



The Mebane City Council met for its regular monthly meeting at 6:00 p.m., Monday, December 6, 2021 in the Council Chambers of the Municipal Building located at 106 East Washington Street.

Councilmembers Present:

Mayor Ed Hooks
Mayor Pro-Tem Jill Auditori
Councilmember Everette Greene
Councilmember Patty Philipps
Councilmember Tim Bradley
Councilmember Sean Ewing
Councilmember Montrena Hadley
Councilmember Jonathan White

Also Present:

Chris Rollins, City Manager
Preston Mitchell, Assistant City Manager
Lawson Brown, City Attorney
Stephanie Shaw, City Clerk
Cy Stober, Development Director
Daphna Schwartz, Finance Director

Mayor Hooks called the meeting to order. He then recognized and welcomed Pack 1 Cub Scouts and Scout Leaders that were in attendance. He also recognized District Court Judge Larry Brown, Jr. who was in attendance to swear in a new Councilmember.

Mayor Hooks read aloud the following statement regarding the invocation.

“Because of Mebane’s conviction that the diversity of our strongly held beliefs makes us greater, not weaker, and because of our commitment to show respect to all faiths, beliefs and perspectives, the Mebane City Council will no longer open its meetings with an invocation.”

Mayor Hooks then called for a moment of silence.

Tom Boney, Editor of the Alamance News, asked for an explanation regarding the invocation statement. Mayor Hooks said he will later.

City Clerk Stephanie Shaw reported the results of the municipal election held on November 2, 2021, as certified by Alamance County and Orange County Board of Elections, to be as follows:

FOR THE OFFICE OF CITY COUNCIL:

Alamance County:

Tim Bradley	882 votes
Katie Burkholder	631 votes
Montrena Hadley	717 votes
Charles Lopez	616 votes
Roger Parker	348 votes
Jonathan White	862 votes

Orange County:

Tim Bradley	104 votes
Katie Burkholder	94 votes
Montrena Hadley	136 votes
Charles Lopez	86 votes
Roger Parker	33 votes
Jonathan White	88 votes

Therefore, pursuant to such tabulation, it has been determined that: Tim Bradley having received 986 total votes from both counties, Montrena Hadley having received 853 total votes from both counties and Jonathan White having received 950 total votes from both counties, have been duly elected members of the City Council of the City of Mebane, pursuant to law, for a term of four years.

Clerk Shaw administered the oath of office to Tim Bradley and Jonathan White. District Court Judge Larry Brown, Jr. administered the oath of office to Montrena Hadley.

Council members Greene and Auditori stepped down from their seats and Mr. Bradley, Mrs. Hadley and Mr. White took their seats at the Council table.

Mayor Hooks called for nominations for Mayor Pro-Tempore. Ms. Philipps made a motion to nominate Tim Bradley, seconded by Mr. Ewing. The motion carried unanimously.

Mayor Hooks recognized outgoing Councilmembers Jill Auditori and Everette Greene. He read aloud and presented them with the following resolutions. Mayor Hooks also presented both of

them with Mebane Logo brick sculptures, hand sculpted by NC artist Brad Spencer.

**RESOLUTION HONORING JILL AUDITORI
FOR HER SERVICE TO THE CITY OF MEBANE**

Whereas, the Mayor and the City Council of the City of Mebane, North Carolina, wishes to acknowledge and express appreciation to Jill Auditori for her dedicated service to the citizens of Mebane; and

Whereas, Jill Auditori was elected to a seat on the City Council, where she dutifully served for 12 years from 2009 to 2021; and

Whereas, Jill Auditori was appointed by the City Council to serve as Mayor Pro-Tem from 2019 to 2021: and

Whereas, Jill Auditori has volunteered numerous hours, incurred personal sacrifice, and exhibited outstanding community spirit in her service; and

WHEREAS, Jill Auditori has put forth substantial effort toward improving the quality of life for the citizens of the City of Mebane.

