

**COUNCIL MEETING  
AGENDA**

**Pineville Meeting Hut  
Tuesday, June 12, 2018  
6:30 p.m.**



**PINEVILLE TOWN COUNCIL AGENDA  
6:30 P.M. - PINEVILLE HUT MEETING FACILITY  
TOWN OF PINEVILLE, NORTH CAROLINA  
TUESDAY, JUNE 12, 2018**

- 1) **Call Meeting To Order:**
  - a) **Pledge Allegiance to the Flag:** *(BM)*
  - b) **Moment of Silence:**
- 2) **Adoption of Agenda:**
- 3) **Approval of the Minutes from the Regular Meeting of May 8, 2018**  
**No Work Session held in May**
- 4) **Consent Agenda:**  
The following items are included: *a) Financial Report as of 05/31/18 (Richard Dixon)*
- 5) **Public Comment:**
- 6) **Public Hearings:**
  - A. **Public Hearing for Townhome Project (second continuation)** – *(Travis Morgan)*  
Public Hearing for feedback on a proposed townhome community at 508 Main St.  
**(ACTION ITEM).**
- 7) **Old Business:**
  - A. **Amending Town Code to Allow for Proposed Changes to the Parking Regulations**  
– *(Travis Morgan)* – Review and adoption of the final proposed changes to the parking ordinance **(ACTION ITEM).**
- 8) **New Business:**
  - A. **Set Tax Rate/Electric Rates/Phone Rates and all other Town Fees** – *(Richard Dixon)* Set the tax rate for FY2018-19 at \$0.38 per \$100 Valuation; Set Electric Rate Schedule; Set Telephone Rates; and all other Town Fees **(ACTION ITEM).**
  - B. **Adopt FY2018-19 Budget** – *(Ryan Spitzer)*. The Budget Public Hearing for was held at the May Council meeting and is now being presented for adoption **(ACTION**

*ITEM).*

- E. **FY2018 Budget Amendment** – *(Richard Dixon)* Budget Amendment to balance expenditures of the FY18 Budget (***ACTION ITEM***).
- F. **Adopt Formal Procurement Policy** -- *(Ryan Spitzer)* – New regulations under the Uniform Guidance Procurement Standards requires us to adopt a formal Procurement Policy by July 1<sup>st</sup> (***ACTION ITEM***).
- G. **Adopt Resolution Authorizing Electronic Payments** – *(Richard Dixon)* – Changes to the Pre-audit Certification Requirements now allow us to engage in electronic payments. Resolution No. 2018-06 authorizes the Town to engage in this action (***ACTION ITEM***).
- H. **Staff Update:**
  - 1) *Manager's Report*
  - 2) *Calendar of Events*

9) **Adjourn:**

# **MINUTES**

## **Minutes from the Regular Meeting of May 8, 2018**

**(No Work Session Held in May)**



**MINUTES OF THE  
TOWN COUNCIL MEETING OF THE  
TOWN OF PINEVILLE, NORTH CAROLINA  
TUESDAY, MAY 8, 2018**

The Town Council of the Town of Pineville met in Regular Session and Closed Session on Tuesday, May 8, 2018 at 6:30 p.m. at the Hut Meeting Facility in Pineville.

**ATTENDANCE**

Mayor: Jack Edwards  
Mayor Pro-Tem: David Phillips  
Council Members: Debbie Fowler, Melissa Davis and Joe Maxim  
Town Manager: Ryan Spitzer  
Planning Director: Travis Morgan  
Town Clerk: Barbara Monticello

**CALL TO ORDER**

The meeting was called to order by Mayor Edwards at 6:32 p.m. Anyone that wished to speak on an item was asked to sign the speaker's list.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Town Manager, Ryan Spitzer, led the group in the Pledge of Allegiance.

**MOMENT OF SILENCE**

Mayor Edwards called for a moment of silence to remember Mike Williams, a reserve police officer that had worked for the town years ago. Officer Williams was killed in a motorcycle accident while on his way to his daughter's college graduation. Also, the brother of Pineville Firefighter Tony Jennings, was also killed in a motorcycle accident (Chris Jennings). He asked that everyone remember them and their families, as well as all public safety and military personnel.

**ORDER OF BUSINESS:**

**Adoption of the Agenda:**

Hearing no changes to the agenda, a motion was made by Council Member Debbie Fowler and seconded by Council Member Melissa Davis to adopt the agenda as is. There were ayes by all and the agenda was adopted as is.

**Approval of the Minutes from the Regular and Closed Session Meetings of April 10, 2018 and the Regular and the Work Session of April 23, 2018.**

Hearing no comments or changes to minutes, Mayor Pro Tem Phillips moved to approve all sets of minutes. Council Member Debbie Fowler seconded the motion and there were ayes by all to approve all sets of minutes as is. Motion passed 4-0.

**Consent Agenda:**

The following items were included: a) *Financial Report as of 4/30/18*; b) *Resolution for Surplus Items* and c) *Tax Refund*. Council Member Joe Maxim moved to approve the Consent Agenda as is with Council Member Debbie Fowler seconding the motion. There were ayes by all and the Consent Agenda was approved 4-0.

**PUBLIC COMMENT:**

**Jack Thrower** – Mr. Thrower spoke about the Farmer's Market beginning June 2<sup>nd</sup>. He also asked developers to have consideration for where they place their retention ponds.

**Claudia Schuler** – Ms. Schuler stated she signed a petition to have a speed bump on Lowry St. which should be a priority since the school is right there with kids playing baseball and basketball. The petition was submitted to Travis Morgan. Mayor Edwards asked that he meet with Ms. Schuler regarding the petition.

**Bill McConnell** – Mr. Bill McConnell spoke on behalf of his wife, Laura Yandell, acting president of the Merchants Association, who was unable to make the meeting. He introduced two new merchants in the downtown area. Dominic Paolo and his cousin will move into the spot vacated by the chiropractor who is moving back into his old spot vacated by Malone who moved to be with ailing family members. They also have a cell phone repair business. He also introduced Catherine Hornsby who moved into Anthony's barber shop and also runs a hair salon called Tailored.

**PUBLIC HEARINGS:**

**A. Public Hearing to Consider Entering into an MOU with Lending Tree** – *(Ryan Spitzer)* Town Manager, Ryan Spitzer, stated that there would be a short presentation by Andrew Trump of DFI to explain the process the town used to get to this point. He stated that a Public Hearing was not required but he wanted the town to be transparent as to their intentions for developing the mill property. He explained to the audience that an MOU stood for Memorandum of Understanding which starts the formal process of putting the sale in motion.

Mr. Trump gave some background regarding DFI, which stood for Development Finance Initiative, an affiliate of the School of Government which the town hired to act as advisor to guide the town in a complicated process of selling and developing the mill site. Mr. Trump outlined the many steps taken, including clean-up of the site, developing a vision for the site and finally developing a plan for the site, to putting out an RFQ (Request for Qualifications) to solicit qualified candidates whose ideas aligned most with what the town was looking for. Once the field was narrowed down and one development partner was selected, the MOU was drawn up which establishes both parties intent to partner together for a successful deal. This was just the first step in getting to a binding agreement with Lending Tree, the Master Development Agreement. Once both parties agree on a plan for the site and earnest money is paid to the town, the Master Development Agreement is signed, showing that Lending Tree is committed to the project and the sale moves forward.

At this time, Mr. Spitzer introduced Claudette Parham of Lending Tree. Ms. Parham introduced herself as the Chief Human Resources Officer as well as the Chief Information Officer for Lending Tree, a company that provides loans and other financial products. Currently, Lending Tree operates out of Ballantyne with about 450 employees. They chose the mill site for its historic value and great location situated close to the downtown area. Knowing that traffic is always an issue, they will strive to find the best possible outcome for all. They have made great strides in establishing community partnerships as well as community engagement. They are a company that believes in "giving back" and they were happy to be a part of the Pineville community.

Mr. Spitzer added this property will be the corporate headquarters for their business. They now have 150 days to evaluate the site and come up with a development plan, after which the MDA is initiated making the deal binding. Money is then put in escrow once a site plan is agreed upon and the MDA signed. Another public hearing will be held at that time. He stated that the offer for the site was \$3.5 million. Mayor Pro Tem David Phillips moved to open the public hearing with Council Member Debbie Fowler seconding the motion. There were ayes by all and the Public Hearing was opened at 7:08 p.m.

**Bill McConnell** stated that 17 merchants supported the idea of Lending Tree coming to the area. He asked that Council consider developing more parking before development begins and that there was a need for cross-walks so if there was any way to put pressure on the NCDOT to get crosswalks, it would be very much appreciated.

**Bill Baskins** stated Pineville didn't need any more townhomes. The plan for the mill property showed about 80 units to be built on the property. Mayor Edwards stated to Mr. Baskins that he was looking at an old plan which had not been approved. There were no plans for townhomes at this time.

At 7:15 p.m., Council Member Melissa Davis moved to close the public hearing. Council Member Debbie Fowler seconded the motion and there were ayes by all to close the Public Hearing. Motion passed 4-0. Mayor Pro Tem Phillips added that he understood Mr. Baskin's concerns about more townhomes but assured him that no plan had been approved as yet. He didn't think the final plan would include townhomes although it could change. Council Member Debbie Fowler moved to approve the MOU with Lending Tree. Council Member Melissa Davis seconded the motion and there were ayes by all to approve it. Motion passed 4-0.

**B. Public Hearing for Proposed Townhome Project -- (Travis Morgan).** Mr. Morgan stated that this was a continuation of the hearing held last month. He wanted to clarify storm water ponds for the public. He explained there were wet ponds and dry ponds; the applicant's proposal was for a dry pond. Wet ponds stay wet permanently but dry ponds are only wet temporarily and are designed to filter and slow storm water before reaching the creek. They are necessary features to help control flooding. Storm water features are regulated by the county as a way to manage flooding and drainage issues.

Mr. Morgan continued highlighting notes from the last meeting:

- The applicant's new plan went from 20 units down to 18
- The buffer was increased to 20 feet
- The new plan now has 30% more open space
- The plan calls for 14 rear-loaded garages and 4 front loaded ones
- All units are three bedrooms
- A total of 59 parking spaces are required; the plan shows a total of 76 spaces provided including garage parking
- Confirmation that all notices were sent out to adjacent properties
- Privacy issues addressed with large evergreens and/or fence
- Trash dumpster will be contained in a brick enclosure
- No flood lights to reflect into Ridgely Green neighborhood
- Staff requesting additional R-O-W be dedicated to the town or DOT

Council Member Joe Maxim asked Mr. Morgan if the applicant agreed to the three recommendations he made on his staff report. Both Mr. Morgan and the applicant responded "yes". Council Member Melissa Davis expressed her concerns with the planting strip possibly blocking the visibility of motorists, lack of parking, lack of green space (they did add more green space, but that's all it was; no additional amenities), the water pressure and ability of the sewer pipe to handle the waste water. The applicant responded that Charlotte Water had not confirmed the water pressure was adequate, but that it would all be in the letter they were expecting to receive from Charlotte Water. Additionally, they will include garage parking as part of the HOA rule requirements.

Council Member Joe Maxim asked whether there would be a cap on the number of rentals that would be allowed. The applicant responded that the HOA would put a cap on rentals. He also wanted to know if the applicant would be willing to participate in residential concerns after the sale of the home takes place. Would they be willing to hear out concerns of new buyers as well as the complaints of neighboring communities? Council Member Melissa Davis wanted to be sure any bulky items left out by the trash were picked up in a timely manner and not sitting by the dumpster for weeks. She also didn't want to see any street parking; she wanted to be sure there would be enough room for emergency vehicles to get through. Mayor Pro Tem Phillips didn't want the neighboring communities to be forgotten and asked that the developer build a relationship with them. He, too, was concerned about the planting strip and asked for a right-hand turning lane from Cranford Drive on to Main St. to ease some of the traffic along with a request to move the dumpster so it doesn't smell up Mr. Phillips' home. He was not comfortable making a decision until they got the letter from Charlotte Water regarding the pipe size and water

pressure. Mr. Maxim agreed with him.

Council Member Debbie Fowler noted that the retention pond at the elementary school did go down, but wanted to know if anyone inspects them. Mr. Morgan replied that the county does go out at least once a year to inspect them. The applicant added that there would be scheduled maintenance on the storm water pond and that they did require an inspection at least once a year. Hearing no further comments, Council Member Joe Maxim moved to open the Public Hearing, seconded by Council Member Debbie Fowler. There were ayes by all and the Public Hearing was opened at 8:04 p.m.

Mr. Ray Phillips spoke against approving the townhome project noting that the dumpster would be right at his back door, an old sewer line not capable of handling all the new homes, and parking on the street as the reasons for not wanting it. He asked Council not to approve the plan. Mayor Edwards remarked that the issue of garbage had come up three or four times during the public hearing, but he has had no complaints from any other developments with dumpsters. Council Member Debbie Fowler asked if the new plan included a fence along Mr. Phillips property. Mr. Morgan replied that he would need to confirm with Mr. Phillips if he wanted a fence, plantings or both. Council Member Davis asked if the fence would be six feet high. Mr. Morgan replied that it would be, but then taper down so as to keep the sight triangle clear. The applicant stated that they needed to come to an agreement on whether there would be a fence or not. Council Member Joe Maxim wanted to clarify that the town did not own this property or the property following this hearing and that our zoning regulations allow for commercial development on both of these parcels. He wanted to be clear that the only reason these projects came before Council was because of building frontage requirements and buffer considerations as well as the number of proposed units and rezoning, otherwise Council would not have had the opportunity to guide the development of these two projects.

Hearing no further comments, Council Member Melissa Davis moved to close the public hearing, seconded by Mayor Pro Tem Phillips. There were ayes by all and the public hearing ended at 8:19 p.m. Discussion began amongst Council Members; some seemed to be in favor of the townhomes, some were not. More discussion took place; a decision could not be made it was tabled again until next month.

**C. Public Hearing for a Proposed Single Family Residential Subdivision (Travis Morgan).** Again, this was a continuation of a public hearing for a conditional zoning request from last month and once again Mr. Morgan provided an overview of the project stating that the applicant was before the board because their number of proposed units exceeded 100. The county considers this project low impact because there is a maximum impervious area of 24 percent or less. They did reduce the number of units from 320 down to 299 from the last meeting. Additionally, the berm adjacent to WRICO will be 5' or 8' depending on whether they can work something out with them. Chain link safety fence has been added to the back of the homes along the railroad tracks, along with 8' evergreen trees and 6' evergreen shrubs. The size of the amenity area was increased to 2.5 acres as well as 7 acres dedicated to the Sugar Creek Greenway. To minimize cut through traffic, several different traffic-calming strategies will be used – winding roadways, narrowing intersections and numerous stop signs at specific intersections will all be used to help curtail cut-through traffic. The applicant was also contributing \$75K toward road improvements as well as \$25K to the Quiet Communities RR Project.

Mayor Pro Tem Phillips asked when rezoning of the G1 parcel needed to be done and if it could be done at the same time. Mr. Morgan responded that it could be done at the same time. Council Member Melissa Davis wanted to know if the applicant was able to connect with WRICO regarding the berm but they have still not heard back from them despite several attempts to reach them. Ms. Davis still had concerns with the traffic study and the need for a right-hand turn lane off of Cranford Drive. She was concerned for the people living there and the trouble they experience getting onto NC51 in the morning when there is traffic. The applicant commented that when the traffic study was originally done for their proposed development, it was done using a total count of 350 units which was what was being proposed at that time but their unit count has come down considerably since the study was done.

Discussion took place regarding the NCDOT and NC51. Council Member Maxim spoke with DOT representative, Scott Cole regarding the possibility of improvements on NC51. Mr. Cole was non-committal about any

improvements to NC51. Mr. Morgan noted that he's had discussions with DOT as well, and according to them, is not currently feasible.

Hearing no further comments, Council Member Melissa Davis moved to close the public hearing with Council Member Joe Maxim seconding the motion. There were ayes by all and the public hearing was closed. Mayor Edwards called for a vote on the development. Council Member Joe Maxim moved to approve the plan but motion died for a lack of a second.

Discussion started again. Mayor Pro Tem Phillips stated the only way he would vote for this project was if there was a gate controlling residents coming in and out. Council Member Melissa Davis stated she was not against the project, but still concerned about traffic. Mr. Phillips clarified that he was not against the project, but that there were too many units that the infrastructure could not support. Mayor Edwards commented that he didn't think there was going to be a vote tonight with one council member for the project and another one against the project. At this point, Mr. Bailey Patrick addressed council stating that he has done business in Pineville for two decades and that he represented the owner of the property, Jack Miller. He's been working with Mr. Miller for years to get just the right project for his tract of land and the town was not going to get a better product at this density anywhere else. The applicant had complied with all of council's requests. There could be endless discussion on it and the traffic but the traffic isn't going away. Council Member Debbie Fowler added that a good portion of the traffic comes up from South Carolina anyway and that there was nothing that can be done to stop it. Council Member Davis asked how long the project was expected to take before it was totally complete. The applicant responded that it was scheduled on a 5-year plan.

