURVEY IS INTENDED FOR PNG EASEMENT ACQUISITION AND/OR ABANDONMENT ONLY.
- NC GRID COORDINATES AS SHOWN HEREON ARE BASED UPON GPS OBSERVATIONS UTILIZING NCGS' NETWORK RTK SYSTEM AND ARE REFERENCED TO THE NAD 83(NSRS 2007) DATUM.

I, DAVID A. CLARK, A PROFESSIONAL LAND SURVEYOR OF NORTH CAROLINA, HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON ACCURATELY DEPICTS THE AREA OF EASEMENT ACQUISITION AND/OR ABANDONMENT BY PIEDMONT NATURAL GAS COMPANY FROM THE PROPERTY OWNERS SHOWN HEREON, UTILIZING THE INFORMATION IDENTIFIED IN NOTE 1.

David A. Clark
DAVID A. CLARK L-4649

10/5/12
DATE

- IRON PIPE FOUND
- COMPUTED POINT (NOT SET)
- (X) PNG PARCEL NUMBER
- G — G — G — G — PROPOSED GAS LINE
- — — — PROPOSED PNG EASEMENT
- — — — EXISTING PNG EASEMENT
- — — — SUBJECT BOUNDARY LINE
- — — — ADJOINER BOUNDARY LINE
- — — — RIGHT-OF-WAY LINE
- ~~~~~ TREE LINE

PIEDMONT NATURAL GAS COMPANY, INC.

NEW EASEMENT CROSSING PROPERTY OF CITY OF GREENVILLE

EASEMENT NO. 15

AREA ON THIS SHEET IN P.N.G CO. NEW ESMT 29,168 SF / 0.670 AC
TOTAL AREA IN P.N.G CO. NEW ESMT 54,056 SF / 1.241 AC

PITT COUNTY LATERAL Project# 2738993
LINE 42



Regional Land Surveyors, Inc. C-1362
8642 WEST MARKET STREET
SUITE 100
GREENSBORO, NORTH CAROLINA 27409
TELEPHONE (336) 665-8155

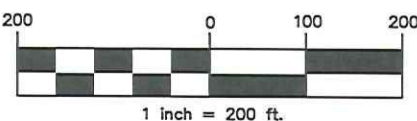


EXHIBIT 2 OF 2
42-PIT-15
DATE 10/4/12 JOB# 1265.00

S:\CURRENT\PROJ\126500_PNG_Greenville_Line42.dwg 126500-X-15.dwg 10/5/2012 11:36:38 AM EDT



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Reimbursement resolution for financing Greenville Utilities Commission's heavy equipment and vehicles purchase with installment purchase loan

Explanation: ABSTRACT: Greenville Utilities Commission seeks establishment of a reimbursement resolution to enable vehicles and equipment to be purchased at various times and obtain financing at a later date.

The FY 2012-2013 GUC budget adopted by the Board approved the purchase of vehicles and heavy equipment necessary to maintain the service level GUC provides to its customers. In July of 2012, the GUC Board adopted a reimbursement resolution in the amount of \$880,300 that enabled GUC to purchase a portion of the vehicles and equipment that were included in the adopted budget to be purchased at various times during the fiscal year and obtain financing at a later date. On August 6, 2012, City Council adopted the reimbursement resolution.

A second reimbursement resolution has been prepared (see attachment) to enable GUC to reimburse itself for additional purchases up to \$1,409,100. This will allow GUC to finance up to \$2,289,400 of the \$2.9M in vehicles and equipment approved in the FY 2012-13 budget. An installment loan is expected to be obtained in the Spring of 2013 to finance these purchases.


At the December 20, 2012 regular meeting, the GUC Board of Commissioners adopted the reimbursement resolution and recommends similar action by City Council.

Fiscal Note: No costs to the City.

Recommendation: Adopt the attached reimbursement resolution.

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

Attachments / click to download

 [Reimbursement Resolution](#)

RESOLUTION NO. 13-__
RESOLUTION DECLARING THE INTENTION OF THE
CITY COUNCIL OF THE CITY OF GREENVILLE TO REIMBURSE THE
GREENVILLE UTILITIES COMMISSION, OF THE CITY OF GREENVILLE, NORTH
CAROLINA, A BODY POLITIC DULY CHARTERED BY THE STATE OF NORTH
CAROLINA, FROM THE PROCEEDS OF ONE OR MORE TAX EXEMPT
FINANCING FOR CERTAIN EXPENDITURES MADE AND TO BE MADE IN
CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF CERTAIN
CAPITAL IMPROVEMENTS

WHEREAS, the Greenville Utilities Commission of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, (the Commission) has determined to pay certain expenditures (the “Expenditures”) incurred no more than 60 days prior to the date hereof and thereafter relating to the acquisition and construction of certain improvements (collectively, the “Project”) more fully described in Exhibit A attached hereto, consisting of improvements to its electric, gas, sanitary sewer and water systems (collectively, the “System”); and

WHEREAS, the City Council of the City of Greenville, North Carolina (the “City Council”) has determined that those moneys previously advanced by the Commission no more than 60 days prior to the date hereof to pay such Expenditures are available only on a temporary period and that it is necessary to reimburse the Commission for the Expenditures from the proceeds of one or more issues of tax-exempt obligations (the “Debt”);

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL as follows:

Section 1. The City Council hereby declares concurrence with the Commission’s intent to reimburse the Commission from the proceeds of the Debt for the Expenditures made with respect to the Project no more than 60 days prior to the date hereof and thereafter. The City Council reasonably expects on the date hereof that it will reimburse the Commission for the Expenditures from the proceeds of a like amount of the Debt.

Section 2. Each Expenditure was or will be either (a) of a type chargeable to capital account under general federal income tax principles (determined as of the date of the Expenditures), (b) the cost of issuance with respect to the Debt, (c) a non-recurring item that is not customarily payable from current revenues of the System, or (d) a grant to a party that is not related to or an agent of the Commission or City of Greenville, North Carolina (the “City”) so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Commission or City.

Section 3. The principal amount of the Tax Exempt Financing estimated to be issued to reimburse the Commission for Expenditures for the Improvements is estimated to be not more than \$1,409,100.

Section 4. The Commission and the City will make a reimbursement allocation, which is a written allocation by the Commission and the City that evidences the Commission’s

use of proceeds of the Debt to reimburse an Expenditure no later than 18 months after the later of the date on which such Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City Council recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, (expenditures by "small issuers" based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least 5 years.

Section 5. The resolution shall take effect immediately upon its passage.

Adopted this the ____ day of _____, 2013.

Allen M. Thomas, Mayor

ATTEST:

Carol L. Barwick, City Clerk

EXHIBIT A

THE IMPROVEMENTS

The Improvements referenced in the resolution include, but are not limited to, all operating and capital expenditures associated with the purchase of:

1 - 2 Ton Knuckle Boom	\$200,000.00
1- 2 Ton Line Truck	\$220,000.00
1 - 4x4 Crew Pickup	\$29,100.00
1 - Plow/Backhoe	\$110,000.00
1 - Mini Track Digger Derrick	\$150,000.00
1 - New Mini Track Bucket	\$140,000.00
1- Tam and Grab for Excavator	\$9,000.00
4 - Compact Pickup Ext Cab (4)	\$80,300.00
1 - 4x4 Midsize Sport Utility Vehicle	\$27,000.00
1 - Valve Truck	\$63,250.00
1 - Sport Utility Vehicle	\$24,000.00
1 - ½ Ton Ext Cab 4x4 Pickup	\$31,500.00
1 - 2 Ton Utility Truck W/Lifemore Crane and Fixed Generator	\$125,450.00
1 - ATV (Gator)	\$7,000.00
1 - Pipe Trencher	\$65,000.00
1 - 2 Ton Dump Truck	\$79,000.00
1 - 1 Ton Utility Truck	\$48,500.00
Total	<u>\$1,409,100</u>



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Resolution relating to the authorization and issuance of a Greenville Utilities Commission enterprise system revenue refunding bond

Explanation: **Abstract:** Greenville Utilities Commission seeks to obtain savings for its customers by refunding existing debt.

Explanation: Greenville Utilities Commission (GUC) routinely reviews its existing debt to ascertain the feasibility of attaining savings for its customers by refinancing the debt through a refunding bond. To this end, we have performed an analysis on refunding approximately \$18,775,402 of GUC's existing debt that is comprised of revenue bonds and state revolving loans through a private sale at an anticipated interest rate of 2.00%. The analysis concluded that GUC has the potential of realizing a net present value savings of 4.13% or approximately \$784,348 over a 15-year period by refunding the aforementioned debt through a refunding revenue bond.

The GUC Board adopted a resolution approving and recommending that the City Council adopt a resolution approving the financing team in connection with the issuance and sale of the Series 2013 Bond, making the findings and determinations required by the North Carolina Local Government Commission (LGC) with respect to the issuance of up to \$20,000,000 Combined Enterprise System Revenue Refunding Bond, Series 2013 of the City, and requesting the LGC to sell said bonds by private sale.

Fiscal Note: No costs to the City.

Recommendation: Adopt the attached resolution authorizing officers of the City and GUC to apply to the LGC for the approval of the issuance of the Series 2013 Bond and participate in the development of the financing, approving the financing team in connection with such financing and requests the LGC to approve such selection,

and making the findings and determinations required by the LGC with respect to the issuance of up to \$20,000,000 Combined Enterprise System Revenue Refunding Bond, Series 2013 of the City.

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

Attachments / click to download

 [Resolution](#)

A regular meeting of the City Council of the City of Greenville, North Carolina (the “City Council”) was held in the City Council Chamber at the City Hall in Greenville, North Carolina, the regular place of meeting, on January 14, 2013 at _____.

Present: Mayor Allen M. Thomas, presiding, and Council members _____

Absent: _____

* * * * *

Mayor Thomas introduced the following resolution, a copy of which had been provided to each Council member, and which was read by its title:

RESOLUTION NO. 2013 - __

RESOLUTION RELATING TO THE AUTHORIZATION AND ISSUANCE OF A GREENVILLE UTILITIES COMMISSION COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2013 OF THE CITY OF GREENVILLE, NORTH CAROLINA TO REFUND CERTAIN OUTSTANDING GREENVILLE UTILITIES COMMISSION INDEBTEDNESS

WHEREAS, the Greenville Utilities Commission, of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina (the “Commission”) is considering refunding outstanding Greenville Utilities Commission Combined Enterprise System Revenue Bonds as well as certain additional indebtedness (collectively, the “Indebtedness to be Refunded”), incurred under a bond order authorizing and securing such indebtedness adopted, on August 11, 1994, amended and restated as of April 13, 2000 (the “Order”) by the City Council of the City of Greenville on behalf of the Commission, by issuing under the Order a Greenville Utilities Commission Combined Enterprise System Revenue Refunding Bond, Series 2013 (the “Series 2013 Bond”) to provide interest rate savings;

WHEREAS, the City Council concurs with the Commission’s desire to proceed with the refunding and to proceed with the authorization and issuance, pursuant to the provisions of The State and Local Government Revenue Bond Act, of revenue bonds of the City of Greenville, North Carolina (the “City”) on behalf of the Commission in an aggregate principal amount not to exceed \$20,000,000 for the purpose of providing funds, together with any other available funds, for refunding the Bonds to be Refunded;

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

Section 1. The Commission with support and assistance from the Director of Financial Services of the City and such other officers of the City and the Commission as may be appropriate are hereby authorized to apply to the Local Government Commission of North Carolina (the "LGC") for the approval of the issuance of the Series 2013 Bond and otherwise to participate in the development of such financing.

Section 2. The City Council concurs with the Commission's recommendation of the selection of the following professionals to assist the Commission and the City in connection with such financing and requests the LGC to approve such selection:

Bond Counsel	-	Sidley Austin LLP
Trustee, Bond Registrar and Escrow Agent	--	The Bank of New York Mellon Trust Company, N.A.
Financial Advisor	--	First Southwest Company
Verification Agent	--	The Arbitrage Group, Inc.

Section 3. The City Council hereby finds and determines in connection with the issuance of the Series 2013 Bond that (i) the issuance of the Series 2013 Bond is necessary or expedient for the Commission and the City, (ii) the proposed principal amount of the Series 2013 Bond is adequate and not excessive for the proposed purpose of such issue, (iii) the Indebtedness to Be Refunded proposed to be refunded with the proceeds of the Series 2013 Bond and any other available funds are feasible and the net present value savings of the refunded bonds will exceed 3.0%, (iv) the Commission's and City's debt management procedures and policies are good and are managed in strict compliance with law, (v) the Net Revenues of the Commission will be sufficient to make the necessary payments on the Series 2013 Bond and (vi) under current economic conditions, the Series 2013 Bond can be marketed at a reasonable interest cost.

Section 4. This resolution shall take effect immediately upon its passage.

Adopted this the 14th day of January, 2013.

Mayor

Allen M. Thomas

ATTEST:

Carol L. Barwick
City Clerk

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: _____
_____.

Noes: _____.

* * * * *

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 January 14, 2013, 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 so 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 written notice of said regular meeting stating its purpose has been posted and has been mailed and delivered to the media and others at least 48 hours before the time of said regular meeting and other notice has been given in accordance with G.S. §143-318.12 (b)(2).

WITNESS my hand and the official seal of said City, this ___ day of January, 2013.

City Clerk

[SEAL]



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Electric capital projects budget ordinance for Greenville Utilities Commission's Telephone System Replacement Project

Explanation: ABSTRACT: Greenville Utilities Commission seeks establishment of capital budget to replace and enhance an outdated telephone system.

Greenville Utilities Commission's existing telephone system was installed in March 1995. While the system has been maintained well and some parts upgraded through the years, the technology platform is no longer supported by the original manufacturer, Avaya. Other components of GUC's telephony environment including the call center software, interactive voice response (IVR) system, and call recording system lack much of the functionality the Customer Relations Department needs to improve the customer experience and staff productivity. Most of the enhanced functionality requirements are not possible with GUC's current system. Accordingly, replacement of the system was included as part of GUC's five-year capital improvement plan and current operating budget.

To that end, a Request for Proposals (RFP) was developed and distributed to vendors with three responding. After a quantitative and qualitative evaluation of the responses, the Mitel solution from Atcom Business Technology Solutions was selected as the best option to meet the business needs of GUC.

The estimated cost of the system, based on proposals received, is \$550,000. It is estimated that the project can be completed within four (4) months.

GUC would like to take advantage of existing revenue bond proceeds requiring the establishment of a capital project budget for the telephone system. The funding source will be \$550,000 in existing revenue bond proceeds from the 2007 and 2008 revenue bond issues (see attached budget ordinance).

At the December 20, 2012, regular meeting, the GUC Board of Commissioners adopted the budget ordinance and recommends similar action by City Council.

Fiscal Note: No costs to the City

Recommendation: Adopt the electric capital project budget ordinance for the GUC Telephone System Replacement Project.

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

Attachments / click to download

 [Ordinance - Telephone Replacement](#)

ORDINANCE NO. 13-_____
FOR ELECTRIC CAPITAL PROJECTS BUDGET
TELEPHONE SYSTEM REPLACEMENT

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

Section 1. Revenues. Revenues of the Electric Capital Projects Budget, Telephone System Replacement, is hereby established to read as follows:

Revenue

Revenue Bonds	<u>\$550,000</u>	<u>\$550,000</u>
---------------	------------------	------------------

Section 2. Expenditures. Expenditures of the Electric Capital Projects Budget, Telephone System Replacement, is hereby established to read as follows:

Expenditures

Project Costs	<u>\$550,000</u>	
Total Project Expenditures		<u>\$550,000</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 _____, 2013.

Allen M. Thomas, Mayor

ATTEST:

Carol L. Barwick, City Clerk



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Establishment of fair market value of City-owned property (a portion of the Perkins Complex) for purposes of conveyance

Explanation: **Abstract:** In connection with a request to purchase a portion of City-owned property, being a portion of Pitt County Tax parcel number 37695, by Stephen and Stacey Stox, City Council instructed staff to determine the value of the property by means of an appraisal.

Explanation: At the November 5, 2012, meeting of City Council, a request by Stephen and Stacey Cox to purchase City-owned property was considered. The property is a portion of the Perkins Complex located at the northern section of the park and intersecting with Willshire Drive, being a portion of Pitt County Tax Parcel number 37695. The property being considered for conveyance consists of approximately 4,650+/- square feet.

Staff secured an appraisal from Mr. Andy Piner of Moore and Piner, LLC Commercial Real Estate Services. Mr. Piner completed the attached property appraisal report and determined that the value of the property was \$4,270.

If City Council determines that this is the Fair Market Value of the property in question, the next step in the process would involve advertising the property in question for acceptance of sealed bids at an amount not less than \$4,270.

Fiscal Note: Appraisal costs of \$250 paid by Mr. and Mrs. Stox
Advertising costs of \$200 to be paid by Mr. and Mrs. Stox

Recommendation: Establish fair market value of the property based upon the findings indicated in the appraisal report.

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

Attachments / click to download

 [Appraisal Report](#)



MOORE & PINER, LLC
Commercial Real Estate Services

COLLICE C. MOORE, MAI
ANDY E. PINER
WILLIAM H. PINER
COLLICE C. MOORE, JR.

P.O. BOX 7183
1105-A CORPORATE DRIVE
GREENVILLE, NC 27835-7183
TELEPHONE (252) 752-1010

Restricted Use Appraisal Report of:
City of Greenville Land
Perkins-VFW Recreation Field Complex
Greenville, NC 27858



Prepared for:

Mr. Merrill Flood, Director of Community Development
City of Greenville
201 West Fifth Street
Greenville, NC 27834

Date of Valuation: December 6, 2012

Prepared by:

Andy E. Piner, State Certified General Appraiser
Moore & Piner, LLC
1105-A Corporate Drive
Greenville, North Carolina 27858

APPRAISALS - BROKERAGE - CONSULTING - DEVELOPMENT



MOORE & PINER, LLC
Commercial Real Estate Services

COLLICE C. MOORE, MAI
ANDY E. PINER
WILLIAM H. PINER
COLLICE C. MOORE, JR.

P.O. BOX 7183
1105-A CORPORATE DRIVE
GREENVILLE, NC 27835-7183
TELEPHONE (252) 752-1010
FAX (252) 830-1240
WWW.MOOREANDPINER.COM

December 7, 2012

Mr. Merrill Flood, Director of Community Development
City of Greenville
201 West Fifth Street
Greenville, NC 27834

Re: Restricted Use Appraisal Report of:
City of Greenville Land
Perkins-VFW Recreation Field Complex
Greenville, NC 27858

Dear Mr. Flood:

As requested, I have made a study of the above referenced property for the purpose of estimating the present market value of subject's fee simple estate Before and After the pending conveyance of 4,650 square feet or .10675 acres from the larger subject acreage tract. The effective date of valuation is December 6, 2012. The subject of this appraisal study is identified as the Perkins-VFW Recreation Field Complex which is owned by the City of Greenville. The subject property is referenced as Tax Parcel Number 37695 according to the Pitt County Tax Department and is legally described in Deed Book 205, Page 756 of the Pitt County Registry. The legal description references 7.65 acres which is adopted for valuation purposes. The subject tract is improved with various improvements which include two Little League baseball fields. These improvements are in no way adversely impacted by the pending conveyance. Therefore, my estimate of market value is for the land only and specifically excludes the contributing value of any real property improvements. My estimate of value is predicated upon the **Hypothetical Condition** that the property is vacant.

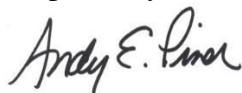
I am submitting my valuation findings within this Restricted Use Appraisal Report which has been prepared according to the Uniform Standards of Professional Appraisal Practice (USPAP.) Sufficient data has been retained in my files to prepare a Summary Appraisal Report. My opinions and conclusions set forth herein cannot be properly understood without the additional information retained in my files. I have adhered to the Competency Provision of USPAP.

There is no damage to the remainder as a result of the pending conveyance; therefore, the difference in the Before Value and After Value is essentially the value of the Part Taken. Based upon my market analysis, the estimated market value of subject's fee simple estate Before and After the pending conveyance of 4,650 square feet or .10675 acres from the larger 7.65 acre subject tract, as of December 6, 2012 is as follows:

Before Value:	\$306,000
After Value:	<u>\$301,730</u>
Difference:	\$ 4,270

My estimate of value is predicated upon the **Hypothetical Condition** that the property is vacant. This appraisal is not predicated upon any other Extraordinary Assumptions or Hypothetical Conditions. Your attention is directed to the detailed list of standard assumptions and limiting conditions provided within the addenda of the attached appraisal. The value estimate reported herein is not predicated upon any minimum valuation, specific valuation, or an amount that would favor the client. I certify that I have no present or contemplated future interest in the properties appraised.

Respectfully submitted,



Andy E. Piner, State Certified General Appraiser



IDENTITY OF THE CLIENT

The City of Greenville is identified as the Client for this Restricted Use Appraisal Report. The use of this report by others is not intended by the appraiser, and I assume no responsibility for the unauthorized use of this report.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the present market value of subject's fee simple estate Before and After the pending conveyance of 4,650 square feet or .10675 acres from the larger subject acreage tract. It is my understanding that the intended use of this appraisal is to assist the Client in discussions/negotiations involving the possible sale of this portion of the subject property to Mr. and Mrs. Stephen Stox. This appraisal is not intended to be used for any other purpose.

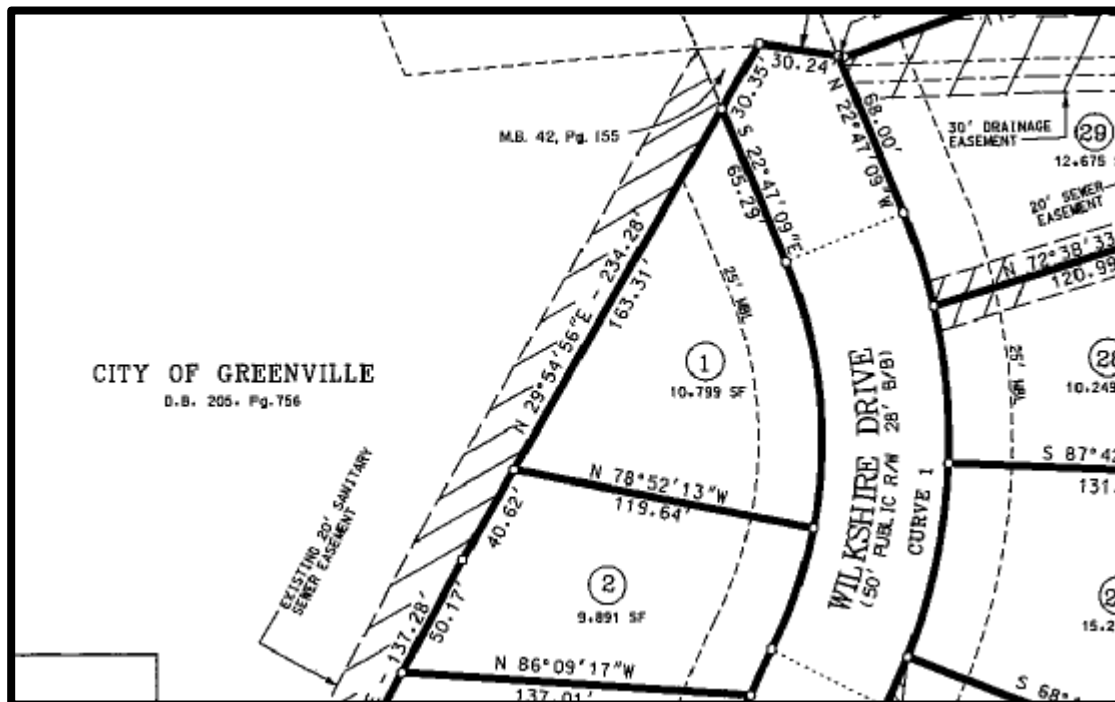
IDENTIFICATION OF THE PROPERTY

The subject of this appraisal study is identified as the Perkins-VFW Recreation Field Complex which is owned by the City of Greenville. The Pitt County GIS aerial of the larger parent tract is as follows:

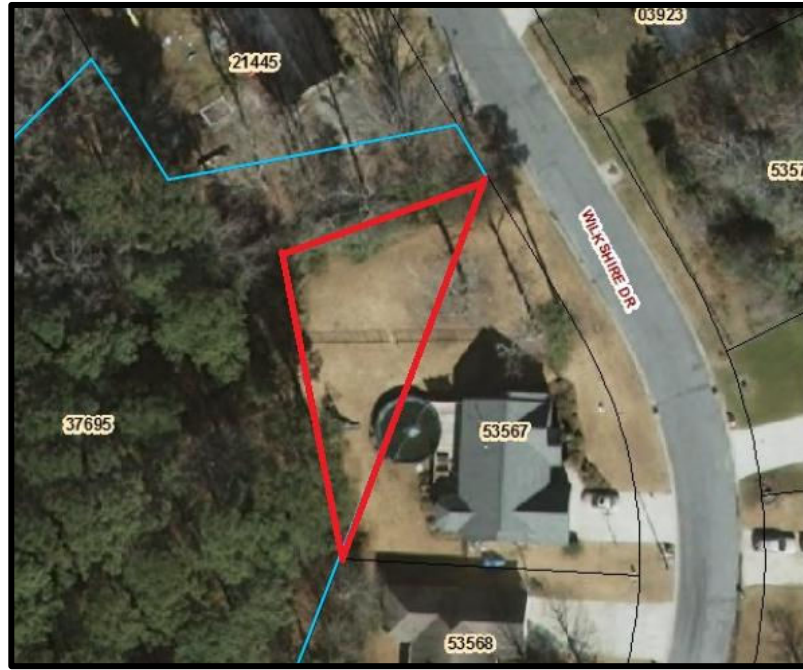


The subject property is referenced as Tax Parcel Number 37695 according to the Pitt County Tax Department and is legally described in Deed Book 205, Page 756 of the Pitt County Registry. The legal description references 7.65 acres which is adopted for valuation purposes. The subject tract is improved with various improvements which include two Little League baseball fields. These improvements are in no way adversely impacted by the pending conveyance. Therefore, my estimate of market value is for the land only and specifically excludes the contributing value of any real property improvements.

The pending conveyance is a triangular shaped 4,650 square foot portion of the larger tract. **A current survey of the land area which is the subject of this pending conveyance has not been provided. The land area utilized herein was provided by the Client and is assumed accurate. A current survey is recommended to determine the exact size of the pending conveyance.** This 4,650 square foot of area is situated in the northeast corner of the parent tract, off Wilkshire Drive, and adjoins the back of the residential lot referenced as 116 Wilkshire Drive (Eastwood Subdivision, Section 9, Phase 1, Lot 1 of Map Book 43, Page 168) owned by Stephen and Stacey Stox. This is a partially cleared-wooded site that has been utilized as part of the back yard area for the residential lot. The 4,650 SF lot is encumbered by improvements (i.e., fencing, storage building, etc.) that have been constructed for the use and benefit of the residential lot. The recorded survey references an existing 20' sanitary easement extending through the 4,650 square foot site and along the western property line of Lot 1. An excerpt from the recorded survey for Eastwood Subdivision, Section 9, Phase 1, Lot 1 of Map Book 43, Page 168 is as follows:



The following exhibit produced by the appraiser is provided to illustrate the area involving the pending conveyance, as highlighted in red, in relation of the subject parent tract (outlined in blue) and Eastwood Subdivision, Section 9, Phase 1, Lot 1 of Map Book 43, Page 168. This illustration is provided as follows:



PROPERTY RIGHTS APPRAISED

To the best of my knowledge, I am unaware of any arm's length lease encumbering this property. Therefore, the valuation is of the fee simple estate. The fee simple estate is described on Page 78 of The Dictionary of Real Estate Appraisal, Fifth Edition, as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental *powers of taxation, eminent domain, police power, and escheat.*" The recorded survey references an existing 20' sanitary easement extending through the 4,650 square foot site and along the western property line of Lot 1. This easement encumbers the larger property owned by the City of Greenville and extends through the 4,650 square foot lot being conveyed. I have not been provided a title opinion and I am unaware of any other adverse easements or encumbrances affecting the use or marketability of the property. The property is subject to all matters of public record which would be identified by a current survey and title opinion. A title opinion and survey are recommended.

DATE OF REPORT AND EFFECTIVE DATE OF VALUATION

The effective date of valuation is December 6, 2012. The date of report is December 7, 2012.

ASSUMPTIONS AND LIMITING CONDITIONS

The subject tract (i.e., City of Greenville property) is improved with various improvements which include the "Teen Center" and two Little League baseball fields. These improvements are in no way adversely impacted by the pending conveyance. Therefore, my estimate of market value is for the land only and specifically excludes the contributing value of any real property improvements. My estimate of value is predicated upon the **Hypothetical Condition** that the property is vacant. This appraisal is not predicated upon any other Extraordinary Assumptions or Hypothetical Conditions. Your attention is directed to the standard assumptions and limiting conditions provided within the addenda.

DEFINITION OF MARKET VALUE

In this appraisal, market value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite of a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale".¹

Market value does not account for the unpredictable buyer who pays a price in excess of that which is reasonable and supported by market data, nor those transactions made under adverse conditions of sale.

¹Office of the Comptroller of the Currency, 12CFR, Part 34

SCOPE OF WORK

Scope of work includes the “type and extent of data researched and the type and extent of analyses applied to arrive at an opinion or conclusion”. After accepting this appraisal assignment and defining the appraisal problem, a cursory inspection of the property was made. In the appraisal process, I obtained information from the public records of Pitt County and the City of Greenville which includes the City of Greenville Planning Department and Public Works Department, and the Pitt County Tax Office and the Pitt County Register of Deeds. Considering the property type, and based upon my estimate of highest and best use, I have obtained market data to support my value conclusions. The Sales Comparison Approach is the most applicable valuation method for vacant land sites. The Income Capitalization Approach and the Cost Approach are not applicable or necessary in the valuation of this property type. For purposes of this appraisal assignment, I am submitting my valuation findings within this Restricted Use Appraisal Report, which has been prepared in accordance to Standard 2-c of the Uniform Standards of Professional Appraisal Practice (USPAP). Sufficient data has been retained in my files to prepare a Summary Appraisal Report. My opinions and conclusions set forth herein cannot be properly understood without the additional information retained in my files. I have adhered to the Competency Provision of USPAP.

HISTORY OF THE PROPERTY

The subject of this appraisal study was purchased by the City of Greenville from Randy E. Batts, etux on December 22, 1988 as recorded in Deed Book 205, Page 756 of the Pitt County Registry. As indicated earlier, there is a pending conveyance of 4,650 square feet or .10675 acres from the larger 7.65 acre subject tract by Stephen and Stacey Stox. To the best of my knowledge, there have been no further conveyances involving the ownership of the subject property for five years preceding the date of this appraisal study.

HIGHEST AND BEST USE

According to the Dictionary of Real Estate Appraisal, Fifth Edition, Page 93 as published by the American Institute of Real Estate Appraisers, Highest and Best Use is defined as follows:

1. The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest land value.
2. The probable use of land or improved property – with respect to the user and timing of use – that is adequately supported and results in the highest present value.

The highest and best use of the subject property is for assemblage with the adjoining City of Greenville owned property for various legally permissible uses recreational, residential and/or institutional uses given the physical features of the property, the surrounding land use development pattern, and current market conditions. The site has 7.65 acres and is zoned R9S.

ESTIMATED EXPOSURE TIME

On Page 73 of The Dictionary of Real Estate Appraisal, Fifth Edition as published by the Appraisal Institute, exposure time is identified as *“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.”*

As with any property, exposure time is a function of asking price, property type, and marketing techniques. The Greenville Board of Realtors reported 207 sales of vacant lots, farms, and acreage properties in Pitt County for 2011 and year to date 2012 with an Average Days on Market of 318. It is my opinion that the exposure period for a property type of this nature would range from about 6-12 months. This assumes that the property is actively marketed for sale with typical marketing techniques, and within a reasonable range of estimated market value.

VALUATION OF THE PROPERTY

The market value of a property is contingent upon all factors affecting real estate within a given area at a particular time. The techniques generally employed in real estate valuation include the Cost, Sales Comparison, and Income Capitalization Approaches which are detailed studies of these factors. These approaches are based upon three major facets of value:

1. the current cost of reproducing a property less loss in value from physical deterioration or obsolescence because of functional and economic factors;
2. the market value indicated by recent sales of comparable properties in the market;
3. the investment value that a property's net earning power will support based upon capitalization of the income stream.

As noted, for vacant tracts, the Sales Comparison Approach is the most applicable valuation method.

SALES COMPARISON APPROACH

In the Sales Comparison Approach the subject property is compared to similar properties that have sold or for which offers to purchase have been made. A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties. The real estate appraisal principle of substitution plays a significant factor in the Sales Comparison Approach in that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility or desirability without undue delay. To apply the Sales Comparison Approach, an appraiser follows a systematic procedure:

1. Research the market to obtain information on sales transactions, listings, and offers to purchase properties similar to subject.