Now, therefore be it resolved by the City Council of the City of Mebane, North Carolina, that deep gratitude and sincere appreciation are expressed to Jill Auditori for her leadership and dedicated service to the citizens of Mebane.

Be it further resolved, that a copy of this resolution be made part of the permanent records of the City of Mebane, and a copy thereof, which has been duly executed by the Mayor and City Council, be presented to Jill Auditori.

In witness whereof, I, Ed Hooks, Mayor of the City of Mebane, have hereunto set my hand and caused to be affixed the official seal of the City of Mebane, this the 6th day December, 2021.

**RESOLUTION HONORING EVERETTE GREENE
FOR HIS SERVICE TO THE CITY OF MEBANE**

Whereas, the Mayor and the City Council of the City of Mebane, North Carolina, wishes to acknowledge and express appreciation to Everette Greene for his dedicated service to the citizens of Mebane for 35 years; and

Whereas, Everette Greene was elected to a seat on the City Council, where he dutifully served from 2005 to 2021; and

Whereas, prior to his seat on the Council, he was chair of the City of Mebane Planning Board, having served in that capacity from 1986 to 2005; and

Whereas, Everette Greene has volunteered numerous hours, incurred personal sacrifice, and exhibited outstanding community spirit in his service; and

WHEREAS, Everette Greene has put forth substantial effort toward improving the quality of life for the citizens of the City of Mebane.

Now, therefore be it resolved by the City Council of the City of Mebane, North Carolina, that deep gratitude and sincere appreciation are expressed to Everette Greene for his leadership and dedicated service to the citizens of Mebane.

Be it further resolved, that a copy of this resolution be made part of the permanent records of the City of Mebane, and a copy thereof, which has been duly executed by the Mayor and City Council, be presented to Everette Greene.

In witness whereof, I, Ed Hooks, Mayor of the City of Mebane, have hereunto set my hand and caused to be affixed the official seal of the City of Mebane, this the 6th day December, 2021.

Mr. Greene gave a few brief departing remarks thanking the citizens of Mebane for allowing him to serve the City of Mebane for so many years.

Ms. Auditori expressed her gratitude to the citizens for allowing her to serve and commended her fellow Council members for being a wonderful group of colleagues.

Applause for Mr. Greene and Ms. Auditori ensued by everyone in attendance.

During the Public Comment Period, Carl Bradley commended the Recreation and Parks Department on a job well done on the Christmas parade. He then expressed a concern with the lack of lighting at the entrance to the Mebane Community Park from Hwy 70.

Mayor Hooks gave an overview of the Consent Agenda:

- a. Approval of Minutes- November 1, 2021 Regular Meeting
- b. Encroachment- 104 S. Fourth Street
- c. Final Plat- The Villas on Fifth, Phase 3A
- d. 2022 Regular Meeting and FY 2022-2023 Budget Calendar
- e. Council Meeting Procedure- Amendment- Post Covid

Mr. White requested that Mayor Hooks give an explanation on what the Consent Agenda is. Mayor Hooks shared that the consent agenda is for items that are routine, procedural, informational and self-explanatory non-controversial items which do not require discussion, however, if Council wishes to discuss an item, they have the option to pull that item off of the consent agenda for further discussion.

Mr. Bradley made a motion, seconded by Mr. Ewing, to approve the consent agenda as presented. The motion carried unanimously.

Finance Director Daphna Schwartz presented the results of the City's annual Comprehensive Financial Report for the year ending June 30, 2021 via the attached PowerPoint. At the conclusion of Ms. Schwartz's presentation, Mayor Hooks announced that the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mebane for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2020. He commended Ms. Schwartz and her staff in the Finance Department.

Patricia Rhodes, Auditor with Stout Stuart McGowen & King LLP, also gave a presentation regarding the audit via the attached PowerPoint. Ms. Rhodes stated Mebane received an unmodified opinion, the best and cleanest opinion that can be received. She shared a comparison of Mebane's fund balance to similar municipalities. She concluded her presentation by thanking Council and staff for the opportunity to be the independent auditor for the Mebane.