Hearing no further questions, Mayor Edwards asked again if there was a motion. Council Member Joe Maxim moved to approve the 299 single family homes and conditional rezoning on two adjacent parcels with the mentioned conditions. Council Member Debbie Fowler seconded the motion. Mayor Pro Tem Phillips and Council Member Melissa Davis voted against the project. With the vote at two for and two against, Mayor Edwards cast his vote in favor of the project. The vote was 3 in favor and 2 against; motion carried and the project was approved with the stipulation that the applicant met all the conditions and recommendations in the staff report including:

- Rezoning the southern portion of current parcel #20507112 from G-I to RMX
- Rezoning future road connection parcel #20508109 from G-I to RMX
- Install traffic calming measures at intersections including stop signs and narrowed roads as identified by staff
- Meet all architectural requirements
- Provide Greenway access and dedication (generally 100' swim buffer area)
- All construction traffic to use Industrial Drive entrance
- All town and county regulations are met and adhered to
- Dedicate \$25,000 to railroad quiet zone improvement project
- Dedicate \$75,000 to road improvements

**D. Public Hearing for FY2018-19 Budget** (*Ryan Spitzer*). Town Manager, Ryan Spitzer, gave an overview of the budgeting process for the year explaining that four budget work sessions were held in April to get to where they were that evening. He reviewed increases as well as decreases in all departments, noting that Public Safety was always the largest part of the budget coming in with an overall increase of 8% from last year mainly due to capital projects. There was a 3% increase in solid waste fees and an 11% proposed increase with the current medical insurance although the numbers were not yet final for insurance costs. No increase in electric rates was being proposed nor any increase in taxes or any other fees. Two new positions were approved; one accounting analyst and a contractor position to inspect projects to be sure they are done to specifications.

Council Member Joe Maxim moved to open the Public Hearing for the budget, seconded by Council Member Debbie Fowler. There were ayes by all and the Public Hearing was opened. There were no questions or comments from the public. Council Member Joe Maxim moved to close the Public Hearing, seconded by Council

Member Debbie Fowler. There were ayes by all to close the Public Hearing.

**OLD BUSINESS:** *None*

**NEW BUSINESS:**

**A. Budget Amendment** (*Richard Dixon*). Finance Director, Richard Dixon, presented a budget amendment for Council's consideration. An amendment was necessary to transfer funds for the Johnston Road Realignment capital project since the grant money expected for this project has been limited to just road improvements within state roads. Money received previously from CMC Pineville for their road improvements, should help offset general fund transfers. There were no comments or questions. Mayor Pro Tem Phillips moved to approve the budget amendment with Council Member Melissa Davis seconding the motion. There were ayes by all and the budget amendment was approved 4-0.

**B. Staff Update** (*Ryan Spitzer*) – Mr. Spitzer reported that the Arts and Science Council was funding the cost of providing live music from local artists at Unwind Tea and Coffee. The sessions will be from 7:00 p.m. until 9:00 p.m. on Thursday evenings throughout June.

Mr. Spitzer stated that they would be putting bids out for the splash pad equipment very soon and that work on the RR crossing was supposed to be taking place any day. He noted that the last Monday of the month was Memorial Day so no work session would be held then but rather on Tuesday, May 29<sup>th</sup>. Mayor Edwards stated that he would not be available that evening as he was headed for the State and Town Dinner in Raleigh with Council Member Maxim who was also attending the event. It was later decided that no work session would be held this month.

**ADJOURNMENT**

At 10:28 p.m. a motion was made and seconded to adjourn the meeting. There were ayes by all and the meeting adjourned.

\_\_\_\_\_  
Jack Edwards, Mayor

ATTEST: \_\_\_\_\_  
Barbara Monticello, Town Clerk

## **CONSENT AGENDA ITEMS**

- a) Finance Report as of 05/31/18*

Town of Pineville  
 Budget vs. Actual  
 5/31/2018

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
<b>Revenues</b>			
Property Tax	\$ 6,301,000	\$ 6,558,743	104.09%
Prepared Food Tax	610,000	678,513	111.23%
Room Occupancy	590,000	546,108	92.56%
Franchise Tax	860,000	734,251	85.38%
Sales Tax	1,122,000	1,195,227	106.53%
Storm Water	340,000	342,462	100.72%
Powell Bill	199,000	201,760	101.39%
Other	630,000	1,504,905	238.87%
Appropriated Fund Balance	570,712	570,712	100.00%
Appropriated Storm Water Fund Balance	161,125	161,125	100.00%
<b>Total</b>	<b>\$ 11,383,837</b>	<b>\$ 12,493,806</b>	<b>109.75%</b>
<b>Expenditures</b>			
Governing Board	\$ 519,000	\$ 400,624	77.19%
Administration	664,647	615,325	92.58%
Zoning	274,824	240,628	87.56%
Police	5,413,052	4,500,965	83.15%
Fire	1,026,200	900,706	87.77%
Public Works	610,672	519,524	85.07%
Powell Bill	199,000	189,558	95.26%
Storm Water	501,125	437,412	87.29%
Sanitation	425,000	354,181	83.34%
Recreation	455,600	362,120	79.48%
Cultural/Tourism	1,215,717	1,172,170	96.42%
Cemetery	4,000	3,144	78.60%
Non operating	-	203	-
Contingency	75,000	-	0.00%
<b>Total</b>	<b>\$ 11,383,837</b>	<b>\$ 9,696,560</b>	<b>85.18%</b>

**Town Of Pineville**  
**Johnston Road Realignment**  
**5/31/18**

	FY17	FY18	Total Project	Project Budget
<b><u>Road Realignment Revenue</u></b>				
DOT grant	-	-	-	
General Fund Balance		1,957,000	1,957,000	1,957,000
Total Road Realignment Revenue	-	1,957,000	1,957,000	1,957,000
<b><u>Road Realignment Expense</u></b>				
Land/Building	-	731,228	731,228	725,000
Engineering	-	59,223	59,223	307,000
Construction	-	-	-	925,000
Total Road Realignment Expense	-	790,452	790,452	1,957,000

Town Of Pineville  
 Splash Pad/Dog Park  
 5/31/18

	FY17	FY18	Total Project	Project Budget
Cultural & Tourism Reserves	-	361,460	361,460	361,460
Part F Grant	-	-	-	361,460
<b>Total Part F Grant Revenue</b>	<b>-</b>	<b>361,460</b>	<b>361,460</b>	<b>722,920</b>
Part F Grant Expense				
6201.7200.70	32,656	45,931	78,587	722,920
<b>Total Part F Grant Expense</b>	<b>32,656</b>	<b>45,931</b>	<b>78,587</b>	<b>722,920</b>

Town of Pineville  
Electric Fund  
5-31-2018

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Revenues			
Electric	13,084,266	11,031,897	84.31%
Expenditures			
Administration & Billing Support	484,066	649,666	134.21%
Purchased electricity	9,886,279	7,908,970	80.00%
Operations and Maintenance	2,496,500	2,599,350	104.12%
Transfer to Rate Stabilization Fund	217,421	217,421	100.00%
Total	<u>13,084,266</u>	<u>11,375,407</u>	86.94%

Town of Pineville  
CLEC Telephone Fund  
5/31/2018

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Revenues			
CLEC	1,633,100	1,522,607	93.23%
Expenditures			
Support, Facilities, Operations	1,241,156	1,940,365	156.34%
Executive & Planning	<u>391,944</u>	<u>142,195</u>	<u>36.28%</u>
Total	1,633,100	2,082,559	127.52%

Town of Pineville  
ILEC Telephone Fund  
5/31/2018

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Revenues			
ILEC	2,147,877	2,356,375	109.71%
Expenditures			
Support, Facilities, Operations	966,545	798,470	82.61%
Customer Service	579,927	104,685	18.05%
Executive & Planning	<u>601,405</u>	<u>700,957</u>	<u>116.55%</u>
Total	2,147,877	1,604,112	74.68%

# Public Hearings

- A. Public Hearing for a Proposed  
Townhome Project at 508 Main St. *(Continued)***

# Memorandum



**To:** Town Council

**From:** Travis Morgan

**Date:** 6/12/2018

**Re:** **Proposed Cranford Corner Townhome Project** *(Public Hearing)*

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**UPDATE:**

Updated plans for the packets were not provided/ready from the applicant for this packet. Applicant stated to have new updated drawings to you Monday.

After the previous May public hearing the applicants have made the made the following updates:

- 1) **Willingness to serve letter for water and sewer granted from Charlotte Water.**
- 2) **There is approximately 120' of additional right turn lane stacking that can be added before the driveway (see straightened curb shown in red on the site diagram). Recommended curb and 6' sidewalk along Cranford to tie into Ridgely Green as shown.**
- 3) **Water pressure: Fire department tested the adjacent hydrants in Traditions at 407 Ridgely Green, 110 Juanita, and 802 Traditions park and found water pressure/gallons per minute to be between 670-750 gallons per minute that meets standards. The complaints about pressure could be from compromised individual private home water lines. We have been unable to determine if water pressure concerns are a few individual homes or a larger issue. When Meritage homes completes the water connection between Industrial and Cranford/Franklin water pressure should improve as additional pressure is provided by the larger main off of Industrial Drive.**

**Decision needed for buffer preference. Landscaping, fencing, either, or both.**

**Previous Update:**

After the previous April public hearing and workshop meeting the applicants have made the made the following changes:

- 1) **Two units have been eliminated bring the total townhome to 18 down from 20.**
- 2) **Buffer increased to 20' minimum separation and landscaping upgraded as shown.**
- 3) **Additional rear corner amenity and paved gathering area added**
- 4) **Elevations revert to majority brick as first shown and staff recommended**

**PROPOSAL:**

Paul Sagadin, Larry Lockhart, and Danish Kumar on behalf of Kinger Homes, seeks your conditional approval for 20 18 townhomes located at 508 Main Street. The townhomes are a mix of rear-loaded along Main Street and Cranford Drive, with approximately five interior front-loaded townhomes. The applicants seek conditional site plan approval to allow the rear front loaded garages and modify the minimum street frontage requirements. The building lot frontage is 62% on Main Street rather than 75% buffer and landscaping now meet ordinance standard.

**Ordinance Sections:**

Lot Setbacks	
Front Setback <sup>2</sup>	Build-to-line from street sections
Side Setback	0 ft
Side Setback on corner lots facing a street <sup>2</sup>	Build-to-line from street sections
Rear Setback	0 ft
Minimum Linear Building Frontage <sup>3</sup>	75%

**7.4.2 Screening and Buffering requirements between certain Zoning Districts**

C) When a lot in a Residential District or a residential use abuts another lot, which contains a dissimilar institutional use, multi-family development or manufactured home park, screening must be provided on the lot containing the institutional use, multi-family development or manufactured home park in the form of a minimum twenty (20) foot screen/buffer.

**DEVELOPMENT SUMMARY:**

<b>Location:</b>	<b>508 Main Street – Western corner of Cranford Dr. and Main St.</b>
<b>Zoning:</b>	<b>DC – Downtown Core</b>
<b>Acreage:</b>	<b>2.036 acres</b>
<b>Number of Units:</b>	<b>20 18 Units</b>
<b>Unit Density:</b>	<b>9.8 8.9 units/acre</b>
<b>Parking calcs:</b>	<b>18 units x 3.25 spaces (3 bedroom require 3.25 spaces each)</b>
<b>Parking Minimum:</b>	<b>65 spaces 58.5</b>
<b>Parking Provided:</b>	<b>84 spaces 76</b>
<b>Height:</b>	<b>28' 3"</b>
<b>Trash/Dumpster:</b>	<b>Private dumpster location on site</b>

**STAFF COMMENTS:**

Staff has the same comments from before (see below) and asks for clarification on any buffer specifics such as fencing and/or landscaping. Water pressure seems to meet or exceed minimums from the fire department and Charlotte water in granting the willingness to serve letter. Charlotte Water has to provide a minimum level of service. Water pressure is variable at times (for instance if everyone flushes at the same time). An additional note of minimum

- 1) Staff recommends the majority brick elevations provided and as shown
- 2) That the dumpster enclosure be screened with brick to match as discussed prior
- 3) Staff recommends additional right of way along Cranford to be dedicated to the town and along Main Street to NCDOT

**PROCEDURE:**

This is the public hearing for Council to gain input from staff, public, and the applicant about the proposal. This meeting is to familiarize you with the applicant's request and to hear any public comment. This follows standard legislative approval process. There are no findings of facts needed. If you have all the information needed to make a decision, you may at your discretion close the public hearing and make a vote.

**tmorgan@pinevillenc.gov**

---

**From:** Paul Sagadin <paul@customhomescarolina.com>  
**Sent:** Friday, June 08, 2018 2:58 PM  
**To:** tmorgan@pinevillenc.gov  
**Cc:** Larry Lockhart  
**Subject:** Water pressure

Travis

Thanks for the questions in reference to the water pressure questions.

We have taken the time to talk to the local Pineville Fire Department to gather information on the adequacy of the flow for the area in question. The Fire Chief Mike Gerin said that they were able to get out and test all of the fire hydrants in the area and that they are all providing an adequate flow. They did the static and residual tests to then calculated the flow

There is a standard calculation for gallons per minute that they calculate, and all of the hydrants actually tested over that standard. Ranging from 10-25% higher than the standard.

In reference to future development, as Meritage develops their property to the north of this location, most likely connecting into the main source on Industrial, that would then be connection to additional supply.

Thank You,

Paul Sagadin  
Realtor/Developer/Investor NC/SC  
704-572-7327c  
[Paul@CustomHomesCarolina.com](mailto:Paul@CustomHomesCarolina.com)  
[www.CustomHomesCarolina.com](http://www.CustomHomesCarolina.com)





May 9, 2018

Mr. Paul Sagadin  
Kinger Homes  
215 North Pine Street, Unit 2011  
Charlotte, NC 28202

**SUBJECT: WILLINGNESS TO SERVE  
KINGER HOMES PINEVILLE MULTIFAMILY  
508 MAIN STREET, CHARLOTTE NC**

After an analysis of the sanitary sewer system associated with the proposed project WTS, Kinger Homes Pineville Multifamily, it was determined that there is sufficient capacity to accommodate the proposed sewer flows from this project at the connection point(s) indicated on the submitted utility plan for transmission to the *McAlpine Creek Wastewater Treatment Plant* (NPDES Permit# NC0024970). Please note that the availability of flow is subject to change, and that this willingness to serve review in no way guarantees future capacity. Further review of the project through the Charlotte Water Capacity Assurance Program is required prior to acceptance of the proposed flows. Please contact New Services at 704-432-2854 for official submittal guidelines to the Capacity Assurance Program.

Charlotte Water (CLTWater) agrees to furnish water to the subject project. The water quality to the subject project is regulated by the State Drinking Water Act Amendments of 1986 and The Water Supply Management Plan, PWS ID # 0160010 on file with the Public Water Supply Section of NCDEQ. However, CLTWater cannot guarantee a constant pressure or quality of flow.

Due to the involvement of other agencies and continuing growth of the water and sewer system, the ability to provide service for future projects cannot be guaranteed nor reserved. Connection to the CLTWater and sewer system is accepted on a first come, first served basis.

The applicant should understand that this letter is not an authorization to construct or extend private water or sewer systems, as the appropriate local or State permits are required prior to construction. If you have any questions, please do not hesitate to contact me at (704) 336-1006.

Sincerely,

*Gwendolyn Banner*

Gwendolyn Banner  
Engineering Assistant





**SURVEY DISCLAIMER**  
 BACKGROUND INFORMATION TAKEN FROM PRELIMINARY SURVEY BY METROLINA ENGINEERING & SURVEYING ASSOCIATES, DATED 8/7/17.