2. Verify the information by confirming that the data obtained are factually accurate and the transactions reflect arms-length market considerations.
3. Select relevant units of comparison (e.g., dollars per acre, per square foot, or per income multiplier) and develop a comparative analysis for each unit.
4. Compare the subject property and comparable sale properties using the elements of comparison and adjust the sales price of each comparable appropriately or eliminate the property as a comparable.
5. Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of values. An imprecise market may indicate a range of value.³

Based on my research and analysis of the local and surrounding market area, the following vacant land sales are offered for comparison to subject:

Summary-Sales Comparison Approach					
Sale No.	Date	Location	Sales Price	Size	Unit Price
1	10/11/12	Bell's Chapel Road	\$157,500	4.042 acres	\$38,966/acre
2	3/19/12	Ellsworth Drive	\$679,000	7.00 acres	\$97,000/acre
3	5/15/12	Hooker Road	\$585,000	23.65 acres	\$24,736/acre

Analysis of Land Sales

In my market analysis, I have identified three land sales which are offered for comparative purposes. These are current sales which occurred in 2012. Land Sale 1 is zoned Office-Residential and is located on Bell's Chapel Road at Old Fire Tower Road. The location is

³The Appraisal of Real Estate, 9th Edition, Page 315

inferior to the subject property. Land Sale 2 is located in the Lake Ellsworth area and this site is superior to the subject property in regards to zoning. The sale property is zoned R6 and the subject is zoned R9S. Land Sale 3 is also superior in zoning; however, this sale involves a larger tract of woodland which required a significant amount of clearing, etc., for development. Portions of the sale property are located within flood hazard areas. Also, larger properties typically sell for lower per unit prices.

Based upon my market analysis, it is my opinion that the market would support a unit price of approximately \$40,000 per acre overall which is best revealed by Land Sale 1. As indicated, there is no damage to remainder and the same unit price would be applied to the subject property in the Before Value and in the After Value upon conveyance of the 4,650 square feet or .10675 acres from the larger subject acreage tract. The City of Greenville owned property has essentially the same amount of land area as before, except for the reduction in area of 4,650 square feet. The access via the Leon Hardee Road cul-de-sac is as before. Furthermore, the approximate 25' of frontage along the Wilkshire Drive is as before. Based upon the rendering provided by the Client, there is no observed loss in physical utility of the City of Greenville owned property. As indicated, an actual survey of the 4,650 square feet of land area being conveyed is recommended to determine the exact acreage and the effect, if any, on the frontage along Wilkshire Road. Therefore, applied to subject:

Estimate of Before Value: 7.65 acres x \$40,000/acre =	\$306,000
Estimate of After Value: 7.54325 acres x \$40,000/acre =	<u>\$301,730</u>
Difference in Before Value and After Value	\$ 4,270

FINAL VALUE CONCLUSION

The Sales Comparison Approach best reflects the attitudes of buyers and sellers for vacant properties. There is no damage to the remainder (i.e., larger City owned property); therefore, my estimate of market value reflects the same unit price in the Before Value and the After Value. Based upon my market analysis, and subject to the **Hypothetical Condition** referenced herein, the estimated market value of subject's fee simple estate Before and After the pending conveyance of 4,650 square feet or .10675 acres from the larger 7.65 acre subject tract, as of December 6, 2012 is as follows:

Before Value:	\$306,000
After Value:	<u>\$301,730</u>
Difference:	\$ 4,270

PHOTOGRAPHS OF SUBJECT PROPERTY



ASSUMPTIONS AND LIMITING CONDITIONS FOR RESTRICTED USE REPORT

1. This is a Restricted Use Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of USPAP. As such, it does not include discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. No survey or analysis of sub-surface minerals and/or deposits has been made and, unless stated otherwise in the report, they have not been considered as a contributing factor to the market value of the property.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been compiled with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. The appraiser will not be required to give testimony or appear in court or before any other commission or body by reason of this appraisal unless arrangements are previously made.
20. The estimate of market value reported herein is not contingent upon the reporting of a predetermined value or a direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
21. No termite inspection has been provided to me or conducted by me of this property. This report and value estimate is based upon the assumption that the property has been inspected by a reputable, licensed exterminator and that there is no active termite infestation or hidden damage.

QUALIFICATIONS OF THE APPRAISER

Andy E. Piner
1105-A Corporate Drive
Greenville, North Carolina 27858
Phone: (252) 752-1010
Fax: (252) 830-1240
Email: andy@mooreandpiner.com

License/Certifications:

NC State-Certified General Real Estate Appraiser
Licensed Real Estate Broker, State of North Carolina

Professional Affiliations:

Associate Member, Appraisal Institute
Greenville-Pitt Board of Realtors

Employment History:

2000-Present	Moore & Piner, LLC Appraisals, Brokerage, Consulting & Development
1984-2000	Collice C. Moore & Associates Real Estate Appraisers
1980-1983	Moore & Sauter Associates Real Estate Appraisers

Education:

East Carolina University-Bachelor of Science in Business Administration - 1982

Appraisal Courses/Education:

<u>Course/Education Title</u>	<u>Place Taken</u>	<u>Year</u>	<u>Passed</u>
Residential Valuation	Univ. of N.C.	1982	Yes
Real Estate Appraisal Principles	Univ. of N.C.	1982	Yes
Basic Valuation Procedures	Univ. of N.C.	1982	Yes
Capitalization Theory & Techniques-Part A	Athens, GA	1984	Yes
Capitalization Theory & Techniques-Part B	Univ. of N.C.	1987	Yes

Case Studies in Real Estate Valuation	Univ. of N.C.	1988	Yes
Valuation Analysis & Report Writing	Univ. of N.C.	1988	Yes
Standards of Professional Practice	Univ. of N.C.	1989	Yes
Matched Pairs and Market Extraction	Wilson Community College	1998	Yes
General Demonstration Appraisal Report Writing Seminar	Atlanta, GA	1999	Yes
USPAP-Part C	Appraisal Institute Atlanta Area Chapter, Atlanta, GA	2000	Yes
General Market Analysis and Highest and Best Use	UNC-Greensboro	2008	Yes
Advanced Sales Comparison and Cost Approaches	UNC-Greensboro	2008	Yes
Comprehensive Examination, Modules I, II, III & IV	N/A	2010	Yes

The above courses are sponsored by The Appraisal Institute

Approved Appraiser for the Following Clients:

N. C. Department of Transportation	First Citizens Bank
N. C. Department of Administration	Bank of America
Pitt-Greenville Airport Authority	Paragon Bank
City of Greenville	TrustAtlantic Bank
City of Rocky Mount	Poyner and Spruill
RBC-Centura Bank	Colombo Kitchin Attorneys
Southern Bank & Trust Company	The East Carolina Bank
Wells Fargo	Branch Bank & Trust Company

Clients include numerous attorneys, investors, and developers in Eastern North Carolina, and various cities and towns throughout Eastern North Carolina including the City of Greenville, Town of Tarboro, City of Rocky Mount, Town of Ayden, etc. The appraiser has appeared as an expert witness in the following counties: Pitt, Halifax, Edgecombe, Craven, Brunswick, Martin, Perquimans, Wayne, and Beaufort.

CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimated, the attainment of a stipulated result, or the occurrence of a subsequent event.

I have not performed a previous appraisal, appraisal review, appraisal consulting assignment, etc, involving the subject property within the past three years prior to this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant professional assistance to the person signing this report.

The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.

This report was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Andy E. Piner



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Final Construction Change Order and Amendment No. 1 to the Construction Management Contract for the Dickinson Avenue/Chestnut Street Area Drainage Improvement Project

Explanation: **Abstract:** Due to poor soils, additional sidewalk/handicap ramp modifications, expanding the scope of work for Dickinson Avenue right-of-way and unknown sub-surface conditions (utilities and materials), the construction contract for the Dickinson/Chestnut Drainage Improvement Project will exceed the 20% contingency approved by City Council on October 10, 2011. In addition, the Construction Management Contract for the referenced project will exceed the original amount as a result of additional design work and time extensions associated with the aforementioned modifications.

Explanation: On October 10, 2011, City Council approved a construction contract with ER Lewis for the Dickinson Avenue/Chestnut Street Area Drainage Improvements with the following budget:

Stormwater Utility	\$ 847,292.32
NCDOT Municipal Agreement	\$ 400,000.00
Contingency (20%)	\$ 249,458.46
TOTAL	\$1,496,750.78

In addition, City Council approved a Construction Management Contract with Rivers & Associates in the amount of \$219,000 for the Dickinson Avenue/Chestnut Street Area and Skinner/Howell Street Area Drainage Improvements.

At the beginning of May 2012, staff realized work in Dickinson Avenue-right of-way was going to come in significantly under the \$400,000 estimate the municipal agreement was based on. On May 16, staff received approval from NCDOT to modify the scope of work associated with the municipal agreement for drainage improvements within Dickinson Avenue right-of-way. Staff met

with the adjacent property owners and tenants on May 22 to discuss the impacts this change in scope would have on the road closure schedule. As a result, everyone agreed to modify the scope and extend the closure of Dickinson Avenue to June 15, 2012.

The attached Change Order #8 adds an additional \$55,862.42 to the original contract, which will push the contract outside the approved contingency. Staff has previously approved Change Orders #1 through #7 as identified in the table below.

CO #	Description	Amount	Days
1	Additional depth on 54" storm drain pipe from tie in box to JB11 to avoid conflict with existing Century Link duct bank at intersection of Dickinson Avenue and South Skinner Street.	\$13,805.00	5
2	Add approximately 250LF of 36" valley gutter and 40LF of 72" valley gutter along South Skinner Street. Also includes the installation of four accessible ramps at the intersection of Dickinson Avenue and Skinner Street.	\$20,512.00	6
3	Install temporary pavement markings on Dickinson Avenue at the intersection with North Skinner Street and South Skinner Street since the NCDOT Standard Specifications do not allow the installation of thermoplastic pavement markings until after March 16 th .	\$1,272.00	0
4	Change 42" storm drain pipe between JB100 and CB3 from RCP to CMP. Add handicap ramps at Dickinson Avenue and Wilson Street intersection. Cost share for the additional asphalt haul rate for paving Phase I of Dickinson Avenue. Additional traffic control for Phasing of Dickinson Avenue.	\$10,421.25	2
5	Additional work associated with scope modification in Dickinson Avenue right of way. This included installation of 48" valley gutter and additional asphalt, thermoplastic pavement markings and traffic control.	\$139,143.00	30
6	Replace existing roof drain and several sewer services due to conflicts.	\$6,930.00	0
7	Installed quantities for additional work in Dickinson right of way.	\$56,355.55	0
CHANGE ORDER TOTAL		\$248,438.80	43

	ORIGINAL CONTRACT	\$1,247,292.32	270
	CONTRACT INCLUDING APPROVED CHANGE ORDERS	\$1,495,731.12	313

Due to poor soils, additional sidewalk/handicap ramp modifications, expanding the scope of work for Dickinson right of way and unknown sub-surface conditions (utilities and materials) the construction contract for the Dickinson/Chestnut Drainage Improvement Project will exceed the 20% contingency approved by City Council on October 10, 2011. In addition, the Construction Management Contract for the referenced project will exceed the original amount by \$28,309.37 as a result of additional design work and time extensions associated with the aforementioned modifications (see attached amendment No. 1).

Fiscal Note:

The additional funding for Change Order #8 is available in Fund 119 due to Skinner/Beatty Street Area Storm Drainage Project being under budget by \$61,196.77. No budget amendment is required.

Recommendation:

City Council approve award a construction contract for the Dickinson/Chestnut Street Area Drainage Improvement Project to ER Lewis Construction Company, Inc. of Greenville, NC in the amount of \$1,247,292.32.

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

Attachments / click to download

- [Change Order 8 for Dickinson/Chestnut Drainage Improvement](#)
- [Dickinson Chestnut Amendment No. 1](#)

Change Order

No. 8

Date of Issuance: 10/1/2012

Effective Date: 10/1/2012

Project: GO Bonds - Storm Drainage Improvements	Owner: City of Greenville	Owner's Contract No.: PWD 2011-12
Contract: Dickinson Avenue / Chestnut Street Area		Date of Contract: October 31, 2011
Contractor: E.R. Lewis Construction Company, Inc		Engineer's Project No.: 2011099 J1.1

The Contract Documents are modified as follows upon execution of this Change Order:

Description: 1) Adjust contract to final installed quantities

Attachments (list documents supporting change):
Itemized Breakdown

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$ <u>1,247,292.32</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days): <u>270</u> Ready for final payment (days): <u>270</u>
Increase from previously approved Change Orders No. <u>1</u> to No. <u>7</u> : \$ <u>248,438.80</u>	Increase from previously approved Change Orders No. <u>1</u> to No. <u>7</u> : Substantial completion (days): <u>43</u> Ready for final payment (days): <u>43</u>
Contract Price prior to this Change Order: \$ <u>1,495,731.12</u>	Contract Times prior to this Change Order: Substantial completion (days): <u>313</u> Ready for final payment (days): <u>313</u>
Increase of this Change Order: \$ <u>55,862.42</u>	Increase of this Change Order: Substantial completion (days): <u>0</u> Ready for final payment (days): <u>0</u>
Contract Price incorporating this Change Order: \$ <u>1,551,593.54</u>	Contract Times with all approved Change Orders: Substantial completion (days): <u>313</u> Ready for final payment (days): <u>313</u>

RECOMMENDED:
By: [Signature]
Engineer (Authorized Signature)
Date: 12/27/12

ACCEPTED:
By: _____
Owner (Authorized Signature)
Date: _____

ACCEPTED:
By: [Signature]
Contractor (Authorized Signature)
Date: 12/27/2012

ATTACHMENT TO CHANGE ORDER NO. 7EXPLANATION OF CHANGES:

The Contract quantities shall be adjusted as follows:

<u>Item 2.</u>	Increase the quantity of Remove Existing Storm Sewer from 1600 LF to 1923 LF. 323 LF @ \$25.41	Add	\$8,207.43
<u>Item 3.</u>	Decrease the quantity of Remove Existing Asphalt from 4235 SY to 3939 SY. 296 SY @ \$4.75	Deduct	(\$1,406.00)
<u>Item 4.</u>	Increase the quantity of Remove Ex. Asphalt w/ Concrete Base from 2335 SY to 4207 SY. 1,872 SY @ \$2.72	Add	\$5,091.84
<u>Item 5.</u>	Increase the quantity of Remove Existing Curb & Gutter from 735 LF to 1307 LF. 572 LF @ \$3.67	Add	\$2,099.24
<u>Item 6.</u>	Decrease the quantity of Remove Existing Drainage Structures from 26 EA to 16 EA. 10 EA @ \$984.14	Deduct	(\$9,841.40)
<u>Item 7.</u>	Increase the quantity of Select Backfill from 4345 CY to 6996 CY. 2,651 CY @ \$7.68	Add	\$20,359.68
<u>Item 8.</u>	Increase the quantity of Off-site Disposal of Unclass. Excavation from 8,921 CY to 14,014 CY. 5,093 CY @ \$4.95	Add	\$25,210.35
<u>Item 9.</u>	Increase the quantity of 8" CABC from 4235 SY to 4916 SY. 681 SY @ \$8.03	Add	\$5,468.43
<u>Item 10.</u>	Increase the quantity of 2" BCSC from 4235 SY to 4376 SY. 141 SY @ \$12.50	Add	\$1,762.50
<u>Item 11.</u>	Decrease the quantity of Concrete / Asphalt Patch from 2335 SY to 1620 SY. 715 SY @ \$15.00	Deduct	(\$10,725.00)
<u>Item 12.</u>	Decrease the quantity of 24" Curb & Gutter from 520 LF to 278 LF. 242 LF @ \$39.31	Deduct	(\$9,513.02)
<u>Item 13.</u>	Increase the quantity of 30" Curb & Gutter from 215 LF to 628 LF. 413 LF @ \$37.86	Add	\$15,636.18
<u>Item 14.</u>	Decrease the quantity of 5' Sidewalk - 4" Thick from 300 LF to 246 LF. 54 LF @ \$20.00	Deduct	(\$1,080.00)
<u>Item 17.</u>	Increase the quantity of Flowable Fill Material from 28 CY to 41 CY. 13 CY @ \$250.00	Add	\$3,250.00
<u>Item 18.</u>	Increase the quantity of 15" RCP from 245 LF to 255 LF. 10 LF @ \$98.73	Add	\$987.30
<u>Item 19.</u>	Increase the quantity of 18" RCP from 840 LF to 963 LF. 123 LF @ \$45.78	Add	\$5,630.94
<u>Item 20.</u>	Increase the quantity of 24" RCP from 230 LF to 374 LF. 144 LF @ \$109.24	Add	\$15,730.56
<u>Item 22.</u>	Increase the quantity of 36" RCP from 345 LF to 710 LF. 365 LF @ \$109.10	Add	\$39,821.50
<u>Item 23.</u>	Decrease the quantity of 42" RCP from 390 LF to 41 LF. 349 LF @ \$121.38	Deduct	(\$42,361.62)

<u>Item 24.</u>	Decrease the quantity of 48" RCP from 555 LF to 553 LF. 2 LF @ \$129.10	Deduct	(\$258.20)
<u>Item 25.</u>	Increase the quantity of 54" RCP from 1285 LF to 1293 LF. 8 LF @ \$148.24	Add	\$1,185.92
<u>Item 27.</u>	Decrease the quantity of 54" Steel Pipe (Open-Cut Installation) from 30 LF to 29 LF. 1 LF @ \$713.66	Deduct	(\$713.66)
<u>Item 28.</u>	Increase the quantity of Stone Bedding for 42" Pipe & Larger from 530 TN to 616.23 TN. 86.23 TN @ \$62.39	Add	\$5,379.89
<u>Item 29.</u>	Increase the quantity of Catch Basins from 25 EA to 27 EA. 2 EA @ \$2,940.66	Add	\$5,881.32
<u>Item 31.</u>	Increase the quantity of Drop Inlets from 4 EA to 6 EA. 2 EA @ \$7,508.76	Add	\$15,017.52
<u>Item 32.</u>	Increase the quantity of Stormdrain Manhole / Junction Box from 17 EA to 18 EA. 1 EA @ \$6,040.96	Add	\$6,040.96
<u>Item 33.</u>	Decrease the quantity of Interference Junction Box from 3 EA to 1 EA. 2 EA @ \$21,057.84	Deduct	(\$42,115.68)
<u>Item 34.</u>	Decrease the quantity of Rock Inlet Sediment Traps from 36 EA to 19 EA. 17 EA @ \$239.58	Deduct	(\$4,072.86)
<u>Item 35.</u>	Decrease the quantity of Silt Fence from 200 LF to 10 LF. 190 LF @ \$2.53	Deduct	(\$480.70)
<u>Item 36.</u>	Decrease the amount of Barrier Fence from 100 LF to 0 LF. 100 LF @ \$2.18	Deduct	(\$218.00)
<u>Item 37.</u>	Decrease the amount of Testing Allowance from \$10,000.00 to \$6,545.00. Deduct		(\$3,455.00)
<u>Utility Improvements</u>			
<u>Item 1.</u>	Decrease the amount of San. Sewer Service Adjustment (Above) from 9 EA to 8 EA. 1 EA @ \$500.00	Deduct	(\$500.00)
<u>Item 2.</u>	Decrease the amount of San. Sewer Service Adjustment (Under) from 1 EA to 0 EA. 1 EA @ \$500.00	Deduct	(\$500.00)
<u>Change Orders</u>			
<u>CO 2.</u>	Increase the amount of Change Order No. 2 from \$20,512.00 to \$20,854.00 EA. Add		\$342.00

NET AMOUNT OF CONTRACT ADJUSTMENTS

\$55,862.42

**AMENDMENT NO. 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
CITY OF GREENVILLE
AND
RIVERS AND ASSOCIATES, INC.
DATED AUGUST 22, 2011**

THIS IS AMENDMENT NO. 1 made as of October 19, 2012 to the AGREEMENT between the City of Greenville (OWNER) and Rivers and Associates, Inc. (ENGINEER).

Add the following Exhibit C-1 to the contract for construction phase services related to the increased the construction duration due to the inclusion of additional work within Dickinson Avenue.

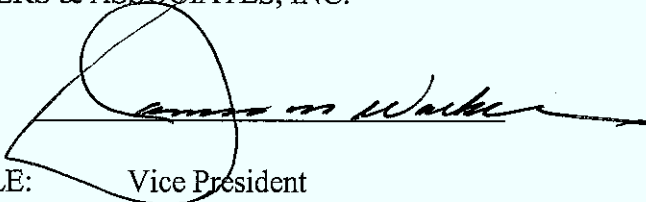
OWNER

ENGINEER

CITY OF GREENVILLE

RIVERS & ASSOCIATES, INC.

BY: _____

BY:  _____

TITLE: City Manager

TITLE: Vice President

ATTEST FOR OWNER

ATTEST FOR ENGINEER

BY: _____

BY:  _____

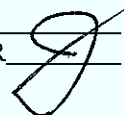
TITLE: City Clerk

TITLE: Secretary

SEAL

SEAL

This is **EXHIBIT C-1**, consisting of 1 pages, referred to in
and part of the **Agreement between OWNER and**
ENGINEER for Professional Services
dated October 19, 2012.

Initial:
OWNER _____
ENGINEER _____ 

Payments to ENGINEER for Services and Reimbursable Expenses

1. This is an Exhibit attached to, made a part of, and incorporated by reference into the Agreement made on August 22, 2011, between the City of Greenville (OWNER) and Rivers and Associates, Inc., (ENGINEER), providing for professional engineering services. The Payments to ENGINEER for Services and Reimbursable Expenses are amended or supplemented as indicated below.

2. Article C2.01, *Compensation For Basic Services*

Revise Paragraph A.3 as follows:

The total compensation for services under Paragraph C2.01 is estimated to be \$ 247,300.00 (not to exceed).

<u>Description of Service</u>	<u>Current Amount</u>	<u>Revised Amount</u>
e. Construction Phase:	\$ <u>210,000</u>	\$ <u>238,300</u>
f. Post Construction Phase:	\$ <u>9,000</u>	\$ <u>9,000</u>



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Request by the North Carolina Department of Transportation to purchase City-owned property for the 10th Street Connector Project

Explanation: **Abstract:** In connection with the Tenth Street Connector Project, the North Carolina Department of Transportation (NCDOT) has identified several City-owned properties that are affected by the project. Portions of the identified properties will need to be acquired for new right-of-way or easements. The NCDOT has identified the affected properties that need to be acquired.

Explanation: The Tenth Street Connector Project, identified as NCDOT project number U-3315, will provide a much needed connection between Farmville Boulevard and Tenth Street. The project will include a bridge over the railroad track at Dickinson Avenue and Tenth Street.

The City of Greenville along with East Carolina University and Vidant Health, Inc., provided \$6 million for development of the corridor expansion plans and public engagement. Planning of the project has resulted in extensive public participation.

Within the project corridor, there are several City-owned properties that have been identified for acquisition, partial acquisition, or reservation of temporary and permanent easements. These properties have been identified by Telics Inc., a private contractor for NCDOT tasked with handling acquisition of property in the project corridor.

The following properties have been identified for acquisition:

NCDOT Map Parcel Number	Pitt County Tax Parcels	Type of Acquisition	Appraised Value	Acreage
163	10862, 02877	Temporary	\$100.00	.005 acres

		Construction Easement		
165	08798	Permanent Utility Easement	\$600.00	.012 acres
166	08794	Permanent Utility Easement	\$650.00	.013 acres
44	17953, 19403, 06342, 06340	New Right of Way and Partial Acquisition	\$13,200.00	.25 acres
134	23564	Permanent Utility Easement	\$800.00	.016 acres
186	28984	New Right of Way and Temporary Construction Easement	\$7,525.00	.068 acres

The total area to be acquired is .364 acres or approximately 15,855.84+/- square feet for a total cost of \$22,875.

Fiscal Note: Revenue of \$22,875 to be realized as a result of the acquisitions.

Recommendation: Accept the values and authorize disposition of the areas requested by NCDOT. In addition, authorize the City Manager, or her designee, to sign documents required for the disposition.

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

Attachments / click to download

- [📄 Acquisitions of City Owned Properties](#)
- [📄 Map showing City of Greenville Properties affected by the Connector](#)

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 163

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>100.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>100.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book 2312, page 231, Pitt County Registry, contains approximately 0.140 acres of which 0.000 acres is being acquired as right of way, leaving 0.140 acres remaining on the left with access to 14th St. Also being acquired is a temporary construction easement containing approximately 0.005 acres.

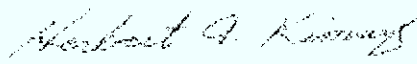
(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.



 (Signed) Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 163 WBS ELEMENT 35781.2.1 COUNTY Pitt

CLAIM OF City of Greenville PLAN SHEET 13

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	RW	AC	X	\$	=	\$	®	
PERM Drainage Easement	PDE	AC	X	\$	=	\$	®	
PERM Utility Easement	PUE	AC	X	\$	=	\$	®	
PERM Drainage/Utility Ease	DUE	AC	X	\$	=	\$	®	
PERM Aerial Utility Easement	AUE	AC	X	\$	=	\$	®	
PERM Construction Easement	PCE	AC	X	\$	=	\$	®	
TEMP Construction Easement	TCE	0.005	AC	X	\$	53,951.00(30%)	®	100.00
TEMP Drainage Easement	TDE	AC	X	\$	=	\$	®	
TEMP Utility Easement	TUE	AC	X	\$	=	\$	®	
OTHER		AC	X	\$	=	\$	®	
LAND TOTAL							\$	100.00

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

	\$	
	\$	
	\$	
IMPROVEMENTS TOTAL		\$ 0.00

3. Cost to Cure (Damage to Remainder)

	COST TO CURE TOTAL	\$ 0.00
GRAND TOTAL		\$ 100.00

Comments: Based on approved residential appraisal 043, nearby this parcel

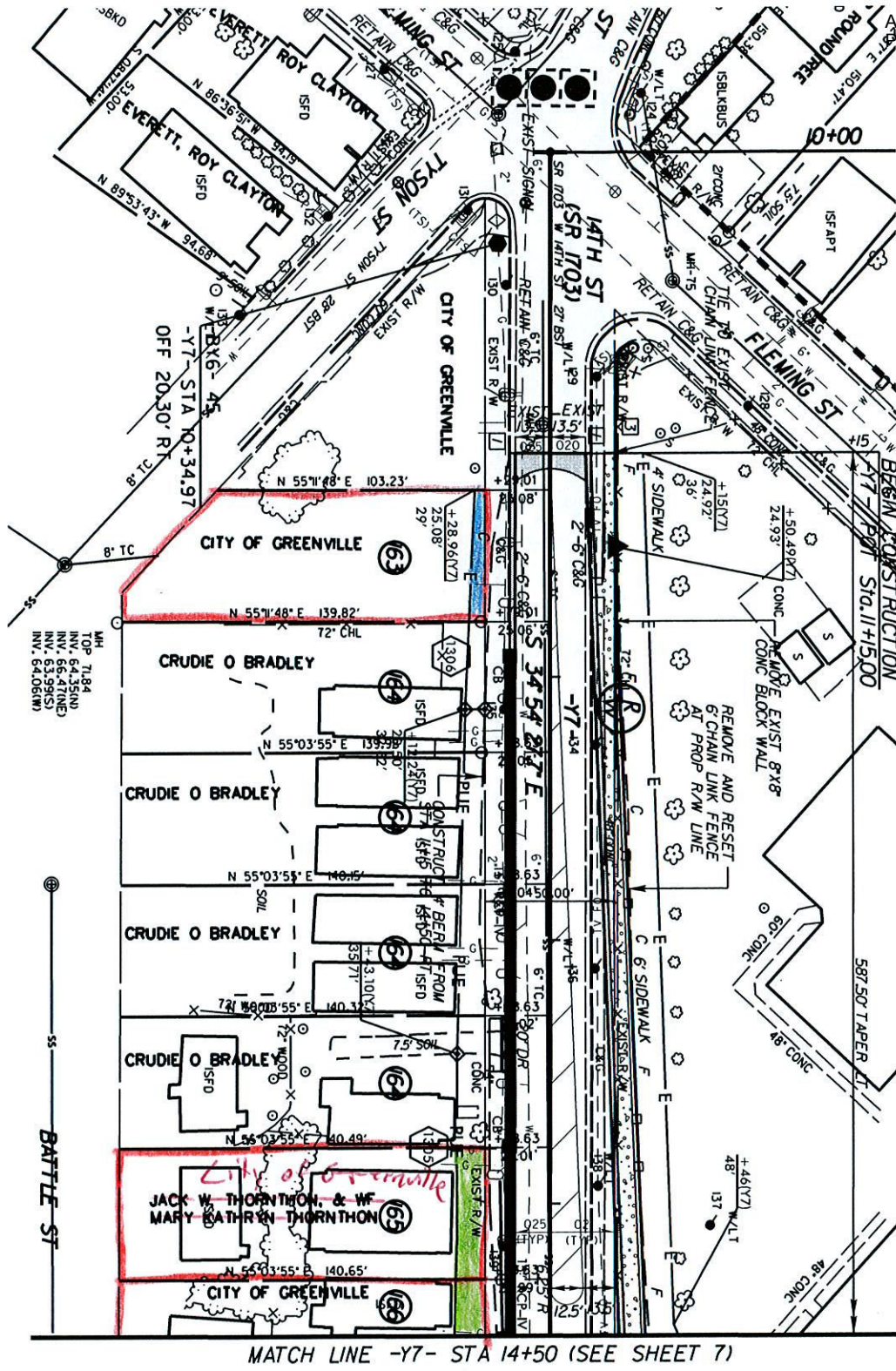
Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/04/12

TEMPORARY EASEMENT TOTAL \$ 100.00 PERMANENT EASEMENT TOTAL \$ 0.00

— Temporary Construction Easement
— Permanent Utility Easement
— Existing Property Line
— New Right of Way



MATCH LINE -Y7- STA 14+50 (SEE SHEET 7)

MATCH LINE -Y7- STA 22+00 (SEE SHEET 7)

INDY TL, LLC	-BL- 19 = -BY7-
-Y7- STA 22+00	OFF 36.03' LT
W 149.14' ±	59'
5' SIDEWALK	EXIST R/W
2'-6" C&G	5' CONC ISLAND
24" RCP-IV	2'-6" C&G
6' SIDEWALK	24" RCP-IV
24" RCP-IV	50.00' ±
77.87(NZ)	51.9'
OSCAR L HOLLIMAN,	WF CAROL P HOLLIMAN

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 165

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>600.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>600.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book 2491, page 119, Pitt County Registry, contains approximately 0.170 acres of which 0.000 acres is being acquired as right of way, leaving 0.170 acres remaining on the left with access to 14th St. Also being acquired is a Permanent Utility easement containing approximately 0.012 acres.

(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.

(Signed) *Herb Kimrey*
Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 165 WBS ELEMENT 35781.2.1 COUNTY Pitt

CLAIM OF City of Greenville PLAN SHEET 13

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	R/W	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
PERM Drainage Easement	PDE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
PERM Utility Easement	PUE	<u>0.012</u>	AC	X	\$ <u>53,951.00(90%)</u>	= \$ <u>582.67</u>	® <u>600.00</u>	
PERM Drainage/Utility Ease	DUE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
PERM Aerial Utility Easement	AUE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
PERM Construction Easement	PCE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
TEMP Construction Easement	TCE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
TEMP Drainage Easement	TDE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
TEMP Utility Easement	TUE	<u> </u>	AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
OTHER <u> </u>			AC	X	\$ <u> </u>	= \$ <u> </u>	® <u> </u>	
LAND TOTAL							\$	<u>600.00</u>

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

<u> </u>	\$	<u> </u>
<u> </u>	\$	<u> </u>
<u> </u>	\$	<u> </u>
IMPROVEMENTS TOTAL		\$ <u>0.00</u>

3. Cost to Cure (Damage to Remainder)

<u> </u>		<u>0.00</u>
COST TO CURE TOTAL		\$ <u>0.00</u>
GRAND TOTAL		\$ <u>600.00</u>

Comments: Based on approved residential appraisal 043, nearby this parcel

Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/04/12

TEMPORARY EASEMENT TOTAL \$ 0.00 PERMANENT EASEMENT TOTAL \$ 600.00

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 166

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>650.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>650.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book 2788, page 009, Pitt County Registry, contains approximately 0.150 acres of which 0.000 acres is being acquired as right of way, leaving 0.150 acres remaining on the left with access to 14th St. Also being acquired is a Permanent Utility easement containing approximately 0.013 acres.

(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.