Mr. Boney requested that Mayor Hooks address his previous question regarding the statement about no longer having an invocation at the beginning of the meetings. Mayor Hooks stated that Council received an email from a non-profit organization, Freedom from Religion Foundation, warning the Council that they were in violation of the law. Mayor Hooks said after discussing the matter with legal counsel, they decided they would no longer have invocation at the beginning of the meetings. Mr. Boney questioned if the moment of silence is in lieu of the invocation. Mr. Boney then questioned what aspect was viewed as being illegal as it was his understanding that Fourth Circuit courts had ruled that the very type of innovation that this Council dealt with in which it was rotating among members of the Council, not outside religious figures, had been in fact upheld. Mr. Brown stated that he would disagree with Mr. Boney as the issue is that there is no diversity in the prayer. Mr. Boney stated he is unaware of any requirement regarding the invocation in the manner in which the Mayor described. Mr. Brown said they he and Mr. Boney could discuss independent of the current debate. After more discussion, Mr. Boney shared his opinion, stating that this item was not on the agenda and no notice was given of such action, the statement was just unilaterally stated at the beginning of the meeting and he feels this is not a wise way to proceed on this issue or any other issue.

Ms. Philipps made a motion, seconded by Mr. Ewing, to accept the Financial Report as presented. The motion carried unanimously.

Judge Brown stepped forward to congratulate Ms. Hadley on being the first African-American woman to sit on the Mebane City Council. Everyone applauded. He then congratulated Mr. White and thanked each member of the Council for everything they do to bring all people together. He said may all the young children in attendance, and those watching from home, know that they too can accomplish their dreams through hard work and dedication.

Mr. Ewing commended all the staff on a wonderful, successful Christmas parade event.

Mayor Hooks announced an upcoming UDO Update Information Session and Open House that will be held on December 13th.

Mr. Rollins shared a reminder about the Mebane Downtown Exterior Improvements Grant.

Mayor Hooks concluded the announcements with a reminder about the upcoming holiday closings for City offices.

Mr. Bradley recognized and commended the finance staff for their hard work. Mr. Rollins then recognized and commended all of the City's Department Heads for staying on budget and all of the hard work put in everyday.

There being no further business, the meeting adjourned at 6:45pm.

Attest: _____
Stephanie W. Shaw, City Clerk

Ed Hooks, Mayor



Annual Comprehensive Financial Report

For the year ended June 30, 2021

Daphna Schwartz
Finance Director



Agenda

- Annual Comprehensive Financial Report (ACFR) Highlights
- Governmental Funds
- Water and Sewer Funds
- Capital Reserve Fund
- Capital Projects
- Debt Portfolio



ACFR Highlights

- “Clean” Audit Opinion
- Assets exceeded liabilities by \$118,247,835 (net position)
- Total net position increased by \$7,945,001 from the prior year
- Combined ending fund balances of \$16,414,129, an increase of \$1,458,652 over the prior year



Governmental Funds

- Overall, revenues came in higher than budgeted:
 - Sales Tax
 - Cares Act Award
 - Planning and inspection fees
 - Sanitation User fees
 - Miscellaneous grants
 - Investment earnings
- Overall, expenditures came in lower than budgeted:
 - Retirements and lapsed salaries
 - Capital project delays
 - Did not take on anticipated debt
- Fund balance increased