- LEGEND:**
- UNDERSTORY EVERGREEN TREE
  - 4' EVERGREEN SHRUB
  - 6' LARGE SHRUB
  - ENHANCED LANDSCAPE AREA

NOTE: FINAL LANDSCAPE MATERIALS AND BUFFER DESIGN TO BE DETERMINED

**Bloc Design**  
 2923 S. Tryon Street, Suite 320  
 Charlotte, NC 28203  
 phone: 704-940-2883  
 www.bloc-nc.com

landscape architecture | planning | civil engineering

**REVISIONS**

NO.	DATE	DESCRIPTION
12/21/17		CONCEPT LAYOUT 1
1/29/18		CONCEPT LAYOUT 2
03/09/18		CONDITIONAL ZONING SUBMITTAL
05/02/18		CONDITIONAL ZONING RESUBMITTAL

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NC FIRM # P-1007, C-390

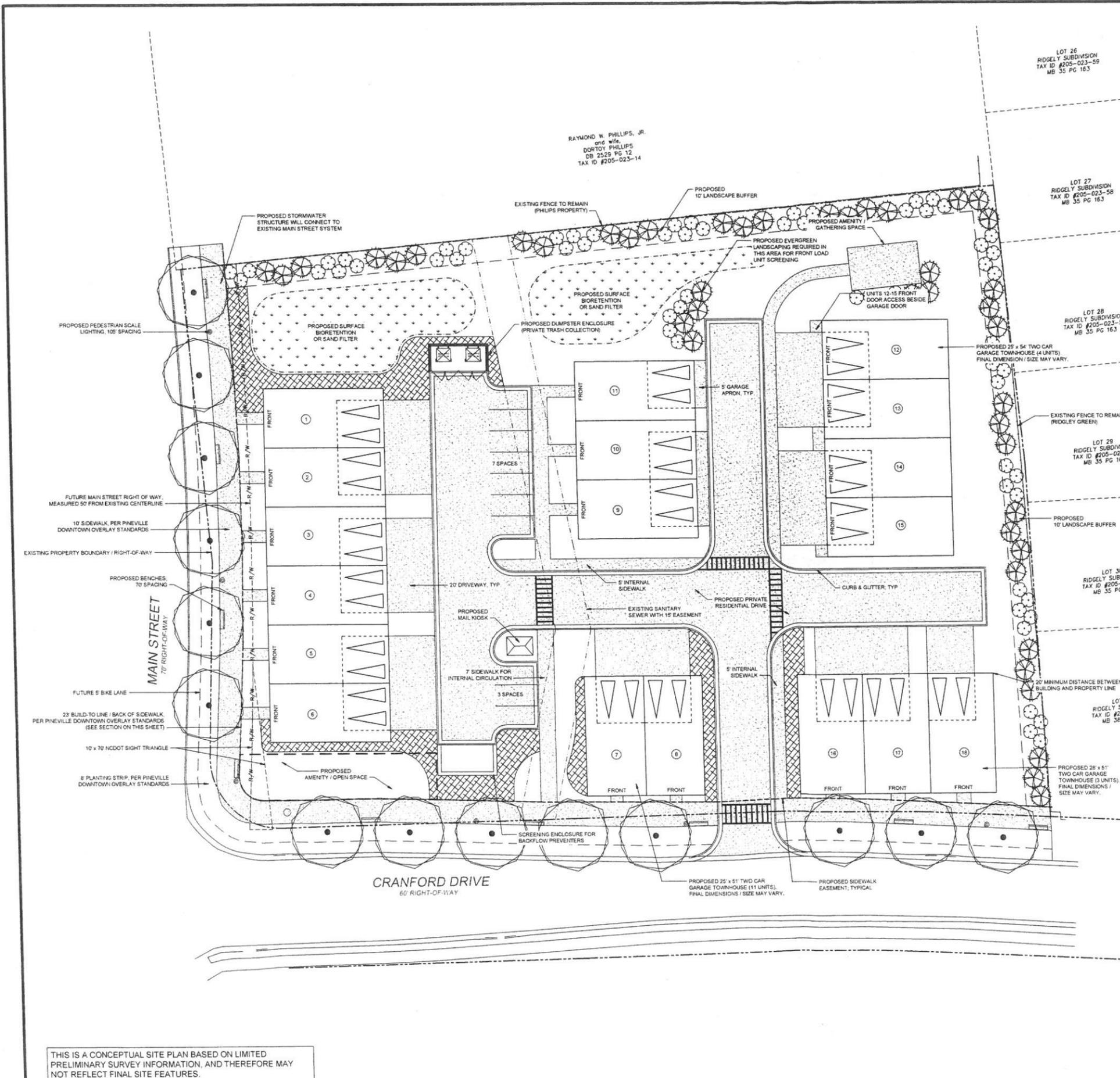
**KINGER HOMES  
 PINEVILLE MULTIFAMILY**  
 Conditional Zoning #

508 Main St.  
 Pineville, NC 28134

SCALE: 1" = 20'

DATE: 05/03/18	MPC: WLL
DRAWN BY: ASP	CHECKED BY: WLL
PROJECT NUMBER: 00505.00	
SCALE: 1" = 20'	
TITLE: CONCEPTUAL LANDSCAPE PLAN	

SHEET NO.  
**L-100**



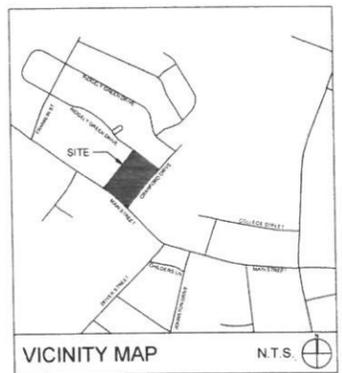
THIS IS A CONCEPTUAL SITE PLAN BASED ON LIMITED PRELIMINARY SURVEY INFORMATION, AND THEREFORE MAY NOT REFLECT FINAL SITE FEATURES.



5-UNIT BUILDING FRONT ELEVATION  
 ARCHITECTURAL ELEVATIONS PROVIDED BY DAN PLVAK  
 ELEVATIONS ARE PRELIMINARY AND MAY BE SUBJECT TO CHANGE DURING FINAL DESIGN



6-UNIT BUILDING FRONT ELEVATION  
 ARCHITECTURAL ELEVATIONS PROVIDED BY DAN PLVAK  
 ELEVATIONS ARE PRELIMINARY AND MAY BE SUBJECT TO CHANGE DURING FINAL DESIGN



VICINITY MAP N.T.S.  
 SURVEY DISCLAIMER  
 BACKGROUND INFORMATION TAKEN FROM PRELIMINARY SURVEY BY  
 METROLINA ENGINEERING & SURVEYING ASSOCIATES, DATED 8/7/17.



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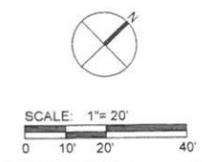
REVISIONS		
NO.	DATE	DESCRIPTION
12/21/17		CONCEPT LAYOUT 1
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05/02/18		CONDITIONAL ZONING RESUBMITTAL

Disclaimer #2018  
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 stamp / seal



NC FIRM # P-1007, C-300

**KINGER HOMES  
 PINEVILLE MULTIFAMILY**  
 Conditional Zoning #:  
 508 Main St.  
 Pineville, NC 28134



DATE: 06/03/18	MPIC: WLL
DRAWN BY: ASP	CHECKED BY: WLL
PROJECT NUMBER: 00505 00	
SCALE: N.T.S.	
TITLE: ARCHITECTURAL ELEVATIONS	

SHEET NO:  
**A-100**

## **OLD BUSINESS**

- A. Amending Town  
Code for Proposed  
Changes to Parking  
Ordinance**

# Memorandum



**To:** Town Council

**From:** Travis Morgan

**Date:** 6/12/2018

**Re:** **PARKING TEXT AMENDMENT** (*Action Item*)

---

As a follow up from our previous code update meetings, staff has worked on and made some revisions to the Parking section of the Town Code. Highlights include:

- 1) Clarified yard definitions
- 2) Allowing 35% front yard double car driveways if improved to pavement
- 3) Clarifying vehicles, equipment, and trailer parking in front/side/rear yards
- 4) Limiting front yard vehicles and equipment to 1.5 per bedroom (down from 2 currently).
- 5) Clarify specifically about yellow painted curb prohibited parking

This is presented as an open discussion item for any comments or direction as you see fit. Changes shown are to the Town Code and do not require planning board meetings. We can amend, continue, or vote on the proposed updates. Staff would like to approve or amend and approved the ordinance to resolve outstanding general parking questions. Areas to limit or remove on street parking can be addressed through signs and painted curbs at any time in the future.

**§72.04 PARKING PROHIBITED IN SPECIFIED PLACES.**

- (A) No person shall stop, stand or park any vehicle or **equipment** except as directed by a police officer or traffic control device in any of the following places:
- (1) On a sidewalk;
  - (2) Within an intersection, or within 20 feet thereof;
  - (3) On a crosswalk;
  - (4) Within 30 feet of any flashing beacon, stop sign or traffic control signal;
  - (5) No vehicle shall park within 50 feet on either side of any street approaching any railroad crossing;
  - (6) Alongside or opposite any street excavation or obstruction, when the stopping or standing or parking would obstruct traffic;
  - (7) Upon any bridge or other elevated structure;
  - (8) Within 15 feet in either direction of the entrance to a hotel, hospital or any public building where the street is so marked;
  - (9) On the roadway side of any vehicle stopped, standing or parked at the edge or curb of a street;
  - (10) In front of or having any portion of a vehicle directly across the street from a public or private driveway, except as otherwise provided in this chapter;
  - (11) In front of any motion picture theater, except bicycles;
  - (12) Within 15 feet of a fire hydrant, or within a designated fire lane;
  - (13) Within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station, or similarly within 75 feet of the entrance where marked;
  - (14) At any place where signs, **yellow painted curb**, or similar markings prohibit parking;
  - (15) Within any designated fire lane;
  - (16) On any street where there is less than 15 feet of unobstructed roadway as measured from the side of the vehicle facing the street.
- (B) The following shall apply to all off-street parking for property developed for single family detached, duplex, triplex or quadruplex dwelling units:
- (1) *Front yard parking.*
    - (a) Parking, **driveways, and vehicle paths** shall be on improved surfaces only.
    - (b) An improved driveway shall not exceed 25% of the area of the defined front yard **unless as paved by concrete or asphalt in one single contiguous driveway, then the driveway area shall be allowed to be expanded to a maximum of 35%. Driveways wide enough to accommodate two parked cars are encouraged.**
    - (c) Passenger vehicles, **recreational vehicles, semi-trailer truck (cab only), golf carts, utility trailers, and boats or box trucks of twenty feet in length or less are permitted.** All other vehicles or equipment (i.e., heavy equipment, backhoes, tractors, and similar) are prohibited in the front yard.
    - (d) **FRONT YARD** is defined as the space extending along the most forward-facing facade of a building façade, a roofed porch, bay window, or similar customary attached feature of a residential unit, and measured forward to the street or right-of-way of the lot on which the unit is officially addressed or where the front door faces, as determined by the planning director.
  - (2) *Side yard.*
    - (a) **Parking, driveways, and vehicle paths shall be on improved surfaces only.**
    - (b) **Parking of passenger vehicles, recreational vehicles, semi-trailer truck (cab only), golf carts, utility trailers, and boats or box trucks of twenty feet in length or less are permitted.**
    - (c) **SIDE YARD** is defined as a space between the front yard, the rear yard, the side façade of the primary residential unit and side lot line.

- (3) *Rear yard.* No more than one junk vehicle or junk equipment item such as tractor or four wheeler (see also [Chapter 91](#) of the town code) may be parked in the rear yard.
- (a) Parking in the rear yard is permitted if concealed/screened with evergreen landscaping or minimum six-foot-high solid wood, vinyl, or masonry fencing for all vehicles and equipment from the public right of way and adjacent properties. Except as detailed below.
- (b) Rear yard required parking screening is not required for working tagged antique vehicles, or rear yard parking on an improved surface such driveway
- (c) **REAR YARD** is defined as the space extending along the most rear-facing facade of a building façade, a roofed porch, bay window, or similar customary attached feature of a residential unit, and measured directly outward from the furthest rear edge(s) to meet the side yard property line and backward to meet the rear property boundary.
- (4) *Vacant lots.* Parking of passenger vehicles, recreational vehicles, golf carts, utility trailers, and boats or box trucks of twenty feet in length or less are permitted on vacant lots in residential zoned property unless as screened and improved under town code or zoning ordinance.
- (5) *Minimum parking.* Minimum of two (2) parking spaces. Each measured a minimum of nine feet by eighteen feet (9'x18').
- (6) *Maximum number.* The maximum number of vehicles and/or equipment allowed to park in the front yard shall be the greater of either of the following options: two (2) OR one and a half (1.5) rounded down per bedroom per property.
- (7) *Fully Enclosed Structures.* Minimum parking counts shall include fully enclosed garage structures, so long as the roll out trash cans have an area to be stored aside from a parking space. The maximum parking count shall exempt vehicles in fully enclosed garage structures.
- (C) For purposes of this section, **IMPROVED** means surfaced with concrete, asphalt, gravel or any other material commonly used for the parking of vehicles, but not including grass or dirt.
- (D) This section adopts the U.S. Department of Transportation definition of passenger vehicle to mean cars and trucks used for passengers; the term here excludes buses, commercial vehicles, recreational vehicles and trains.
- (E) The prohibitions of this section shall not apply:
- (1) In conjunction with special events involving family or social gatherings, provided such events do not occur more frequently than once a **month; except for weekly Sunday church events, and provided the Town is made aware and confirms the event prior;** or
- (2) To emergency and public service vehicles whose operators are performing services for which they are responsible, nor do these prohibitions apply to vehicles belonging to persons under contract with the city to perform a public service.
- (F) This section is effective June 12, 2018.  
(1995 Code, § 40-139) (Ord. 12, passed 1-11-2000; Ord. 2004-02, passed 9-14-2004; Ord. 2007-02, passed 6-12-2007) Penalty, see §10.99

## **NEW BUSINESS**

- A. Set Tax Rate/Electric Rates/Phone Rates and other Town Fees**
- B. Adopt FY2018-19 Budget**
- C. FY2018 Budget Amendment**
- D. Adopt Formal Procurement Policy**
- E. Adopt Resolution Authorizing Electronic Payments**
- F. Staff Update:**
  - 1) Manager's Report*
  - 2) Calendar of Events*

# Memorandum



**To:** Mayor and Town Council

**From:** Richard Dixon

**Date:** 6/8/2018

**Re:** FY2018-19 Rates

---

No changes in the tax rate for the FY2018-19 are being proposed and will continue at \$0.38 per \$100 valuation. Electric and phone rates, along with all other town fees are attached. The electric rate riders are effective for services rendered after July 1<sup>st</sup> and are also attached. A wedding package fee has been added to the Parks and Recreation fee schedule.

***ACTION REQUESTED: Council approve all rates.***

## Town of Pineville Schedule of Fees

### Administration

Notary – \$3  
Copies (8.5 x 11) – \$.15 per page  
Audio/Information on CD – \$5  
Returned Check – \$25

### Planning and Land Development

Sign Permit – \$15  
Zoning Verification – \$25  
Copies (8.5 x 11) – \$.15 per page  
Plotted Maps – \$10  
Standard Maps (printed from regular printer) – \$3  
Large Format Scans – \$20/page  
Subdivision Ordinance – 50 pages, \$7.50  
Zoning Ordinance – 234 pages, \$35  
Overlay District (color) – 60 pages, \$30  
Information on CD- \$5  
Returned Check- \$25

### Subdivision

Preliminary Plan Residential (Major) – \$500 plus \$5 per lot/unit  
Preliminary Plan Residential (Minor) – \$150 plus \$5 per lot  
Preliminary Plan Commercial, Mixed-Use, and All Other – \$800 plus \$5 per lot  
Lot Recombination – \$50

### Final Plats

Final Residential Subdivision Plat (Major)- \$150  
Final Residential Subdivision Plat (Minor) – \$150  
Final Plat All Others – \$150  
Revisions to Final Plats – \$50

### Variances and Appeals

Subdivision Variance or Appeal – \$350  
Residential Variance or Appeal (Individual Homeowner) – \$150  
Commercial, Mixed-Use, and All Other Variance or Appeals – \$350

**Business-** electric: \$200  
telephone: \$5

Meter Tampering- \$150

Returned Check- electric: \$25 telephone: \$25

Copies- electric: \$.15/page telephone: \$.15/page

1. Electric Deposits will be returned upon Termination of Service. Telephone Deposits are returned after 1 year of uninterrupted service plus 8% interest.
2. Electric reconnect fees will be required for businesses for up to two disconnects. Upon the third disconnection, a reconnect fee and an additional deposit will be required.
3. The minimum refund will be \$5.00.