(Signed) *Herb A. Kimrey*
Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 166 WBS ELEMENT 35781.2.1 COUNTY Pitt

CLAIM OF City of Greenville PLAN SHEET 13

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	RW	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Drainage Easement	PDE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Utility Easement	PUE	<u>0.013</u>	AC	X	\$ <u>53,951.00(90%)</u>	=	\$ <u>631.23</u>	®	<u>650.00</u>
PERM Drainage/Utility Ease	DUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Aerial Utility Easement	AUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Construction Easement	PCE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Construction Easement	TCE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Drainage Easement	TDE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Utility Easement	TUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
OTHER <u> </u>		<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
LAND TOTAL								\$	<u>650.00</u>

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

<u> </u>	\$	<u> </u>
<u> </u>	\$	<u> </u>
<u> </u>	\$	<u> </u>
IMPROVEMENTS TOTAL		\$ <u>0.00</u>

3. Cost to Cure (Damage to Remainder)

<u> </u>	COST TO CURE TOTAL	\$ <u>0.00</u>
GRAND TOTAL		\$ <u>650.00</u>

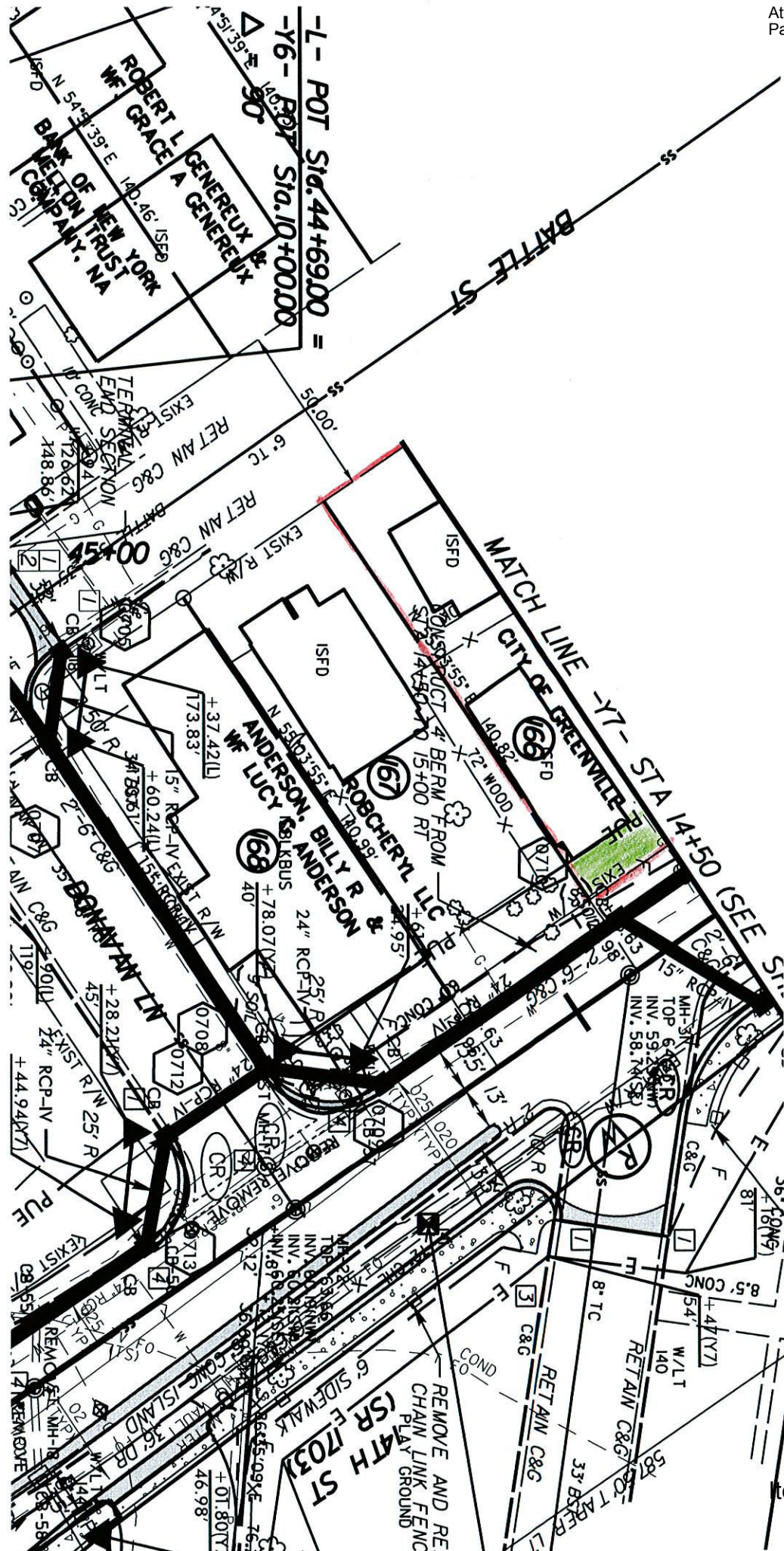
Comments: Based on approved residential appraisal 043, nearby this parcel

Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/04/12

TEMPORARY EASEMENT TOTAL \$ 0.00 PERMANENT EASEMENT TOTAL \$ 650.00



Item # 9

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 044

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>13,200.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>13,200.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book 1364, page 509, Pitt County Registry, contains approximately 0.426 acres of which 0.194 acres is being acquired as right of way, leaving .232 acres remaining on the left with access to Tyson and Davenport St. Also being acquired is a permanent utility easement containing approximately 0.056 acres.

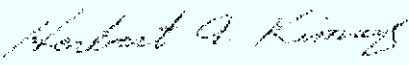
(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A.

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.


 (Signed) _____
 Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 044 WBS ELEMENT 35781.2.1 COUNTY Pitt

CLAIM OF City of Greenville PLAN SHEET 7

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	R/W	<u>0.194</u>	AC	X	\$ <u>53,951.00</u>	=	\$ <u>10,466.49</u>	Ⓜ	<u>10,475.00</u>
PERM Drainage Easement	PDE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
PERM Utility Easement	PUE	<u>0.056</u>	AC	X	\$ <u>53,951.00 (90%)</u>	=	\$ <u>2,719.13</u>	Ⓜ	<u>2,725.00</u>
PERM Drainage/Utility Ease	DUE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
PERM Aerial Utility Easement	AUE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
PERM Construction Easement	PCE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
TEMP Construction Easement	TCE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
TEMP Drainage Easement	TDE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
TEMP Utility Easement	TUE		AC	X	\$ _____	=	\$ _____	Ⓜ	_____
OTHER _____			AC	X	\$ _____	=	\$ _____	Ⓜ	_____
LAND TOTAL								\$	<u>13,200.00</u>

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

\$ _____	\$ _____
\$ _____	\$ _____
\$ _____	\$ _____
IMPROVEMENTS TOTAL	
	\$ <u>0.00</u>

3. Cost to Cure (Damage to Remainder)

\$ _____	\$ <u>0.00</u>
GRAND TOTAL	
	\$ <u>13,200.00</u>

Comments: Based on approved appraisal on parcel 043, which is directly across the street from this parcel

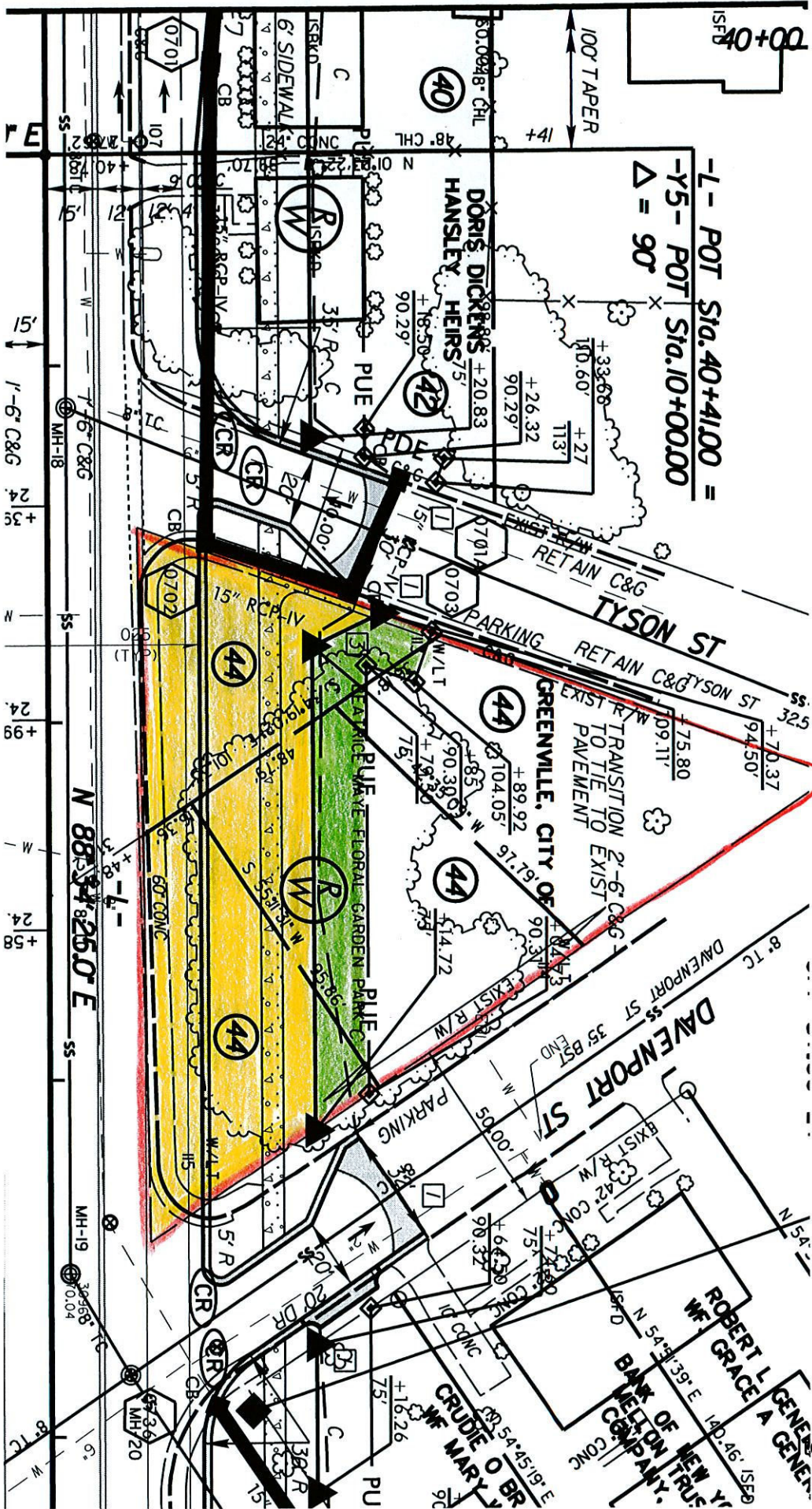
Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/4/12

TEMPORARY EASEMENT TOTAL \$ 0.00 PERMANENT EASEMENT TOTAL \$ 2,725.00

A 40+00 (SEE SHEET 6)



em # 9

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 134

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>800.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>800.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book 2044, page 791, Pitt County Registry, contains approximately 0.140 acres of which 0.000 acres is being acquired as right of way, leaving 0.140 acres remaining on the left with access to Bancroft. Also being acquired is a permanent utility easement containing approximately 0.016 acres.

(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A.

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.

(Signed) *Herb Kimrey*
Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 134 WBS ELEMENT 35781.2.1 COUNTY Pitt

CLAIM OF City of Greenville PLAN SHEET 14

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	R/W	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Drainage Easement	PDE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Utility Easement	PUE	<u>0.016</u>	AC	X	\$ <u>53,951.00(90%)</u>	=	\$ <u>776.89</u>	®	<u>800.00</u>
PERM Drainage/Utility Ease	DUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Aerial Utility Easement	AUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
PERM Construction Easement	PCE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Construction Easement	TCE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Drainage Easement	TDE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
TEMP Utility Easement	TUE	<u> </u>	AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
OTHER <u> </u>			AC	X	\$ <u> </u>	=	\$ <u> </u>	®	<u> </u>
LAND TOTAL								\$	<u>800.00</u>

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

 \$
 \$
 \$

IMPROVEMENTS TOTAL \$ 0.00

3. Cost to Cure (Damage to Remainder)

COST TO CURE TOTAL \$ 0.00

GRAND TOTAL \$ 800.00

Comments: Based on approved residential appraisal 043, nearby this parcel

Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/04/12

TEMPORARY EASEMENT TOTAL \$ 0.00 PERMANENT EASEMENT TOTAL \$ 800.00

**SUMMARY STATEMENT/OFFER TO PURCHASE REAL PROPERTY
DUE TO THE ACQUISITION OF RIGHT OF WAY AND DAMAGES**

TO: City of Greenville, NC
PO Box 7207
Greenville NC 27835

OFFER DATE: _____
TO: Lessee, if Applicable

TIP NO.: U-3315
COUNTY Pitt

WBS ELEMENT: 35781.2.1
TIP/PARCEL NO.: U-3315 186

DESCRIPTION: Stantonsburg Rd. - 10th St. Connector from US13/NC11 Memorial Dr. to SR 1702 Evans St.

Dear Property Owner:

The following offer of just compensation is based on the fair market value of the property and is not less than the approved appraised value for the appropriate legal compensable interest or interests. The approved value disregards any increase or decrease in the fair market value of the property acquired due to influence caused by public knowledge of this project. The offer of just compensation is based on an analysis of market data, comparable land sales, and, if applicable, building costs in the area of your property. Please retain this form as it contains pertinent income tax information.

Value of Part Taken (Includes Land, Improvements and Appurtenances Considered as Realty)	\$	<u>7,525.00</u>
Damages, if any, to Remainder	\$	<u>0.00</u>
Benefits, if any, to Remainder	\$	<u>0.00 minus</u>
TOTAL	\$	<u>7,525.00</u>

The total offer includes all interests other than leases involving Federal Agencies and Tenant owned improvements.

(A) Description of the land and effects of the acquisition:

Subject property described in Deed Book F, page 238, Pitt County Registry, contains approximately 0.200 acres of which 0.017 acres is being acquired as right of way, leaving 0.183 acres remaining on the right with access to 14th St. Also being acquired is a Temporary Construction easement containing approximately 0.051 acres.

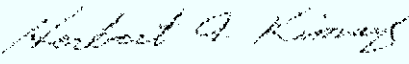
(B) The offer for improvements considered as realty includes payment for the improvements and appurtenances described below:

Should you desire to retain these improvements, you may repurchase them for a retention value with the stipulation that you remove them from the acquisition area at no expense to the Department.

(C) Should you desire to sell the Department the portion of your property considered to be an uneconomic remnant/buildable lot, as explained to you by the Right of Way Agent, the **total** offer would be: \$ N/A.

I will be available at your convenience to discuss this matter further with you. My telephone number is 910-262-6037 in Carolina Beach, North Carolina.

The original of this form was handed (if out of state owner, mailed), to _____ on _____ 20____. Owner was furnished a copy of the Right of Way Brochure/Owner's Letter.



 (Signed) Herb Kimrey, Right of Way Agent

RIGHT OF WAY CLAIM REPORT

TIP/PARCEL NO. U-3315 186 WBS ELEMENT 35781.2.1 COUNTY PITT

CLAIM OF City of Greenville PLAN SHEET 9

1. Land Area to be Acquired (Payment per square foot/acre supported by recent land sales on file.)

RIGHT OF WAY	RW	0.017	AC	X	\$ 232,222.00	=	\$ 3947.77	®	3950.00
PERM Drainage Easement	PDE		AC	X	\$	=	\$	®	
PERM Utility Easement	PUE		AC	X	\$	=	\$	®	
PERM Drainage/Utility Ease	DUE		AC	X	\$	=	\$	®	
PERM Aerial Utility Easement	AUE		AC	X	\$	=	\$	®	
PERM Construction Easement	PCE		AC	X	\$	=	\$	®	
TEMP Construction Easement	TCE	0.051	AC	X	\$ 232,222.00(30%)	=	\$ 3,552.99	®	3575.00
TEMP Drainage Easement	TDE		AC	X	\$	=	\$	®	
TEMP Utility Easement	TUE		AC	X	\$	=	\$	®	
OTHER			AC	X	\$	=	\$	®	
LAND TOTAL								\$	7525.00

2. Payment for improvement(s) to be acquired. Material and labor costs documented in the State's files.

	\$	
	\$	
	\$	
IMPROVEMENTS TOTAL		\$ 0.00

3. Cost to Cure (Damage to Remainder)

	COST TO CURE TOTAL	\$ 0.00
GRAND TOTAL		\$ 7525.00

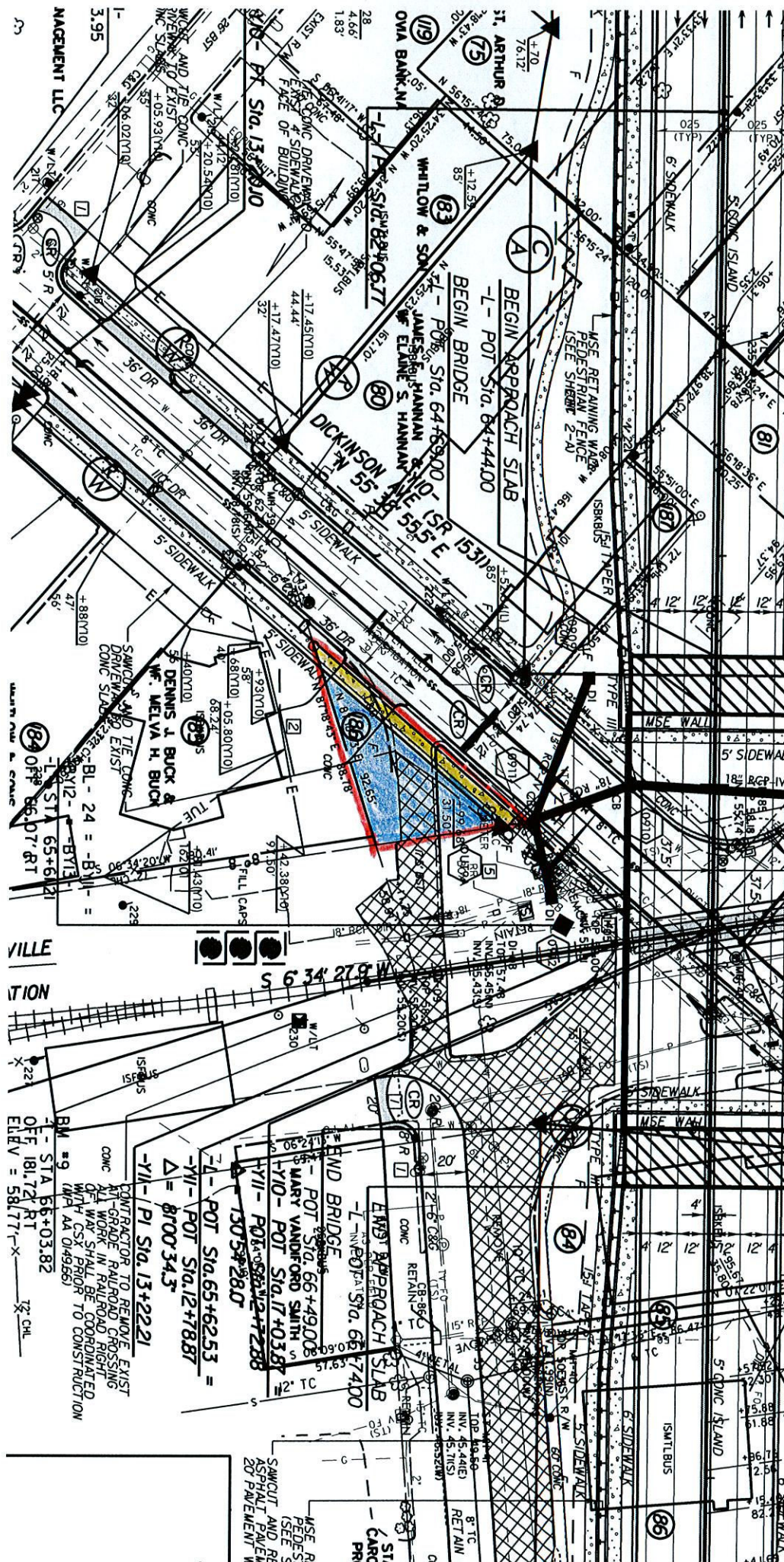
Comments: Based on approved appraisal on parcel 187, which is across the street from this parcel.

Certificate of Preparer: I hereby certify that I am familiar with the property which is the subject of this estimate; that this estimate is based on data contained in the files of the agency and that I have no direct or indirect, present or contemplated future personal interest in this property or in any benefit from the acquisition of this property. **If the total of this estimate is over \$10,000, (1) this estimate must be prepared by someone other than the negotiating agent and (2) the owner must be advised of his/her right to have their property appraised.**

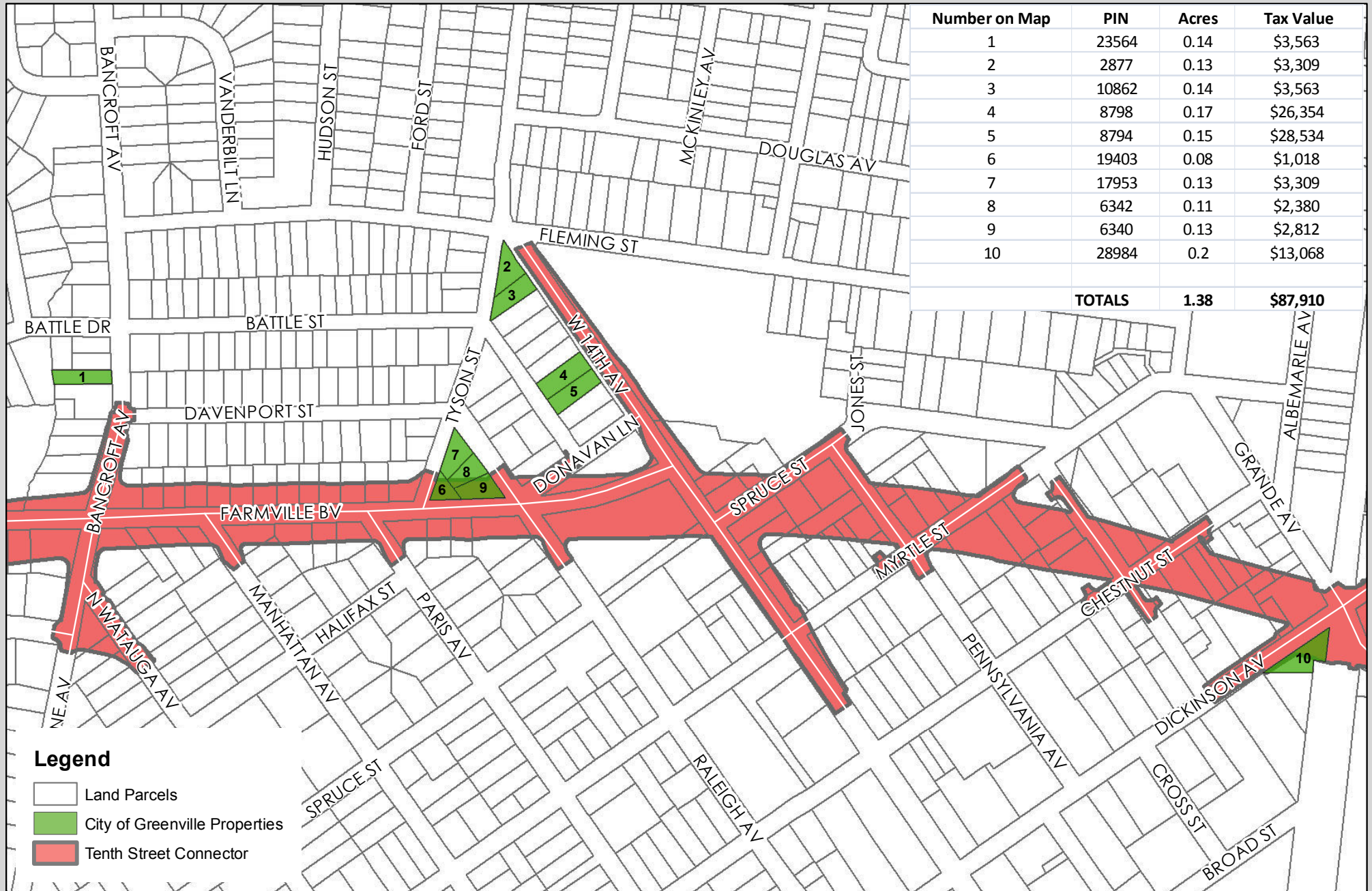
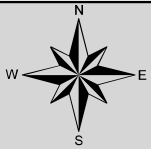
Preparer Signature: *[Signature]* Date 12/4/12

NCDOT Approval Signature: *[Signature]* Date 12/4/12

TEMPORARY EASEMENT TOTAL \$ 3575.00 PERMANENT EASEMENT TOTAL \$ 0.00






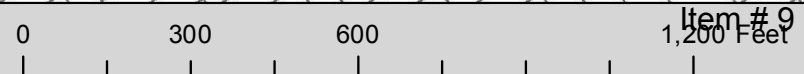
City of Greenville Properties Affected by the Stantonsburg - 10th St. Connector



Number on Map	PIN	Acres	Tax Value
1	23564	0.14	\$3,563
2	2877	0.13	\$3,309
3	10862	0.14	\$3,563
4	8798	0.17	\$26,354
5	8794	0.15	\$28,534
6	19403	0.08	\$1,018
7	17953	0.13	\$3,309
8	6342	0.11	\$2,380
9	6340	0.13	\$2,812
10	28984	0.2	\$13,068
TOTALS		1.38	\$87,910

Legend

-  Land Parcels
-  City of Greenville Properties
-  Tenth Street Connector





City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Authorization to use a Governor's Highway Safety Program grant for the purchase of radar units

Explanation: **Abstract:** The Police Department has been awarded a grant opportunity to obtain traffic safety equipment through the Governor's Highway Safety Program and desires to use grant proceeds to purchase 14 new radar units. The radar units currently in use by the department are no longer supported by the Speed Measurement Instrument Committee for the State of North Carolina and are in need of replacement. This grant requires 25% matching funds from the City.

Explanation: The radar units currently in use by the Police Department are no longer supported by the Speed Measurement Instrument Committee for the State of North Carolina and are in need of replacement. The Police Department has been awarded a grant opportunity to obtain traffic safety equipment through the Governor's Highway Safety Program and desires to use grant proceeds to purchase 14 new radar units. The new units would assist with increased traffic enforcement to reduce vehicle crashes. This grant requires 25% matching funds from the City.

Fiscal Note: The estimated cost of the radar units is \$1,700 per unit for a total cost of \$23,800. The grant requires a 25% local match, which would be a maximum expenditure by the Police Department of \$5,950. These funds are not currently budgeted but could be allocated from the Federal Asset Forfeiture Account.

Recommendation: Approve the purchase of 14 new radar units utilizing 75% funding from the Governor's Highway Safety Program grant and 25% matching funds from the Federal Asset Forfeiture Account.

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Attachments / click to download



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Report on contracts awarded

Explanation: **Abstract:** The City Council has delegated the authority to award contracts for purchases of goods, services, and construction/repair projects under \$300,000 to the City Manager and Purchasing Manager. At the time of their delegation, it was mandated that contracts in the amount of \$50,000 and up awarded under this delegation be reported to the City Council monthly and recorded in the minutes.

Explanation: The Director of Financial Services reports that the following contracts for purchases of equipment were awarded during the month of November 2012.

Date Awarded	Description	Vendor	Amount	M/WBE
11/29/12	Bus Passenger Waiting Shelters	Brasco International, Inc.	\$65,700	No

Fiscal Note: This purchase is funded 100% by Federal funds--FTA Grant #NC-96-X005-02; no City match is required.

Recommendation: That the contract award information be reflected in the City Council minutes.

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BID TABULATION SHEET
City of Greenville, North Carolina
Financial Services Department

Description: Bus Passenger Waiting Shelters Informal Bid#12-13-18
 Bid Due Date: October 18, 2012 at 5:00 PM

Item # 11

Contractor	Address	Base Bid	Delivery	Comments
Columbia Equipment Co., Inc.	180-10 93rd Ave. Jamaica, NY 11433	\$66,390.00	60-90 Days ARO	
Duo-Gard Industries, Inc.	40442 Koppernick Canton, MI 48187	\$74,222.00	56-70 Days ARO	
Brasco International, Inc.	32400 Industrial Drive Madison Heights, MI 48071	\$65,700.00	60-90 Days ARO	
Empire Construction Co., Inc.	1015 Branch Road Winterville, NC 28590	\$177,200.00	30 Days ARO	
Austin Mohawk and Company, Inc.	2175 Beechgrove Place Utica, New York 13501-1797	\$76,439.00	60 Days ARO	

Douglas E. Brinkley

Date: 10/18/12



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Presentations by Boards and Commissions

- a. Environmental Advisory Commission
- b. Pitt-Greenville Airport Authority

Explanation: **Abstract:** Each City board and commission is scheduled to make an annual presentation at a regularly scheduled City Council meeting each year, and the presentations are spread throughout the year so that usually no more than three occur at any City Council meeting. The Environmental Advisory Commission and Pitt-Greenville Airport Authority are scheduled to make their annual presentations to City Council on January 14.

Explanation: Each City board and commission is scheduled to make an annual presentation at a regularly scheduled City Council meeting each year, and the presentations are spread throughout the year so that usually no more than three occur at any City Council meeting. The Environmental Advisory Commission and Pitt-Greenville Airport Authority are scheduled to make their annual presentations to City Council at the January 14, 2013, City Council meeting.

Fiscal Note: N/A

Recommendation: Hear the presentations from the Environmental Advisory Commission and Pitt-Greenville Airport Authority.

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Attachments / click to download



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Presentation on City Branding Process

Explanation: **Abstract:** The City has partnered with the Convention and Visitors Bureau and contracted with North Star Destination Strategies to create a brand that both can use. The goal is to create a brand that will help market the city to attract new businesses to help with economic development, encourage tourism, and help better tell the benefits of living in the city. North Star President & CEO Don McEachern will make the presentation to the City Council about what to expect and what the process will include.

Explanation: A brand is not just a logo and a tagline. It is a promise of who you are and what people can expect. Used properly and consistently, it can be a powerful tool in telling a story and building confidence in your organization, your community, and your product or services.

The City has partnered with the Convention and Visitors Bureau and contracted with North Star Destination Strategies to create a brand that both organizations can use. The goal is to create a brand that will help market the city to attract new businesses to help with economic development, encourage tourism, and help better tell the benefits of living in the city. North Star President & CEO Don McEachern will make the presentation to the City Council about what to expect and what the process will be.

Fiscal Note: City Council has already approved the contract with North Star, and the funding has already been budgeted.

Recommendation: Accept presentation.

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

Attachments / click to download



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Management and Operational Analysis - Bradford Creek Public Golf Course

Explanation: **Abstract:** Golf Convergence, Inc., a nationally recognized leader in golf course assessments and feasibility studies, has completed a Management and Operations Analysis for the Bradford Creek Golf Course. This analysis provides recommendations related to operational modifications and course improvements needed to assist in making the facility financially self-sustaining from an operational perspective, thus ensuring the long-term viability of the facility and its services.

Explanation: During the early stages of the FY 13 and FY 14 bi-annual budget development process, a great deal of time and effort went into discussing the Bradford Creek Golf Course. The facility had been designated as an enterprise fund, but had operated at a deficit in recent years leading to questions regarding funding and operations.

On May 7, 2012, staff presented a **Report on Bradford Creek Golf Course Operational Alternatives** to City Council. Upon receiving this report and discussing the alternatives available, City Council decided to designate the Bradford Creek Golf Course as a recreational facility to be operated within the Recreation and Parks Department budget, located within the General Fund. City Council also directed staff to utilize an outside consultant to conduct a management and operational analysis of the facility so as to improve operational efficiency.

Staff developed a Request for Qualifications for a **Bradford Creek Golf Course Management and Operational Analysis** and issued the same on June 11, 2012. The City received seven (7) responses from reputable firms from across the country and ultimately contracted with Golf Convergence, Inc., a nationally recognized leader in golf course assessments and feasibility studies. The firm's managing principal, Jim Keegan, has directly managed the assessment process. To this end, he has conducted two multi-day site visits to the golf course, met two times with the Bradford Creek Golf Course Advisory Board, interviewed

facility and management staff, interviewed course customers, secret shopped other golf courses in the area, and interviewed the operators of other golf courses in the area to establish the background and context needed to supplement his firm's data analysis and provide the basis for the report provided herein.

Fiscal Note:

Operational costs to be determined based upon specific implementation measures pursued. Any proposed fee increases will be brought to City Council for approval. All capital needs will be reviewed and considered during budget development process.

Recommendation:

Accept the consultant's report presentation.

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 [Management and Operational Analysis - Bradford Creek Public Golf Course](#)



Management and Operational Review

City of Greenville

Bradford Creek Golf Club

January 14, 2013

Management and Operational Analysis

Submitted by:

Golf Convergence, Inc.