Governmental Funds - FY21 Results	Amended Budget	FY21 Actuals	% of Collected/Spent
Property Taxes	\$ 11,036,912	\$ 11,339,347	103%
Unrestricted Intergovernmental	\$ 5,120,543	\$ 6,101,360	119%
Restricted Intergovernmental	\$ 886,000	\$ 1,154,666	130%
Permits and Fees	\$ 881,798	\$ 1,338,035	152%
Sales and Services	\$ 570,450	\$ 616,526	108%
Miscellaneous	\$ 147,600	\$ 251,884	171%
Other taxes and licenses	\$ 1,000	\$ 955	96%
Restricted Special Revenue	\$ -	\$ 14,300	
Investment earnings	\$ 20,000	\$ 52,436	262%
Operating Revenues	\$ 18,664,303	\$ 20,869,509	112%
Debt Proceeds	\$ 1,939,070	\$ 430,500	22%
Fund Balance Appropriated	\$ 3,747,641	\$ -	0%
Total Revenues	\$ 24,351,014.00	\$ 21,300,009.00	
Personnel & Benefits	\$ 12,700,797	\$ 10,252,428	81%
Operating Expenses	\$ 6,107,542	\$ 6,452,803	106%
Capital Expenses	\$ 3,753,012	\$ 1,600,571	43%
Debt Payments	\$ 1,699,663	\$ 1,450,732	85%
Transfers	\$ 90,000	\$ 84,823	94%
Total Expenses	\$ 24,351,014	\$ 19,841,357	81%
Net Gain/(Loss)		\$ 1,458,652	



Water and Sewer Funds

- Overall, operating revenues came in higher than budgeted due to growth.
- Overall, expenditures came in lower than budgeted.
 - Revenue bond debt was delayed until FY22.
 - Capital projects were delayed.

Water and Sewer Funds - FY21 Results	Amended Budget	FY21 Actuals	% of Collected/Spent
Charges for services	\$ 5,933,600	\$ 6,828,761	115%
Other operating revenues	\$ 690,034	\$ 748,941	109%
Operating revenues	\$ 6,623,634	\$ 7,577,702	114%
Non-operating revenues	\$ 49,000	\$ (74,065)	-151%
Transfers	\$ 175,000	\$ 37,846	22%
Fund Balance Appropriated	\$ 2,578,420	\$ -	
Total Revenue	\$ 9,251,054	\$ 7,541,483	82%
Personnel & Benefits	\$ 2,679,929	\$ 2,356,060	88%
Operating Expenses	\$ 3,524,145	\$ 2,822,855	80%
Capital Expenses	\$ 1,898,054	\$ 1,073,284	57%
Debt Payments	\$ 1,148,926	\$ 849,724	74%
Total Expenses	\$ 9,251,054	\$ 7,101,923	77%
Net Gain/(Loss)		\$ 439,560	



System Development Capital Reserve Fund

- Revenues came in higher than budgeted due to growth.
- Transfers were lower than expected due to higher revenues in the Water and Sewer Funds.
- Statutorily, the use of system development fees are restricted. In general, the fees can be used to fund future water or sewer capital projects.

System Development Capital Reserve Fund - FY21 Results	Amended Budget	FY21 Actuals	% of Collected/Spent
Charges for Services	\$ 650,000	\$ 1,527,703	235%
Other nonoperating revenues	\$ 2,500	\$ 4,595	184%
Total Revenues	\$ 652,500	\$ 1,532,298	235%
Transfers to the Water and Sewer Funds	\$ 652,500	\$ 37,846	6%
Net Gain/Loss		\$ 1,494,452	