**Pineville Communications**

Residential Phone Line – 26.66 (not including tax, toll, features or long distance)  
Business Line Rates – 37.00 (Single - not including tax, toll, features or long distance)

IPTV  
Expanded Basic - 67.99  
Limited Basic – 24.99

Broadband residential new rate packages:

3M	\$ 29.95
10M	\$ 34.95
50M	\$ 45.96
100M	\$ 55.95
200M	\$ 75.95
300M	\$ 92.95
1GIG	\$ 105.95

Broadband business new rate packages:

3M	\$ 64.95
10M	\$ 80.95
50M	\$ 100.95
100M	\$ 125.95
200M	\$ 165.95
300M	\$ 200.95
1GIG	\$ 299.95

## **Police**

Report Copies – \$2 per  
copy  
Fingerprinting – \$15  
per card  
Commercial Vehicle  
Permit – \$25 per day  
(M-F)/\$50 Saturday  
Golf Cart Permit - \$25  
Returned Check – \$25  
Gold Exchange Permit:  
Fingerprinting per  
Employee - \$38

## **Parks and Recreation**

**Hut Rental Fees** (all  
fees include a \$100  
refundable deposit)

### **Wedding Package**

**Resident - \$1,000,  
w/backyard \$1,100  
Non-resident - \$1,200,  
w/backyard 1,400**

### **Hut Weekday Rental Fees**

city resident: \$350  
non-resident: \$550

### **Hut Weekend Rental Fees**

city resident:  
5 hr= \$450  
8 hr= \$650  
extra hour= \$50

non-resident:  
5 hr= \$650  
8 hr= \$800  
extra hour= \$75

**Audio Video Rentals**

Screen Only- \$50  
Mic. Only- \$50  
All A/V- \$250

**BJCC Rental Fees**

Dining Room (M-Th  
mtg's only - Pineville  
residents only) - \$15/hr.

**Dining Room/Kitchen**

city resident: \$35/hr.  
non-resident: \$50/hr.

**Gym**

city resident: \$35  
non-resident: \$35 – \$50  
for profit events

Guest Fee Open Gym-  
\$5/day

**Shelter Rental**

**Weekday Rental-**

**Small Shelters at Jack  
Hughes Park**

city resident weekday  
(M-Th):  
1/2 day= \$10  
non-resident weekday  
(M-Th):  
1/2 day= \$40

**Weekend Rental-**

city resident:  
1/2 day = \$25  
all day= \$50

non-resident:  
1/2 day = \$60  
all day= \$120

**Medium Shelter –  
Lake Park**

city resident weekday:

1/2 day= \$15

non-resident weekday :

1/2 day= \$55

**Weekend Rental-**

city resident: 1/2 day =  
\$25 all day= \$50

non-resident: 1/2 day =  
\$75 all day= \$125

**Large Shelter – Lake  
Park**

city resident weekday:

1/2 day= \$25

non-resident weekday :

1/2 day= \$75

**Weekend Rental-**

city resident: 1/2 day =  
\$40 all day= \$60

non-resident: 1/2 day =

\$100 all day= \$175

Stage Rental Fee-  
\$50/hr.

### **Summer Camp Fees**

#### **First child**

city resident: \$65/week  
non-resident: \$85/week

#### **Second child**

city resident: \$55/week  
non-resident: \$70/week

#### **After Camp Fees**

city resident: \$30/week  
non-city resident:  
\$40/week

Some programs and fees are based on the number of participants. All other class fees are not set rates due to instructor cost and materials.

### **Fall Fest Fees**

#### **Business & Art**

**Vendors** – \$50 for 10'x10' space or \$100 for 20'x20'

**Food Vendors** – \$100-\$500 depending on size of space required and food options



Town of Pineville  
 Electric Rate Rider REPS  
 Renewable Energy Portfolio Standards (REPS) Charge

**Applicability**

The Renewable Energy Portfolio Standards Charge set forth in this Rider is applicable to all customer accounts receiving electric service from the Town of Pineville ("Town"), except as provided below. These charges are collected for the expressed purpose of enabling the Town to meet its Renewable Energy Portfolio Standards compliance obligations as required by the North Carolina General Assembly in its Senate Bill 3 ratified on August 2, 2007.

**Billing**

Monthly electric charges for each customer account computed under the Town's applicable electric rate schedule will be increased by an amount determined by the table below:

<u>Customer Type</u>	<u>Monthly Charges</u>		
	<u>Renewable Resources</u>	<u>DSM/Energy Efficiency</u>	<u>Total REPS Charge</u>
Residential Account	\$ 0.68	\$ 0.00	\$ 0.68
Commercial Account	\$ 3.71	\$ 0.00	\$ 3.71
Industrial Account	\$38.22	\$ 0.00	\$38.22

**Exceptions**

Industrial and Commercial Customer Opt-out

All industrial customers, regardless of size, and large commercial customers with usage greater than one million kWh's per year can elect not to participate in Town's demand-side management and energy efficiency measures in favor of its own implemented demand-side management and energy efficiency measures by giving appropriate written notice to the Town. In the event such customers "opt-out", they are not subject to the DSM/Energy Efficiency portion of the charges above. All customers are subject to the Renewable Resources portion of the charges above.

Auxiliary Service Accounts

The following service schedules will not be considered accounts because of the low energy use associated with them and the near certainty that customers served under these schedules already will pay a per account charge under another residential, commercial or industrial service schedule:

- Outdoor Lighting Service (metered and unmetered)
- Street and Public Lighting Service
- Traffic Signal Service
- Etc.

**Sales Tax**

Applicable North Carolina sales tax will be added to charges under this Rider.

Effective for service rendered after July 1, 2018.

Adopted \_\_\_\_\_.

**Town of Pineville  
Renewable Energy Credit Rider  
Electric Rate Rider RECR-1**

AVAILABILITY

This optional rate rider is available to customers on any Town of Pineville (“Town”) rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, without battery storage, located and utilized at the customer’s primary residence or business. To qualify for this rate rider, the customer must have complied with the Town’s Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the Town retains the right to limit the number and size of renewable energy generating systems installed on the Town’s System. The generating system that is in parallel operation with service from the Town and located on the customer’s premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the Town’s applicable renewable energy interconnection interface criteria. Qualified customers must be generating energy for purposes of a “buy-all/sell-all” arrangement to receive credits under this rate rider. That is, the Town agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NC GreenPower credits or sell Renewable Energy Certificate (“REC”) credits.

All qualifying facilities have the option to sell energy to the Town on an “as available” basis and receive energy credits based on the Variable Rates identified in this Rider for the delivered energy.

MONTHLY CREDIT

Monthly credits are paid according to the type of renewable generation.

Wind and Biomass Energy Credit (\$ per kWh):

	<u>Variable</u>
On-peak energy*	\$0.028
Off-peak energy	\$0.0103

Solar Photovoltaic Energy Credit (\$ Per kWh):

	<u>Variable</u>
All energy*	\$0.0304

\* These energy credits include a capacity component.

MONTHLY ENERGY

Monthly Energy shall be the total kWh of energy produced by the generating facility during the current calendar month. All energy produced by the Customer's renewable energy generating system must be delivered to the Town, since the Town does not offer net metering at this time.

ON-PEAK ENERGY

On-Peak Energy shall be the metered energy during the On-Peak Energy Period of the current calendar month, whereby the On-Peak Energy Period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

OFF-PEAK ENERGY

Off-Peak Energy shall be the Monthly Energy less the amount of energy billed as On-Peak Energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the Town and the customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 20 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer's requirements related to the interconnection of the customer's renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the Town contained in the Town Code of Ordinances.

SPECIAL CONDITIONS

The customer's service shall be metered with two meters, one of which measures all energy provided by the Town and used by the customer, and the other measures the amount of energy generated by the customer's renewable energy generator which is provided to the Town.

In the event that the Town determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Effective July 1, 2018.

Adopted \_\_\_\_\_.

Town of Pineville  
 Electric Rate Rider REPS  
 Renewable Energy Portfolio Standards (REPS) Charge

**Applicability**

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**Exceptions**

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All industrial customers, regardless of size, and large commercial customers with usage greater than one million kWh's per year can elect not to participate in Town's demand-side management and energy efficiency measures in favor of its own implemented demand-side management and energy efficiency measures by giving appropriate written notice to the Town. In the event such customers "opt-out", they are not subject to the DSM/Energy Efficiency portion of the charges above. All customers are subject to the Renewable Resources portion of the charges above.

Auxiliary Service Accounts

The following service schedules will not be considered accounts because of the low energy use associated with them and the near certainty that customers served under these schedules already will pay a per account charge under another residential, commercial or industrial service schedule:

- Outdoor Lighting Service (metered and unmetered)
- Street and Public Lighting Service
- Traffic Signal Service
- Etc.

**Sales Tax**

Applicable North Carolina sales tax will be added to charges under this Rider.

Effective for service rendered after July 1, 2018.

Adopted \_\_\_\_\_.

**Town of Pineville  
Renewable Energy Credit Rider  
Electric Rate Rider RECR-1**

**AVAILABILITY**

This optional rate rider is available to customers on any Town of Pineville (“Town”) rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, without battery storage, located and utilized at the customer’s primary residence or business. To qualify for this rate rider, the customer must have complied with the Town’s Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the Town retains the right to limit the number and size of renewable energy generating systems installed on the Town’s System. The generating system that is in parallel operation with service from the Town and located on the customer’s premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the Town’s applicable renewable energy interconnection interface criteria. Qualified customers must be generating energy for purposes of a “buy-all/sell-all” arrangement to receive credits under this rate rider. That is, the Town agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NC GreenPower credits or sell Renewable Energy Certificate (“REC”) credits.

All qualifying facilities have the option to sell energy to the Town on an “as available” basis and receive energy credits based on the Variable Rates identified in this Rider for the delivered energy.

**MONTHLY CREDIT**

Monthly credits are paid according to the type of renewable generation.

**Wind and Biomass Energy Credit (\$ per kWh):**

	<b><u>Variable</u></b>
On-peak energy*	\$0.028
Off-peak energy	\$0.0103

**Solar Photovoltaic Energy Credit (\$ Per kWh):**

	<b><u>Variable</u></b>
All energy*	\$0.0304

\* These energy credits include a capacity component.

MONTHLY ENERGY

Monthly Energy shall be the total kWh of energy produced by the generating facility during the current calendar month. All energy produced by the Customer's renewable energy generating system must be delivered to the Town, since the Town does not offer net metering at this time.

ON-PEAK ENERGY

On-Peak Energy shall be the metered energy during the On-Peak Energy Period of the current calendar month, whereby the On-Peak Energy Period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

OFF-PEAK ENERGY

Off-Peak Energy shall be the Monthly Energy less the amount of energy billed as On-Peak Energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the Town and the customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 20 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer's requirements related to the interconnection of the customer's renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the Town contained in the Town Code of Ordinances.

SPECIAL CONDITIONS

The customer's service shall be metered with two meters, one of which measures all energy provided by the Town and used by the customer, and the other measures the amount of energy generated by the customer's renewable energy generator which is provided to the Town.

In the event that the Town determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Effective July 1, 2018.

# Memorandum



**To:** Mayor and Town Council

**From:** Ryan Spitzer

**Date:** 6/7/2018

**Re:** Public Hearing for FY 18-19 Budget

---

## Overview:

Over the last six months, Pineville staff members have worked to finalize the proposed 2018-2019 fiscal year budget. This year's total budget of \$30,192,643 for General Fund, Restricted Fund, Telephone, Electric Fund, and Capital Improvement Plan is presented in a balanced format, with careful consideration in mind to the continuing the high service level standards the Town of Pineville wishes to provide.

This budget does not propose any tax or fee increases to the citizens of Pineville. General Fund Revenues have increased 8% over last year. This is due to staff looking at past budgets and creating a more realistic forecast of perceived collections. This 8 % increase in revenue has allowed the Town to begin and complete capital projects that were necessary as well as continue to fund the Fire Department. In fact, the Town is considering appropriating \$2.2million dollars in capital expenditures without increasing taxes or acquiring additional debt. The list of capital projects includes purchasing a ladder truck for the Fire Department for \$1.2 million. These significant investments in the Town are possible by departments keeping operating expenses at or below FY 17-18 levels.

Last year the Town had to cut numerous expenses within departments in order to have a balanced budget. This made departments look at expenses very closely and only present what was necessary. FY 18-19 Salary, Benefits and Operation costs through all town departments have remained mostly level from last year. The major cost increase, besides the addition of capital projects. Health insurance for the town will remain the same next year after successfully negotiations have taken place over the last month.

Finally, as we look forward to future years, the Town will be in a good position to meet strategic goals that are being set by Council to move Pineville forward. Next budget year will see the long-term debt for Jack Hughes Park end. This will allow Council to look at making additional investments in cultural and tourism activities. This, along with the anticipated increase in tax revenue through additional construction, reevaluation of homes, and an improving economy will allow the Town to create budgets that meet long-term and short-term Council policy and goals.

**Estimated Costs:**

None

**Attachments:**

Manager Budget Message  
Budget Ordinance

**Recommendation:**

Adopt the FY18-19 Budget as presented



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## FY 2018-2019 Budget Message

Over the last six months, Pineville staff members have worked to finalize the proposed 2018-2019 fiscal year budget. This year's total budget of \$30,192,643 for General Fund, Restricted Fund, Telephone, Electric Fund, and Capital Improvement Plan is presented in a balanced format, with careful consideration in mind to the continuing the high service level standards the Town of Pineville wishes to provide.

### General Fund

In developing the budget proposal for the General Fund Departments, each department was evaluated to determine priority services and expenditures, as well as evaluation of past trends in the expenditures of each department. Department level spending stayed relatively flat to last year. The major factors in the increases were because of increases in health insurance costs and the funding of capital projects. With the Town looking to not only improve itself now, but well into the future, the implementation of a Capital Improvement Plan (CIP) was started that will help the Town identify and plan for larger capital expenditures over a 5-10 year period. The Capital Improvement Plan will track significant expenditures of the Town that are not routine, have a long-term life expectancy, and are over \$10,000. This will assist staff in scheduling when these types of purchases are best suited to take place. The CIP will be funded by revenues over expenditures during the budgeting process and will be prioritized based on meeting strategic goals of the Council and need. Also, it was determined in 2013 that these monies will be pooled together at the end of each year (respective of their funds) to assist in the future expenditures identified in the CIP. This last method will allow the Town to evaluate and fund larger projects without the burden being placed on the annual operating budgets of each fund every year. The major CIP projects being considered in this budget are the purchase of a Ladder Truck for \$1.2 million, purchase of financial software for \$84,000, continuation of the police vehicle purchase schedule, paving of Lakeview for \$470,000, and \$100,000 for sidewalk improvements at the Belle Johnston Center.

In addition to the creation of the Capital Improvement Plan, the Town has set up two measures that prevent against unpredictable circumstances from hurting the operating budget of the Town. Town Council, several years ago, instituted that the General Fund Reserves would be maintained at or above 40% at all times. This is a lot more than what is required by the State at 8%. Town Staff, this year, has also recommended having a contingency fund of \$100,000 available for unforeseen costs that may arise.

When projecting future revenues for the Town, staff looked at the historical trend of past budgets. In years past the town has been able to put significant amounts of money in reserves due to forecasting revenues relatively low to what is actually received. This year, staff took these historical trends are forecasting \$1.6 million more in revenues this fiscal year than last. However, based on projections of the current fiscal year this will still be \$400,000 less than what is actually received. Staff feels this is still a conservative number based on perceived increase in real estate evaluations, increases in meals, lodging, and other taxes as well as increases in construction.

The proposed budget also contains a 3% increase in salaries for each department to be allocated based on performance of each employee. The Town is also continuously reviewing salaries to make sure they are competitive in the market. Staff is also looking at pay classifications and grades to make sure they are aligned throughout the entire organization and employees are classified equivalently across the organization.

Even though the Affordable Care Act has steadily increased premiums for many municipalities and insurance companies over the year, the Town is expecting a nominal rate decrease from last year. During the last few months, staff has been working hard to find the right insurance company for the Town. We decided to obtain the services of First Carolina Care for the upcoming year. They will provide us with the same plan and benefits as last year, but at a reduced cost. This will benefit the Town by reducing our expenses and benefit employees by them not having to change doctors that are in network or many of their prescriptions. The Town will continue to pay 100% of the employee only premium in FY19. Through the leadership of Council, employees should feel proud of the rich plan that is offered to them. It is truly unmatched by the majority of municipal plans elsewhere in the State.

The overall expenditures of the General Fund are up 8% over last year's budget. Most of this increase, about two thirds, is from the increase in capital spending. Salaries and benefits as well as debt service have both decreased by 3% since last year.

Finally, the proposed budget does not consider any increases in fees or taxes paid by residents currently for daily business needs. The budget also does not propose any new fees being created. This budget, as presented, is balanced using anticipated revenues from the Town's current fee structure.