4215 Morningstar Drive
Castle Rock, CO 80108
(t) 303 283 8880
(f) 303 283 8884
www.golfconvergence.com





Management and Operational Review

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Executive Summary¹

Recommendations

The goal of this engagement was to craft a strategic vision to ensure that the Bradford Creek Public Golf Course is managed and operated in an efficient and cost effective manner that will allow for the facility's long-term financial viability. To this end, the strategic vision was designed to enable the facility to be operationally self-sufficient (operational costs covered by operational revenues).

While it would be ideal for the facility to generate the financial resources necessary to cover capital needs, estimated at \$130,000 annually, it was recognized that some level of City investment in capital improvements would likely be required.

The Bradford Creek Public Golf Course is an asset with an estimated value of \$3.2 million. While the course has cumulatively generated revenues in excess of operational expenditures since 2004, it does have a cumulative loss exceeding \$900,000 due to debt service payments associated with purchasing the course. Though financially challenged, the facility is deemed by golfers within the community as the superior local **public** golf course and is shown below:



It is the conclusion of this report that the long-term viability of the Bradford Creek Public Golf Course is achievable if the following three recommendations are implemented:

- 1) Staffing is realigned to recognize the seasonal nature of the business, the skills and interest of the existing staff, and the need to retain a general manager skilled in the business of golf with an emphasis on marketing, yield management, customer service and leadership.

¹ Note: The Executive Summary, at 25 pages, is excessively long, and we apologize for that. It is our experience that a reader will read only this portion of the business plan. Because it is essential to understand the foundation for the recommendations, the Executive Summary is longer than desired.



Management and Operational Review

- 2) Golfers acknowledge their responsibility for paying fair market value for the experience provided by supporting an increase in green fees.
- 3) A capital investment of \$400,000 is made by the City to bring the golf course in-line with current industry standards. This investment will fund bunker renovation, strategic tree removal and reduction of maintainable turf initiatives.

If one were to view this asset as a small component of the City's resources from merely a financial perspective, the greatest return to the City will result from the sale of the asset. However, that alternative is likely to be politically unpopular for many reasons, including resistance from golfers, deviation from the mission of Recreation and Parks Department to provide a value-based leisure activity to the citizens, and the recognition that the original acquisition was ill-advised.

Privatization is another option as the employee benefits exceed 40% of base salary. However, it is unlikely that a quality operator would be attracted to manage Bradford Creek due to the many factors addressed herein.

Thus, should any of these recommendations not be achieved, one could quickly reach the conclusion that the golf course is not operationally sustainable without general fund support.

The conclusions reached were that the Greenville market is oversupplied, the course is poorly located, the demographics conducive to golf are weak, the number of playable days suggests that the scheduling of staff could be changed, technology is not being used effectively, the financial benchmarks are consistent with industry averages and suggest that significant savings in reduction of expenses is not available, and that customer service could be enhanced, since customer loyalty is neutral.

However, framed within these three recommendations, this report provides numerous suggestions to create a value-based golfer experience on a foundation that is fiscally sustainable.

The Puzzling Truths about a Golf Course and Bradford Creek

There are 7 fundamental principles that govern the management of a golf course that City Council, City Management, Staff, Golfers and Taxpayers would benefit from understanding.

- 1) A golf course facility is a "small business" that, at a municipal golf course, averages nationally slightly over \$1 million in annual revenue. Bradford Creek brings in slightly under the median.
- 2) A golf course is a living organism that requires constant reinvestment, since each of its 12 principal components (such as greens, tees, bunkers, irrigation system, and more) has a predictable life cycle. Annually, in addition to \$500,000 in normal maintenance, \$130,000



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needs to be expended or invested in reserves to replace those assets to ensure the fiscal sustainability of the golf course. Because so little has been invested in the golf course, deferred capital expenditures are approaching \$2 million.

- 3) A golf course is managed by the intersection of farmers, short-order cooks, teachers, and retail merchandisers. Services are largely provided by low-paid, seasonal workers hired to fill a short-term need. Employees at a golf course are attracted by the game of golf and usually have few skills, training, or interest in the business of golf. Leadership, marketing, and focus on the details of the business are areas that need improvement.
- 4) Nationally, golfers average 41.5 years of age with a median household income of \$85,800, and nearly 80% are Caucasian and 78% male. The customers of the Bradford Creek Golf Course average 47.82 years of age, have median household income of \$88,285, and are 86% male. Golf appeals to only 6.5% of the population within a 30-mile radius of Bradford Creek.
- 5) Golfers experience 13 potential customer touch points on the assembly line of golf. Their experience and loyalty is largely determined by the employees who are paid the least. Bradford Creek offers only five customer touch points.
- 6) Ninety percent of all golfers reside or work within 30 minutes of a golf course. Fifteen percent of a course's golfers generate 60% of its annual revenue. The typical golf course has only 6,000 distinct customers each year, and those golfers generate the 30,000 rounds played. Bradford Creek is not utilizing its currently installed technology properly, and it is thus not possible to identify the distinct number of customers who play 24,000 rounds per year there.
- 7) Customer loyalty to a course occurs when the experience received equals or exceeds the fees charged. To the extent that the price exceeds the experience, customer attrition occurs. Golfers rarely appreciate the cost of properly operating a golf course; they seek the lowest price, are seldom willing to pay for the value received, and threaten to play elsewhere if their demands are not met. The loyalty of season pass holders and VIP members to Bradford Creek is satisfactory – slightly above the national average. The loyalty of other golfers and private club members in the City of Greenville to Bradford Creek is exceedingly low.

Beyond these governing tenets, there is an undercurrent that greatly influences the management and operation of a **municipal** golf course, as reflected below:



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City Councils usually believe that a golf course should be a fiscally self-sustaining community benefit. Course management and staff consistently seek investment capital to renovate and upgrade the golf course to ensure that a superior experience is provided. Taxpayers who don't play golf (they represent 93.7% of the population within 10 miles of Bradford Creek) feel that general fund dollars should not be allocated to subsidize the recreational experience of the affluent.

Lastly, golfers, particularly season pass holders (members,) feel entitled to pay far less than fair market value for many reasons, including that as taxpayers, they feel they are financially supporting the City through property taxes from which many derive marginal personal benefit. Golfers view investments made by a City in other parks and recreational activities such as baseball, soccer, swimming, as similar to golf. Unfortunately, these golfers fail to comprehend that the City's other parks and recreation activities are unlikely to be funded by private enterprise, whereas golf is largely funded by private enterprise in the United States, with only 15% of the nation's courses municipal-owned and only 8% of the nation's courses operated by government employees. Golfers in the City of Greenville, particularly members of the Golf Advisory Committee, believe that the City should fund up to 7% of the annual operating deficit from the general fund.

Aligning common interests is always a difficult task. There is no single issue likely to dominate a City Council meeting more than the "correct" management and operational philosophy for a municipal golf course. The heated discussion frequently begins when green fees, particularly annual season pass rates or VIP prices, are established for the forthcoming golf season. We fully expect a debate about the price increases proposed from this review, increases needed to support the forthcoming golf course renovations.



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Reviews like this one are rarely fully implemented, but are watered down by the politics of appeasement. Accountability is compromised, with a preference to acquiescence and the display of social graces.

The Hand Dealt – Uncontrollable Factors

How do you explain why things don't go as you assumed they would? The common answers provided are underfunding, poor management, or bad market conditions.

Or, how do you explain how others are able to achieve things that defy all of your assumptions? For example, in 2011, the average municipal golf course achieved \$150,000 in earnings before interest, taxes, depreciation, and amortization. How were other cities able to achieve such success while Bradford Creek Golf Course has a negative general fund balance of over \$900,000 and has consistently lost money over the past several years? The quick answer is that those "other courses" are in major population centers.

Why is Bradford Creek struggling? Simply, the course should not have been purchased. Its long-term prospects were dim from the outset, and they have deteriorated.

The course is poorly located in relationship to the population – 7.3 miles from downtown. It is not located in close proximity to the residential centers of the community.

It contains 185 acres of turf to maintain, contrasted to the normal golf course of 100 maintainable acres. The course lacks convenient storage for electric carts. The experience provided on the front nine, that is at best boring, results from poorly positioned and largely hidden bunkers. There is little shot value variety to attract and retain the accomplished golfer who plays frequently.

Further, the market is oversupplied. There are four golf courses within 10 minutes of downtown Greenville, three of them private clubs, and all are reported as financially struggling. **There is a need for only slightly more than two golf courses in the Greenville market.**

It Can't Be That Bad, Can It?

There is hope.

The financial statements prepared by the City provide little clarity regarding operational performance. To illustrate, depreciation for the maintenance department was booked in 2011, but not in 2012. Contract services allocated to the maintenance department include POS licensing fees, credit card processing fees, and cart lease payments – all of which should be allocated to the golf operation. Also, cart fees have been integrated with green fees based on the historical accounting practice of the prior owner.

The segregation of cart fees from green fees is appropriate to properly measure their utilization. Financial statements prepared consistent with generally accepted accounting principles for golf



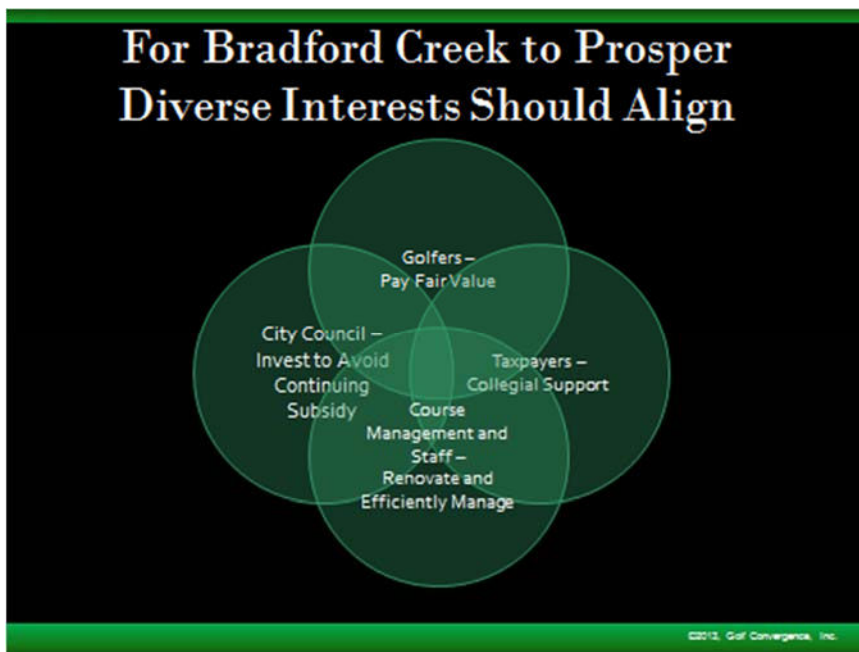
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courses will greatly aid in the management of the facility by facilitating comparison to industry benchmarks to ensure efficient management.

Further, technology installed is not fully leveraged. Marketing efforts have been scant and diffused. Disputes about proper green fees have been ongoing. Known capital improvements have been deferred. The condition of the bunkers, observed and confirmed in a survey of golfers, was rated very low. As a result, during this time, the quality of the core asset, from the perspective of the season pass and VIP golfers, has deteriorated and the financial performance has suffered.

All of those aspects can be enhanced to leverage the course's best asset, its attractiveness and the playability of its greens. The functionality of the current clubhouse could be improved, at a minimum, by creating a more welcoming atmosphere. We suggest television sets, a limited menu more diverse than hot dogs and cold sandwiches, and beer on draft.

To achieve the financial goal that Bradford Creek Public Golf Course should operate based on revenues generated at the facility and without taxpayer support, a partnership of all vested parties is advocated and is illustrated below:



We recommend an initial investment of nearly \$400,000 by the City to enhance the golf experience, to renovate the bunkers, to remove trees that adversely affect playability, and to reduce the amount of maintainable turf.

With a commitment by the City to improve the asset, golfers must also invest by paying slightly higher green fees; this as their commitment to ensure the golf course is economically sustainable. Discounts to VIP members should be reduced, and seasonal rates should be introduced

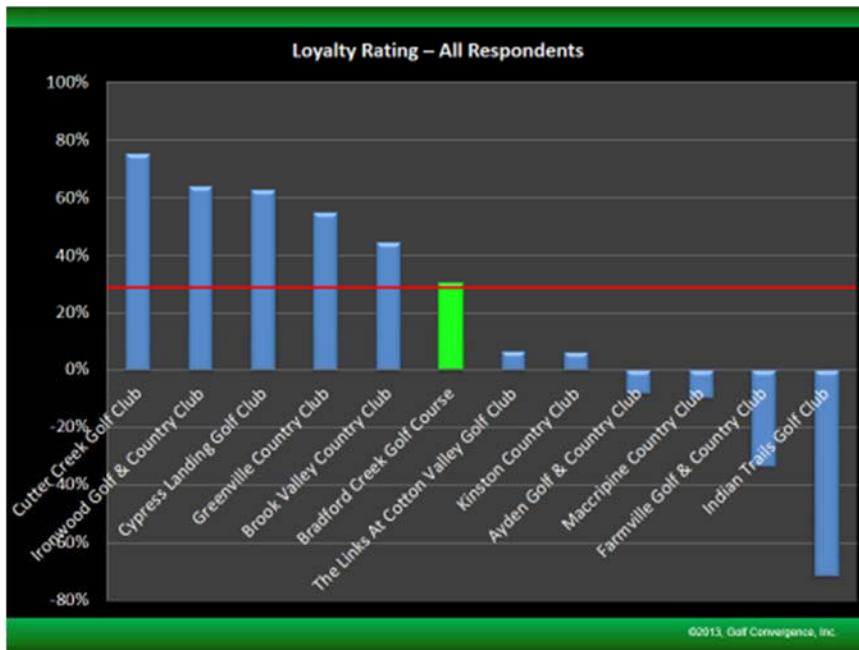


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commensurate with the value provided according to time of the year, time of the day, and the classification of the golfer (senior, junior, etc.).

Specifically, it is recommended that new fee structures be implemented for peak and off-season prices set by daylight savings versus standard time. Peak season prime time prices should represent up to a \$3 increase, depending on the number of holes played and the time of the day. VIP members should receive a \$4 discount per 18 holes. The current \$5 discount, 10% loyalty rewards, and quarterly coupon incentives should be curtailed. Season pass prices should be reduced from \$995 to \$895. Cart fees should be increased by \$2 throughout the golf season to be consistent with other golf courses.

The customer survey conducted as part of this management and operational review indicated the following loyalty to golf courses throughout the Greenville community:



Note 1: that the red line represents the national average for golfer loyalty to a public golf course

Bradford Creek is the highest rated public golf course within the Greenville market place and is just below two of the area’s private clubs.

Historical Perspective

While much attention has focused on Bradford Creek’s negative fund balance of \$900,000, the golf course has actually generated positive cash flow since 2004, if the years’ incomes are averaged, as illustrated below:



Management and Operational Review

	Revenue	Operating Expenses	Net Income	Accumulated Income/Deficit
2004	850,493	681,500	168,993	168,993
2005	912,378	705,614	206,764	375,757
2006	865,358	942,090	-76,732	299,025
2007	864,081	877,457	-13,376	285,649
2008	894,494	803,154	91,340	376,989
2009	819,509	837,483	-17,974	359,015
2010	756,888	848,832	-91,944	267,071
2011	752,313	913,967	-161,654	105,417
2012	843,598	875,248	-31,650	73,767
Average	839,901	831,705	8,196	

Note: Slightly immaterial variances exist to the published CAFR reports.

Only since 2009, during the current economic downturn, has the cash flow at Bradford Creek been negative for four consecutive years.

The fiscal year ending June 30, 2012 showed considerable improvement over the prior year. Improvements in the economy, a competitive course closing, and favorable weather, combined with proactive changes implemented by management during the 2012 fiscal year, greatly narrowed the operational deficit as shown below:



Management and Operational Review

Revenue	6/30/2011	6/30/2012	Differential
Green Fees	524,957	588,052	63,095
VIP	12,869	11,447	-1,422
Annual Fees	7,160	8,336	1,176
Total Green Fees	544,986	607,835	62,849
Cart	13,388	15,035	1,647
Merchandise	28,139	42,888	14,749
Food and Beverage	60,598	67,981	7,383
Range	100,419	101,967	1,548
Other	4,783	7,892	3,109
Gross Revenue	752,313	843,598	91,285
Food and Beverage	35,301	40,805	5,503
Pro Shop	24,465	21,571	-2,894
Cost of Goods Sold	59,767	62,376	2,609
Net Operating Income	692,546	781,222	88,676
Pro Shop			
Total Salaries	283,724	235,553	-48,171
Other Expenses	111,154	110,757	-397
Total Pro Shop	394,878	346,310	-48,568
Maintenance			
Salaries	232,322	242,277	9,955
Other Expenses	227,000	224,285	-2,715
Total Maintenance	459,322	466,563	7,240
Total Expenses	854,201	812,873	-41,328
Cash Flow	-161,655	-31,651	130,004

Note 1: Financial Statements for the year ending June 30, 2012 are preliminary subject to the issuance of the CAFR report.

Note 2: The Financial Statements for the year presented above have been re-categorized to be consistent with golf industry principles.



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Bradford Creek is the only municipal golf course within 30 miles of Greenville. The combination of an extensive driving range that is lighted, a short-game practice area to facilitate lessons and clinics, and the regional recognition of the Director of Golf, Mike Cato, as one of the finest teaching professionals, provides hope that the course can clearly serve an important role in the community as the “entry door” to the game of golf for new participants, students from East Carolina University, and the course of choice for the frequent public golfer.

Thus, creating a business plan on which a consensus can be built is vital.

Strategic Analysis – What is the Potential?

What is the potential of the Bradford Creek Golf Course? Decisions can’t be formulated in a vacuum but need to include the uncontrollable and controllable factors impacting the golf course.

An analysis of those factors is presented below:

Strengths	Weaknesses	Opportunities	Threats
Unique championship layout	Location	Marketing	Politics of Appeasement
City Asset	Course management	Technology	Competition
Clubhouse Entrance and Ambience	Deferred maintenance	Renovation	Capital requirements

The core asset, the championship layout, is clearly superior, and while rankings as to what is the “best course” are subject to widespread opinion, it is our professional opinion that Bradford Creek is currently among the top public golf courses in the Greenville market. Bradford Creek’s back 9 holes are very good.

The economic difficulty the course is facing are largely caused by uncontrollable factors, including the oversupply of the market. Perhaps the best threat to the success of Bradford Creek comes from “private clubs” that allow public access on a limited basis. Cutter Creek, Cypress Landing, and Ironwood are clearly superior. To the extent that those private clubs expand public play options, particularly if the guest fee is set at a value-oriented rate, Bradford Creek will face a financial challenge.

It should be noted that this professional opinion was formed by “secret shopping” eight courses that directly compete with Bradford Creek and by conducting a golfer survey of consumer preferences and loyalty. The competitive course set is shown below:



Management and Operational Review

Dist	Company Name	City	Holes	Opened	Type	Tee Stations	Green Fee
0.0	Bradford Creek Golf Course	Greenville	18	1995	MU	30	35
3.9	Brook Valley Country Club	Greenville	18	1966	PE	20	60
7.8	Greenville Country Club	Greenville	18	1923	PE	25	56
9.7	Ironwood Golf & Country Club	Greenville	18	1996	PN	20	65
13.1	Ayden Golf & Country Club	Ayden	18	1963	DF	15	35
14.9	Cypress Landing Golf Club	Chocowinity	18	1996	DF	20	55
15.3	Robersonville Country Club	Robersonville	9	1965	PE	0	25
17.6	Farmville Golf & Country Club	Farmville	18	1932	DF	0	28
18.1	Indian Trails Golf Club (closed 2011)	Grifton	18	1962	DF	0	26
18.6	Roanoke Country Club	Williamston	18	1955	PE	12	30
19.9	Washington Yacht & Country Club	Washington	18	1949	PE	12	45
22.0	Cutter Creek Golf Club	Snow Hill	18	2008	DF	18	47
22.9	The Links At Cotton Valley Golf Club	Tarboro	18	2000	DF	50	40
24.4	Hilma Country Club	Tarboro	9	1900	PE	0	27
24.8	Maccripine Country Club	Pinetops	18	1966	PE	15	34
29.9	Bayview Golf Course	Bath	9	1975	DF	8	11
30.0	Kinston Country Club Inc	Kinston	18	1940	PE	9	52

Note: the average 18-hole green fee of courses built since 1995 in Bradford Creek’s competitive market is \$35.00, equal to the 18-hole prime time rack rate green fee. The median green fee in the State of North Carolina is \$28.00

Will Decreasing the Green Fee Boost Rounds?

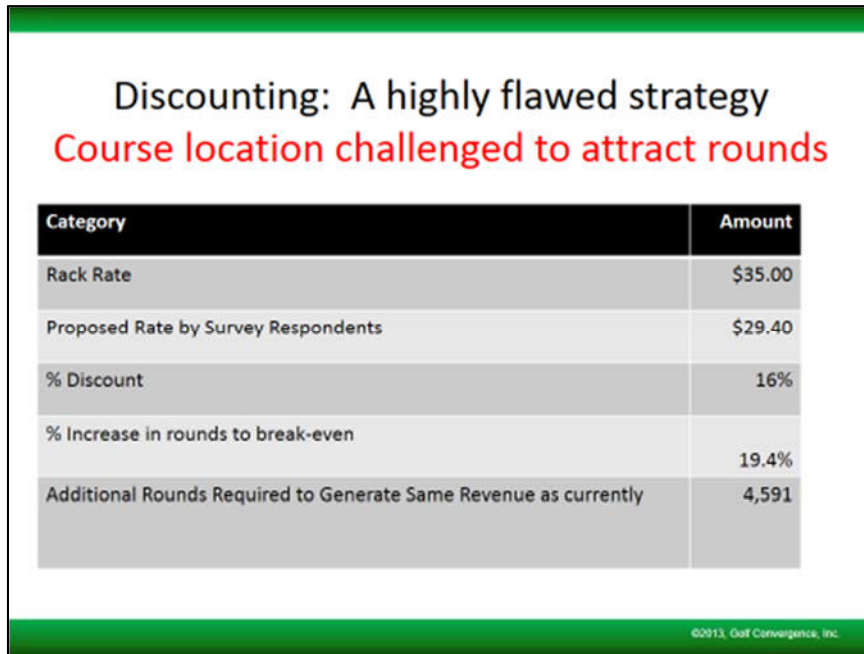
Our firm, while serving clients for the past 25 years, has yet to hear a single time from any golfer, “We should raise the green fees because the value we are being provided far exceeds the price we are being charged.” To the contrary, golfers continually maintain that prices should be lowered and that rounds will increase accordingly. They speak from self-interest, not from a communal concern for the financial welfare of the golf course. This was evidenced in the City of Greenville during our first meeting with the Golf Course Advisory Committee. As reported in the local newspaper covering that meeting, committee members were advocating that lowering the rates would boost play and increase revenue.

We believe that strategy is flawed for two reasons. A 25% decrease in prices, as advocated by some within the community, would require a 33 1/3% increase in rounds to generate the same revenue. That is unlikely to happen, because there is insufficient demand in the marketplace, as documented in the geographic local market analysis performed for this report. It should be noted that a 25% increase in prices will generate the same revenue, even if rounds decrease by 20%. A tertiary beneficial impact of fewer rounds is that course conditions improve. Thus, the odds are in the house’s favor to raise – not lower – prices.

The chart below reflects current weekend price with cart at \$35 and a new rate proposed by a small by vocal group, at a 25% discount.

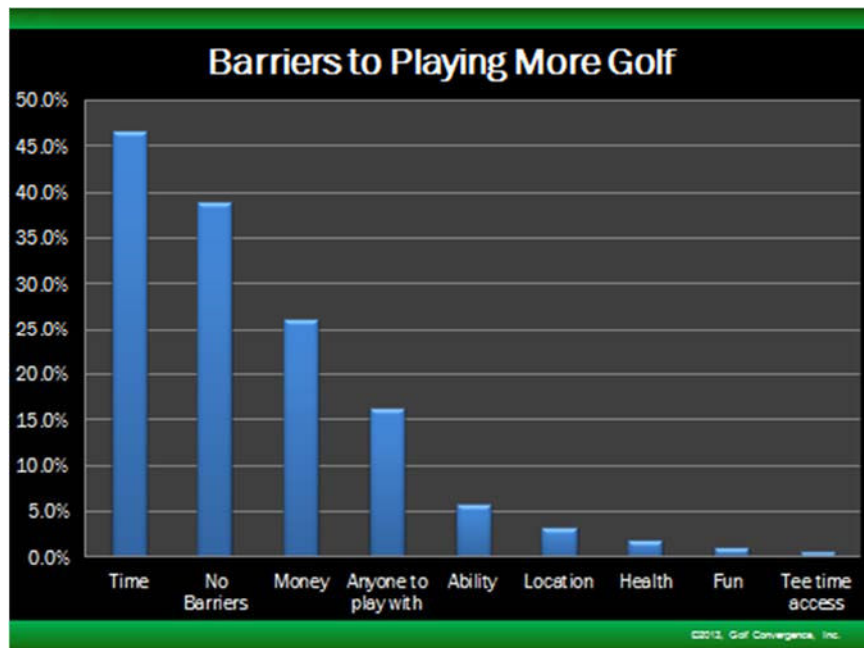


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There is insufficient demand in the market to generate the incremental rounds required to equal current revenue.

Secondly, from the survey conducted as an integral part of this management and operational review, golfers indicated that the primary barriers to playing more golf were “time” or “they were playing as much as they could,” as shown below:





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“Time” and “no barriers,” both uncontrollable factors, are the principal barriers to increased play. Only 26% of respondents indicated that the fees charged were the issue.

This analysis leads to a single topic. What is the role of municipal golf today?

The Role of Municipal Golf

A municipal golf course serves a vital role in a City, providing value-based recreation and leisure entertainment to its citizens.

Why? It serves as an entry door to the game as it introduces individuals to the game, its rules, and its defining culture. It is the only sport in which professionals are role models who demonstrate that referees are not necessary for an event to be fair and fun.

For families and friends, golf is an opportunity to enjoy each other’s company via a walk through nature’s preserve. For the competitive athlete, it is an arena to demonstrate one’s ability. For business men and women, it is an office, and for those who are retired, it serves as a place to meet, exercise, and enjoy the reward for a life of diligent effort.

During the past decade, and specifically since 9/11, the financial priority for the allocation of municipal funds has been police and fire, while other municipal services compete for the remaining resources.

Thus, it is essential to understand the organizational framework in which the golf course operates within a City’s defined charter of providing leisure services. Parks and Recreation systems across this country provide three types of services:



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- **Core Essential Services:** These are services the city must provide to manage parks. They would include providing parks and open space for nominal cost, park maintenance, security, administration, and essential parks-related duties that are considered totally public good services. These types of services are typically supported by tax dollars.
- **Important Services:** These are services which provide for the public good and for the private good. Examples of Important Services would include programs such as swim lessons, summer day camps, and after-school programs.
- **Value-Added/Discretionary Services:** These are services that are nice to provide if money is available to support the services and if the community is willing to invest in them through user fees. These services would include **golf**, senior trips, fitness programs, and individual instructional classes and lessons.

With golf clearly a value-added/discretionary service, the investment in this asset, in our professional opinion, the golf course needs to be ***fiscally self-sustaining***, especially since private enterprise can often adequately fulfill this need for the citizens. It is with this understanding that the recommendations within this report were framed.

Where to Now?

The issues have been identified. The question remains, “Do you raise your prices to fund the deferred capital investment required or do you invest first and improve the customer golfing experience and then raise rates?” A judicious and conservative path of investment over the next three years is recommended, based on the following table:

Course Component	Issues	Cost		Time to Complete Project
		Minimum	Maximum	
Sand Bunkers	56 bunkers reduce maintenance expenses, eliminate contamination	\$300,000	325,000	3 months
Trees	Improve turf playability, reduce maintenance expenses	4,000	6,000	1 week
Turf Reduction	Conversion of maintained to low-maintenance area with planting fescue, etc.	10,000	15,000	3 weeks
Turf Fertility	Reduce nitrogen and bolster herbicides, fungicides, budgets	25,000	40,000	Progressive
Driving Range and Practice Facilities	Re-grading 3 tees to 1 to increase hitting area to enhance turf quality	7,500	10,000	1 month
Irrigation System	1994 irrigation system is nearing end of functional life.	900,000	1,400,000	4 months
		\$1,246,500	\$1,796,000	



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While the irrigation system can be rendered functional for up to five years by the City's knowledgeable and talented superintendent, the sand bunkers currently are one of the most limiting factors to an enjoyable golf experience.

Sand bunkers are visually one of the most important elements on a golf course. They frame and define each hole, and they influence the difficulty and playability of each hole. Bunkers are also often one of the highest maintenance issues on a golf course. With 56 bunkers at Bradford Creek, there is certainly an opportunity to reduce maintenance costs and improve play.

Unfortunately, most of the bunkers at Bradford Creek were constructed so that they are not visible to the golfer. This negatively affects pace-of-play and impacts the golfer's enjoyment of the game.

In addition, the bunkers at Bradford Creek have become severely contaminated, as illustrated in the picture below, and they are difficult to maintain. Over time, as bunkers are edged and as the native soils erode into the bunkers, the sand becomes contaminated. This results in poor drainage, inconsistent playing conditions, and the perception that the course is poorly maintained.



Note: while difficult to see precisely from this small picture, the bunker on the top is severely contaminated in contrast to the bunker near the bottom of the picture that was rebuilt in the last several years.

Where Will the Money Come From?

The investment in Bradford Creek must come from two sources concurrently – from the City providing the initial seed capital of up to \$400,000 to ensure the 2013-2014 capital improvements are funded, and from the users of the golf course through appropriate green fees that are based on the increased fair market value of the experience being provided.



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While a municipal golf course often has over 80 different rates by golfer type, time of the day, day of the week, and time of the year, presented below are the recommended rates that should be implemented during daylight savings time in 2013; March 10 until November 3:

Player Type	Regular							
	18 Holes				9 Holes			
Holes								
Day of Week	M - T		F, S, S, H		M - T		F, S, S, H	
Year	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
With Cart	29	32	35	38	20	22	22	24
Walking	19	20	22	24	15	15	17	18
Cart	12	14	12	14	6	7	6	7
Carts Required	No	No	Till 11 - Loosely Enforced	Till 12 - Mandatory	No	No	Till 11 - Loosely Enforced	Till 12 - Mandatory

It is appropriate to maintain the current rates during “standard time.” It is suggested that VIP members receive a discount of \$4 from the posted rates for 18 holes. Other recommendations are:

	2012	2013
VIP		
Renewal	40	60
New	50	N/A
New Residents	N/A	75
New Non Residents	N/A	90
Season Pass		
Residents	995	895
Non Residents	N/A	995
Range Balls		
Small (60 balls)	6	6
Medium (90 balls)	7	8
Large (120 balls)	8	10
Specials		
Twilight	All Day After 3	All Day After 3
Senior	Tuesday	Monday - Thursday: \$25 with cart
Ladies	Wednesday	Monday - Thursday: \$25 with cart
College	Thursday	Monday - Thursday: \$25 with cart



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The process of establishing rates is based on an analysis of competitive market conditions and the value of the experience received at the golf course, and the rates are subjectively adjusted for political considerations. The rate changes suggested above incorporate all of those elements.

With the City of Greenville moving Bradford Creek from an enterprise to the general fund, there is political pressure to create a rate differential between residents and non-residents to provide residents a perceived value for City taxes paid.

While we understand the rationale of the argument, we don't agree with the conclusion, because there aren't enough golfers within the Greenville community to sustain four golf courses. It is our professional opinion that creating a price differential will discourage non-residents from playing Bradford Creek and is ill-advised. The chart below illustrates that accurate financial data is not available to assess the impact of that decision, and that the majority of golfers may be non-residents:

City	Percentage Of Bookings
Unknown	47.57%
Greenville	27.73%
Winterville	8.43%
Washington	6.80%
Grimesland	2.24%
Chocowinity	2.11%
Belhaven	1.00%
Blounts Creek	0.75%
Farmville	0.37%
Grifton	0.33%
Ayden	0.33%
Chicago	0.28%
Williamston	0.26%
Kinston	0.20%
Plymouth	0.14%
Wilson	0.10%
Stanley	0.08%
Rocky Mount	0.08%
New Bern	0.07%
Raleigh	0.05%
Nashville	0.05%
Chesapeake	0.05%
Youngsville	0.05%
Stokes	0.04%
Pinellas Park	0.04%

However, mindful of the desire to provide for City residents, we have created a non-resident rate for season passes and new VIP members.