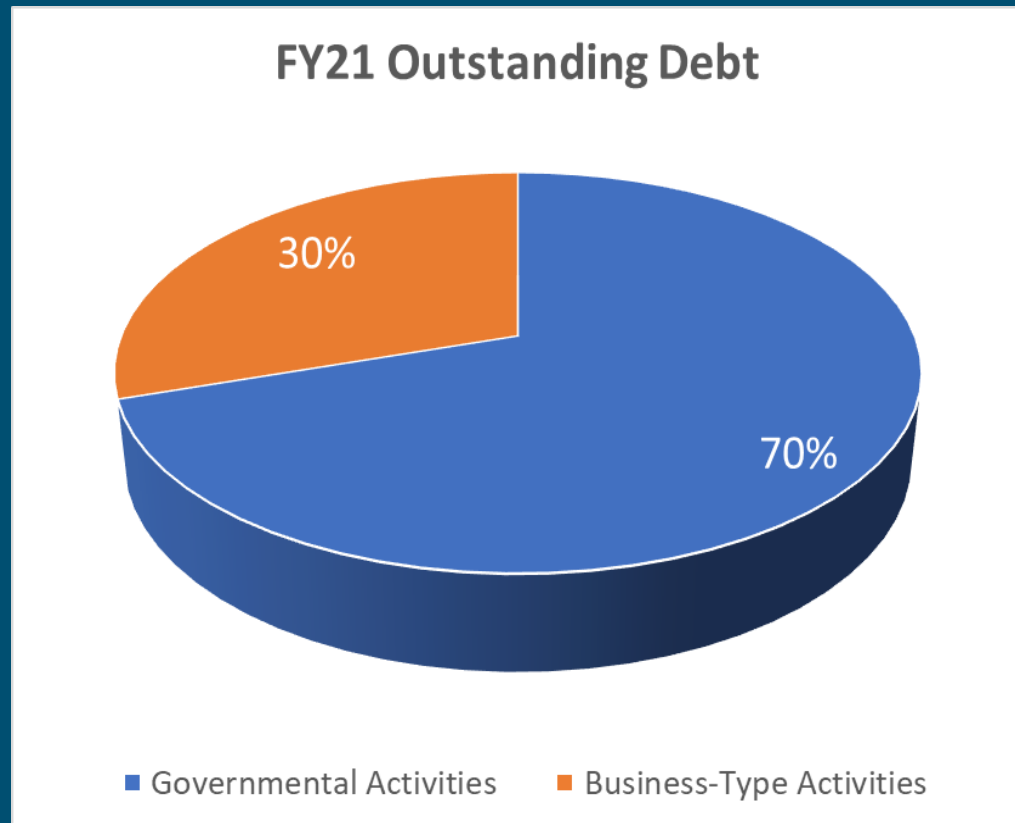


Capital Projects

Capital Project Funds - FY21 Results	Amended Budge	FY21 Actuals	% of Collected/Spent
Cates Farm Park			
Transfer from General Fund	\$ 680,961.00	\$ 84,823.00	12%
Expenditures	\$ 680,961.00	\$ 84,823.00	12%
Fund Balance		\$ -	
WRRF Renovation			
Transfer from Water and Sewer Fund	\$ 583,000.00	\$ 583,000.00	100%
Debt Proceeds	\$ 6,761,176.00	\$ -	0%
Total financing sources	\$ 7,344,176.00	\$ 583,000.00	8%
Total Expenditures	\$ 7,344,176.00	\$ 555,285.00	8%
Fund Balance		\$ 27,715.00	



Debt Portfolio



- Debt Portfolio remains well within legal limits
- Governmental Activities \$7.5 M
- Business-Type Activities \$3.2M
- FY20 General Fund issued \$430,500 of debt for rolling stock

Thank you

The 6/30/21 ACFR is available on the City's website at the following link:

www.cityofmebane.gov/city-financial-information/

Daphna Schwartz

Finance Director

Daphna.Schwartz@cityofmebane.com





AUDIT PRESENTATION TO THE CITY COUNCIL

For Year Ended June 30, 2021

December 6, 2021



AUDIT HIGHLIGHTS

- Mebane's 11th Annual Comprehensive Financial Report
- Unmodified Opinion
- An Audit is:
 - Consideration of the system used to capture financial data
 - Consideration of the Internal Controls
 - Testing of Internal Controls
- Internal Control – No Findings

COMPARATIVE INFORMATION

A Comparison of Fund Balance to Similar Municipalities (based on most recently available statistics)

	Population	Unassigned Fund Balance	% of General Fund Net Expenditures to Fund Balance
City of Mebane	17,797	10,332,231	50.63%
Belmont	15,010	3,976,994	29.42%
Elon	11,336	7,248,318	102.20%
Graham	17,157	9,138,317	66.00%
Fuquay Varina	34,152	18,533,498	59.80%
Hillsborough	9,660	6,438,825	59.96%

Thank You to the Mebane City Council,
Chris Rollins, Preston Mitchell, Daphna
Schwartz, and their staff