#### **Enterprise Funds**

The Electric and Telephone Departments are operated independently from the General Fund, with no transfer of revenues between funds to offset any shortfalls in either department. With the continued introduction of fiber, Town staff is actively working to refine its delivery of this service, while staying on top of the continually changing technologies in this field. The Telephone Department will be developing marketing and discount packages to both new customers to the service, and retain existing customers. The operating budget of the Telephone Department will be similar to previous year's budget, where general operating and capital requests are funded by revenue generated by the sale of services. For capital projects, it is anticipated to pull from the reserve funds. These capital projects are to keep up with current and future demand for services because if the infrastructure is not deployed at the beginning of projects then customer uptake becomes harder and buildout becomes more expensive.

The Electric Department proposes to keep fees for service level with last year. The wholesale electric rates for the town are going to reduce by 7% from last year. This drop in wholesale rates will allow the

town to begin to improve and repair the electric department infrastructure without dipping in to reserves or raising customer rates. This will be the second year that electric rates are not raised on the customer.

I would like to thank each of the Department Managers, as they have been an integral part of the budget development process. I would also like to thank our Finance Director, Mr. Richard Dixon, for his assistance with the creation of the proposed budget. As both Richard and I are newcomers to the Town of Pineville, it was an honor for us to work through all of the intricacies and challenges of developing a budget with just a few short months here with the Town.

I would also like to thank each of the Town Council members for their direction and insight into how they envision both the short and long-term future of the Town. Your knowledge and input has been a tremendous resource for us as we worked through the development of the proposed budget. We are excited about the new details provided in this budget, and we feel confident that the Town is taking steps forward and improving upon what is truly a great place to live, work, and play.

Respectfully,

Ryan Spitzer  
Town Manager  
Town of Pineville

**TOWN OF PINEVILLE, NORTH CAROLINA  
BUDGET ORDINANCE  
(Draft)**

BE IT ORDAINED by the Governing Board of the Town of Pineville, North Carolina:

**Section 1.** The following amounts are hereby appropriated in the General Fund at the function level for the operation of the town government and its activities for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

General Government	\$ 1,295,448
Public Safety	7,174,061
Transportation/Public Works	1,232,569
Environmental Protection	799,674
Recreation/Cultural/Tourism	1,804,354
Contingency Appropriation	<u>100,000</u>
	\$ 12,406,106

**Section 2.** It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Ad Valorem Taxes - Property	\$6,476,000
Payment in Lieu of Taxes	40,000
Powell Bill Funds	201,760
Franchise Taxes	900,000
Local Option Sales Tax	1,200,000
Storm Water Funds	405,000
Room Occupancy Tax	590,000
Prepared Food Tax	625,000
U Drive It Tax	210,000
Other Revenues	853,346
Appropriated Cultural & Tourism	68,000
Appropriated General Fund – Police Restricted	166,000
Appropriated General Fund Balance	571,000
Interest on Investments	<u>100,000</u>
	\$ <u>12,406,106</u>

**Section 3.** The following amounts are hereby appropriated at the fund level in the Emergency Telephone System Fund for the operation of the emergency telephone operations for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Emergency System Operations & Capital Outlay	\$ <u>187,925</u>
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**Section 4.** It is estimated that the following revenues will be available in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Emergency System Revenues	\$ 141,479
Unreserved 911 Fund Balance	45,746
Interest on Investments	<u>700</u>
	\$ 187,925

**Section 5.** The following amounts are hereby appropriated at the fund level in the Electric Fund for the operation of the electric utility for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Electric Operations and Capital Outlay	\$ 12,984,851
--	---------------

**Section 6.** It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Electric Usage Charges	\$12,451,408
Electric Reserves	467,443
Interest on Investments	10,000
Other Revenue	<u>56,000</u>
	\$12,984,851

**Section 7.** The following amounts are hereby appropriated at the fund level in the ILEC Telephone Fund for the operation of the telephone utility for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Telephone Operations & Capital Outlay/ILEC	\$ 2,615,793
Transfer to CLEC	<u>499,357</u>
	\$ <u>3,115,150</u>

**Section 8.** It is estimated that the following revenues will be available in the ILEC Telephone Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

ILEC	\$ 1,554,540
Interest on investments	50,000
Telephone Reserves	<u>1,510,610</u>
	\$ <u>3,115,150</u>

**Section 9.** The following amounts are hereby appropriated at the fund level in the CLEC

Telephone Fund for the operation of the telephone utility for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Telephone Operations & Capital Outlay/CLEC	1,498,611
--	-----------

**Section 10.** It is estimated that the following revenues will be available in the CLEC Telephone Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

CLEC	\$ 999,254
Transfer from ILEC	<u>499,357</u>
	\$ <u>1,498,611</u>

**Section 11.** The following amounts are hereby appropriated at the fund level in the Rate Stabilization Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Rate Stabilization Operations	\$ 4,000
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**Section 12.** It is estimated that the following revenues will be available in the Rate Stabilization Fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

Interest on investments	\$ 4,000
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**Section 13.** There is hereby levied a tax at the rate of thirty-eight cents (\$0.38) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2018, for the purpose of raising the revenue listed as "Current year's taxes" in the General Fund in Section 2 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$1,766,010,739, and an estimated rate of collection of approximately 96.5%.

**Section 14.** The Budget Officer and/or Finance Director are hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. Amounts may be transferred between line item expenditures within a function without limitation and without a report being required. These changes should not result in increases in recurring obligations such as salaries.
- b. Amounts up to \$50,000 may be transferred between functions, including contingency appropriations, within the same fund. An official report on such transfers must be made at the next regular meeting of the Governing Board.

c. Amounts may not be transferred between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

**Section 15.** Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 12th day of June, 2018.

\_\_\_\_\_ John Edwards, Mayor

\_\_\_\_\_ Barbara Monticello, Town Clerk

# Memorandum



**To:** Mayor and Town Council

**From:** Richard Dixon

**Date:** 6/8/2018

**Re:** Budget Amendment

---

Year-end budget amendments are attached for General Fund, Telephone and Electric. Tim Kopacz will also be available to answer questions regarding the Electric Department budget amendment.

***ACTION REQUESTED: Council approve budget amendments.***

**TOWN OF PINEVILLE  
BUDGET AMENDMENT**

**WHEREAS**, the Governing Board of the Town of Pineville, North Carolina adopted on the 13th day of June, 2017, the Town of Pineville budget for the fiscal year beginning July 1, 2017 and ending on June 30, 2018; and

**WHEREAS**, it is appropriate to amend the accounts in the fund listed for the reasons stated;

**NOW, THEREFORE, BE IT ORDAINED** by the Governing Board of the Town of Pineville, North Carolina, that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as shown and that the total amounts are herewith appropriated for the purposes shown.

**Section 1:** To amend the General Fund, the appropriations are to be changed as follows:

Department	Number	Decrease	Increase
Administration	4200		50,000
Police	5100		60,446
Total			<b>110,446</b>

To appropriate funds to cover increases in contract services and printing in Administration and to cover increased equipment and repair cost due to accidents to at the Police department.

**Section 2:** To amend the General Fund, the estimated revenues are to be changed as follows:

	Number	Decrease	Increase
Current year's property taxes	3010		50,000
Shop with a Cop	3360		12,678
Insurance Refunds	3350		47,768
Total			<b>110,446</b>

Actual property tax collections will exceed current budget by at least 100,000. Actual insurance refunds collected are more than the amount listed. Shop with a Cop revenues to cover program expenses.

**Section 3:** To amend the General Fund, the appropriations are to be changed as follows:

Department	Number	Decrease	Increase
Cultural and Tourism	6300		150,000
Contingency	9990	50,000	
Miscellaneous Revenue	3350	100,000	
Total		<b>150,000</b>	<b>150,000</b>

To move funds from Contingency and appropriate funds received from Mecklenburg County for ballfield lights at Pineville Elementary School

**Section 4:** To amend the Telephone Funds, the appropriations are to be changed as follows:

Department	Number	Decrease	Increase
Telephone Reserves	2990	100,000	
Appropriated fund Balance	3990		100,000
Total		<b>100,000</b>	<b>100,000</b>

ILEC - operating transfer out to CLEC	9999	500,000	
CLEC- operating transfer in from ILEC	9999		500,000
<b>Total</b>		<b>500,000</b>	<b>500,000</b>

To appropriate telephone reserves and transfer funds to CLEC

**Section 5:** To amend the Electric Fund, the appropriations are to be changed as follows:

Department	Number	Decrease	Increase
Electric Reserves	2990	1,100,000	
Capital Outlay improvements	7300		1,100,000
<b>Total</b>		<b>1,100,000</b>	<b>1,100,000</b>

To appropriate electric reserves to cover higher project costs.

Adopted this 12th day of June, 2018

Town of Pineville, North Carolina

\_\_\_\_\_  
John Edwards, Mayor

ATTEST:

\_\_\_\_\_  
Barbara Monticello  
(Seal)



**To:** Ryan Spitzer; Manager, Town of Pineville  
**From:** Tim Kopacz; Electric Systems Manager, Electricities  
**cc:** Town Board Members  
**Date:** June 7, 2018  
**Re:** Electric Fund Budget Amendment

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**Capital Outlay Update**

Originally, \$1M was budgeted for the new Jack Hughes Park substation, and \$500k for Carolina Place Mall. Carolina Place Mall Phase 2 was placed on hold while we reformulated a game plan after learning lessons from the added labor costs of installing through rock during Phase 1. This helped offset the costs of the continued development work at McCollough and Huntley Glen, as well as the unanticipated Pineville Court Townhomes project.

The new Jack Hughes Park substation, Delivery #3, and construction of the feeders to interface with the existing town's electric system have been received unfavorable contract pricing, particularly in the labor categories. The driving need to proceed was development of the surrounding Cone Mill properties. Overall, the deviation from the original estimate at the beginning of the project is less than 10% over budget despite the higher labor costs and higher costs of installing all the new feeders underground, because favorable material pricing was received in 2016 and 2017 on some of the major equipment. However, relative to the original FY18 budget of \$1M, the actual contracts awarded and material purchases total \$1,650,585. (+\$650,585)

A carryover from FY17 of \$282,500 for the new power transformer in the substation was incurred in FY18 due to not being able to receive the transformer. (+\$282,500)

In support of the demolition of the old Delivery #1 substation on Dover Street, the emergency generator needed to be moved to the Delivery #2 substation on Polk Street. This was an unbudgeted expense of \$192,900. (+\$192,900)

Favorable variance in other electric fund line items including Contract Services, and Wholesale Power Costs will result in a savings of \$50,000. (-\$50,000)

Overall, this results in a budget amendment request of \$1,075,985.

<b>Jack Hughes Substation</b>			
<i>Revised Estimate (with UG Feeders option)</i>	\$	1,293,707	
Budgeted FY18	\$	1,000,000	
Actuals based on material and labor bids	\$	1,650,585	Over (Under) Budget
Variance from Budget	\$	650,585	\$ 650,585
Power Transformer FY17 Encumbrance	\$	282,500	\$ 933,085
Power Agency Emergency Generator Relocation	\$	192,000	\$ 1,125,085 Total

# Memorandum



**To:** Mayor and Town Council

**From:** Ryan Spitzer

**Date:** 6/7/2018

**Re:** Town of Pineville Procurement and Purchasing Manual

---

The Town of Pineville has developed a Procurement and Purchasing Manual for all departments to use. The town has not previously had a manual to inform departments on how to effectively and efficiently procure goods and services. Because of this, departments were using various methods that could lead the town to not getting the best and most competitive price for goods.

Also, as of July 1, 2018 all localities have to conform to the Uniform Guidance Policy of Procurement as established by the Federal Government for any projects that use federal funds. Due to these new requirements, management felt it was time to have a uniform set of rules that all departments of the town would follow.

These new rules will help departments and the town comply with the legal and ethical requirements of public purchasing and procurement. They will also help to streamline our purchasing processes, increase internal controls, and provide the needed framework for each department to procure goods and services in the same manner. Finally, these guidelines will allow the town to meet both state and federal guidelines.



**PURCHASING  
AND  
PROCUREMENT  
MANUAL**

Adopted 07/01/2018



**Town of Pineville, North Carolina  
Purchasing and Procurement Manual**

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## GLOSSARY

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**Bid:** a multi-step process required of the Town by North Carolina General Statutes. Quotes from three separate vendors are required during any bid process unless the good or service to be supplied is produced by only one vendor.

**Informal Bid:** A bid on items \$30,000.00 and above. Request for quotes are not required to be advertised to the public. Purchases in this category do not need to be approved by Town Council.

**Formal Bid:** A bid on items \$90,000.00 and above or on services \$500,000.00 and above. Public advertisement of the request for quote and bid process must be made, bids must be opened in public forum, and Town Council must approve the winning bid.

**Quote:** a price provided by a vendor on a provided good or service.

**Informal Quote:** a quote received via verbal communication, email, website, catalog, or fax.

**Formal Quote:** A price quote received via U.S. Mail, email, fax, or hand delivery.

**Requisition:** input into the financial system by a department to request the generation of a purchase order by the Finance Department prior to a purchase.

**Purchase Order (PO):** authorization for the purchase of goods sent by the Finance Department to a vendor prior to the purchase.

**Request for Written Quotation (RFQ):** A request sent to a vendor for a written quote on a certain good or service.

**Encumbering:** to commit a given amount of money to the payment of an order.

**Purchasing/ Procurement:** interchangeable, how the Town obtains needed goods and services.

**Department Head:** The individual authorized to make purchasing decisions on behalf of his/ her department.

**Vendor:** provider of a good or service.

**Request for Proposals (RFP):** a document that solicits proposal, often made through a bidding process in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals. It is submitted early in the procurement cycle.

**Request for qualifications (RFQ):** A step used in the formal process of procuring a product or service. A screening step to establish a pool of vendors (businesses or individuals to provide a product or service) that are then qualified, and thus eligible to submit responses to a RFP.

**Invitation for bid (IFB) or Invitation to bid (ITB):** An invitation to contractors or vendors to submit an offer on a specific construction project or goods or services to be supplied. The IFB is focused on pricing, and not on ideas or concepts. An offer given in response to an IFB is a bid, which should not be confused with a quote. "Offer" means a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. A quote is not an offer and, consequently, cannot be accepted to form a binding contract.

**Uniform Guidance (UG):** The Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") was officially implemented in December 2014 by the Council on Financial Assistance Reform (COFAR - *now dissolved*). The Uniform Guidance is a government-wide framework for grants management. It is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.

## **I. FORWARD**

This purchasing policy is intended for use as a guide to the Town of Pineville's purchasing methods and practices. When used properly, the policies and procedures established herein will enable the Town to obtain needed goods and services efficiently and economically. The goal of this policy is to give structure to the Town of Pineville's procurement methods and to set guidelines for Town departments.

The understanding and cooperation of all employees is essential in order for the Town to maximize the value of each taxpayer dollar spent. While this manual does not answer all procurement related questions, it provides a sound foundation for Town procurement methods.

The goals of the Town's purchasing program are as follows:

1. To comply with legal and ethical requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who conduct business with the Town.
3. To receive maximum value for money spent by awarding purchase orders to the lowest responsible, responsive bidder, taking into consideration quality, performance, support, delivery schedule, previous performance, business location, and other relevant factors.
4. To provide Town departments the required goods and services in a timely manner in the proper quantity and quality while providing necessary information to the Town Finance Department.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitments, follow-ups, and adjustments.
6. To promote healthy business relationships through informed and fair purchasing practice and maintenance of ethical standards.
7. To maximize the standardization of products used by all departments in order to minimize stock levels and obtain better prices for necessary goods and services.

If the procedures and guidelines established in this manual are followed, each department will be capable of managing, controlling, and planning available resources to meet present and future needs in order to help the Town meet set goals. Any questions or concerns about this manual or the established procedures should be directed to the Town Finance Department.

This manual is effective immediately following Town Council adoption and supersedes all previous purchasing or procurement instructions or directives.

## II. GENERAL GUIDELINES

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### 2.1 Local Buying

It is the desire of the Town of Pineville to contract with vendors within the Town and Mecklenburg County whenever possible. The Town has a responsibility to its citizens and local businesses; however, the Town must ensure taxpayer money is spent with prudence. The Town **does not** make purchasing decisions based exclusively on the location of the vendor; however, every effort will be made to encourage qualified local vendors and suppliers to compete for Town business.

### 2.2 Planning

It is imperative that all Town departments take time to properly plan purchases. Purchasing plans should be made for goods and services to be purchased in both the near and distant future; thereby minimizing small orders and last minute purchases. Planning is of highest importance to the Town because proper planning reduces unnecessary clerical and supervisory time costs associated with the procurement process.

### 2.3 Buying Proper Quality

Quality and service are as important as price when considering goods for purchase; it is the duty of the requesting department to secure the most cost-effective good or service that will meet but not exceed the requirements for which the goods or services are intended. In some instances, the lowest price does not necessarily mean the lowest cost. A higher price, higher quality product may save the Town from excess expenses in the future. The requesting department should take this into consideration when making a purchase.