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The greatest controversy from this recommendation will likely come from VIP members. In addition to recommending that they receive only a \$4 discount per 18 holes, we are strongly advocating abandoning their 10% loyalty discount and quarterly coupon special promotions. In essence, the City is discounting a discounted rate that was discounted. Simply stated, the net effective yield from VIP play needs to increase to financially support the golf course. We believe that Bradford Creek offers a superior public course experience to Ayden, Farmville, Links at Cotton Valley and Maccripine and should be priced accordingly. The incremental cost for the majority of golfers to drive to those facilities undermines the position that Bradford Creek should be priced identically to those courses.

Benchmarks to Achieve Profitability

Can Bradford Creek achieve fiscal sustainability? It is important to note that for the fiscal year 2012, the golf course reduced its cash flow deficit by \$130,004. One could debate that the golf course receives in-kind contributions from the Parks and Recreation Department for landscaping the clubhouse and is not assessed an indirect charge which is common in municipal golf course operations, for the accounting, human relations, information technology, legal, purchasing services provided on its behalf by the City. But the core asset of the Bradford Creek Golf Course is competitive with the Greenville market.

The key to incremental revenue will be generated from proper pricing of green fees to match the experience created and through leveraging technology to benefit from cost-effective marketing.

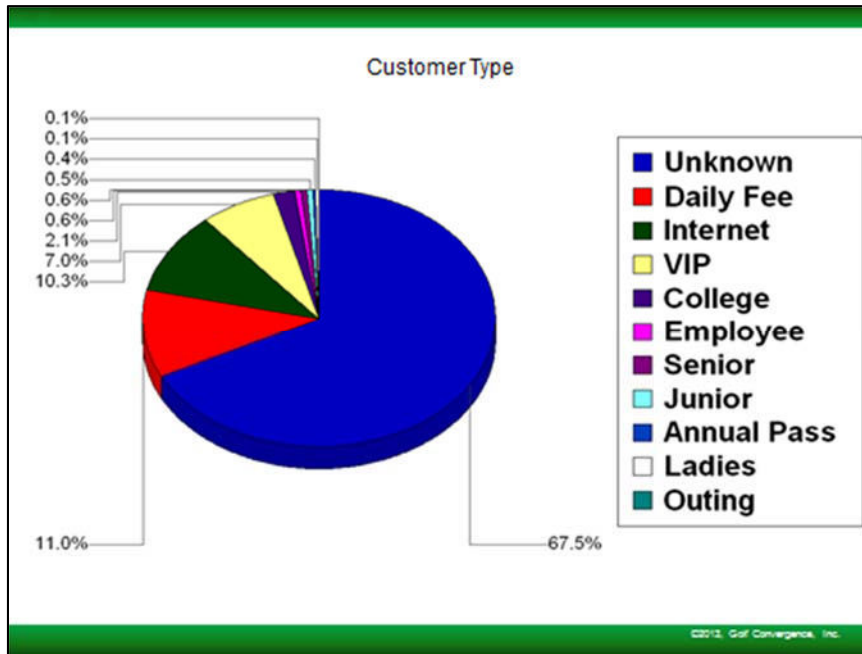
The installation of the FORE Reservation system in 2012 holds fabulous potential – if properly used. Considering that the golf course has created a customer database of only 1,200 names, contrasted to the standard municipal golf course database that exceeds 4,000 email addresses, the opportunity to gain incremental revenue by tying tee time reservations to customer transactions will increase from regional play when customer-relationship marketing is used.

Presented below are recommendations the City of Greenville can implement immediately to ensure continued positive cash flow sufficient to fund the capital renovations required:

- 1) Customer transaction tracking, which is not occurring, should commence. The identification of core, acquired, and defector golfers is essential to boost profitability. Presented below is a screen shot from the system, in which 67.5% of customer transactions remain unidentified as to customer type.



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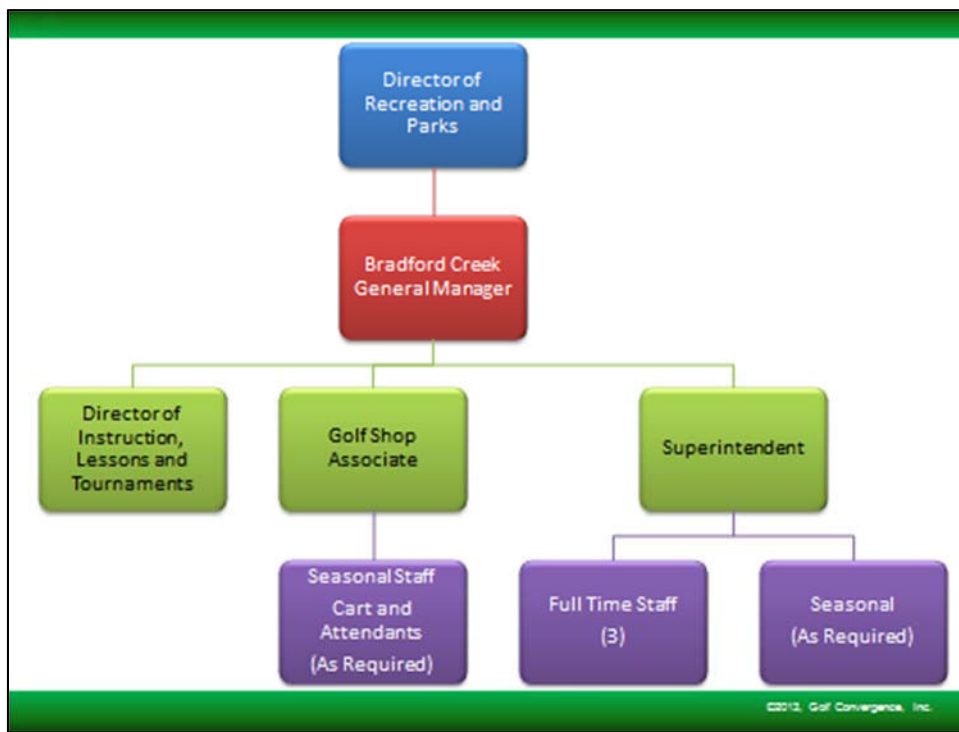


The golf course does not know empirically who its best customers are by dollars spent. Marketing efforts, including periodic electronic newsletters to properly promote the golf course, are currently negligible and should be adopted.

- 2) The staff should be retrained in the proper use of the FORE Reservation system commencing with attending the software firm's annual user meeting.
- 3) Consideration should be given to hiring a full-time business manager in the Pro Shop rather than relying on a golf operations manager whose duties and interests are divided between the game of golf and the business of golf. A proposed organization chart is as follows:



Management and Operational Review



- 4) An emphasis should be placed on advertising and marketing. The course spent \$2,499 in advertising contrasted to the industry recommended budget of 3% of gross revenue, which would near \$25,000.

The Bottom Line

A fundamental principal of a management and operational review is to determine upside potential. The chart presented below highlights that Bradford Creek will continue to face challenges in the short term until the capital renovations, deferred for 20 years, are completed and proactive marketing can again establish the course as a regional favorite among golfers:



Management and Operational Review

Bradford Creek		Financial Projections				
Revenue	Current	2013	2014	2015	2016	2017
Green Fees	607,835	387,000	393,947	400,811	407,802	414,923
Carts	15,035	257,250	262,421	267,695	273,076	278,565
Green Fees and Carts	622,870	644,250	656,368	668,506	680,878	693,488
Merchandise	42,888	48,471	49,445	50,439	51,453	52,487
Food and Beverage	67,981	76,831	78,375	79,950	81,557	83,197
Range	101,967	115,241	117,557	119,920	122,331	124,789
Other	7,892	42,875	43,737	44,616	45,513	46,427
Total	843,598	927,668	945,482	963,432	981,731	1,000,388
Cost of Goods Sold						
Merchandise	40,805	31,506	32,139	32,785	33,444	34,117
Food & Beverage	21,571	53,781	54,862	55,965	57,090	58,238
Total Cost of Goods Sold	62,376	85,288	87,002	88,751	90,535	92,354
Net Operating Income	781,222	842,380	858,480	874,681	891,197	908,034
Operations						
Administration & Clubhouse	0	70,000	70,700	71,407	72,121	72,842
Maintenance	466,563	491,780	497,486	503,266	509,119	515,047
Pro Shop	346,310	289,925	293,428	296,979	300,577	304,224
Total Expenses	812,873	851,705	861,615	871,651	881,817	892,113
EBITDA Before Capital Reserves	-31,651	-9,325	-3,134	3,030	9,380	15,920
Capital Reserves	0	300,000	132,170	133,491	134,826	136,174
Cash Flow	-31,651	-309,325	-135,304	-130,462	-125,446	-120,254

The financial projections presented are not what are forecast to happen but rather set a goal of what should occur if the golf course can achieve positive cash flow within three years.



Management and Operational Review

The conclusion of this review is that unless the capital investment is made, the golf course will succumb to the “death spiral” and losses will continue. Judicious investment, combined with an emphasis on leveraging technology to engage in customer relationship management, can have a positive result.

It will take a consensus among the City Council, Management, Staff, Golfers and Taxpayers that the core asset of Bradford Creek is very special and that collectively each group needs to invest to preserve the integrity of the golf course



Management and Operational Review

Management and Operational Review for City of Greenville’s Bradford Creek Golf Club

Analysis and Research Performed

To undertake this management and operational review, Golf Convergence employed a precise methodology of eight steps. These steps and the knowledge gained from each are summarized below:

Step	Function	Description	Knowledge Gained
1	Strategic	Geographic Local Market Analysis	Do the demographics indicate that there is sufficient demand to meet the available supply of golf courses? Based on the age, income, ethnicity, and population density, what type of facility would create the highest probability of a fiscally sustainable golf operation?
2		Weather Impact Analysis	Are the current losses being realized a function of adverse weather or of management policies? Are there sufficient playable days to generate a return on the proposed investment?
3	Tactical	Technology	How effectively has an integrated golf management solution been deployed to create the collection of data required to properly manage the golf course?
4a		Key Metrics	How does the operational performance of BCGC compare to the 15 industry benchmarks that measure strengths and weaknesses?
4b		Financial Modeling/ Revenue Management	Are the proposed course renovations on the 27-hole regulation course, driving range, and new maintenance facility financially viable? What debt service can the golf course cover? Have accurate financial models that support proactive decision-making been developed. What is the current utilization and REVPAR?
5	Operational	Golf Operation and Course Agronomic Review	What is the current physical state of the golf course? What is the optimal and best use of the property? What are the recommendations for facility expansion and layout modification?
6		Management, Marketing, and Operational Review	Does the value provided equal or exceed the associated fees? Are the proper operating procedures consistently deployed through each step of the “assembly line of golf”?
7		Customer Preferences	Who are your core customers and how much do they spend? What is the annual retention rate of your golfers? What are the barriers to increased play? What are the primary reasons they select one course over another?
8		Customer Loyalty	How loyal are your customers? What are the key loyalty drivers that create satisfaction, and what is the financial referral impact of promoters versus the negative impact of detractors?



Management and Operational Review

Step 1: Analysis of regional and local trends in public golf, including supply and demand

Geographic Local Market Analysis

For this operational review, we conducted intensive research of the demographic trends, the local golfer base, supply levels, the current supply/demand balance, and the impact of historical supply dilution.

This analysis is undertaken because we have learned, from conducting strategic analyses for over 200 golf courses, that certain characteristics are predictable, as highlighted below:

Just the Facts: The Industry	
90% Rounds	30 minutes
15% of Customers	60% of revenue
Distinct Customers	6,000: 4 to 7 courses
Barriers	Time
Defectors	50%
Game	Caucasian, Rich, Old, Male

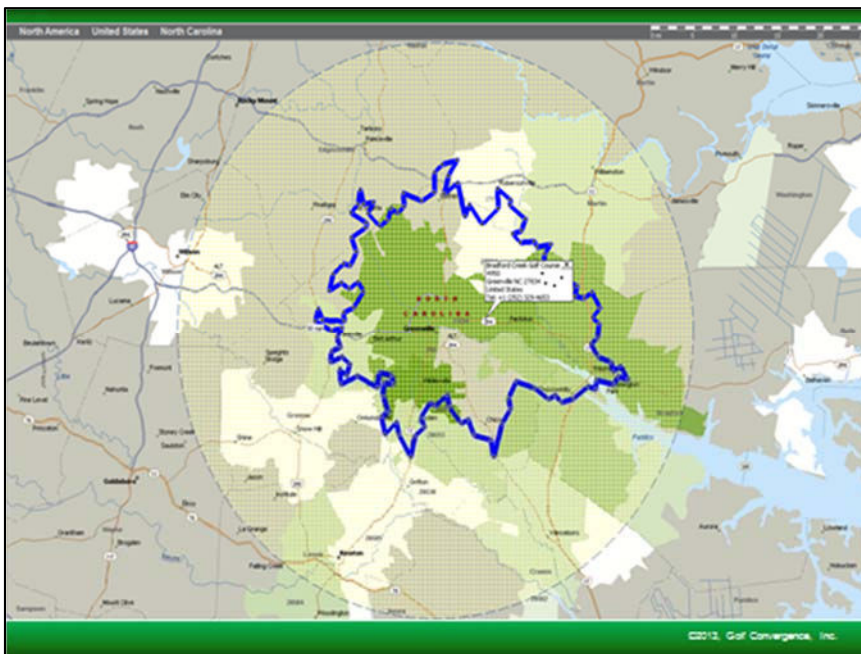
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Ninety percent of golfers live or work within 30 minutes of the golf course. 15% of the customers generate 60% of the revenue. On average, golfers play four to seven courses per year, citing time as the largest barrier to their playing more golf. Fifty percent of the golfers that visit one year don't return the next.

As an integral part of crafting this management and operational review, a 25-question electronic survey was undertaken. Respondents were from the following areas:



Management and Operational Review



Note: The Blue line represents a 30-minute drive time to Bradford Creek. The largest green circle represents a 30-mile radius.

In undertaking the golfer survey, we were fortunate to elicit the support of the Greenville Country Club who sent the survey to their membership. Based on that survey of golfers, it was enlightening to compare their responses and the statistics of the public golfer:

The Variances in Demographics is Shocking

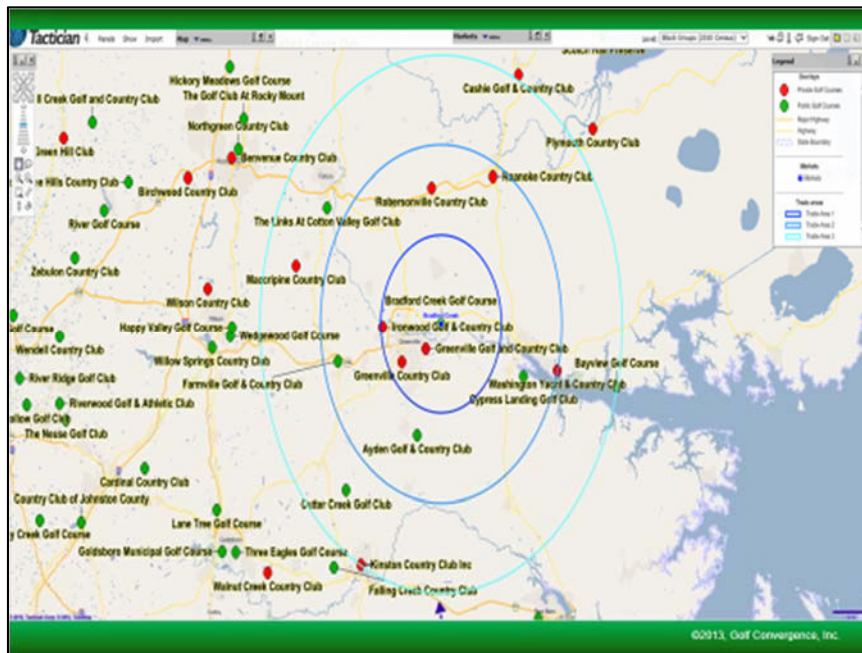
	Greenville Season Pass + Park Department	Brook Valley Greenville CC
Gender Female	14%	10%
Age	47.8	52.4
Income	88,285	138,411
Education	15.3 years	16.3 years
Rounds	32.7	45.4
City Residents	45%	78%
Courses	7.6	7.6
Barrier – Time	Time > No Barriers	Time = No Barriers
Paying – Cash	81%	60%
Criteria for Selecting	Price	Course Condition
Length of Course	6,033	(All) 6,038



Management and Operational Review

The ages, the income levels, the number of rounds played, and the percent of respondents who were City residents were far higher among Greenville Country Club members than golfers who played at Bradford Creek. Interestingly, “price” was the criteria selected by public golfers, versus “course condition” cited by Greenville Country Club members as the most important attribute in selecting one course over another. However, considering the income level of both groups, it is hard to fathom that price is an issue in the frequency of their play.

Consequently, in determining the competitive forces surrounding Bradford Creek, golf courses that are located within 10/20/30 miles from the City of Greenville were evaluated. The competitive map of golf courses within 30 miles of downtown Greenville is as follows:



It is interesting to note that the golf courses closer to downtown Greenville are all private clubs. One would think that, based on its location within a City of 86,000 residents, and since it is the only public golf course, Bradford Creek could be economically sustainable if the experience provided equaled the fees assessed and if the facility were marketed properly.

Demographics

The City of Greenville golf market is very unique. (See Appendix 1 for a detailed demographic analysis of the Bradford Creek Golf Club (BCGC).

To undertake an operational review for BCGC, it is necessary to first measure the potential for each course individually, and second, to consolidate those financial projections to create a concentric perspective for the enterprise. Presented below are the geographic local market demographics for the City of Greenville:



Management and Operational Review

Category	10	20	30	North Carolina	U.S.
Demographics					
Age (Median)	32.30	33.60	35.20	37.10	37.10
Age (Index)	87	91	95	100	100
Income (Med Household)	\$38,101	\$38,776	\$37,701	\$47,120	\$51,618
Income (Median)	74	75	73	91	100
Disposable Income (Med Hhld)	\$33,407	\$33,943	\$33,106	\$40,257	\$45,301
Disposable Income (Median)	74	75	73	89	100
Ethnicity (% Cauc.)	59.60%	59.40%	56.50%	68.50%	73.90%
Ethnicity Index	81	80	76	93	100

Note: An age index of 87 represents that the population is 13% younger than the U.S. population. Similarly, an Index of 74 indicates that the population has 26% less household income than the U.S. population.

These statistics indicate weak demand for the Greenville market. The age, income, and ethnicity are trending below national averages.

The unique nature of the Greenville market is seen from an analysis of the MOSAIC® lifestyle database. MOSAIC is a geo-demographic segmentation system developed by Experian and marketed in more than 20 countries worldwide. These 12 classifications are based on a wide range of demographic characteristics displayed below:

MOSAIC Lifestyle Database					
12 Lifestyle Groups: 1 st Most Golfers					
	Life Style Groups	Examples - 1	2	3	4
1	Affluent Suburbia	America's Wealthiest	White-collar Suburbia	Enterprising Couples	Small-town success
2	Upscale America	Status-conscious consumers	Affluent urban professionals	Urban commuter families	Second-generation success
3	Small-Town Contentment	Second City homebodies	Prime Middle America	Suburban Optimists	Family Convenience
4	Blue-Collar Backbone	Neuvo Hispanic Families	Working Rural	Lower-income essentials	Small-City endeavors
5	American Diversity	Ethnic Urban Mix	Urban Blues	Professional Urbanities	Mature America
6	Metro Fringe	Steadfast conservatives	Southern Blues	Urban Grit	Grass-roots living
7	Remote America	Hardy Rural Families	Rural Southern Living	Coal and Crops	Native Americans
8	Aspiring Contemporaries	Young cosmopolitans	Minority Metro communities	Stable careers	Aspiring Hispanic
9	Rural Villages and Farms	Industrious country living	America's Farmlands	Comfy country living	Hinterland families
10	Struggling Societies	Rugged rural style	Latino Nuevo	Struggling City Centers	College town communities
11	Urban Essence	Unattached Multi-cultures	Academic Influences	African-American Neighborhoods	New Generation Activists
12	Varying Lifestyles	Military Family Life	Major University Towns		

It is from these statistics that major chains such as Starbucks, Nordstrom, and Best Buy determine where to build stores. The basic premise of geo-demographic segmentation is that people tend to



Management and Operational Review

gravitate towards communities with other people of similar backgrounds, interests, and means. The vast majority of golfers can be classified in the Affluent Suburbia, Upscale American, and Small-Town Contentment Profiles.

The vast majority of individuals who live in or near BCGC fall within the MOSIAC profile are in the Small-Town Contentment, as shown below:

MOSAIC Lifestyle Database Greenville, CO						
	Radial Trade Area, 10 miles		Radial Trade Area, 20 miles		Radial Trade Area, 30 miles	
	Number	Percent	Number	Percent	Number	Percent
Affluent Suburbia	3,256	4.6%	3,949	2.4%	6,225	1.7%
Upscale America	0	0.0%	0	0.0%	162	0.0%
Small-town Contentment	15,434	13.5%	24,260	9.8%	26,239	7.1%
Blue-collar Backbone	157	0.1%	1,535	0.6%	4,604	1.2%
American Diversity	2,741	2.4%	3,215	2.1%	8,104	2.2%
Metro Fringe	4,176	3.7%	19,063	7.7%	30,648	8.2%
Remote America	22,437	19.6%	68,740	27.9%	133,218	35.8%
Aspiring Contemporaries	11,154	9.8%	14,728	6.0%	14,874	4.0%
Rural Villages and Farms	15,985	14.0%	41,033	16.6%	58,784	15.8%
Struggling Societies	13,477	11.8%	22,034	8.9%	34,210	9.2%
Urban Essence	18,974	16.6%	38,175	15.3%	47,536	12.8%
Varying Lifestyles	4,380	4.0%	3,833	2.4%	7,100	1.9%
Total	114,371	100.0%	246,585	100.0%	371,704	100

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BCGC Golf Course is located within the demographics of remote American and urban essence, neither of which are naturally supportive of golf.

Supply of Golf Courses

When considering price, quality, proximity, and accessibility to the BCGC, golfers have few viable alternative courses to play that are in close proximity to Greenville, which is important, since proximity from work/home to the golf course is a determining factor in measuring the viability of a golf course and its tendency to prosper. A detailed list of courses within 30 miles of BCGC and in the State of North Carolina is included in the research deliverables to this report (not included herein).

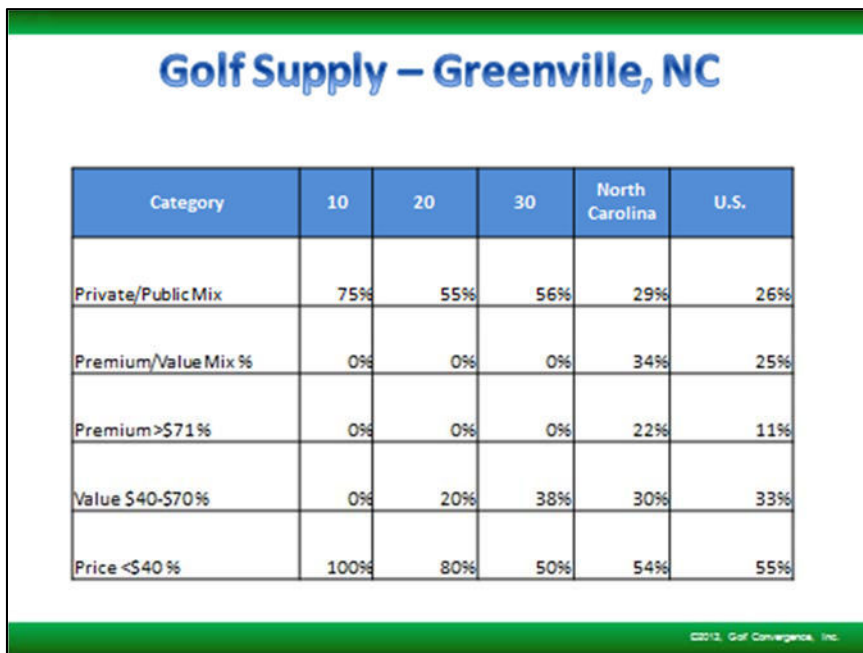
Presented below is a summary of the supply of golf courses within a 30-mile radius of the Greenville area:



Management and Operational Review

Category	10	20	30	North Carolina	U.S.
18-Hole Equivalents	4.0	10.5	15.0	567.0	14,882.0
Public 18-Hole Equiv.	1.0	5.0	7.0	402.0	10,593.5
Private 18-Hole Equiv.	3.0	5.5	8.0	165.0	4,288.5

While the above chart reflects the number of 18-hole equivalents, a standard measure of golf course supply within a local market, the segmentation of those courses by price point and public/private status allows for greater insight as to the potential of an individual facility. For the Greenville market, these statistics are presented below:



Note: Price listed is based on a weekend green fee, inclusive of cart.

This chart reflects that the market for golf in City of Greenville has an abundance of “price < 40” golf courses; reflective of the median household income in the region and an overabundance of private golf courses.

Demand for Golf

To evaluate the economic potential of this golf course, it is appropriate to examine the demand demographics within a 30-mile radius of BCGC, measuring the number of avid golfers, total participation, golfing fees, and golf fees per round. These statistics for Greenville are presented below:



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Golfer Profile - Greenville, NC					
Demand	10	20	30	North Carolina	U.S.
Avid Golfers	2,137	3,895	5,894	185,850	6,887,600
Total Golfers	7,975	14,535	21,991	693,469	25,700,000
Golfing Households	6,484	11,817	17,879	563,796	21,219,240
Rounds Played	142,876	276,328	432,849	14,656,305	463,000,000
Rounds Played Locally	75,533	150,110	232,413	8,060,735	279,190,432
% of Rounds Played Locally	53%	54%	54%	55%	60%
Golfing Fees	4,233,005	9,290,711	15,322,733	548,117,376	20,179,122,176
Golfing Fees Per Household	653	786	857	972	951
Rounds Played Per Golfer	17.91	19.01	19.68	21.13	18.02
Golf Fees Per Round	29.63	33.62	35.40	37.40	43.58
Golf Participation	6.03%	6.37%	6.53%	7.11%	8.37%
Total Population +18	100,552	172,865	255,816	7,393,520	232,116,402
Population	132,276	228,265	336,635	9,752,572	307,156,296
Households	52,242	90,140	132,073	3,924,792	113,900,256
Population/Household	2.53	2.53	2.55	2.48	2.70

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The golfing fees per household, golf fees per round, rounds played per golfer, and the number of avid and golf participants are all below the national average, based on the Tactician analysis.

Further, when the demand statistics are measured against the supply of golf courses to determine the relative balance of demand versus supply, the weakness of the City of Greenville’s golf franchise becomes very evident:



Management and Operational Review

Supply vs. Demand The Market is Oversupplied

Supply	10	20	30	North Carolina	U.S.
Total Facilities	4	11	16	556	15,677.00
If Market In Balance	2.39	4.60	6.75	339.79	14,882.00
Golfers Per Facility	1,994	1,321	1,374	1,247	1,639
Public Facilities	1	5	8	397	11,647
If Market In Balance	1.70	3.28	4.80	241.87	10,593.50
Golfers Per Facility	7,975	2,907	2,749	1,747	2,207
Private Facilities	3	6	9	159	4,030
If Market In Balance	0.69	1.33	1.94	97.92	4,288.50
Golfers Per Facility	2,658	2,422	2,443	4,361	6,377

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Note: This calculation is meant to measure the **relative strength and potential** within 30 miles of each golf course. Because the calculation is based on the number of avid golfers and doesn't weigh the relative importance of age, income, ethnicity, or general population density, it would be inappropriate to conclude an actual number of courses that should be built or closed.

This analysis explains the why the Greenville golf market is challenging, particularly for private clubs, and why there may be a potential opportunity for Bradford Creek.

The struggle of private clubs is well known. Ironwood and Greenville Country Club have discussed consolidating their club operations. In early 2012, Brook Valley and Greenville Country Club merged in the hopes of achieving economics of scale in operation and providing existing members additional benefits and attracting new members. Initiation fees are currently waived. The deferred capital expenditures at these facilities likely exceed \$2 million. Dues increases or assessments may occur. The cost of membership is nearly triple that of an annual fee at Bradford Creek. To the extent Bradford Creek's experience could be enhanced through improvements in course conditions and customer service, the opportunity to attract "bubble" members, while remote, is a possibility.

This potential is measured in the avid intensity index. It calculates the number of avid golfers, those who play over 25 rounds per year within a geographic local market, versus the national average. For the City of Greenville, the facts are not positive, as evidenced below:



Management and Operational Review

Avid Intensive Index – Greenville, NC

	10	20	30	North Carolina	U.S.
Intensity Index – National					
Golf Intensity Index	115	80	85	71	100
Avid per 18 Holes	533	371	393	328	463
Public Golf Intensity Index	328	120	129	71	100
Avid per Public	2,131	779	842	462	650
Private Golf Intensity Index	44	44	46	70	100
Avid per Private 18	710	708	737	1,126	1,606

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From this chart, the clear conclusion is that there exists a substantial demand for public golf in Greenville. Thus, the experience offered becomes vital to attracting and retaining sufficient golfers to ensure the economic viability of Bradford Creek.



Management and Operational Review

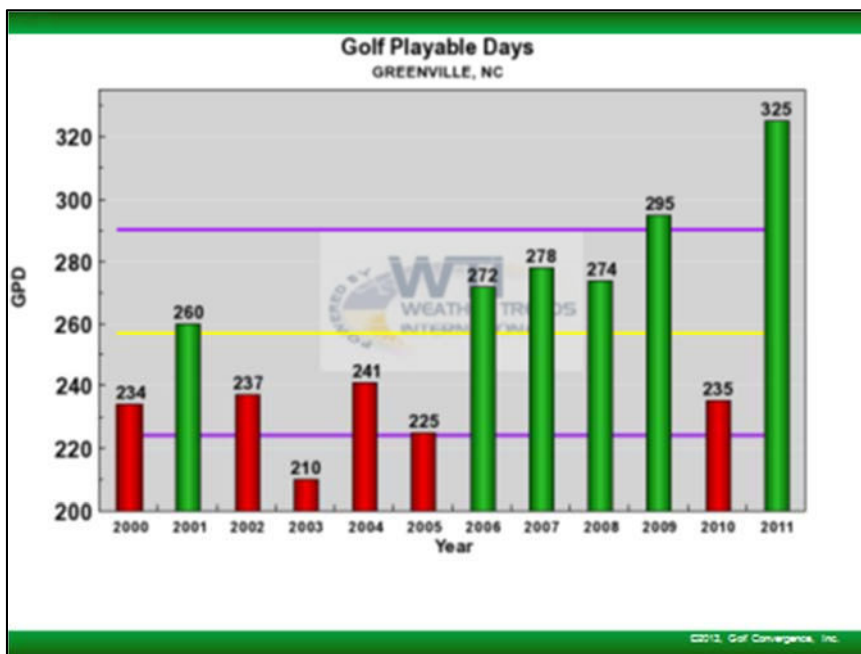
Step 2 - Weather Impact Study

The axiom that “if rounds are up, it’s because of good management and if rounds are down, it’s because of bad weather” is a standard joke, but golf is an outdoor sport. Experts estimate that over 90% of rounds are played when the temperature is between 55 and 90 degrees. Rain, snow, and wind are mitigating factors that will reduce the number of playable days.

Monitoring the number of playable golf days in a year compared to a 10-year trend allows an analyst the opportunity to filter the financial information to clearly differentiate between the impact of weather and the impact of management on a course’s performance.

Annual Golf Playable Days

In three of the past 6 years (2006 – 2011), the amount of playable days at BCGC was significantly above Greenville’s 10-year average. That is slightly discomfoting and provides insight as to an uncontrollable factor in golf course gross revenue. On average, there are 259 playable golf days per year in Greenville, as illustrated below:



Based on this chart, and the knowledge that weather to date for 2012 has been very favorable, it explains one factor why revenue in FY 2012 has increased.

If the weather pattern returned to “normal,” what could be expected in revenue contraction? The answer is not too alarming, as charted below:



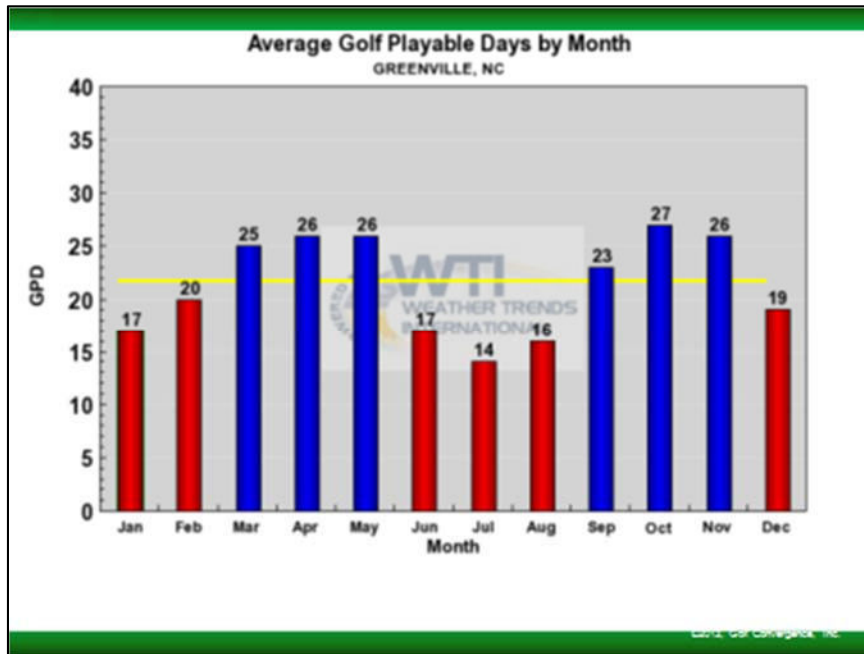
Management and Operational Review

Description	Amount
10 Year Average Playable Days	259
2006 - 2011 Playable Days	279
Favorable Weather Last 7 Years	20
Revenue Per Playable Day (9 Year Average)	3,242
Potential Decrease in Revenue from Normal Weather	65,240
% Decrease in Revenue	7.6%

The fact that the course experienced favorable weather during the economic downturn favorably impacted revenue. It is now important to focus on properly maintaining the golf course to ensure customer loyalty should the weather return to 10-year normal patterns.