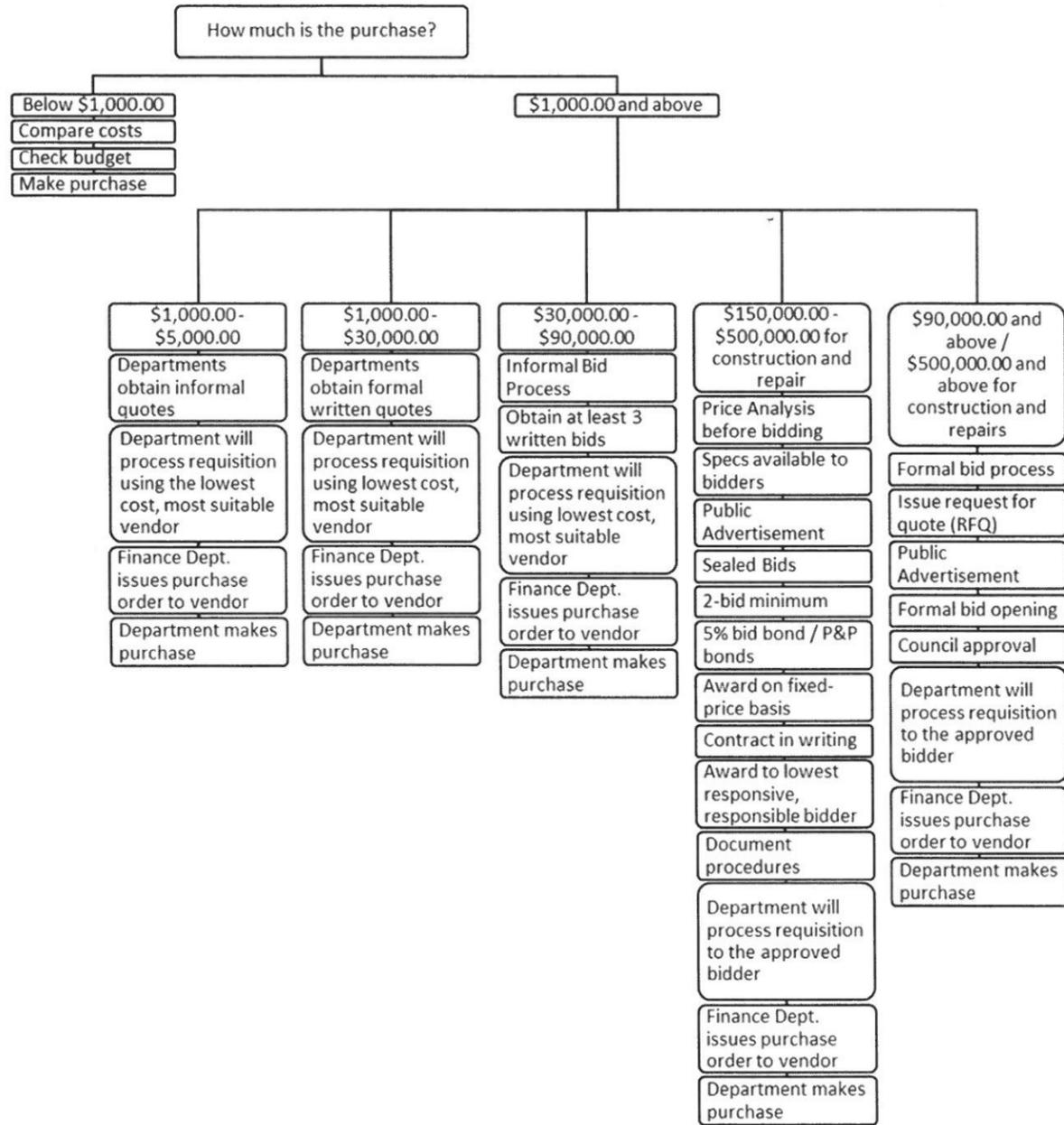
### 2.4 Authorization

Department Heads have been delegated the authority to approve purchases made under \$1,000.00. Department Heads should only authorize purchases for necessary goods when proper documentation is provided and funds are available to make the purchase. The Department Head or his designee must authorize each invoice with signature and date before forwarding to Finance for payment. This authorization verifies that the goods and or services have been received, the budgeted funds are available and the invoice has been coded to the proper account number.

### 2.5 Federally Funded Contracts

Contracts funded with federal grant funds shall be procured in a manner that complies with all applicable Federal laws, policies, and standards as well as state law and policies. Please refer to the Uniform Guidance Procurement Policy attached to the end of this document. Additionally, the Town of Pineville will adhere to the "Most Restrictive Rule".

**PURCHASING FLOW CHART – NON-FEDERALLY FUNDED PURCHASES**



### III. NON-FEDERALLY FUNDED PURCHASING PROCEDURE

#### 3.1 Purchases less than \$1,000.00

Purchases less than \$1,000.00 do not require a Requisition or a Purchase Order (PO) and may be made upon the approval of the department head. In order to meet the pre-audit requirements of GS. 159-28, each department shall be appointed a deputy finance director by the Town Manager for purchases less than \$1,000. These purchases may be made by utilizing the Town's Procurement Card (P-Card) process, check requests, or vendor accounts. Please see the Town's specific policy for acceptable P-Card expenses. Every purchase should follow a cost comparison to ensure a competitive price and quality for each good and service purchased. Issues that may override the price comparison process may include delivery time and material specifications.

#### **ALL PURCHASES \$1,000.00 AND ABOVE REQUIRE A REQUISITION AND PURCHASE ORDER (PO).**

#### 3.2 Purchases between \$1,000.00 and \$5,000.00

Purchases in this price range may be obtained by the requesting department(s) through an informal quote process. No minimum number of quotes is required however, it is encouraged that every attempt is made to acquire at least three (3) quotes. The informal quotes may be received through verbal communications, email, or fax. Verbal quotes must be noted in typed or hand written form documenting price, date quoted, name of vendor, and name of the individual representative of the vendor. Quotes are to be scanned and submitted with the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

#### 3.3 Purchases between \$5,000.00 and \$30,000.00

Purchases in this price range are obtained through the formal quote process. In the formal quote process, the requesting department is required to receive at least three (3) quotes via U.S. Mail, email, fax, or hand delivery. The required three written quotes are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

#### 3.4 Purchases between \$30,000.00 and \$90,000.00

Purchases in this range must be obtained through informal bids unless otherwise directed by the Town Manager. If the Town Manager requires a formal bid please follow the guidelines set forth in section 3.6. Departments are responsible for sending a request for quote (RFQ) and will allow vendors sufficient time to respond to the request based on the complexity of the request. RFQs in the informal bid range may or may not be advertised to the public. A minimum of three (3) vendors, if available, will receive the RFQ. Every effort will be made to obtain at least three (3) quotes. Quotes in the informal bid range may be submitted through U.S. Mail, email, fax, or hand delivery. No verbal quotes are acceptable in the informal bid price range. Purchases in the informal bid range do not require Town Council approval. In this range, a no bid may be accepted as a bid. In accordance with N.C.G.S. § 143- 131, a Request for Written Quotation will be used for purchases of \$30,000 to formal limits (3.2a) with or without advertising. The required three written informal bids are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

### 3.5 Construction & repair contracts between \$150,000.00 and \$500,000.00

Purchases in this range should follow UG "sealed bid" procedure requirements (2 C.F.R. § 200.320(c)). Before soliciting bids, cost and price analysis is required. Complete specifications or purchase description must be made available to all bidders. Bid requests should be publically advertised for a period of time sufficient to give bidders notice of opportunity to submit bids. A formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid. The advertisement must state the date, time and location of the public bid opening and indicate where specifications may be obtained. Bids must be opened at the public bid opening on the date, time and location specified in the public advertisement. All bids must be submitted sealed. If the minimum of two sealed bids is not received, the single bid will not be opened. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder. Contracts will be awarded on a firm fixed-price basis. All contracts must be in writing. Contracts must be awarded to the lowest, responsive responsible bidder. The governing board may reject any and all bids for "sound documented reasons". All procurement procedures must be documented (similar to keeping a record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

### 3.6 Purchases \$90,000.00 and above/Services \$500,000.00 and above

Purchases in this range must be obtained through formal bids. Departments are responsible for sending a request for quote (RFQ) and will allow vendors sufficient time to respond to the request based on the complexity of the request. Every effort will be made to obtain at least three (3) bids. A newspaper advertisement must run at least seven (7) days prior to the bid opening. Written bids in this range must be submitted in a sealed envelope and must be opened at a public bid opening. Purchases in the formal range require Town Council approval. In accordance with N.C.G.S. § 143-129, invitation for formal bids will be used for purchases of \$90,000 and greater (\$500,000 and greater for construction and repairs). This will include advertising in the local newspaper and/ or other advertising media as deemed appropriate and receiving sealed bids. The supporting documentation and all bids received are to be scanned and submitted with/ attached to the purchase requisition prior to purchase; after the purchase order is issued and approved, a purchase may be made.

## IV. FEDERALLY FUNDED PURCHASING PROCEDURE (MOST RESTRICTIVE RULE)

### 4.1 Service & purchase contracts less than \$1,000.00

Purchases less than \$1,000.00 do not require a Requisition or a Purchase Order (PO) and may be made upon the approval of the department head. Purchases in this range should follow the Uniform Guidance or UG "micro-purchase" procedure (2 C.F.R. § 200.320(a)). A contract can be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, micro-purchases must be distributed among qualified suppliers.

**ALL PURCHASES \$1,000.00 AND ABOVE REQUIRE A REQUISITION AND PURCHASE ORDER (PO).****4.2 Service & purchase contracts between \$1,000.00 and \$3,500.00**

Purchases in this range should follow the UG "micro-purchase" procedure (2 C.F.R. § 200.320(a)). A contract can be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, micro-purchases must be distributed among qualified suppliers.

**4.3 Service & purchase contracts between \$3,500.00 and \$90,000.00**

Purchases in this range should follow the UG "small-purchase" procedure (2 C.F.R. § 200.320(b)). Price or rate quotes should be obtained from three qualified sources unless otherwise specified by federal grantor agencies. Affirmative steps should be taken to solicit price quotes from Minority and Women Business Enterprises (M/WBE) vendors and suppliers (2 C.F.R. § 200.321). Cost or price analysis is not required prior to soliciting bids. Contracts are to be awarded on a fixed-price or not-to-exceed basis. All contracts must be in writing and include applicable UG contract provisions. Contracts must be awarded to the lowest, responsive responsible bidder. All procurement procedures must be documented (similar to keeping a record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

**4.4 Service & purchase contracts \$90,000.00 and above**

Purchases in this range should follow a combination of state formal bidding procedure (G.S. 143-129) and UG "sealed bid" procedure requirements (2 C.F.R. § 200.320(c)). Before soliciting bids, cost and price analysis is required. Complete specifications or purchase description must be made available to all bidders. Bid requests should be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertisements must be authorized by the governing board. The advertisement must state the date, time and location of the public bid opening, indicate where specifications may be obtained and reserve to the governing board the right to reject any or all bids for "sound documented reasons." Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers. (2 C.F.R. § 200.321) Bids must be opened at the public bid opening on the date, time and location specified in the public advertisement. All bids must be submitted sealed. If the minimum of two sealed bids is not received, the single bid will not be opened. Contracts will be awarded on a firm fixed-price basis. All contracts must be in writing and include applicable UG contract provisions. Contracts must be awarded to the lowest, responsive responsible bidder. Unless award authority is delegated to an individual official or employee, Pineville Town Council approval is required for all contracts. All procurement procedures must be documented (similar to keeping a record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

**4.5 Construction & repair contracts less than \$1,000.00**

Purchases less than \$1,000.00 do not require a Requisition or a Purchase Order (PO) and may be made upon the approval of the department head. Purchases in this range should follow the

Uniform Guidance or UG "micro-purchase" procedure (2 C.F.R. § 200.320(a)). A contract can be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, micro-purchases must be distributed among qualified suppliers.

**ALL PURCHASES \$1,000.00 AND ABOVE REQUIRE A REQUISITION AND PURCHASE ORDER (PO).**

4.6 Construction & repair contracts between \$1,000.00 and \$3,500.00

Purchases in this range should follow the UG "micro-purchase" procedure (2 C.F.R. § 200.320(a)). A contract can be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, micro-purchases must be distributed among qualified suppliers.

4.7 Construction & repair contracts between \$3,500.00 and \$150,000.00

Purchases in this range should follow the UG "small-purchase" procedure (2 C.F.R. § 200.320(b)). Price or rate quotes should be obtained from three qualified sources unless otherwise specified by federal grantor agencies. Affirmative steps should be taken to solicit price quotes from Minority and Women Business Enterprises (M/WBE) vendors and suppliers (2 C.F.R. § 200.321). Cost or price analysis is not required prior to soliciting bids. Contracts are to be awarded on a fixed-price or not-to-exceed basis. All contracts must be in writing and include applicable UG

contract provisions. Contracts must be awarded to the lowest, responsive responsible bidder. All procurement procedures must be documented (similar to keeping a record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

4.8 Construction & repair contracts between \$150,000.00 and \$500,000.00

Purchases in this range should follow UG "sealed bid" procedure requirements (2 C.F.R. § 200.320(c)). Before soliciting bids, cost and price analysis is required. Complete specifications or purchase description must be made available to all bidders. Bid requests should be publically advertised for a period of time sufficient to give bidders notice of opportunity to submit bids. A formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid. The advertisement must state the date, time and location of the public bid opening and indicate where specifications may be obtained. Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers. (2 C.F.R. § 200.321) Bids must be opened at the public bid opening on the date, time and location specified in the public advertisement. All bids must be submitted sealed. If the minimum of two sealed bids is not received, the single bid will not be opened. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder. Contracts will be awarded on a firm fixed-price basis. All contracts must be in writing and include applicable UG contract provisions. Contracts must be awarded to the lowest, responsive responsible bidder. The governing board may reject any and all bids for "sound documented reasons". All procurement procedures must be documented (similar to keeping a

record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

#### 4.9 Construction & repair contracts \$500,000.00 and above

Purchases in this range should follow a combination of state formal bidding procedure (G.S. 143-129) and UG "sealed bid" procedure requirements (2 C.F.R. § 200.320(c)). Before soliciting bids, cost and price analysis is required. The cost estimate will typically be provided by the project designer. Complete specifications or purchase description must be made available to all bidders. Bid requests should be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertisements must be authorized by the governing board. The advertisement must state the date, time and location of the public bid opening, indicate where specifications may be obtained and reserve to the governing board the right to reject any or all bids for "sound documented reasons." Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers. (2 C.F.R. § 200.321) Bids must be opened at the public bid opening on the date, time and location specified in the public advertisement. All bids must be submitted sealed and in paper form. If the minimum of three sealed bids is not received, none of the bids will be opened. A 5% bid bond is required of all bidders. A bid that does not include a bid bond cannot be counted towards the three bid minimum requirement. Performance and payment bonds of 100% of the contract price is required of the winning bidder. Contracts will be awarded on a firm

fixed-price basis. All contracts must be in writing and include applicable UG contract provisions. Contracts must be awarded to the lowest, responsive responsible bidder. Governing board approval is required for all contract awards and cannot be delegated. The governing board may reject any and all bids for "sound documented reasons". All procurement procedures must be documented (similar to keeping a record of bids as required under state law for informal bidding; see G.S. 143-131). Contracts cannot be divided into smaller amounts for the purpose of evading competitive bidding requirements.

#### 4.10 Projects involving a building costing \$300,000.00 and above

In addition to the requirements listed above for the applicable cost category, all contracts must comply with the following additional state requirements: 1. The contract must meet formal HUB participation requirements, including bidder good faith efforts (G.S. 143-128-2). 2. Separate specifications must be drawn for HVAC, electrical, plumbing and general purchases. 3. The project must be bid using an authorized bidding method (separate-prime, single-prime, or dual bidding) (G.S. 143-129(a1)). The local government must adopt dispute resolution procedures (this requirement applies to all construction or repair projects involving a building, regardless of cost) (G.S. 143-128(g)).

#### 4.11 Architectural & engineering service contracts less than \$150,000.00

Purchases in this range should follow the state "Mini-Brooks" qualifications-based selection

procedure (G.S. 143-64.31). An RFQ should be issued to solicit qualifications from qualified firms. Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers (2 C.F.R. § 200.321). The qualifications of respondents must be evaluated. Firms should be ranked by their qualifications and the best qualified firm is to be selected. State licensure requirements apply to contracts in this range. Price cannot be a factor in the evaluation process. Preference may be given to in-state (but not local) firms. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm. Contracts must be awarded to the best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required. All contracts must be in writing with federal contract provisions included. The authority to exempt contracts costing less than \$50,000 under G.S. 143-64.32 is not allowed under the UG.

#### 4.12 Architectural & engineering service contracts \$150,000.00 and above

Purchases in this range should follow the UG "competitive proposal" procedure (2 C.F.R. § 200.320(d)(5)). An RFQ should be advertised publically to solicit qualifications from qualified firms. Formal advertisement in a newspaper is not required. Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers (2 C.F.R. § 200.321). Evaluation criteria and relative importance of each criteria (the criteria weight) must be identified in the RFQ. Proposals must be solicited from an "adequate number of qualified sources" (an individual federal grantor agency may issue guidance interpreting "adequate number"). A written method for conducting technical evaluations of proposals and selecting the best qualified firm is required. All responses to the publicized RFQ must be considered to the maximum extent practical. The

qualifications of respondents must be evaluated based on the evaluation criteria developed by the requesting department. Firms should be ranked by their qualifications and the best qualified firm is to be selected. Price cannot be a factor in the initial selection of the best qualified firm. Preference may be given to in-state (but not local) firms. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm. Contracts must be awarded to the best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required. All contracts must be in writing with federal contract provisions included. State licensure requirements apply to contracts in this range. Contracts must be a fixed price or not to exceed contract type for services.

#### 4.13 Competitive proposal procedure

In addition to contracts for A/E services, a limited number of other contracts may be entered into under the UG "competitive proposal" procedure (2 C.F.R. § 200.320(d)). Examples are as follows: Contracts for services costing \$150,000 and above if the conditions are not appropriate for the "sealed bid" procedure. Contracts for information technology goods and services that would qualify under G.S. 143-129.8. Contracts for construction or repair using the design-build or design-build bridging construction delivery method (G. S. 143-128.1A, -128.1B). If using the competitive proposal method for this category of contracts, state requirements will also apply. Because of more restrictive state bidding requirements, contracts for the purchase of goods or

construction and repair using a traditional bidding method (single-prime, multi-prime or dual bidding) cannot be procured under the competitive proposal procedure. Before using the competitive proposal procedure, confirm with the federal grantor agency. The following steps are to be followed when using the competitive proposal procedure: An RFP must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an "adequate number" of qualified firms. Affirmative steps must be taken to solicit price quotes from M/WBE vendors and suppliers (2 C.F.R. § 200.321). Evaluation criteria and relative importance of each criteria (the criteria weight) must be identified in the RFQ. All responses to the publicized RFQ must be considered to the maximum extent practical. A written method for conducting technical evaluations of proposals and selecting a contractor is required. The contract must be awarded to a responsible firm with the most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required. The contract must be awarded on a fixed-price or cost-reimbursement basis. All contracts must be in writing and include applicable UG contract provisions.

#### 4.14 Exceptions

Non-competitive contracts are allowed *only* under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. **Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
- B. **Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.
- C. **Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
- D. **Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
- E. **Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

## **V. VENDOR SELECTION**

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### **5.1 Selection Policy**

Vendors will be selected on a competitive basis. Formal bids and informal bids will be solicited by the requesting department. Bid awards, purchase orders and/ or contracts will be issued to the lowest, responsive, responsible bidder. The Town of Pineville will not use vendors who have been debarred by Federal, State, or Local governments. The Town of Pineville will not contract with any vendor designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81. Additionally, the Town will not contract with any vendor identified by the North Carolina State Treasurer as being engaged in certain investment activities in the Iranian energy sector pursuant to N.C.G.S. 147-86.55-69.

### **5.2 Ethics in Public Contracting**

Town employees are prohibited from soliciting or accepting any rebate, money, costly entertainment, gift, or gratuity (with the exception of mementos and novelties of nominal value) from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded. The Town will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between the personal interests of an employee and the interests of the Town. Accordingly, the Town may terminate, at no charge to the Town, any purchase order contract if it is found that substantial gifts or gratuities were offered to a Town employee. The Town may also take disciplinary action, including dismissal, against a Town employee who solicits or accepts gifts or gratuities of any value whatsoever.

### **5.3 Conflict of Interest: Use of Federal Funds**

#### **I. Purpose**

The purpose of this policy is to establish conflicts of interest guidelines that meet or exceed the requirements under state law and local policy when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects paid for in

part or whole by federal funds and required under 2 C.F.R. § 200.318(c)(1).

#### **II. Policy**

This policy applies when procuring goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects funded in part or whole with federal financial assistance (direct or reimbursed). This policy also applies to any subrecipient of the funds.

The employee responsible for managing the federal financial assistance award shall review the notice of award to identify any additional conflicts of interest prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

**A. Conflicts of Interest.** In addition to the prohibition against self-benefiting from a public contract under G.S. 14-234, no officer, employee, or agent of the Town of Pineville may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict exists when any of the following parties has a financial or other interest in or receives a tangible personal benefit from a firm considered for award of a contract:

1. the employee, officer, or agent,
2. any member of his or her immediate family,
3. his or her partner, or
4. an organization which employs or is about to employ any of these parties.

Any officer, employee, or agent with an actual, apparent, or potential conflict of interest as defined in this policy shall report the conflict to his or her immediate supervisor. Any such conflict shall be disclosed in writing to the federal award agency or pass-through entity in accordance with applicable Federal awarding agency policy.

**B. Gifts.** In addition to the prohibition against accepting gifts and favors from vendors and contractors under G.S. 133-32, officers, employees, and agents of the Town of Pineville are prohibited from accepting or soliciting gifts, gratuities, favors, or anything of monetary value from contractors, suppliers, or parties to subcontracts. Items of nominal value such as promotional items, honorariums for participation in meetings, and meals furnished at banquets may be accepted. Any officer, employee

or agent who knowingly accepts an item of nominal value shall report the item to his or her immediate supervisor.

### III. Violation

Employees violating this policy will be subject to discipline up to and including

termination. Contractors violating this policy will result in termination of the contract and may not be eligible for future contract awards.

## VI. SPECIAL PROCUREMENT PROCEDURES

### 6.1 Blanket Purchase Order

Blanket purchase orders will be issued to selected vendors for the procurement of certain items after competitive pricing has been completed and if budgeted funds are available. Blanket purchase orders are intended to expedite the procurement of frequently needed and repetitious supplies. Blanket purchase orders should be made for goods and services when the amount of clerical or administrative work otherwise involved is impractical. Examples of items procured

through a blanket purchase order include: janitorial services, maintenance service contracts, chemicals, temporary personnel services, automotive parts, and others. Blanket purchase orders will encumber the requesting department's funds for any amounts remaining on the purchase order.

Requisition for blanket purchase orders must include all required information along with the following additional information:

1. Time period the purchase order is valid
2. Items covered by the blanket purchase order
3. The Not to Exceed (NTE) amount
4. A listing of all personnel approved to purchase from the blanket purchase order

All vendor delivery tickets must be signed by an authorized Town employee indicating receipt of the goods and/ or services. All delivery tickets from blanket purchase orders must be scanned and forwarded to Accounts Payable as supporting documentation for invoice processing.

#### 6.2 Emergency Purchases

In cases of emergencies, the Department Head or his/ her designee may purchase directly from any vendor the supplies or services whose immediate procurement is essential to prevent delays in work which may affect the life, health, safety, or convenience of Town of Pineville employees or citizens.

The user department shall exercise good judgment and use established vendors if possible when making emergency purchases. Always obtain the best possible price and limit purchases to those

items emergency related. Not anticipating needs does not constitute an emergency situation. First, determine if a true emergency does exist. Second, anticipate needs and avoid emergency situations whenever possible. Emergency orders are always costly. Vendors usually charge top prices if supplies or services must be obtained on an emergency basis.

During working hours, follow standard purchasing procedure as usual as soon as time and the situation permits. After working hours, the following procedure should be used for emergency purchases: verify funds are available and if needed complete a request to transfer funds and

forward immediately to the Finance Department. The packing slip or invoice received should be coded with the account(s) to be charged and signed, scan/attach a brief explanation of the nature of the emergency and forward to Accounts Payable with the invoice. Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

#### 6.3 Sole Source of Supply

In the event there is only one vendor capable of providing a particular good or service, the competitive pricing procedures outlined in this manual may be waived by the Finance

Department. Whenever a Department Head decides to purchase goods from a sole source, he/ she shall document on the requisition why only one company or individual is capable of providing the goods required. The provisions of N.C.G.S. § 143-129 will be followed requiring Council approval for sole source exception for all purchases made at or above statute levels.

#### 6.4 Single Brand Convenience

The Town recognizes in certain scenarios it is efficient to purchase items from a single provider rather than a variety of vendors. In such cases exceptions may be made to standard purchasing procedure; given proper documentation is provided. The purchaser should note reasons buying from a certain vendor will be more efficient in the long run and attach such documentation to each requisition.

Example: One brand of printer Town-wide would allow the same type of ink cartridge to be ordered and reduces time cost related to finding multiple brands. This also allows the Town to buy ink cartridges in bulk from a single provider, further reducing cost.

#### 6.5 State of North Carolina Purchase Contract

All Departments may use the State of North Carolina Department of Administration Purchase and Contract Division whenever possible for procurement of capital and non-capital items. It shall be the responsibility of Department Heads to familiarize themselves with this purchasing method and to check for needed goods and services which are available through this resource at a lower cost than many other vendors offer. This system expedites the purchase of goods, offers pricing compatible with quotes received from formal and informal bids, and satisfies North Carolina General Statutes. Examples of goods on State Contract are: law enforcement vehicles, office furniture, copiers, janitorial supplies, copier paper, light bulbs, etc. Contact the Finance Department with questions regarding goods on State Contract.

The State of North Carolina Interactive Purchasing System can be found on the web at [www.ips.state.nc.us/ips/Default.aspx](http://www.ips.state.nc.us/ips/Default.aspx).

The North Carolina E-Procurement System can be found on the web at <http://eprocurement.nc.gov/>

#### 6.6 Piggybacking

The department head may use the piggybacking process whenever necessary to purchase apparatus, supplies, materials, and equipment. Contracts in the informal range can be used as a tool to solicit additional bids, but no Council action is necessary. For purchases of \$90,000 and above, the provisions of N.C.G.S. § 143-129 will be followed.

#### 6.7 Professional Services

Normal competitive procedures are difficult to use in securing professional services such as attorneys, planners, and other professionals who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional

service company and the Town is established, a purchase order with the proposed amount shall be issued to satisfy accounting and statutory requirements. Purchases from professionals shall otherwise follow N.C.G.S. § 143-64.31 and 64.32.

#### 6.8 Service Contracts

All service contracts, for which the contractor will perform work while on Town property, must be accompanied by a standard contract form. The contract must follow all signature procedures

and contain all necessary insurance and payment options. The completed and signed contract must be reviewed by the Town's Attorney, signed by the Town Manager, pre-audited by the Finance Director, and be filed in the office of the Town Clerk. The executed contract should be scanned and attached to the department requisition that is forwarded to the Finance Department. The Town will not enter into contractual agreements that are subject to automatic renewal and will attempt to structure contracts to coincide with the fiscal year.

Contracts authorized by Town Council through direct award or budget authorization may be executed by the Town Manager. Subsequent orders changing the original contract, which do not exceed the approved cost of the contract, will be executed by the Town Manager.

Town Council must approve all contracts that meet any of the following criteria:

- 6.8.1 Contracts subject to statutory bid thresholds
- 6.8.2 Contracts with terms greater than one year
- 6.8.3 Contracts exceeding budgetary approval, which require a budget amendment
- 6.8.4 Contracts suggesting a significant policy change as determined by the Town Manager.

#### 6.9 Vendors with Town Accounts

The Town should have accounts with certain vendors where possible in order to expedite the purchasing process for frequently needed minor items. In the event the Town has an account with a certain vendor, Town employees should not use purchase cards to obtain goods or services from the vendor. Proper purchasing procedures should be followed and only authorized purchases should be charged to Town accounts.

### **VII. DELIVERY AND PERFORMANCE**

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A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies, or equipment.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the requisition.

### 7.1 Partial Deliveries

Some purchase orders may list several items. It is possible the vendor may complete timely delivery on some items, which is referred to as "partial delivery". Upon receipt of a partial delivery, photocopy the purchase order; attach a copy of the signed delivery receipt and forward to the Finance Department along with the vendor invoice indicating which lines of the purchase order are to be paid.

### 7.2 Non-Performance

If a vendor fails to meet any requirements(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation.

## **VIII. INSPECTION AND TESTING**

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Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

### 8.1 Rejection

In order to protect the Town's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order and forwarded to the Finance Department in a timely manner.

### 8.2 Damaged Goods

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. It is necessary that all damage including evidence of concealed damage shall be documented by memo, attached to a copy of the purchase order, forwarded to the Finance Department, reported to the vendor as soon as possible, and informs the vendor of the damaged goods. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted.

### 8.3 Latent Defects

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the Town may file a claim against all parties. A memo attached to a copy of the purchase order must be forwarded to the Finance Department.

## **IX. VENDOR RELATIONS**

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Good vendor relations are valuable business assets established through mutual confidence and satisfactory business communication between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of

contract between buyer and seller. Any conflicts which may arise should be reported to the Finance Department.

#### **X. SALE OF TOWN PROPERTY**

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The Pineville Town Council has authorized the Town Manager or his/her designee to declare as surplus single asset or property or a group of items with a value of up to \$30,000.00, to set its fair market value, and to convey title to the property and to advertise electronically the sale of any personal property pursuant to N.C.G.S. § 160A-266(c).

#### **XI. FUEL CARDS**

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Fuel cards will be assigned to Town owned vehicles and are required to be used to purchase fuel for Town vehicles, or in some instances, to purchase fuel for other job-related equipment such as: weed-eaters, lawn mowers, leaf-blowers, etc. It is not appropriate for Town employees to use fuel cards to purchase fuel for any other vehicle or equipment other than which the card was issued to. Fuel cards are required to remain with the assigned vehicle and any missing cards should be reported immediately. Employees are required to use their PIN when purchasing fuel. Any unauthorized use of a PIN not assigned to the employee will result in disciplinary action up to and including termination.

#### **XII. PURCHASE CARDS**

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Purchase cards exist to provide departments a flexible and efficient way to make **small** purchases. Purchase cards empower the cardholder to acquire necessary materials to conduct business and/or deliver services in a more convenient and expeditious manner. Purchase cards should not be used to procure items or services not directly related to Town business. Purchase cards cannot be used to purchase fuel for Town vehicles except in emergency situations. All Town vehicles will have fuel cards which must be used.

##### 12.1 Employee Responsibilities

No purchase over \$1,000.00 shall be made using the purchase card system without a purchase order. Purchase cards assigned to employees may have approval limits set by Department Heads below the \$1,000.00 policy threshold. If an employee needs to make a purchase above the limit set by the Department Head, the employee should consult with the Department Head before making a transaction.

1. The purchase card that each cardholder receives shall only be used by the cardholder. No other person is authorized to use this card. The cardholder may make transactions on behalf of others in their department/ division; however, the cardholder is responsible for all purchases charged to their card.
2. The total value of a transaction shall not exceed a cardholder's single purchase limit. Payment for a purchase shall not be split into multiple transactions to stay within the single purchase limit.

3. The cardholder is responsible for maintaining receipts of all card transactions and submitting all receipts to the Finance Department. Receipts are required for all purchases. Failure to submit receipts in a timely manner may result in the cardholder losing the privilege of using a Town purchasing card.
4. Purchase cards may be used for lodging and for training/ professional activities. Purchase cards cannot be used for meals during employee travel.

#### 12.2 Receipts and Receipt Submission

Receipts should be collected and kept for all transactions. If a detailed receipt is not obtained from the vendor, a Lost/ Missing Receipt Form and a detailed list of what was purchased will be required with the receipt. Repeated lost or missing receipts may result in a cardholder losing the privilege associated with a Town purchasing card. A detailed receipt should be provided for all purchases.

#### 12.3 Unauthorized Purchases

Certain items should not be purchased by Town employees. Any of the following items listed below have been deemed inappropriate for purchase by Town employees:

- Personal purchases or for personal identification
- A single purchase that exceeds the cardholder's single purchase limit
- Cash advances
- Gift Cards
- Alcoholic beverages
- Purchase of in-room movies during a hotel/ motel stay while on Town business

#### 12.4 Consequences of Improper Use

A cardholder who makes unauthorized purchases or carelessly uses a purchase card will be liable to the Town of Pineville for the total dollar amount of such purchases plus any administrative fees charged by the bank or card company in connection with the misuse. The cardholder's employment may also be terminated and will be subject to legal action.