Viabale Operating Season

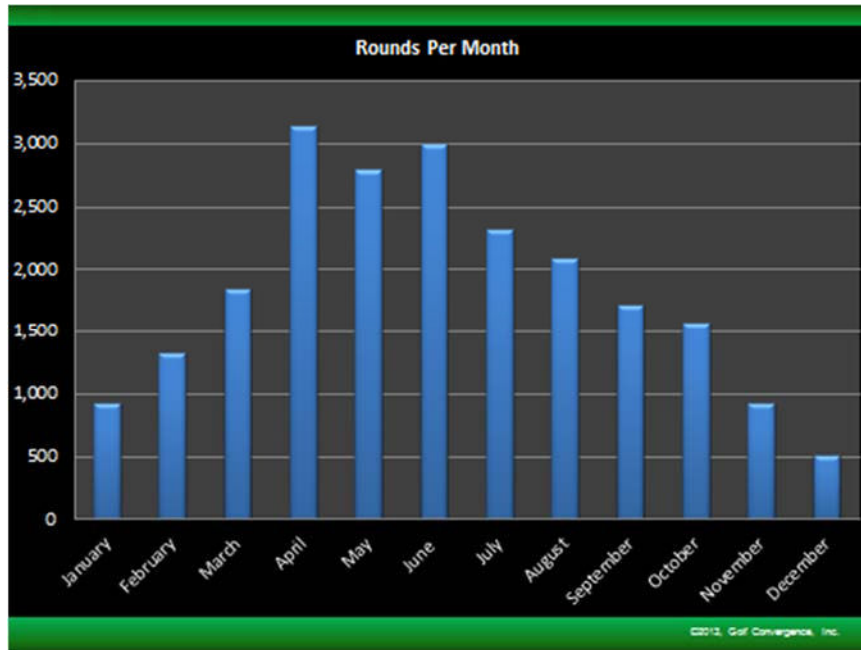
A second analysis of weather playable days determines the City of Greenville effectively has a 6-month golf season, as illustrated below:



The variable weather, from chilly winters to oppressive summers, makes staff scheduling a challenge. This challenge is reflected in the number of rounds played per month:



Management and Operational Review



Note: Rounds Per month were played during 2011 and 2012

April through June represent, in essence, the golf season in Greenville. July and August are excessively hot, and fall sports adversely impact rounds in September through November.

Note that a Golf Playable Day (GPD) is defined as a day (sunrise-sunset) on which the **maximum heat index** is above 45 and below 95 and there is less than 0.20 inches of rainfall. The **heat index (HI)** is an index that combines air temperature and relative humidity in an attempt to determine the human-perceived equivalent temperature – how hot it feels, termed “the felt air temperature”.

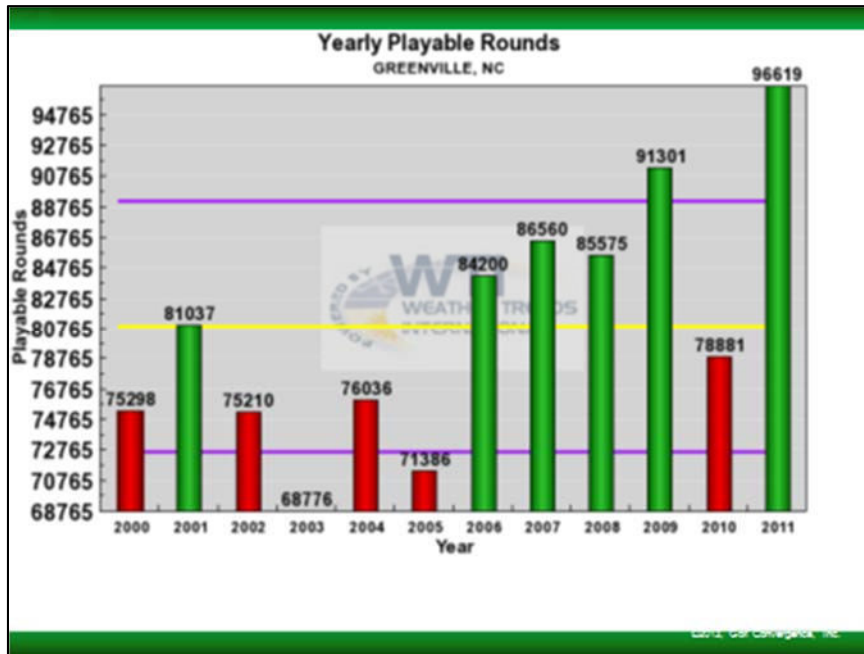
A golf facility that has such a seasonal schedule comes with the operational challenges of balancing full-time and seasonal staff. For the maintenance department, because of the requirement for “skilled” and “trained” labor, the emphasis should be on full-time employees – up to 4. Conversely, in golf operations, part-time staff should be preferred over the three current full-time staff members. While customer service may suffer slightly from the rotation of part-time staff, the opportunity to save labor expenses is attractive.

Yearly Playable Rounds

A third analysis has been undertaken to determine the efficiency of management, this by comparing actual rounds played to the course’s theoretical capacity, based on weather patterns.



Management and Operational Review



The capacity of a golf course is defined by its potential number of starts from sunrise to two hours before sundown on the number of playable days available, presuming a starting interval of eight minutes.

In contrast to the airline and hotel industry, in which utilization exceeded 70% in 2011, the utilization of the golf course industry was 52%. Rounds at BCGC for the past several years have averaged 24,000. Thus, the 27.0% utilization at BCGC was far below industry averages, which typically, and at BCGC, results from supply exceeding demand. But in this case, the results may also indicate that the golf course requires capital investment and the clubhouse is dysfunctional.



Management and Operational Review

Step 3: Technology

Who Is the Customer?

A fundamental test for any business is identifying who its customers are and what they are spending. Thus, we reviewed the use of technology by analyzing the golf course's internet use, its integration of tee time reservations with the POS, and its deployment of email-based communication.

The City has installed a superior golf management software program provided by Fore Reservation Systems. The ability of the Fore Reservation system to build a customer database and generate insightful executive reports is superior. Its market analysis system automatically generates emails to golfers based on pre-defined events and is marvelous. However, the system is not being effectively used. Only 1,200 email addresses have been acquired. The typical golf course averages 4,000 email addresses in its customer database.

In contrast, the web site is graphically attractive, as illustrated below:



The rotating “flash” pictures of the clubhouse, senior golfers, junior lessons and the clubhouse are very effective.

There are several suggestions for improvement to conform to industry best practices. A lot of information on the home page is “below the fold,” as illustrated below:



Management and Operational Review

The ability to sign up for the e-club and the birthday club, nearly identical functions, are next to each other below the fold. Further, while an icon exists on the home page directing the web site user where to book a tee time, much like the web sites of major airlines and hotels, the ability to enter date, time, and group size should be prominently displayed on the home page. An example of such proper presentation is illustrated below:



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The online tee time reservation system displays 100% of available tee times as noted below:

Bradford Creek Golf Course
4950 Old Pictolus Rd.
Greenville, NC 27834
P: 252-329-4653
E: mcatto@greenvillenc.gov
W: <http://www.greenvillenc.gov/bradford>

Your Profile Account
Email: Password:
[Create Profile](#) [Forgot Password?](#)

Find A Tee Time
Course:
Time:

We have found you a tee time! Click on your desired tee time below to begin the reservation process.

Closest Available Tee Times On Saturday, December 22nd, 2012

Su	Mo	Tu	We	Th	Fr	Sa
23	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

7:36 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

7:44 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

7:52 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

8:08 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

8:16 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

8:24 AM 18 Holes
Up to 4 golfers available [Click here for prices](#)

[Click Here To View All Available Tee Times](#)

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Competitors will often view a golf course's available tee time reservations to determine their relative strength in the market. It is suggested that available times be limited to 4 times per query.

Further, the link on this page² shown in the footnote below is broken. It returns only the header and a blank page.

The key to market positioning is establishing strong, exclusive brand recognition. This could be occurring more effectively for the BCGC, even though the use of title and metal tags in promoting the golf course on the Internet is appropriate. Google searches for Bradford Creek pulled up the golf course in the first position.

The Formula for Proper Adoption of Technology

The formula to profitably operate the course is simple and consists of the following steps:

- Create a customer database of upwards of 4,000 names.
- Integrate the Tee-Time Reservation System with POS.
- Issue identification cards and/or capture golfers' email addresses.
- Communicate with your customers via an opt-in email marketing program.
- Display tee times by best available time or price (maximum four times displayed).

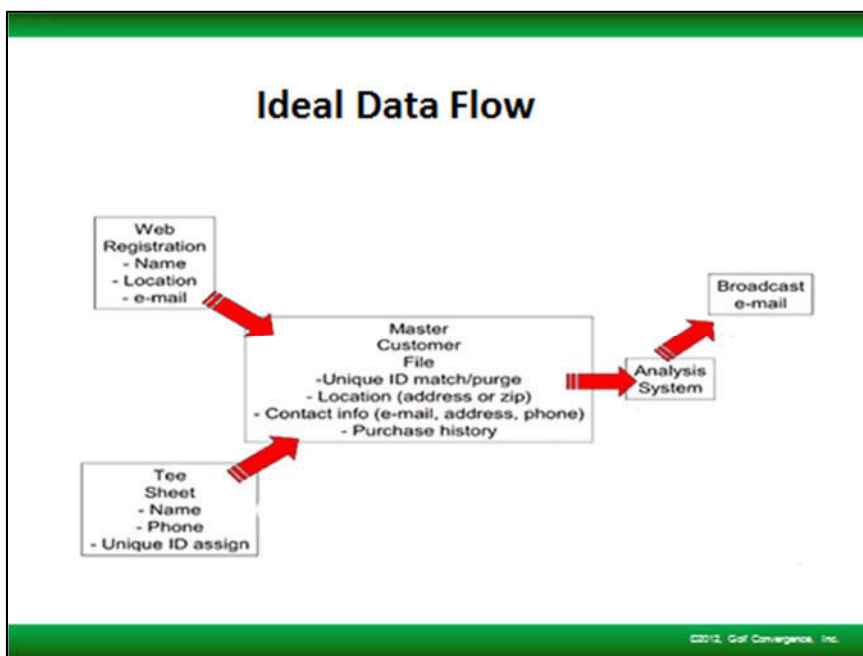
² http://www.greenvillenc.gov/bradford_creek/default.aspx?id=10446



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- Center a marketing focus on your Web site.
- Develop a consolidated reporting system, and monitor the 15 key management benchmarks.

As noted in the list above, the golf course, while it is in on the right path, is still a long way from ideal in its utilization of technology. The ideal system will have the following components:



An online registration system integrated into the POS system can identify specific golfer interests, such as last-minute tee times, tournaments, and other course activities. Fore Reservations has a marketing analysis program that can help the golf course operator effectively target-market to the community. It is recommended that this upgrade be installed during the off season.

For the survey launched on November 8, 2012, the email statistics confirmed that greater efforts can be placed in this area, as noted below:

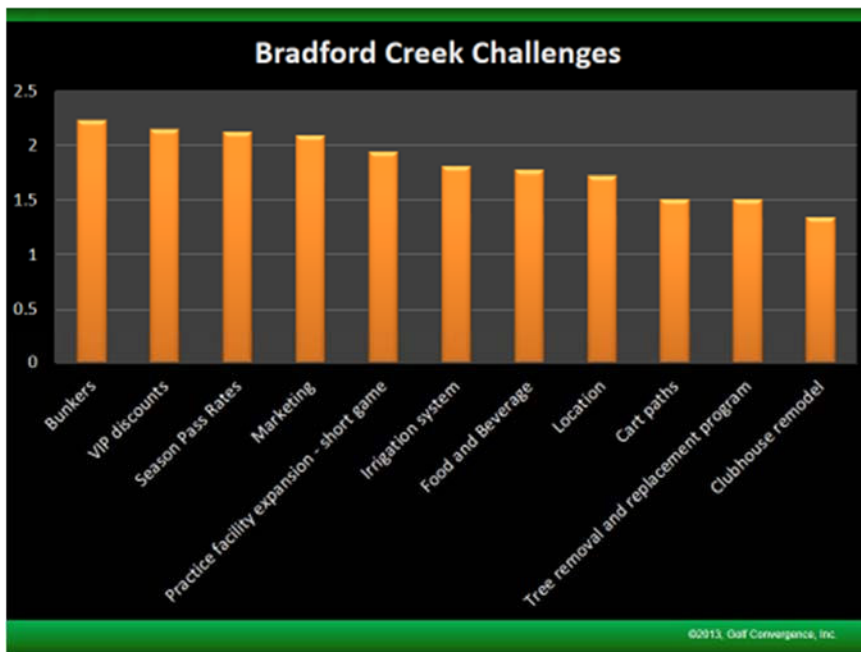
Launch Date	Emails Sent	Open	Clicked Through	Bounce Rate	Unsubscribe
November 8, 2012 5:57AM	1,227	35.6%	23.8%	11.0%	0.65%

The bounce rate of 11.0% indicates that the database is not being maintained and culled of bad addresses. However, the unsubscribe rate was acceptable.



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In the survey conducted, golfers indicated VIP Discounts, Season Pass Rates, and Marketing were items that required management’s focus.



In the two meetings with the Golf Advisory Committee, the lack of marketing was frequently mentioned. In the survey conducted, golfers said their preferred method for communication was technology-based; email and web sites:





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Facebook, twitter, etc. ranked very low. Also note that more expensive forms of advertising, such as daily newspapers and other print, media were not favored either.

Thus, the correct deployment of technology, including an integrated POS system properly used and email marketing, will yield the following benefits:

- Maximize Revenue
 - Web-based marketing presence
 - Reservation cards sold for premium access
 - Dynamic yield management
 - Create a distinct BCGC Golf Course brand

- Increase Operational Efficiency
 - Better internal control
 - Timely and more meaningful reporting
 - Elimination of repetitive tasks by staff
 - Enhance customer service
 - 24-hour access to tee-time reservations
 - Email communication of promotions, tournaments, and updates
 - Sell prepaid gift cards online

In conclusion, the proper use of technology is to create a management and marketing advantage. The creation of a unique selling proposition (such as affordability) that is communicated to the existing customer base will boost revenues. This can only be done effectively if technology is properly installed and utilized.



Management and Operational Review

Step 4: Financial Analysis

Revenue

The financial analysis of a golf course starts with analysis of the green fees. Carts, merchandise, food and beverage, range, and other revenue activities are always a derivative of the number of rounds played and the prices charged.

Usually, the prices charged by municipal golf courses serve as the standard from which all other area golf courses determine their fees.

There are many ways to establish the green fees:

- 1) A percentage of the construction cost
- 2) Value provided
- 3) Competitors' prices

It is our professional opinion that the value provided is the most appropriate benchmark.

For BCGC, based on the proposed capital investment over the next three years, \$39.00 would be an appropriate rack rate green fee for prime time, 18 holes with cart.

Currently, the prime time rack rate with cart is \$35.00. The typical course green fees in the United States and North Carolina:

	United States		North Carolina						
Type of Course	Courses	%	Courses	%	Holes	Median Age	Average Age	Median Fee	Average Fee
Daily fee	9,233	58.10%	370	64.69%					
Municipal	2,393	15.06%	38	6.64%					
Private Equity	2,602	16.37%	87	15.21%					
Private Non-Equity	1,632	10.27%	72	12.59%					
Private Other	31	0.20%	5	0.87%					
Total Private	4,265	26.84%	164	28.67%					
North Carolina			572	100.00%	10,476	1971	1971	28.00	31.83
Total US	15,891	100.00%			268,254	1969	1965	45.00	56.00

The fee proposed is 22% higher than the State average but 31% below the national average fee. How can that be justified?



Management and Operational Review

The guidepost for a management and operational review is the value provided to the customer. To the extent that the experience exceeds the price, value is created and customer loyalty is developed. Conversely, to the extent that the price exceeds the experience created, value is squandered and customer attrition occurs.

Value in golf derives from two basic components shared by all golf courses: the physical – infrastructure – property (course), plant (clubhouse), and equipment (maintenance equipment); and secondly, the human element; the personnel.

To determine the appropriate price to charge, we need to evaluate the value provided to the golfers. To the extent the price charged exceeds the experience, customer attrition occurs. When the prices are comparable to the experience provided, a golf course will thrive.

Unless the golf experience improves, the harsh answer is, in this case, that it cannot be supported. However, while it is 7.3 miles from downtown, BCGC is the only public golf course within a 15-mile radius of Greenville, and it offers a potentially superior experience to other public courses in the outlying area.

The first step in boosting revenue is to attract a group of avid golfers through season passes. Currently only eight golfers purchase a season pass at the rate of \$995 at Bradford Creek. While that price is significantly below national market, as reflected below, based on the survey conducted of golfers in the Greenville market, it is our professional opinion that a season pass for residents, for a calendar year, should be \$895, based on the following calculation:

Criteria	National (Note 1)	Bradford Creek (Note 2)
Holes	18	18
Playable Days	240	259
Playing Frequency	36%	22%
Rounds Played	86	59
Rate Rack	40	22
Frequency Discount	32%	30%
Annual Fee – Fair Market Value	\$2,339	\$908

Note 1: Based on national survey conducted of golf course operators in May, 2012 by Golf Convergence
Note 2: Based on survey conducted for the City of Greenville in November, 2012

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We believe that since the cost of belonging to the local private clubs is nearly 400% greater than the season pass, if the BCGC is improved and the course marketed and branded correctly, additional avid golfers can be attracted to the facility. These recommendations were formed based on an examination of the competitive rates in the Greenville market, as shown below:

Course	Phone Number	Green Fee	Cart Fee	Initiation Fee	Monthly Fee	Month F&B	Annual Fee	Miles from City Hall
Greenville CC	252 756 1237	40	17	0	262	35	3,144	3.76
Brook Valley	252-756-5500	40	17	0	227	35	3,144	4.15
Ironwood	252 752-6659	39	16	0	269	45	3,228	5.54
Bradford Creek	252 329-4653	22	13	0	N/A	N/A	995	7.31
Ayden Golf	252 746 3389	22	13	500	95	N/A	1,140	14.15
Farmville Golf	252-753-3660	20	15	100	90	N/A	1,080	15.53
Indian Trails	252 524-5485	Closed	Closed	Closed	Closed	Closed	Closed	19.35
Cypress Landing	252-946-7788	N/A	Included	0	204	N/A	2,448	21.54
Maccrpline	252 827-5537	20	14	0	75	N/A	900	23.86
Cotton Valley	252-824-0818	22	13	0	75	N/A	900	28.58
Cutter Creek	252747 4653	45	17	1,200	165	N/A	1,980	29.54
Kingston	252-523-2197	37	17	500	246	30	2,952	30.35

These recommendations were also based on considering the distance from each of the primary public courses from Greenville City Hall. It would cost a golfer between \$290 and \$902 more to play any public golf course in the Greenville market other than Bradford Creek.

Gas Calculation	Bradford vs. Ayden	Bradford vs. Farmville	Bradford vs. Cotton Valley
Mileage Different	6.84	8.22	21.27
Round Trip	2	2	2
Miles to Play 1 round	13.68	16.44	42.54
Times Per Year	40	40	40
Total Miles	547.2	657.6	1701.6
Miles Per Gallon	25	25	25
Gallons of Gas	21.888	26.304	68.064
Cost of Gas	3.75	3.75	3.75
Total Incremental Cost	82.08	98.64	255.24
Total Miles	547.2	657.6	1701.6
IRS Depreciation Cost/Mile	0.53	0.53	0.53
Actual Cost of Driving to Alternative Courses	290.02	348.53	901.85



Management and Operational Review

Key Benchmarks

Presented below is the “median” financial performance of 18-hole courses nationally, municipal golf courses nationally, municipal golf courses in the Carolinas Section, and Bradford Creek:

	18 Holes		18 Holes	Bradford Creek
	All	Municipal	Carolinas PGA Section - Municipal	
Rounds	22,000	30,000	27,157	24,721
Peak-Season Green Fee – 18 Holes	\$65	45	36	35
# of Full-Time Employees	14	6	11	6
# of Full-Time Golf	3	3	4	3
# of Full-Time Maintenance	5	4	6	3
# of Part-Time Employees Facility Wide	25	20	12	
Facility Revenues	\$1,375,000	978,249	850,000	843,598
Membership Fees and Dues	\$297,500	96,500	141,450	19,783
Green Fees	\$250,000	440,548	442,500	588,035
Cart Fees	\$167,119	190,239	245,000	15,035
Green Fee/Membership and Cart Revenue	\$714,619	727,287	828,950	622,853
Merchandise Revenue	\$125,000	86,000	80,000	42,888
EBITDA	\$205,435	142,406	361,271	-31,651
Revenue Per Round	\$62.50	32.61	31.29	\$34.12
Carts as % of Green Fee Revenue	30%	35%	41%	2.5%

Note: Carolinas Section includes North and South Carolina

Source: 2011 PGA Performance Trak

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There are some anomalies in the data. It is unfortunate that the financial benchmarking of golf courses in the United States is more “art than science.” Of the 15,677 golf courses in the United States, less than 20% submit their financial statistics to PGA PerformanceTrak, and even those who do, do not submit information for all 44 reports that are provided from this service.

With that limitation understood, the financial performance of Bradford Creek with respect to revenue is consistent with other municipal golf courses in the Carolinas region. The largest variance is in EBITDA, which would address expenses incurred by Bradford Creek not incurred by other municipalities.

The question that first must be answered is, “What is the potential performance of a municipal golf course?” and that is reflected below:



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Municipal Golf Courses: Nationally					
	Platinum Top 10%	Gold Top 25%	Silver Median	Steel - Bottom 25%	Bradford Creek
Rounds Played	50,000	40,000	30,000	22,865	24,721
Full Time Employees	20	11	6	5	6
Total Revenues	2,081,461	1,400,000	978,249	615,128	8434,598
Green Fees	1,000,000	710,867	400,548	215,000	588,032
Cart Fees	360,000	280,000	190,239	120,000	15,035
Merchandise	205,000	140,000	86,000	50,000	42,488
Golf Shop Salaries	455,052	276,000	182,908	128,000	235,553
Maintenance Salaries	498,000	357,269	250,000	150,000	242,217
Maintenance Expenses	538,500	350,000	142,406	58,000	224,586
EBITDA	1,000,000	572,541	487,000	50,000	-31,651

Source: 2011 PGA Performance Trak
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Bradford Creek’s financial performance is between the 50th and the 25th percentile. Of concern is BCGC’s EBITDA (earnings before interest, taxes, depreciation and amortization), which merits a close examination of expenses.

The Dilemma with Maintenance Expenses

With respect to maintenance, the annual cost of maintaining the various types of golf courses, usually laid out on about 100 acres of maintainable land, can vary from \$200,000 to more than \$2.5 million. The National Golf Foundation reported the following total maintenance costs in a report titled, “Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S.”³

Description	Annual Maintenance Costs
Public Mid-Range Frostbelt	\$377,160
Public Mid-Range Sunbelt	540,660
Public Premium Frostbelt	555,460
Public Premium Sunbelt	825,640
Private Mid-Range U.S.	611,240
Private Premium U.S.	1,412,720

This study was updated in 2010 by the National Golf Foundation. Public Frostbelt courses generating less than \$800,000 in revenue had maintenance budgets that averaged \$308,700.

³ National Golf Foundation, “Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S.,” 2006 edition, pages 4, 10, 17, 24



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The maintenance budgets for golf courses generating \$800,000 to \$1.3 million in revenue was \$486,600.⁴ These are consistent with Bradford Creek’s budget.

Other financial benchmarks provided by PGA PerformanceTrak are illustrated below:

	18 Holes		18 Holes	Bradford Creek
	All	Municipal	Carolinas PGA Section	
Golf Operations Payroll, Benefits	\$182,000	247,848	215,503	220,817
Golf Course Maintenance Payroll & Benefits	272,784	250,000	263,391	242,277
Total Payroll and Benefits	\$454,784	497,848	478,894	465,051
Golf Course Operations Other Expenses	77,633	113,838	96,904	110,757
Other Maintenance Expenses	294,424	220,000	200,000	224,285
Total Maintenance	567,208	470,000	463,391	466,563
Other Property Expenses	45,000	119,429	28,000	N/A

Note: Carolinas Section includes North and South Carolina

Source: 2011 PGA Performance Trak

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The sad conclusion is that expenses for Bradford Creek are in line with industry benchmarks in all significant and material respects. The opportunity to create fiscal sustainability will result primarily from an increase in rounds and from the yield per round played.

⁴ National Golf Foundation, “Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S.,” 2010 edition, pages 15, 19



Management and Operational Review

Step 5: The Physical Assets – Resources on Which to Grow

BCGC is an 18-hole golf course configured as follows:

	Yardage	Par	Slope Rating	Course Rating
Red	7,151	72	126	73.2

The average slope rating for U.S. golf courses built prior to 1980 is 120. Since 1980, the slope rating has increased to 127. This indicates that BCGC’s rating is considered makes it a “more difficult” golf course suited for avid golfers.

The course layout and the associated investment is one component of a successful golf course operation. Another important element is the how that asset is maintained through appropriate agronomic practices.

The Review Performed

Course conditions for the course were reviewed in combination with the impact of trees on course playability and golfer experience. Included in this review was an evaluation of soil profiles, turf conditions, and maintenance practices, including hitting various golf shots off tees, fairways, rough areas, and bunkers, as well as putting on numerous greens on each nine to evaluate green speed, smoothness, texture, and quality from a golfer’s perspective. Interviews were conducted with management and staff.

Perspectives

Course conditions, on the days the reviews were conducted, were very good and consistent with comparable municipal operations. Golf course mowing, aeration, fertilization, disease control, soil analysis, fiscal management, and employee supervision were all at very acceptable levels.

But we noted that there are eight specific architectural issues that should be addressed to improve course conditioning, reduce ongoing maintenance costs, and potentially increase revenue at Bradford Creek:



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Course Component	Issues	Cost		Time
		Minimum	Maximum	
Sand Bunkers	56 bunkers reduce maintenance expenses, eliminate contamination	\$300,000	325,000	3 months
Trees	Improve turf playability, reduce maintenance expenses	4,000	6,000	1 week
Turf Reduction	Conversion of maintained to low maintenance area with planting fescue, etc.	10,000	15,000	3 weeks
Turf Fertility	Reduce of nitrogen and bolster herbicides, fungicides budgets	25,000	40,000	Progressive
Driving Range and Practice Facilities	Re-grading 3 tees to 1 to increase hitting area to enhance turf quality	7,500	10,000	1 month
Irrigation System	1994 irrigation system is nearing end of functional life.	900,000	1,400,000	4 months
		\$1,246,500	\$1,796,000	< Six Months

Sand Bunkers

Sand bunkers are visually one of the most important elements on a golf course. They frame and define each hole, and they influence the difficulty and playability of each hole. Bunkers are also often one of the most expensive maintenance issues on a golf course. With 56 bunkers at Bradford Creek, there is certainly an opportunity to reduce maintenance costs and improve play.

Unfortunately, most of the bunkers at Bradford Creek were constructed so that they are not visible to the golfer. This negatively affects pace-of-play and impacts the golfer’s enjoyment of the game.

In addition, the bunkers at Bradford Creek have become severely contaminated, as illustrated in the picture to the right, and they are difficult to maintain. Over time, as bunkers are edged and as the native soils erode into the bunkers, the sand becomes contaminated. This results in poor drainage, inconsistent playing conditions, and the perception that the course is poorly maintained.

Our recommendation would be to conduct a bunker renovation intended to make the bunkers more visible, reduce maintenance, and improve the overall playability of the course. This would involve stripping the turf and re-grading the bunkers to make them more visible and easier to maintain. Then, new sand and drainage would be installed and the disturbed areas would be re-grassed. Much of this work can be done while the course is open for play and would therefore have little impact on play or revenue.

We anticipate that this project might take six to eight weeks to complete, provided that the City utilizes an experienced golf course contractor who has the proper equipment and experience to complete the work in an efficient manner.



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During this renovation, the majority of the bunkers would be reconstructed in their current location. A few bunkers, such as the left greenside bunker on No. 2 and the center fairway bunker on No.10 could be removed or repositioned to reduce maintenance and improve playability. Depending on the specific situation, these areas would likely become grass collection areas similar to that which exists on the right side of No. 7 green. The key is to make these changes without jeopardizing the character or integrity of the golf course.

Trees

Overall, the condition of the course is quite good. There are however a few areas where trees are negatively impacting turf quality and making ongoing maintenance more difficult than it needs to be. The most significant areas involve the trees located south of holes No. 3, 12, 15 and 16 greens and the trees which are shading the tees on hole No. 13 tee.

Shade on greens and tees weakens turf, increases disease pressure, and increases maintenance. Selectively removing these trees would not only improve overall course conditioning but would also provide for a more enjoyable experience for golfers.





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Turf Reduction

There are a number of areas on the golf course which could be converted from maintained turf to low-maintenance areas.

These areas of Bermuda grass which are currently being mowed, irrigated and, in some cases, fertilized could be converted to areas of Fescue or Love Grass which would need little or no maintenance once established. These include areas between holes No. 5 and 6 and near the tees on many of the holes.

Long-term, this would reduce the time commitment on the maintenance staff and would allow them to focus their financial resources on tees, greens, and fairways. To convert the turf, these areas would be sprayed with a non-selective herbicide such as Roundup and then re-grassed. With proper guidance and additional staffing, much of this work could be done by the maintenance staff.

Turf Fertility and Maintenance

The bent grass putting greens are in exceptional condition. They are, in all likelihood, probably one item which sets Bradford Creek Golf Course apart from its competition. However, in speaking to the superintendent, I understand that they are currently applying 5 pounds of nitrogen fertilizer annually to the greens. That likely explains why they are so lush and in such good condition. However, in my travels, I typically see superintendents applying more on the order of 3.5 pounds of nitrogen annually. Although the savings would be somewhat minimal, I would suggest that a slight reduction in the amount of fertilizer might free up some dollars to address fairway, tee, and rough conditioning.

The tees, rough, and fairways appear to be somewhat lacking in fertilizer and weed control. In fact, the superintendent mentioned that his budget this year did not allow for any fairway fertilizer and that they have not fertilized the roughs for seven years. This condition, if continued, will likely result in turf which is weak, thin, and increasingly difficult to manage. I suggest that the City consider reducing the fertilizer on the greens to four pounds annually and increase the maintenance budget to allow for proper fertilizer, fungicide, and weed control on the tees, roughs, and fairways.

Driving Range and Practice Facilities

The course has a fairly good driving range which appears adequate in width and length. However, there appears to be an opportunity to reduce daily maintenance while potentially increasing revenue by re-grading the driving range tee and installing a concrete tee line with synthetic turf



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mats. The existing range tee was constructed with three tiers of turf. By regrading the area to create one large tee line, the area will be easier to maintain. This will also essentially lengthen the range by moving the tee back. In addition, by adding a concrete tee line, the City will be able to expand use in the winter months when the turf is not actively growing.

The Irrigation System

The irrigation system at Bradford Creek was installed in 1994 when the course was originally built. The United States Golf Association (USGA) and the American Society of Golf Course Architects (ASGCA) states that the life of a PVC pipe irrigation system is approximately 20 to 30 years. After time, sprinkler heads wear out and plastic pipe and fittings fatigue or crack. The superintendent tells me that they are already **repairing two to three leaks or breaks per month**. In the next five to six years, the City of Greenville should be prepared to consider the installation of a new irrigation system, including heads, piping, and a computerized central control.

A new system with modern more-efficient sprinkler heads and improved coverage would not only improve course conditioning but allow the maintenance staff to more effectively manage and potentially reduce the amount of water used at the course.

In addition, the City should consider the installation of a more efficient variable frequency drive (VFD) unit for the irrigation pump station. The VFD will reduce wear on the pumps and can save a considerable amount of money in electrical costs.

Staffing

It is my understanding that the golf course currently employs three full-time maintenance employees (a superintendent, an assistant, and a mechanic) as well as a number of seasonal employees. Typically, we see a fairly low-level of productivity and a high rate of turnover with seasonal employees, so it can often be advantageous to replace two or three part-time seasonal employees with one more highly-trained, full-time employee. As a full-time employee, this individual would be able to complete tasks which a seasonal employee can't, including chemical applications and irrigation troubleshooting. In addition, this employee should be more productive and more familiar with the requirements of the golf course and, benefits aside, that adjustment should result in some savings and increased level of course conditioning.

Ensuring Consistent Playing Conditions through Agronomic Practices

The initial impression of Bradford Creek is very favorable. The drive to the golf course, the clubhouse, and the pro-shop facilities are very nice.

The course has a spacious routing with good sightlines. Overall, the condition of the golf course is quite good. The putting surfaces are exceptional – the best we have seen all year in touring courses nationally.



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These assets can be leveraged to produce an appropriate value-based public golf experience in Greenville.



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Step 6 – Operations & Marketing

Key Benchmarks

Knowing who your customers are, their spending preferences, and their playing frequency is fundamental to maximizing your net income, increasing your operational efficiency, and enhancing your customer service. This knowledge is the essential foundation for a meaningful marketing program. Without this information, most golf courses greatly minimize their revenue opportunities.

A leading golf course management company⁵ that serves more than 100 public golf courses has identified certain predictable characteristics:

- 1) A golf course, on average, has 8,000 distinct customers, from a minimum of 3,500 to a maximum of 11,000.
- 2) 10% to 20% of those customers are “initiators” and make the tee time.
- 3) 50% of those customers play the course only once per year.
- 4) 50% of those who play will not return the next year.
- 5) Only 13% will play six or more times.
- 6) Customers average six rounds played at a specific course per year.
- 7) 20% of a golf course’s wallet share will come from core golfers who play 40 rounds per year.
- 8) Customers become at risk of not returning when they haven’t played your course in 90 days.
- 9) The response rate from customers offered a 20% off coupon, a 10% off coupon, or merely receiving acknowledgement that they are missed is nearly the same.

It is fair to conjecture that golfers at the City of Greenville have comparable profiles, except that this golf course probably serves only 4,000 distinct customers annually.

However, because the POS system is not properly utilized, measuring any of the key metrics is not possible at this time.

By the proper adoption of technology, BCGC will be able to engage in Customer Franchise Analysis to identify retained customers, defectors, and new acquisitions. Targeted messages to appropriate golfer segments can be automatically created and delivered monthly. (Note: as a general rule of thumb, a course should only send an email to its entire list of golfers two or three times per month.)

Implementation of pro-active marketing will greatly boost revenues for BCGC.

⁵ Peter Hill, Billy Greenville Golf Management, “Programming for Profit,” February 4, 2009 presented at NGCOA Multi-Users Conference.



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The Assembly Line of Golf

From the time an individual contemplates playing golf to the time that golfer leaves the golf course, there are a number of touch points through which the customer experience is defined, as highlighted below:

Touch Point	Municipal	Daily Fee	Resort	Private Club	Military
Reservations	X	X	X	X	X
Club Entrance	X	X	X	X	X
Bag Drop		X	X	X	
Cart: GPS		X	X		
Locker Room Before Round			X	X	
Pro Shop	X	X	X	X	X
Range	X	X	X	X	X
Starter & Marshalls	X	X	X	X	X
Beverage Cart Attendant		X	X	X	
Halfway House			X	X	
Cart Return—Club Cleaning			X	X	
Locker Room After Round			X	X	
Bar/Restaurant	X	X	X	X	X
Likely # of Contact Points	6	9	13	12	6

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Our review of BCGC indicated that each customer touch point has the opportunity to enhance customer service. The fundamental challenge from which nearly all golf course customer problems emanate is the poor positioning of the clubhouse and its interior layout.

The customer's first impressions when entering BCGC is very positive, as pictured:



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Unfortunately, that positive image is not carried throughout the experience. The front entrance door has a repetitive message regarding the dress code and looks cluttered. There are 12 different messages posted on the front door. Do you think any customer reads them?

Management and staff often forget, because they see these eyesores daily, the impression made on the first-time customer and the conclusions they reach as to the customer experience at this place.

There are many other customer service issues: the container holding the range balls is broken, the area for washing the balls is also by the front entrance with the tournament score board. It provides an unsightly first impression.

The lighted range is a great asset and generates over 12% of the revenue of the facility's revenue, which is beyond national benchmarks.

The putting green is a prized treasure, though the location of the short green practice facility at the end of the range renders a prized asset vastly underutilized.

While playing the golf course, one can see that it has great potential, but in the collage of photographs that follow, it is clear that the asset is begging for capital repair.

Presented below is a collage of the "golf experience," and the question as to whether the customers are receiving value is evident.

Do these pictures seem to say that rounds are down because of location, oversupply in the Greenville market, or the golf experience is inferior for the price charged?

Hidden bunkers



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Broken Cart Sign

Another hidden bunker

Porta-potties: the bane of women

Cart path challenges

Cracked cart path

Hidden bunker on 10

11th Hole Tee Sign Missing

12th Fairway poor turf

The good news is that the vast majority of the items cited, except for the bunkers, can be repaired for less than \$15,000. The potential exists, if the investment is made, to render Bradford Creek competitive with other public golf courses.



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Step 7 - Customer Survey

Creating an operational review requires a clear understanding of the golf industry and the unique characteristics that define the sport.

Presented below are some statistics regarding golf in the United States provided by the National Golf Foundation:

- There are 26.2 million golfers in the United States.
- 36.7 million Americans are golf participants, defined as anyone ages 5 and above who either played a round of golf or visited a golf practice facility.
- More than 45 percent of golfers (11.9 million) are between the ages of 18 and 39. Seniors (ages 50 and over) comprise another 33 percent, or 8.6 million.
- There are 5.76 million female golfers; they represent 22 percent of all golfers. And 6.1 million juniors play golf.
- There are 15,677 golf facilities, 11,637 of which are open to the public.
- The golf handicap for a male is 16.1, representing a score of 92. For women, the average handicap is 28.9, representing a score of 110. The average scores have changed very little over the years.

In conducting a management and operational review, it is invaluable to obtain a current perspective of the customer database by identifying customers' ages, genders, net incomes, ethnicities, playing frequency, favorite golf courses, and price point barriers. The key point being measured is the opportunity to increase current market share.

We conducted a survey of the golfers in the City of Greenville

The survey remained open for 10 days, from a survey sample size of 1,227 email addresses provided by Bradford Creek Golf Course, from a posting on the City's Web site, and from an email to the members at Brook Valley and Greenville Country Club. In that over the sample size exceeded 2,000 invited to respond, we are left with a 90% confidence factor with a margin of error on the results of 5% +/- based on the 712 responses received. The completion rate for those starting the survey was 86%, an acceptable average that suggests the survey was well-constructed.



Management and Operational Review

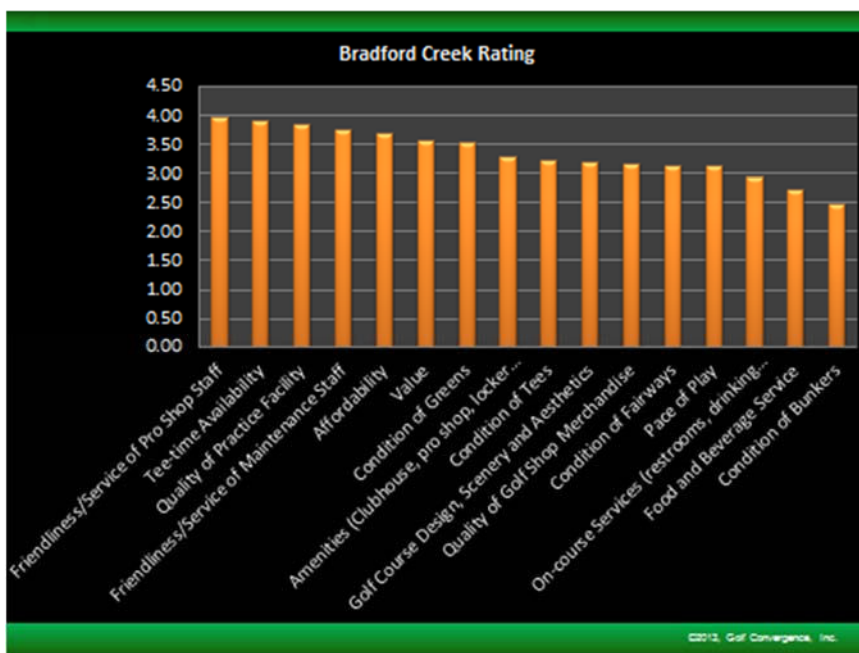
Who Is the Bradford Creek Golfer?

The geographic local market analysis performed in Step 1 of the Golf Convergence WIN™ formula indicated that the City of Greenville’s golfers were likely to be Caucasian, slightly older, and with above-average income. The survey confirmed that fact.

The respondents average 50.0 years of age, have median household incomes of \$103,906 (nearly 275% higher than the average income of a Greenville resident), are 88.7% male and 92% Caucasian, and play 37.6 rounds annually on 7 different golf courses. Note that Greenville CC respondents averaged 52.4 years of age, have median household incomes of \$138,411, are 90.0% male, and play 45.4 rounds annually, also on 7 different golf courses.

What Do Golfers Like about Bradford Creek Golf Club?

The golfers were asked to rate 16 attributes of BCGC. What always surprises us about these surveys is that the golfers always get it right. Presented below is a comparison of these factors:



The friendliness of the staff, tee time availability, and the quality of the practice facility rated high. The bunkers, food and beverage service, on-course services, and pace of play were rated as deficient. Our professional opinion is consistent with that of the respondents.

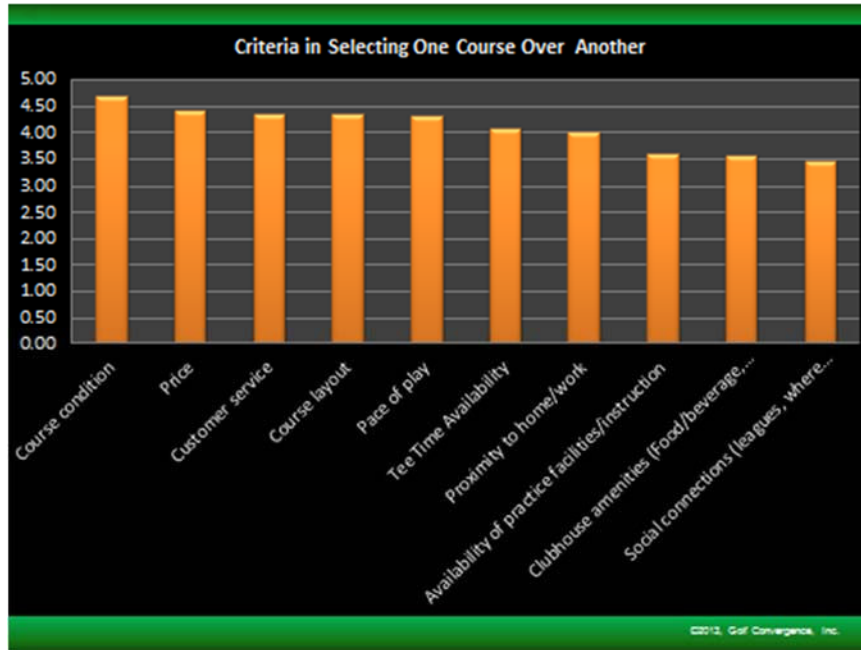
What Is Important?

When asked, “What factors are important to you in selecting one course over another?” the results of the City of Greenville survey were consistent with other surveys conducted by Golf Convergence and by leading trade organizations such as the Golf Course Superintendents Association of



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America. Positive impressions of conditioning and value (price/experience delivered) predict success, as shown below:



Regarding those items that ranked low as criteria in selecting one course over another, the fact that social connections ranked last is no surprise. That has ranked low on every survey performed by Golf Convergence. However, the clubhouse amenities and the availability of practice facilities are of note. While BCGC has a fine short-game area, it is at the end of the range, and it is inaccessible and inconvenient for the majority of patrons.

Since a large part of the "experience" equation is the conditioning of the golf course, it should be no surprise that it ranks as the most important criterion in selecting a golf course. Of concern is the fact that the survey respondents ranked "price" as the 2nd most important criterion for choosing what course to play. The temptation is to lower prices. Such a trade-off is perilous, as noted in the chart below:



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Decrease in Price	Number of Additional Rounds Required to Offset Discount
5%	5.26%
10%	11.11%
15%	17.65%
20%	25.00%
25%	33.33%
30%	42.86%
35%	53.85%
40%	66.67%
45%	81.82%
50%	100.00%

Despite many survey respondents asking for lower prices, discounting makes little economic sense, as the golf course only achieves 50% yield on the rack rate advertised. Considering that the median household income reported is \$103,906, a rate increase could easily be absorbed by the constituents to help fund the capital investment sought.

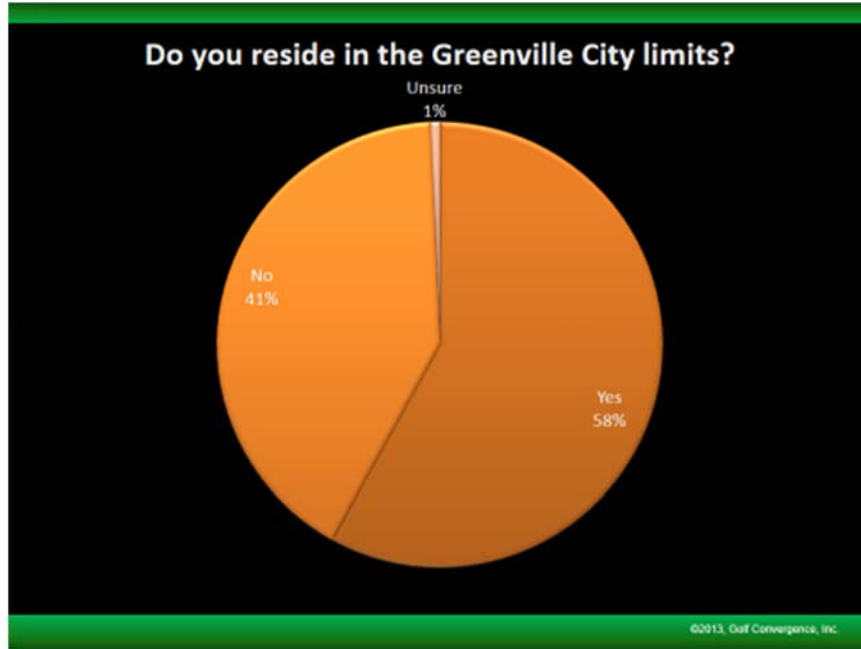
The median household income levels of the respondents suggest that rates should be raised; affordability, while feigned as a challenge by the golfer, is not really the issue. From the chart below, one will note that if prices were increased, rounds would fall and produce the same gross revenue:

Increase Price	Decrease Rounds
5%	4.76%
10%	9.09%
15%	13.04%
20%	16.67%
25%	20.00%
30%	23.08%
35%	25.93%
40%	28.57%
45%	31.03%
50%	33.33%

A dominant topic of this review was that, now that the golf course has been absorbed by the general fund, there should be a differential between resident and non-resident rates. The chart below highlights the number of customers that reside with Greenville City limits.



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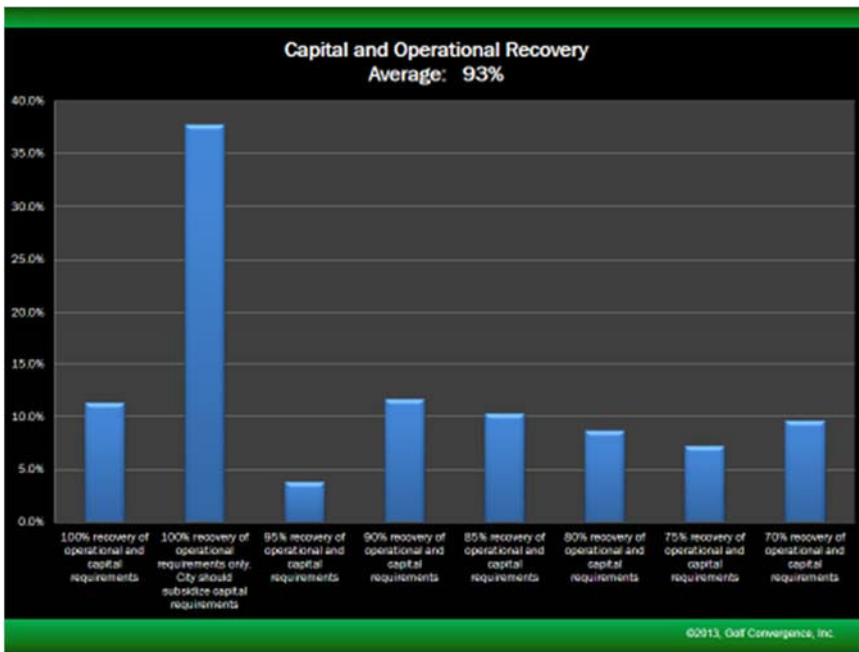


With 42% of current patrons being non-residents, there is a justified hesitancy to raise rates, fearing that a lower number of rounds will exceed the incremental revenue earned.

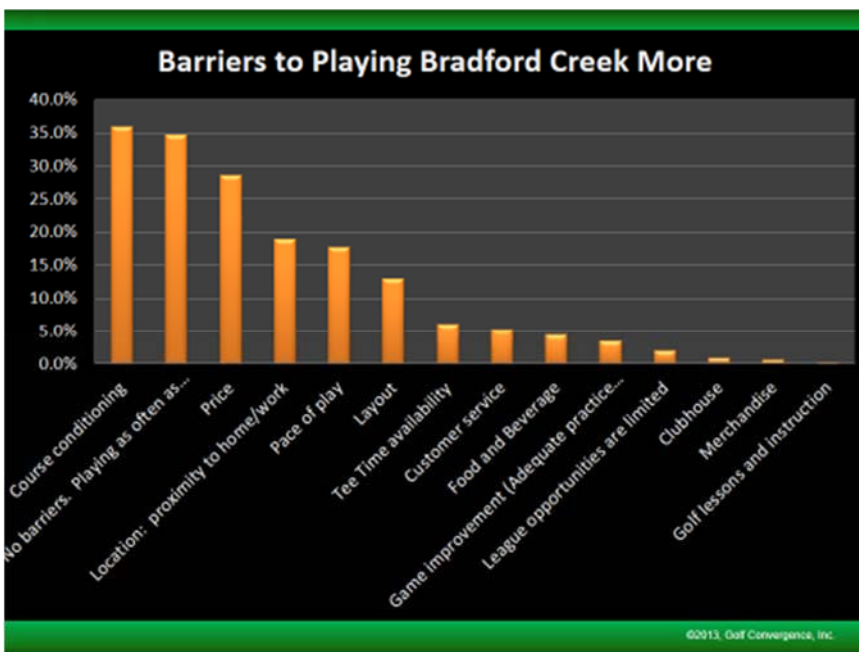
As a corollary to the examination of issues important to golfer, we measured attitudes about whether they believed that Bradford Creek should be a fiscally sustainability entity. The golfers indicated that the golf course should be subsidized to the extent of 7% of the gross revenue realized, as shown below:



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The real challenge was to determine what the barriers to increased play are. With BCGC at 27% utilization compared to the national average of 51%, as highlighted in the financial benchmarks, BCGC is more likely to become sustainable by increasing revenue than by reducing expenses.





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While course conditioning, (such as bunkers) was a recurring them, “no barriers” is a troubling factor because it is uncontrollable. With respect to price, it is our professional opinion that as value is provided to the golfer through improvement of the course, higher green fees will be accepted and paid.



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Step 8 - Customer Franchise Analysis

The customer franchise analysis (CFA) provides operators with the first tool to win the share-of-golfer battle caused by the current oversupply environment in many markets. The CFA leverages information in the operator’s point-of-sale (POS) or electronic tee sheet system to understand and target key customer groups regarding financial metrics. The CFA measures customer franchise health, such as the number of unique guests acquired, retained, and lost, as well as the spending level of each group down to the individual customer level.

In undertaking this operational review, a golf course must identify core customers, spending patterns, customer retention, turnover frequency of golfers, zip code distribution, course utilization, revenue per available tee time, and revenue per tee time purchased. These critical metrics have not been created for BCGC. Our analysis revealed that only 22% of the salient customer information was being captured within the POS system.

In the survey conducted, we filtered out the loyalty of current customers at BCGC from the perceptions of members of the Greenville CC. With a national average being 26, the BCGC loyalty score was a very encouraging 70.3., as noted below:



While that rating from current customers is very high, the loyalty ranking provided by members at Greenville CC was very low at negative 42%, as shown below:



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Note: “Promoter Score” is a term to measure the loyalty of customers to a facility. Are they “promoters” of that enterprise? The national average is 26. A negative score represents that the facility has more detractors than loyal customers.

Changing the perceived image of BCGC in the Greenville marketplace will be essential if incremental growth in revenue is to be achieved. If there is any positive to be taken from such a low ranking, the Greenville members ranked Bradford Creek the highest among the public golf courses. Understandably, those members have a strong preference for private clubs versus public facilities.

Why are those loyalty share numbers important? Loyalty correlates to wallet share, and the percentage of wallet share a course receives from its golfers is a highly predictive factor of success. Higher wallet share equals higher revenue equals higher net income. Wallet share represents the percentage of a golfer’s money spent at each golf course versus the total amount spent annually by the golfer.

It is much easier to attract a greater wallet share of an existing customer through building loyalty than it is to attract a new customer to the golf course. Promoters refer five golfers per year to the facility, while strong detractors can provide up to five negative references.

In our professional opinion, the City’s current annual loss is largely attributable to: 1) uncontrollable factors – demographics, oversupply of golf courses, and course location; and 2) the experience currently offered. The insights provided from this survey reinforced the recommendation contained here regarding the allocation of capital resources



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Summary – A Community Asset of Costly Potential

Operational review for BCGC necessitated the evaluation of the potential of the facility, the future investment required, the highest and best use of the property, and whether the experience offered to golfers was consistent; all of these were evaluated with the goal of creating a plan designed to assure the creation of a financially self-sustaining entity. Our evaluation of the BCGC golf course concluded that challenges exist, as noted below:

Project	BCGC
Strategic	
Vision - Competitive Mix	Yellow
Demographics	Red
Weather - Recent	Green
Tactical	
POS/TTRS	Yellow
Web Site	Yellow
Financial	Red
Operational	
Course Layout	Green
Agronomic	Yellow
Deferred Capital	Red
Clubhouse	Red
Range/Short Game	Yellow
Food and Beverage	Red
Tournament/Outing Site	Green
Parking	Green
Golf Playing Preferences	Yellow
Customer Loyalty	Yellow

Key:
Red – negative
Yellow – neutral
Green – positive

BCGC is in need of capital and is likely to see short-term operational losses. Thus, the City Council members must decide to what extent they are willing to subsidize, in the short-term, a recreational asset utilized by a small minority of the population, a minority that has the financial resources to enjoy golf and whose need is adequately met in the Greenville community by private enterprise.

The long-term hope is that the golf course, because of the superior course layout, can once again attract regional participation that will ensure that the course becomes a tangible asset of economic value and an intangible asset that enhances the brand image of the City of Greenville.



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APPENDIX A – Research Performed

Scope of Work

The City of Greenville was seeking to complete a management and operational review of the Bradford Creek Golf Club course, pictured below:



The conclusions contained in this report have been reached based on the evaluation of the following:

- ◆ Geographical Local Market Analysis
- ◆ Weather Playable Days review
- ◆ Technology adoption
- ◆ Financial Statements
- ◆ Architectural review of physical layout and condition of golf course
- ◆ Capital improvement needs
- ◆ Competitive review of courses
- ◆ Fee structures
- ◆ Management systems and alternatives
- ◆ Golfer survey

The analysis also included a review of the market and the financial performance of the course, as well as an analysis of national, regional, and local trends in public golf, including supply and demand.

Attached to this report are the research and data that support the conclusions presented.



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The chart below summarizes the research from which the conclusions and recommendations in this report were formed. This data was presented to the City of Greenville as a supplement to this report.

Task	Document	Date
Step 1 - City of Greenville - Geographic Local Market Analysis	Power Point	9/5/2012
Step 1 - City of Greenville - Geographic Local Market Analysis	Excel	9/21/2012
Step 1 - NGF Golf Demand Report: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 1 - NGF Golf Supply Report	Adobe Acrobat	9/21/2012
Step 1 - NGF Facility Report: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 1 - Tactician Demographic Trend Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician Income and Disposable Income Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician MOSAIC Comparative Population Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician Population Greater than 18: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 2 - Weather Trends International Playable Days Report	Adobe Acrobat	9/21/2012
Step 2 - Playable Day Analysis vs. Management Performance	Excel	9/24/2012
Step 4 - Financial Comparison to National - State Benchmarks	Excel	10/22/2012
Step 4 - 2010 - 2011 Operating Statistics Review	Excel	10/22/2012
Step 5B - Agronomic Review - Kevin Norby	Adobe Acrobat	10/23/2012
Step 5C - Golf Course Master Plan	Adobe Acrobat	11/8/2012
Step 6A - Competitive Course Review : Bradford Creek	Adobe Acrobat	10/23/2012
Step 6B - Competitive Course Review : Bradford Creek Competitors - 8 golf courses	Adobe Acrobat	10/24/12 12/3/2012
Step 7A - City of Greenville Customer Survey	Adobe Acrobat	11/8/2012
Step 7B - City of Greenville Raw Data Files - - Survey Summary	Microsoft Excel	12/3/2012
Step 8 - Bradford Creek Patron Customer Loyalty Analysis	Power Point	12/3/2012

This analysis also included review of:

1. 2011 Consolidated Annual Financial Report for City of Greenville
2. 2011 - 2012 Historical Data, by G/L account code, for Bradford Creek
3. 2011 - 2012 financial data by line item - unaudited
4. Meeting with City staff and Golf Course Management to discuss questions/issues arising from review of above
5. Identifying any contractual or use-permit compliance issues.



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6. Preparing findings and recommendations, including plan for financing improvements and achieving financial stability
7. Conducting site visits on October 21 - 24, 2012 and December 2 - 4, 2012

It is our hope that this operational review achieves the goal of aligning common interests.

Limitations of Study and Caveats

This management and operational review has taken many twists and turns, and although this is not unusual, they have created some unanticipated challenges, including the following:

- ◆ The City has not created a strategic business plan for the golf course, so the vision for the facility isn't defined.
- ◆ The facility's adoption of technology, including meaningful customer tracking, is lacking. A thorough yield-management analysis to determine the revenue potential of the facility is therefore restricted in scope.
- ◆ The political environment, with strong insistence on maintaining unreasonably low season pass fees, effectively constrains the magnitude of prudent investment that will be required to produce a sustainable financial return.
- ◆ The Clubhouse is architecturally challenged. The associated third-party lease for food and beverage is not being renewed upon the conclusion of the 2012 golf season. These issues present some unique ongoing operational challenges that are beyond the scope of this limited golf course review. The ability of the City to successfully resolve these operational issues will have a direct impact on the sustainability of the golf course.



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APPENDIX B: How a Management and Operational Review Relates to a Strategic Plan?

This management and operational review aims to objectively and rationally uncover the strengths and weaknesses of the existing business or proposed venture, opportunities and threats presented to the Bradford Creek Golf Course, the resources required to carry through, and ultimately the prospects for success.

In its simplest terms, the two criteria to judge feasibility are 1) cost required and 2) value to be attained.

As such, a well-designed management and operational review should provide the historical background of the business or project, a description of the product or service, accounting statements, details of the operations and management, marketing research, policies, financial data, legal requirements, and tax obligations.

A management and operational review is the precursor to the development of a strategic plan, which is a written document that defines a golf course's future direction. It is a beacon with which elected officials, the facility's lessee, management and staff of the golf course, golfers, and the taxpayers can see the value proposition for the enterprise. A strategic plan provides a consensus for future direction, one that can be measured and evaluated.

Without a defined management and operational review, effective tactical plans cannot be developed. Without tactical plans, efficient operational execution cannot occur.

This guidepost for the implementation of the strategic plan is an understanding of the value provided to the customer. To the extent that the experience exceeds the price, value is created and customer loyalty is developed. Conversely, to the extent that the price exceeds the experience created, value is squandered and customer attrition occurs.

Value in golf derives from two basic components shared by all golf courses: the physical infrastructure - property, plant, and equipment (the course, the clubhouse, and maintenance equipment); and secondly, the human element - the personnel.

How these resources are applied determines the experience created, as depicted below:



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While the creation of a new strategic plan for the BCGC was beyond the scope of this analysis, understanding the facility’s role within the community of providing a leisure-based entertainment experience was fundamental to determining the feasibility of the proposed options available for the golf course.

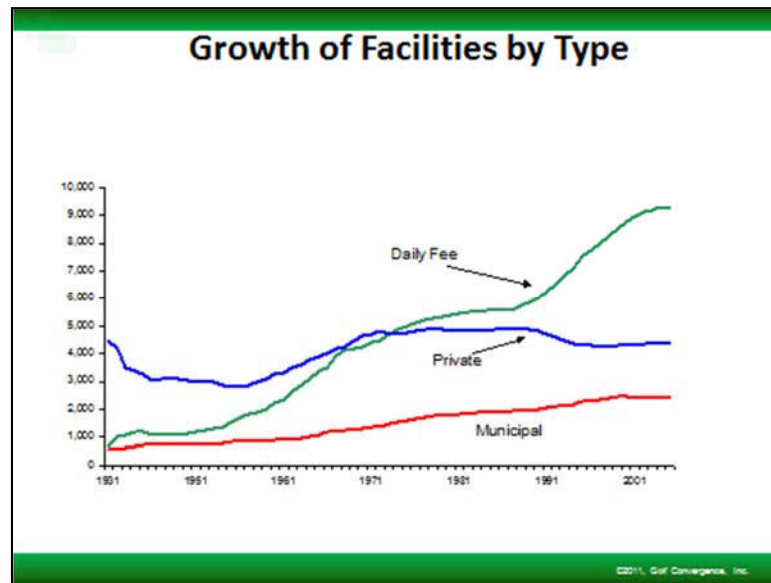
The Role of Government in Golf

Golf started in North America in the late 1880’s. Access was largely through private country clubs.

Because of the origins of the game within the U.S. as private and club-based, municipalities filled the void for the public by building golf courses as part of their Parks and Recreation programs. The need for municipalities to continue to operate golf courses has been largely eliminated by the evolution of daily fee golf courses – those open to the public via private enterprise—which became a significant factor starting in the 1960’s, as illustrated below:



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The current debate: Is providing golf to citizens an essential function of government?

The role of government is to provide those essential services to a society, services that could not otherwise be provided efficiently or effectively by private enterprise. Hence, police, fire, water, sanitation, and highways are usually within the bailiwick of government. But if a need of the citizens is adequately met by private enterprise, should the government provide that service if it is not essential to the health and welfare of its citizens?

It is impractical for a government to sustain losses from the operation of a golf course to serve a small portion of the electorate.

The Organizational Structure of Municipal Golf

Municipal golf courses serve various constituencies, including: City of Greenville City Council, Management/Staff, Golfers, and ultimately, Taxpayers.

The mission statement of a municipal golf course can range from generating the largest possible return on investment to merely creating a value-based recreational opportunity, or alternatively, catering to the perceived needs of niche groups. Some golf courses also emphasize the value of teaching core values to young golfers.

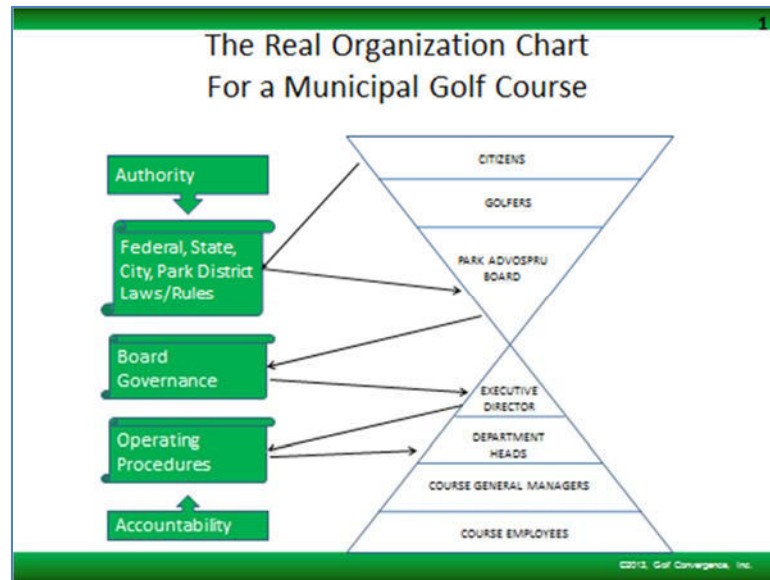
The national brand image of municipal golf courses often gets a bad rap, especially those facilities viewed as an entry door to the game, which often are downtrodden and ill-kept.