Cardholders are expected to obtain the best prices available on purchases. Purchase of an item above market prices where the vendor gives the employee any form of gift, bonus, or premium whether in the form of cash or merchandise is considered a kickback, is illegal, and can result in disciplinary action up to and including termination of employment and lawful prosecution. Town policy strictly forbids anything in exchange for making a purchase.

### **XIII. FRINGE BENEFITS**

Any item purchased for an employee must be a valid business expense and not considered wages to the individual. Clothing, non-monetary awards, meals, travel, and other items may be considered wages depending on circumstances. Awards of cash or cash equivalents are always considered wages regardless of the amount awarded. All awards and purchases considered wages to an employee must be processed through payroll and will be subject to all applicable taxes. Please contact the Finance Department with any questions.

Any award of cash or cash equivalents must be pre-approved by the Town Manager.

**XIV. EXHIBITS**

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Exhibit A. Items Not Requiring a Purchase Order

Exhibit B. Vendor Performance Evaluation

Exhibit C. Missing P-Card Receipt Affidavit

Exhibit D. Purchase Order/ Quote Form

Exhibit E. Dollar Thresholds in North Carolina Public Contracting Statutes

Exhibit F. Procurement Analysis Form

Exhibit G. Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

**EXHIBIT A**

**Items Not Requiring a Purchase Order**

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1. Advertising: legal ads, radio announcements, etc.
2. Specified chemicals
3. Dues
4. Claim payments (Citizens filing for damages/reimbursement)
5. Insurance
6. Medical examinations
7. Medical supplies (Fire and Rescue)
8. Land purchases & easements
9. Petty cash & replenishing funds
10. Postage
11. Refunds
12. Building rental
13. Tuition or other fees for approved educational purposes
14. Utilities (electricity, water, sewer, cable, internet, natural gas, trash, etc.)
15. Lease purchase payments, debt service payment
16. Approved travel arrangements and accommodations

Town of Pineville

**VENDOR PERFORMANCE EVALUATION**

EXHIBIT B

**Please take a moment to complete this vendor performance evaluation and return it to the Town Finance Department.**

Vendor Name: \_\_\_\_\_ Purchase Order #: \_\_\_\_\_

Date Promised: \_\_\_\_/\_\_\_\_/\_\_\_\_ Actual Delivery Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Details or Remarks: \_\_\_\_\_

**Check all of the following that apply about the vendor & goods or services purchased:**

- Suggests Cost-Saving Possibilities
- Competitive Pricing:
- Knowledge of Products and Industry
- Prompt & Accurate Technical Assistance
- Advises of any Potential Trouble
- Replaces Rejected Items in a Timely Manner
- Courteous & Helpful
- Handles Complaints Promptly
- Expedites and Handles All Courteously
- Delivers on or Before Specified Time

Quality of Item: \_\_\_\_\_ Delivery: \_\_\_\_\_

Service: \_\_\_\_\_ Comments: \_\_\_\_\_

PURCHASE ORDER QUANTITIES ARE OVER OR SHORT: \_\_\_\_\_

**Overall Rating: Please rate the vendor for this purchase on a scale of 1-10 with (1) indicating unacceptable performance and (10) indicating extreme satisfaction with the vendor.**

OVERALL RATING: \_\_\_\_\_



**Missing P-Card Receipt Affidavit**

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Date of Transaction: \_\_\_\_\_

Employee Name: \_\_\_\_\_

Vendor: \_\_\_\_\_

Amount of Transaction: \_\_\_\_\_

Please Explain Why Receipt Is Missing:

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Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Department Head: \_\_\_\_\_

Date: \_\_\_\_\_

Finance Department: \_\_\_\_\_

Date: \_\_\_\_\_

Town of Pineville

# PURCHASE ORDER/QUOTE FORM

EXHIBIT C

Employee Name:	Department:
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DATE QUOTES OBTAINED:	DATE GOODS ARE REQUIRED:	<input type="checkbox"/> DEPT WILL PICK UP <input type="checkbox"/> EMERGENCY ORDER
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	VENDOR 1 NAME	VENDOR 2 NAME:	VENDOR 3 NAME:
VENDOR #:			
CONTACT:			
PHONE #:			
TOTAL QUOTE:			

ACCOUNT #	QTY	ITEM DESCRIPTION	UNIT	TOTAL

REASON(S) QUOTES NOT OBTAINED /EXPLANATION OF SOLE SOURCE OR EMERGENCY:

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# Dollar Thresholds in North Carolina Public Contracting Statutes

Dollar limits and statutory authority current as of November 1, 2015



Requirement	Threshold	Statute
<b>Formal bidding</b>		
Construction or repair contracts	(estimated cost of contract) \$500,000 and above	G.S. 143-129
Purchase of apparatus, supplies, materials, and equipment	\$90,000 and above	G.S. 143-129
<b>Informal bidding</b>		
Construction or repair contracts	(actual cost of contract) \$30,000 to formal limit	G.S. 143-131
Purchase of apparatus, supplies, materials, and equipment	\$30,000 to formal limit	G.S. 143-131
<b>Construction methods authorized for building projects</b>		
Over \$300,000	(estimated cost of project)	G.S. 143-128(a1)
Separate Prime		
Single Prime		
Dual Bidding		
Construction Management at Risk (G.S. 143-128.1)		
Design-Build and Design-Build Bridging (G.S. 143-128.1A; G.S. 143-128.1B)		
Public Private Partnership (P3) (G.S. 143-128.1C)		
<b>Historically Underutilized Business (HUB) requirements</b>		
Building construction or repair projects		
- Projects with state funding (verifiable 10% goal required)	\$100,000 or more	G.S. 143-128.2(a)
- Locally funded projects (formal HUB requirements)	\$300,000 or more	G.S. 143-128.2(j)
- Projects in informal bidding range (informal HUB requirements)	\$30,000 to \$500,000*	G.S. 143-131(b)
*Note: Formal HUB requirements should be used for informally bid projects costing between \$300,000 and \$500,000		
<b>Limit on use of own forces (force account work)</b>		
Construction or repair projects	(not to exceed) \$500,000 (total project cost) or \$200,000 (labor only cost)	G.S. 143-135
<b>Bid bond or deposit</b>		
Construction or repair contracts (at least 5% of bid amount)	Formal bids (\$500,000 and above)	G.S. 143-129(b)
Purchase contracts	Not required	
<b>Performance/Payment bonds</b>		
Construction or repair contracts (100% of contract amount)	Each contract over \$50,000 of project costing over \$300,000	G.S. 143-129(c); G.S. 44A-26
Purchase contracts	Not required	
<b>General contractor's license required</b>		
Exemption	\$30,000 and above	G.S. 87-1
Owner-builder affidavit required	Force account work (see above)	
	Force account work (see above)	G.S. 87-14(a)(1)
<b>Use of licensed architect or engineer required</b>		
Nonstructural work	\$300,000 and above	G.S. 133-1.1(a)
Structural repair, additions, or new construction	\$135,000 and above	
Repair work affecting life safety systems	\$100,000 and above	
<b>Selection of architect, engineer, surveyor, construction manager at risk, or design-build contractor</b>		
"Qualification-Based Selection" procedure (QBS)	All contracts unless exempted	G.S. 143-64.31
Exemption authorized	Only projects where estimated fee is less than \$50,000	G.S. 143-64.32

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## Procurement Analysis Form

The Procurement Analysis Form is to be used for all procurement done by the Town of Pineville. The purpose of this form is to document the basis for the selection of a particular vendor, and to document the reason(s) for the use of non-competitive procurement. This form needs to be completed as part of the request for payment for every individual purchase. A copy of this form should be attached to every invoice to be paid, and then filed with the payment.

**Item:** enter a description of the item(s) being purchased, for example "5 exterior doors" or "consultant services".

**Vendor:** enter the name of the vendor.

**Basis of Selection:** check the appropriate box, either (1) Lowest price; or (2) Competitive proposals; or (3) Non-competitive purchase; or (4) State or federal contract purchase.

**Lowest Price:** enter the number of price quotes in the space provided. If less than two quotes received, this is a Noncompetitive purchase, and you must check number 3 and complete the additional information. Check "price quotes attached" if this purchase is based on Lowest Price, but is not included in the annual procurement, or check "price quotes on file" if this purchase is based on Lowest Price and is part of the annual procurement.

**Competitive Proposals:** Check this box if the purchase is the result of a Request for Proposals. Attach a copy of the Contract with the invoice.

**Non-Competitive Purchase:** Check this box if there is only one quote submitted for the procurement (sole-source procurement). One of the four boxes must be checked to justify why only one quote was obtained. There can be no other justification for obtaining only one quote. In addition, the reasonableness of the price being paid must be documented by checking one of the following boxes and attaching the related documentation.

**Cost breakdown:** the vendor must supply a breakdown of his or her cost and estimated profit related to the purchase.

**Commercial pricing and sales information:** provide a copy of a catalog page, an advertisement, or some other documentation that demonstrates the price being charged is the same or less than the price being charged to the general public.

**Law or regulation:** provide a copy of a public document that prescribes a certain price be charged through the action of a public body.

**State or federal contract purchasing:** Check this box if the purchase is through the State or federal procurement process, such as for the purchase of vehicles. Attach a copy of the appropriate contract or purchase order the vendor has with the State or federal government.

**Micro Purchasing:** Check the appropriate box if the procurement is less than \$3,500.00. Procurements cannot be separated to meet this threshold.

# Procurement Analysis

Item: \_\_\_\_\_

Vendor: \_\_\_\_\_

**Basis of Selection:**

**Lowest price** from among \_\_\_\_\_ price quotes.

Price quotes attached.

Price quotes on file.

**Competitive Proposals.** Copy of Contract Attached.

**Non-Competitive Purchase** due to at least one of the following reasons:

The item is available only from a single source, based on a good faith review of available sources.

An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods and the emergency procurement shall be limited to those supplies, services or construction necessary to meet the emergency.

The federal grantor agency has authorized the use of non-competitive proposals (written approval attached)

After solicitation of a number of sources, competition is determined inadequate.

To document the price-reasonableness of a non-competitive purchase, one or more of the following has been attached:

A cost breakdown showing projected costs and profit.

Commercial pricing and sales information sufficient to enable the federal grantor agency to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public.

Documentation showing that law or regulation sets the offered price.

**State or federal contract purchasing.** Copy of contract attached.

**Micro Purchase.** Procurement is less than \$3,500. No solicitation is required and the cost has been determined to be reasonable.

\_\_\_\_\_  
Town Manager

\_\_\_\_\_  
Date

## Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- A. **Contracts for more than the simplified acquisition threshold** currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- B. **All contracts in excess of \$10,000** must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- C. **Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- D. **Davis-Bacon Act**, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans

or Grants from the United States”). The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- E. **Contract Work Hours and Safety Standards Act** (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all h o u r s worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- F. **Rights to Inventions Made Under a Contract or Agreement.** If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or sub-recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or sub-recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- G. **Clean Air Act** (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- H. **Debarment and Suspension** (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR

180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

- I. **Byrd Anti-Lobbying Amendment** (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- J. See §200.322 Procurement of recovered materials.

# Memorandum



**To:** Mayor and Town Council

**From:** Richard Dixon

**Date:** 6/8/2018

**Re:** Resolution No. 2018-06

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The State and Local Government Finance Division has made some changes to the Pre-audit Certification Requirements. Memorandum #2018-05 explains those changes. One of the changes allows for municipal entities to engage in electronic payments. Resolution No. 2018-06 is before you for consideration to allow the town to do just that.

***ACTION REQUESTED: Council approve Resolution No. 2018-06***



NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

GREGORY C. GASKINS  
DEPUTY TREASURER

**Memorandum # 2018-05**

To: Finance Officers of Local Governments and LEAs

From: Sharon Edmundson, Director, Fiscal Management Section

Subject: Changes to Pre-audit Certification Requirements for Electronic Obligations and Payments; Administrative Code - 20NCAC 03 .0409 and 20 NCAC 03 .0410

Date: March 12, 2018

The 2015 legislature modified GS 159-28 (d2) (local governments) and 115C-441(d2) (local school administrative units) to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic transactions for local government and local school administrative units. The new pre-audit and disbursement rules were effective as of November 1, 2017, and exist as part of the North Carolina Administrative Code (20 NCAC 03.0409 and 20 NCAC 03.0410).

Units of government can now be exempt from the pre-audit certificate and disbursement certificate requirements on electronic transactions ***if they follow the requirements as detailed in the new administrative code rules.*** The purpose of this memorandum is to briefly outline the requirements that will allow local governments to take advantage of these changes for electronic transactions utilizing the following:

- (1) charge cards;
- (2) credit cards;
- (3) debit cards;
- (4) gas cards;
- (5) procurement cards; or
- (6) electronic funds transfers

It is important to note that ***none of these rule changes exempt a unit of government from going through the pre-audit process;*** the rules only exempt a unit from affixing the certificate of pre-audit on electronic transactions IF the unit abides by the rules set forth in the administrative code.

### **Requirements to Take Advantage of Pre-Audit Certificate Exemption on Electronic Obligations**

There are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **obligations**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).
2. The unit's board must adopt policies and procedures for electronic obligations or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The written policy must outline the basic procedures for pre-auditing obligations incurred by electronic transactions. The written policy and any procedures developed by the finance officer must provide sufficient internal controls over the obligation process, which must include the following:
  - a. Ensure that there is an appropriate budget ordinance or project/grant ordinance appropriating the obligation;
  - b. ensure that sufficient monies remain within the appropriation to cover the amount that is expected to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project or grant ordinance.
  - c. Record the amount of the transaction in the unit's encumbrance system.
4. The unit must provide training to all personnel about the written policy and the procedures that must be followed before undertaking an electronic transaction.
5. If a governmental unit is not already doing so, the unit of government must present to its governing board at least quarterly a budget to actual statement by fund that includes budgeted accounts, actual payments made, amounts encumbered (including electronic obligations) and the amount of the budget that is unobligated.
6. The unit's written policy and procedures must include a method to track obligations, commonly called an encumbrance system. The system can be manual or maintained as part of the unit's accounting system or any combination thereof.

### **Requirements to Take Advantage of Disbursement Certificate Exemption on Electronic Payments**

Likewise there are multiple steps a unit of government must take in order to take advantage of the rule change for electronic **payments**. These steps are:

1. The unit's governing board shall adopt a resolution authorizing the unit to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441 (see Addendum A for a sample resolution).

2. The unit's board must adopt policies and procedures for electronic payments or delegate the authority and responsibility for writing those policies and procedures to the finance officer.
3. The unit must adopt a written policy outlining basic procedures for disbursing public funds electronically. The written policy must provide sufficient internal controls to ensure the following:
  - a. ensure that the amount claimed is payable;
  - b. ensure that there is an appropriate budget ordinance or project/grant ordinance appropriation authorizing the expenditure;
  - c. ensure that sufficient monies remain within the appropriation to cover the amount that is due to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project/grant ordinance; and
  - d. ensure that the unit has sufficient cash to cover the payment.

Some of the questions we have received about this new process, along with our responses, are noted below.

Q *Does the board's delegation of authority to the finance officer to develop the policies and procedures need to be in writing?*

A. Yes.

Q. *My unit already publishes monthly budget-to-actual financial reports on its website – will these suffice for the requirement to provide these reports to the board?*

A. We believe so if they meet all the other requirements listed.

While these changes do not address all the business challenges that local governments face in operating in an increasingly electronic environment, they should provide a way for entities to more easily operate within the requirements of the General Statutes in this particular area.

If you have any questions or concerns about this publication, please contact us at (919) 814-4299 or via email at [Sharon.edmundson@nctreasurer.com](mailto:Sharon.edmundson@nctreasurer.com)



**RESOLUTION NO. 2018-06**  
**RESOLUTION AUTHORIZING THE TOWN OF PINEVILLE**  
**TO ENGAGE IN ELECTRONIC PAYMENTS**  
**AS DEFINED BY G.S. 1.59-28 OR G.S. 115C-441**

**WHEREAS**, it is the desire of the Council that the Town of Pineville is authorized to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441; and

**WHEREAS**, it is the responsibility of the Finance Officer, to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409; and

**WHEREAS**, it is the responsibility of the Finance Officer, to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the Town of Pineville

Section 1. Authorizes the Town of Pineville to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441;

Section 2. Authorizes the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;

Section 3. Authorizes the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and

Section 4. This resolution shall take effect immediately upon its passage, on this, the 12<sup>th</sup> day of June, 2018.

\_\_\_\_\_  
Mayor Jack Edwards

ATTEST:

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Barbara Monticello, Town Clerk

# ADJOURNMENT