Such is not the case at BCGC. Both management and staff are dedicated, hardworking, and passionate about creating value. But decision-making in response to the uncontrollable factors reported, as well as the lack of resources, often impairs their ability to execute.



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With that considered, the real organization chart for most municipal golf courses is as follows:



With this understanding of the macroeconomic factors prevalent in our nation, the microeconomic influences affecting the local golf course, and the current political, economic, and financial environment observed in the City of Greenville, this much is clear— if the City is to provide golf, it must do so in a way that ensures that the golf course is financially self-sustaining and free from general fund support.

Two beacons of hope for the future of golf suggest that perhaps in the intermediate, and maybe even in the long term, BCGC might be viable.

First, on November 16, 2011, the National Golf Foundation reported that there are positive developments that suggest the golf industry has reached some balance, as noted below:



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Second, municipalities, recognizing that labor expenses and the associated fringe benefits are the source of many of their financial challenges in operating golf courses, are seeking privatization of those operations. By December, 2011, 43% of all municipal golf courses had privatized.

Of concern for the City of Greenville is that fringe benefits exceed 40% of base salary. National management companies could introduce economics of scale to the operation; however, their threshold remains at \$1 million in current revenue. The opportunity to privatize to a regional operator remains viable.

Global perspectives on the economy and the micro-economic forces impacting the golf industry provide the appropriate framework by which an understanding of the recommendations contained within this report is made.

Global Perspectives – Current Economic Outlook

Golf is a recreational sport that consumes the disposable income of its patrons. Golf competes for the entertainment dollars of its consumers.

The financial prosperity of golf is indirectly correlated to the world economy. To measure the impact of current economic conditions on the golf industry, in April, 2010, the National Golf Foundation (NGF) included at its annual symposium a presentation titled, “Economic and Capital Markets at Home and Overseas.”⁶

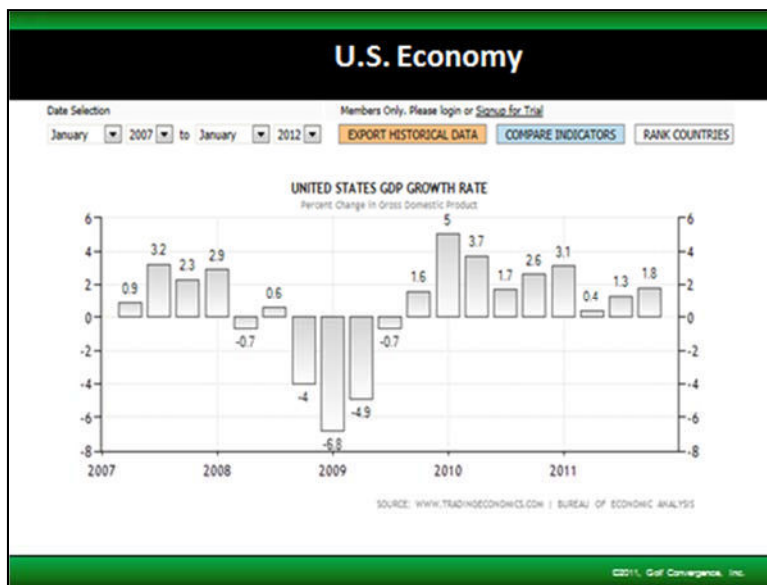
The speaker, Chris Holling, Vice President of IHS Global Insight, presented the case that the U.S. economy was at a crossroads. Negative factors included high unemployment, reduced asset values, tight credit, and high debt burdens. Countering those factors are real income growth, low inflation, low interest rates, and the stock market rally.

The net result of those factors becomes reflected in the U.S. GDP growth rate, as highlighted below:

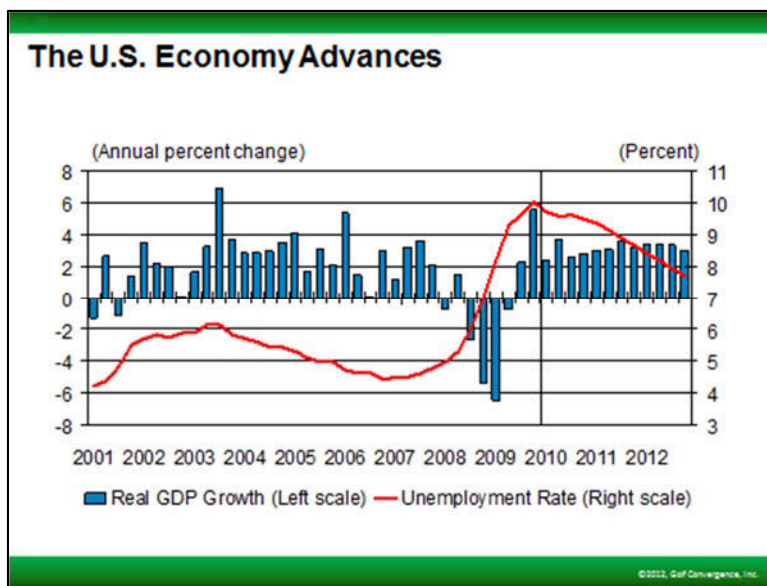
⁶ IHS Global Insight, “Economic and Capital Markets and Homes and Overseas,” April 29, 2010, Slide 4



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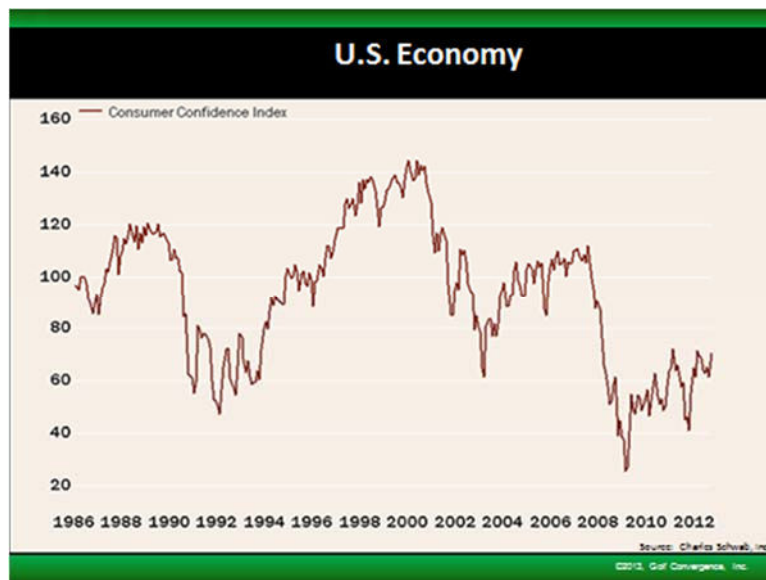
Of great concern is that the economy is considered at full employment when unemployment is 4%. Unemployment is expected to exceed 7.5% for the next three years. That factor alone has a significant impact on consumer confidence and on the average disposable income available for recreation and entertainment.



Another important economic measure is the Consumer Confidence Index. Presented below is the U.S. consumer confidence index, sourced from the Conference Board, Inc.:



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Looking ahead, consumers are more optimistic that business conditions, employment prospects, and their financial situations will continue to get better. While consumers are in a somewhat more upbeat mood, it is too soon to tell if this is a rebound from earlier declines or a sustainable shift in attitudes. While consumer confidence improves, it remains far below the levels achieved a decade ago.

Why is consumer confidence important? Since golf is a recreational activity that consumes disposable per capita income, the higher consumer confidence is, the greater is the probability that entertainment activities, such as golf, will be sustainable.

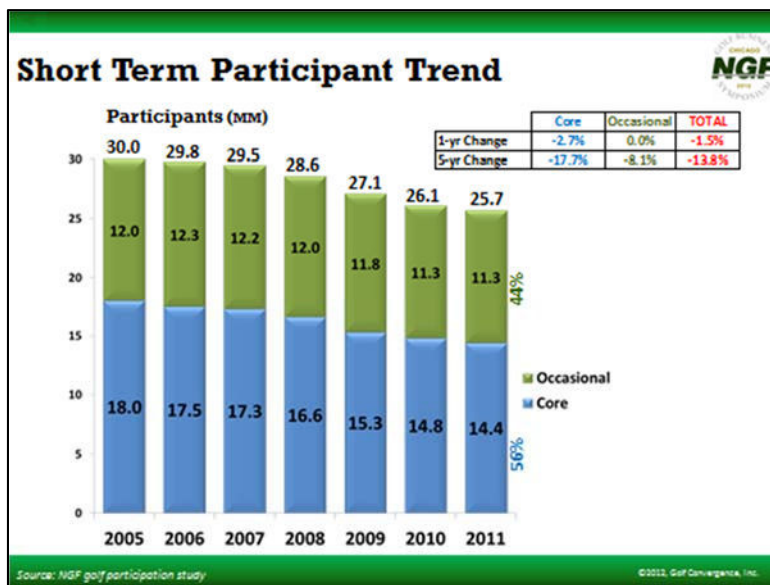
Analysis of National Trends in Public Golf, including Supply and Demand

All economic forecasts from leading industry research groups forecast a “flat industry” for the foreseeable future. For the next decade, the sport is likely to remain at 25 to 30 million participants, and revenue growth will only come from market share increases (stealing your competitors’ customers) or price increases.

Those conclusions are reached based on overall golfer trends, as reflected below:



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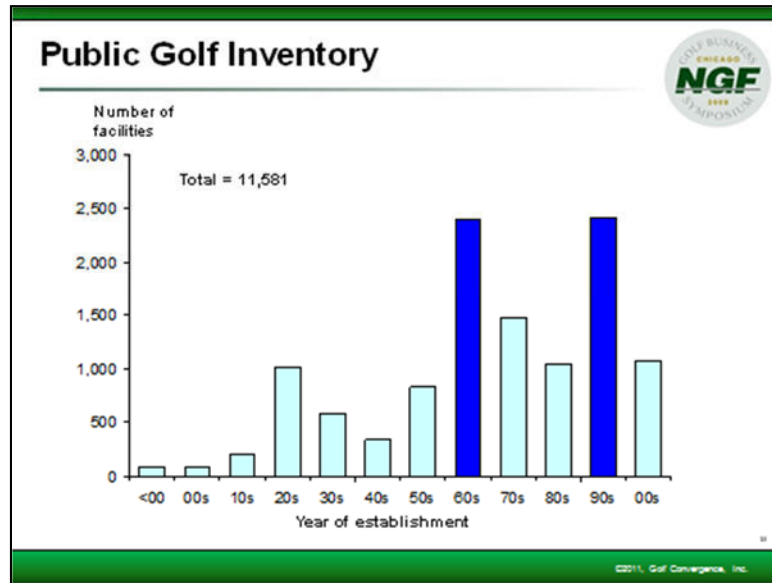
The net decrease of 1.4 million golfers from 2009 to 2011 included 5.2 million golfers who left the game; their numbers were not offset by the 1.8 million beginners and the 2.0 million former golfers who returned to the sport.

Since 1990, the growth in the number of golf courses is up 24%, while the number of golfers has increased only 16%. As a result, rounds played at each golf course have fallen from 40,400 in 1990 to 31,303 today. During this same period, while the number of golfers has fallen 9.2%, rounds volume has fallen 2.7%.

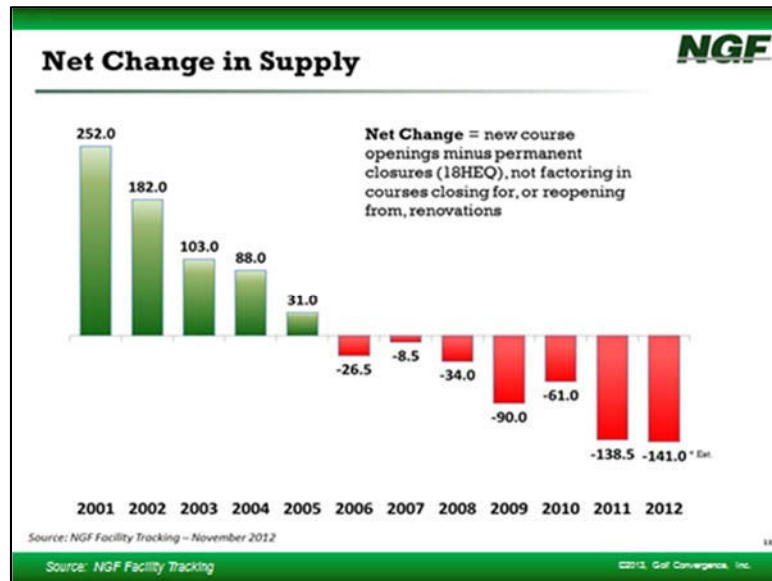
Today's supply imbalance is attributable to the golf courses opened during the '60's and the '90's, as reflected below:



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For the past seven years, and for the first time in history, more U.S. courses have closed than opened, as evidenced in the following chart:



Thus, the largest contributing influences are “uncontrollable factors” at a national level, and a quick reversal is not likely. And there are no foreseeable changes which will provide the City of Greenville the opportunity to grow its golf course operation based on a surge in demand or a dramatic reduction of supply.



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In 2009, The National Golf Foundation published an extensive study on “The Future of Public Golf in America,”⁷ which cited that 15% of golf courses rated their financial health as extremely poor. Of those golf courses, 56% of daily fee golf courses were considering closing and selling, and 26% of municipal golf courses were evaluating the same alternatives. Uniformly, with rounds and revenue off, losses had increased, maintenance standards were deteriorating, capital investments were deferred, and discounting practices were being used to boost rounds. The City of Greenville has experienced the same situations.

As a result, the NGF concluded the golf courses most at risk⁸ were:

- Facilities with lower price points
- Alternative facilities
- Facilities in less-populated areas

BCGC, being located in a less populated area, is at risk of closing, even though its green fee (\$22) and cart fee (\$12) are below the national average of \$40 for an 18-hole prime time green fee with cart.

The NGF study further revealed significant differences between how successful golf courses were operating in contrast to those courses that were financially challenged. These differences are reflected below:⁹

The Right Things		
	Success (7-10)	At-Risk (0-3)
Customer service emphasis	73%	52%
Have strategic plan	69%	48%
Structured player development	59%	41%
Customer surveys	49%	36%
Promote other revenue centers	43%	26%
Pace of play	43%	24%

⁷ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slides 1 -43.

⁸ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slide 21.

⁹ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slide 26.



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Maintaining customer databases, engaging in email marketing, and publishing newsletters are additional traits of successful facilities that have been widely recognized over the years. While the City of Greenville doesn't fully engage in such activities, these missing marketing activities increase its risk of failure. Fortunately, Information Systems Technology systems are in place at BCGC, so these deficiencies are correctable.

The Business of Golf – Balancing Demand and Supply

In theory, business is actually very simple. It is simply balancing supply against demand. By establishing the price that correctly balances the value delivered commensurate with market demand, net income is maximized.

Business can be made very complicated. The permutations of operating a successful golf course increase quickly when one considers the factors that impact supply (the number of golf courses) or those factors that affect demand (course conditioning, price, weather, service, and customer demographics and preferences).

In a perfect market, customers purchase products that satisfy their needs or desires for prices they determine to be the best value. Golfers purchase a round of golf for the price that creates the social status they seek, for the networking they want to achieve, for convenience to home or business, and for the recreational and leisure experience.

Unfortunately, capitalism is not about perfect markets. Inadequate information, undisciplined decision making, and government intervention can create aggregate failure. The essence of capitalism is for the successful entrepreneur to gain a strategic advantage over competitors within an imperfect market.

The goal of the golf course owner should be to blend the following triad:

- 1) Superlative information
- 2) Disciplined decision making
- 3) Crisp execution

But that first component, superlative information, starts with an understanding of the breadth and depth of the golf industry.

An understanding of macroeconomics as it relates to supply and demand and the underlying performance, structure, and behavior of the golf industry creates the essential perspective necessary to craft an operational review as part of an operational analysis for which this study was commissioned. In the previous pages, we have examined macroeconomic supply and demand changes, but it is necessary to take a microeconomic perspective regarding demand.



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A Closer Look at Demand – What Is the Profile of a Golfer?

In 1899, when 307 golf courses existed in the United States, Thorstein Veblen, the author of *The Theory of the Leisure Class*, expressed his opinion that golf was a game in which individuals participated to demonstrate their conspicuous consumption of leisure¹⁰. In essence, individuals were attracted to the sport to demonstrate their superior financial position and to flaunt their lack of need for work as America transitioned from an agrarian to an industrial society.

From that meager beginning, golf in the United States has grown to a \$24.8 billion industry in which 26 million golfers play 463 million rounds while frequenting 15,882 facilities.

Despite that growth, more than 110 years later, golf has not lost its elitist brand. Two-thirds of golf rounds are played by those with a household income of at least \$85,500, and whose median age is 41.9. The national median household income is \$51,618, with a median age of 37.1. For every round played in the U.S. by someone who is Hispanic or African American, Caucasians play seven rounds. For every round played by a female, men play 5.1 rounds. The fact that Generation Y is playing 58% less than baby boomers is hardly the foundation for an industry hoping for dynamic growth.

The harsh economic environment, combined with adverse weather during the past several years, particularly in Greenville, has contributed to the fact that golf is a struggling industry in which the supply of facilities exceeds demand. Over the past six years, 358.5 more U.S. courses have closed than opened. We forecast that 1,659 U.S. facilities will close in order to balance the industry.

The financial health of the business of golf can be measured by many numbers. Three of the most effective are the relationship between the number of golf courses, the number of golfers, and the number of rounds played. Many factors influence those three components.

In order to compute the number of golfers and the number of rounds, we first need to define “golfer.” The National Golf Foundation defines a “golfer” as an individual, age 6 or older, who played at least one round in the past year. “Core golfers” are defined as those adults 18 or older who play between eight and 24 rounds per year. The term “avid golfer” is used for those golfers who play more than 24 rounds per year. Other industry research groups use “12 years or older” as the benchmark for what constitutes a golfer. Again, the golf industry’s methods of gathering statistics are not standardized.

Another term that causes much debate is “round.” When you play a “round,” have you played nine or 18 holes? The most common use of the word “round” merely means “a start.” In other words, a golfer teed off on at least one hole.

¹⁰ Thorstein Veblen, *Theory of the Leisure Class* (Oxford, Oxford University Press), 1899. http://en.wikipedia.org/wiki/The_Theory_of_the_Leisure_Class.

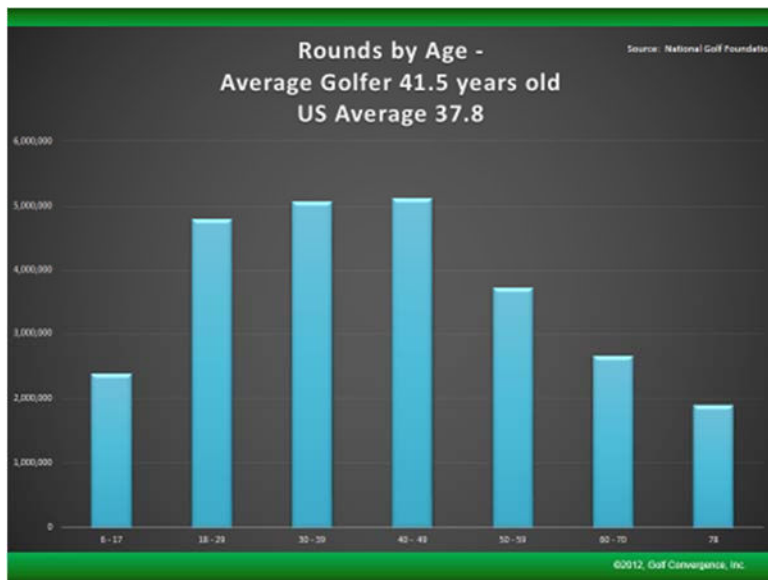


Management and Operational Review

With the term “golfer” now defined, a further analysis reveals that the game of golf is all of the following:

- 1) Golf is a game of the aging population.
- 2) Golf is a game of the wealthy.
- 3) Golf’s growth is constrained by the time-crunched nature of our society.

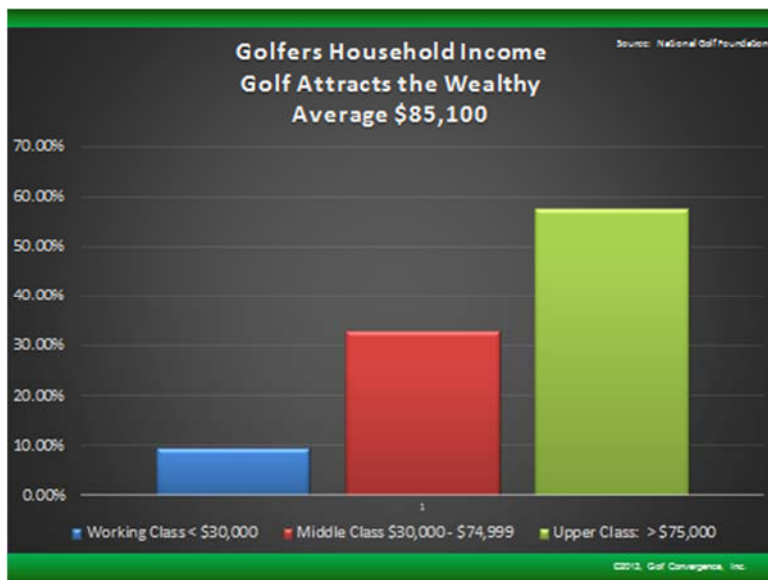
As has been demonstrated in economic surveys conducted throughout the world, golf thrives in cities where the population is aging. Over 68% of all golf rounds are played by those older than 43 years of age, as reflected below:



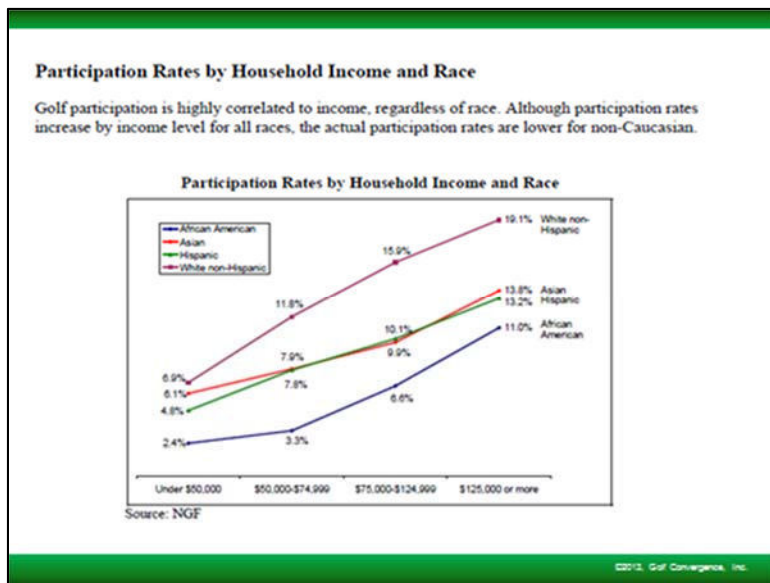
The City of Greenville’s population is 13% younger than the national average. And not only is golf a game whose participants are aging, golf is also a game of the wealthy, and the sport is clearly losing its middle-class appeal, as reflected below:



Management and Operational Review



The fact that golf is an elitist game is clearly demonstrated with the statistic that indicates that those with incomes of less than \$34,999 play only 3.45 rounds per year, while those with incomes greater than \$75,000 play 431% more, or 14.89 rounds per year. Golf is clearly losing its middle-class appeal, and it appeals to primarily Caucasians, as highlighted below:



Further complicating the challenges for Bradford Creek, the median household income within 30 miles of the golf course is 36% above national averages – \$38,101 contrasted to the national median household income of \$51,618. Those statistics indicate a negative market potential for BCGC.



Management and Operational Review

All of this begs the question as to why golf is not more popular among the young, middle, and working classes.

First, the game is difficult to learn, and if you're not very good at it, it isn't a lot of fun. Second, the cost to even begin playing is high—clubs, shoes, golf balls. It's not uncommon to invest at least \$500 to more than \$3,000 to start. Third, a round of golf consumes the better part of a day. Fourth, the attitude present in many male-dominated pro shops creates a harsh and unfriendly environment for many women. Finally, many golf course personnel believe that they are "members" of the club, not "workers" at the club.

While the demand/supply imbalance bodes poorly for golf, such imbalance masks a more subtle and pervading problem that is retarding the growth of the game. That problem is the significant change in the demographics of how our society functions in the United States. Sociologists track seven major categories to determine the nature of a society, some of which are technology (medicine, computers), social trends (reduced social conformity), and demographics (baby boomers and Gen X).

Within the seven categories, when three or more become altered significantly, society changes. That is what has occurred during the past seven years. Labeled the "time crunch," societal changes include the following:

Factor 3: A Time Crunched Society

1. The **technology trap** of endless improvements: the more empowered technology makes you, the more you are expected to do.
2. The **update mandate**: We must be constantly updating our information: our devices (phones, email), our knowledge (events, educations), our values (tolerance to risk, work, etc.). We have dramatically increased our "work cycles." Employee productivity is up 24.2 in the past ten years.
3. The **marketplace of endless choices**: (47 car manufacturers, hundreds of models, 1000 of choices.) Shopping takes a lot more energy, thought and time.
4. We have become an **experience economy**: Starbucks to see it made, Krispy Kreme to watch in bake, Harley to gather on weekends at events to participate.
5. **Lifestyle integration**: Our key value is that everything must be efficient and we can do it at once causing the erosion of the barriers between home, work, and commuting.
6. **Child centeredness**: Our focus on wants, needs and desires have transferred from ourselves to our children. There is now a social status attached to "child first" attitude. Our parents put themselves first. We put our children first.
7. **Conspicuous activation**: Status is now achieved by showing off at how being you are and how many activities you are involved in.

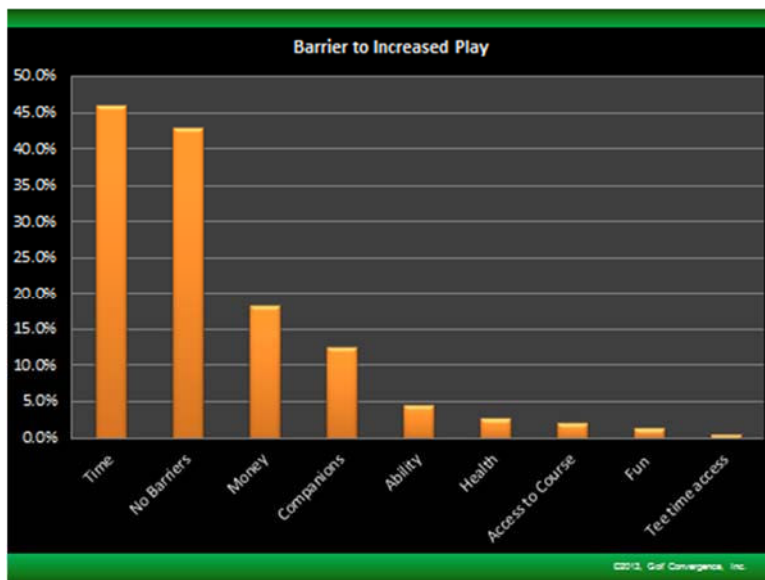
Source: Golf 20/20, DVG, Inc. 2009
©2013, Golf Convergence, Inc.

The time crunch, in which 50% of all families are divorced and 80% of existing families have dual wage earners, has completely redefined the concept of leisure.

In undertaking this operational review for the City of Greenville, we asked, "What are the primary barriers to playing golf?" The survey results are outlined below:



Management and Operational Review



The survey results are not encouraging. “Time” and “No Barriers” are uncontrollable factors that will have a negative impact on the golf course’s future potential. The survey for the City of Greenville also confirmed that the individuals who utilize the golf course mirror the national demographic trends regarding number of golf courses played and playing frequency

The factors of golf’s lessening popularity and changes within our societal framework have created the downward environment that BCGC has experienced recently.



City of Greenville, North Carolina

Meeting Date: 1/14/2013
Time: 6:00 PM

Title of Item: Legislative Initiatives for the 2013 Session of the North Carolina General Assembly

Explanation: **Abstract:** City Council will identify potential legislative initiatives to pursue with the local legislative delegation during the 2013 Session of the North Carolina General Assembly. After the initiatives have been identified, resolutions relating to the identified legislative initiatives will be prepared and scheduled to be acted upon by City Council at the Thursday, January 17, 2013, meeting.

Explanation: The North Carolina General Assembly will convene at noon on January 30, 2013. Discussion by City Council of issues and local acts which it desires to pursue with our local legislative delegation during this Session should occur at this time so that the City's legislative initiatives can be developed and identified. Upon Council reaching a consensus, resolutions for Council's consideration will be presented at its Thursday, January 17, 2013, meeting which will request the City's local legislative delegation to seek enactment of identified initiatives during the Session.

The City is not alone in its efforts to secure legislation which will assist it in providing services to its citizens. The North Carolina League of Municipalities, in representing its more than 530 member cities, towns, and villages, promotes the common interests of municipalities in the General Assembly.

Some potential legislative initiatives for Council to consider for this session or future sessions have been developed and are as follows:

Preservation of Municipal Revenue Sources

Support efforts to preserve the existing revenue sources of cities. One issue to be addressed during the 2013 Session will be approval of the budget for the State. In past sessions, proposals were considered which involved transferring municipal revenue sources to State revenue sources. Cities are reliant upon these

revenue sources in order to provide services to their citizens. Any transfer of municipal revenue sources from cities will result in passing the State's budget problems on to cities. Cities, in turn, would then be required to either reduce services provided to citizens or increase revenues. It is important that existing municipal revenue sources be preserved.

Additional Municipal Revenue Sources

Support efforts to grant additional authorities to cities to implement new revenue sources. It is expected that tax reform will be an issue addressed during the 2013 Session. While addressing this issue, it would be appropriate to consider and grant more flexibility to cities in funding their services. An example of one option available to certain cities, as a result of local acts, is a prepared food and beverage tax. Allowing all cities the authority to implement new revenue sources would assist Greenville in having a broader revenue base and being not as reliant on ad valorem property taxes.

Retention of the Equity Formula

Support the existing Equity Formula utilized for allocating highway construction funds in North Carolina. The Equity Formula was created in 1989 by the North Carolina General Assembly for the purpose of distributing equitably the Transportation Improvement Program funds among the regions of the State. The Equity Formula has allowed areas of North Carolina which are not within the major urban population centers of North Carolina to address critical transportation improvement projects. The Equity Formula is based upon fairness and equity and has allowed transportation improvement projects to be completed in eastern North Carolina. There have been proposals to adjust the Equity Formula which are anticipated to adversely impact eastern North Carolina including the City of Greenville. Retaining the existing Equity Formula will assist in addressing eastern North Carolina transportation needs.

Organizations Which Assist in Economic Development Efforts

Support State funding of statewide and regional organizations which assist in economic development. The North Carolina Rural Center has a focus on job creation programs and receives funding from the State. North Carolina's Eastern Region economic development partnership is one of seven State sanctioned regional economic development partnerships in North Carolina and it previously received State funding on a recurring basis as a component of the State budget. The City has received assistance from both organizations in funding. Additionally, the Eastern Region economic development partnership has served as a resource for the City for assistance in recruiting business and providing advice on structuring economic development initiatives. The Rural Center has provided a building re-use grant to the City which helped fund the architectural study on the Uptown Theater. Additionally, the City has recently endorsed the application for a Rural Center grant by One Source Communications, Inc. involving a pledge of the creation of 50 jobs. The Eastern Regional economic development partnership acted as the primary sponsor for a BMX Showcase event and has assisted financially in other Greenville based

projects in which the City was not involved. Continued and possibly expanded State funding of these organizations will promote economic development.

Effective Date of Pay Increases for Elected Officials

Council Member Mercer requested that consideration be given to legislation specifying that North Carolina elected officials may not vote to change their compensation during their current term in office. Council Member Mercer's request seeks legislation on the state level that is generally similar to the 27th Amendment to the U.S. Constitution. The legislation he seeks would require that changes in the compensation of elected officials be enacted in public deliberation and go into effect only after an election takes place. The 27th Amendment to the U.S. Constitution provides that "No law, varying the compensation for the services of Senators and Representatives, shall take effect, until an election of Representatives have intervened."

Fiscal Note: The development of the Legislative Initiatives will not have a fiscal impact.

Recommendation: Identify the initiatives which Council desires to include in its Legislative Initiatives so that resolutions for Council action at the January 17, 2013, meeting can be developed.

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