

**CITY OF CLAREMONT  
CITY COUNCIL MEETING  
AGENDA PACKET**



**October 6, 2014  
Claremont City Hall  
7:00 pm**



**CITY OF CLAREMONT  
CITY COUNCIL MEETING**

**Regular Meeting**

**October 6, 2014**

**7:00 PM**

**Council Chambers, Claremont City Hall**

**AGENDA**

**1. CALL TO ORDER**

**2. APPROVAL OF AGENDA**

**3. INVOCATION & PLEDGE OF ALLEGIANCE**

**4. MAYOR'S REPORT**

- A. Bunker Hill Bear Week
- B. Fire Prevention Week

**5. CONSENT AGENDA**

- A. Regular Meeting Minutes – September 8, 2014
- B. Closed Session Minutes- September 8, 2014

**6. CITIZEN'S CONCERNS AND COMMENTS**

**7. OLD BUSINESS**

**8. NEW BUSINESS**

- A. Deed of Easement to Apple Inc.
- B. Resolution 09-14 Debt Setoff Collection
- C. NC Local Government Debt Set off Memorandum of Understand
- D. Police Dept Phase III Construction Contract with Lail Builders
- E. November Meeting Location

**9. DEPARTMENT & COMMITTEE REPORTS**

- A. Quarterly Financial Report
- B. Department Dashboard Report
- C. Parks & Recreation Committee

**10. CITY MANAGER'S REPORT**

**11. CLOSED SESSION**

**12. ADJOURN**

“A progressive City dedicated to preserving small town values while planning for the future”



# City of Claremont

## Mayors Proclamation

WHEREAS, the City of Claremont joins Bunker Hill High School in celebrating its Homecoming during the week of October 5, 2014 through October 11, 2014; and

WHEREAS, the Bunker Hill Bears will be taking the offensive against the East Lincoln Mustangs at the Homecoming game on Friday October 10<sup>th</sup>; and

WHEREAS, the week of Homecoming festivities begins with a homecoming parade and pep rally on Tuesday October 7<sup>th</sup>;

NOW THEREFORE, I Mayor Shawn R. Brown, do hereby proclaim October 5<sup>th</sup> – October 11<sup>th</sup> 2014, as BEAR WEEK in and throughout the City of Claremont, and call on all citizens to celebrate this momentous series of events along with the faculty, staff and students of Bunker Hill High School as they take on the Mustangs of East Lincoln; and further wish victory for the Bears and safety for all the players of both teams.

In witness whereof I have hereunto set my  
Hand and caused this seal to be affixed

---

Shawn R. Brown, Mayor  
This the 6<sup>th</sup> day of October 2014



# Working Smoke Alarms Save Lives

## Test Yours Every Month!

Fire Prevention Week • October 5–11, 2014

Go to [FPW.org](http://FPW.org)





# City of Claremont

## Mayors Proclamation

WHEREAS, the City of Claremont is committed to ensuring the safety and security of all those living in and visiting our community; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are the locations where people are at greatest risk from fire; and

WHEREAS, home fires killed more than 2,700 people in the United States in 2013, according to the National Fire Protection Association (NFPA); and

WHEREAS, working smoke alarms cut the risk of dying in reported home fires in half; and

WHEREAS, three out of five home fire deaths result from fires in properties without working smoke alarms; and

WHEREAS, in one-fifth of all homes with smoke alarms, none were working; and

WHEREAS, Claremont's residents should install smoke alarms in every sleeping room, outside each separate sleeping area, and on every level of the home; and

WHEREAS, Claremont's residents who have planned and practiced a home fire escape plan are more prepared and will therefore be more likely to survive a fire; and

WHEREAS, Claremont first responders are dedicated to reducing the occurrence of home fires and home fire injuries through prevention and protection education; and

WHEREAS, the 2014 Fire Prevention Week theme, "Working Smoke Alarms Save Lives: Test Yours Every Month!" effectively serves to remind us that we need working smoke alarms to give us the time to get out safely.

THEREFORE, I Shawn R. Brown Mayor of Claremont do hereby proclaim October 5-11, 2014, as Fire Prevention Week throughout this city, and I urge all the people of Claremont to test their smoke alarms at least every month by pushing the test button, and to support the many public safety activities and efforts of the Claremont Fire Department during Fire Prevention Week 2014.

In witness whereof I have hereunto set my  
Hand and caused this seal to be affixed

---

Shawn R. Brown, Mayor  
This the 6<sup>th</sup> day of October 2014

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approval of Consent Agenda**

- A. Regular Meeting Minutes – September 8, 2014
- B. Closed Session Minutes- September 8, 2014

**Recommendation: Approve the Consent Agenda**



## **City of Claremont Regular Meeting Minutes Monday, September 8, 2014**

The regular City Council meeting of the City of Claremont was held in the council chambers located at Claremont City Hall at 7:00 p.m. on Monday, September 8, 2014.

The following members of the Claremont City Council were present: Mayor Shawn Brown, Councilmember Timothy Lowrance, Councilmember Dayne Miller, Councilmember Nicky Setzer, Councilmember Dale Setzer and Councilmember Dale Sherrill.

The following personnel of the City of Claremont were present: City Manager Doug Barrick, City Attorney Bob Grant, Finance Officer Stephanie Corn, Administrative Support Clerk Wendy Helms, Rick Damron, Lieutenant Allen Long, Jessica Miller, Fire Chief Bart Travis, Melinda Bumgarner, Police Chief Gary Bost, and Public Works Director Tom Winkler.

Others in attendance were: Robert Smith, Scott Ramsey, Angela Brown, and Gene Monday.

### **1. CALL TO ORDER**

Mayor Shawn R. Brown called the Claremont City Council meeting to order at 7:00 p.m.

### **2. APPROVAL OF AGENDA**

The agenda was approved as presented.

### **3. INVOCATION & PLEDGE OF ALLEGIANCE**

The invocation was given by Councilmember Timothy Lowrance. Councilmember Dayne Miller led the pledge of allegiance.

### **4. MAYOR'S REPORT**

Mayor Brown spoke briefly about several thank you notes. He also recognized Sgt. David Clark and his wife Crystal for assisting Gene Monday's mother.

### **5. CONSENT AGENDA**

**A. August 4, 2014 Regular Meeting Minutes** – Councilmember Dale Sherrill made a motion to accept August 4, 2014 regular meeting minutes as presented. Councilmember Nicky Setzer seconded the motion. The motion passed unanimously.

**B. August 4, 2014 Closed Session Minutes**- Councilmember Dale Sherrill made a motion to accept August 4, 2014 closed session minutes with an amendment provided by Attorney Bob Grant. Councilmember Nicky Setzer seconded the motion. The motion passed unanimously.

## **6. CITIZEN'S CONCERN'S & COMMENTS-** none

## **7. PUBLIC HEARING**

**A. City of Claremont Voluntary Annexation 14-02-** Motion was made by Councilmember Timothy Lowrance to recess the regular meeting and go into a public hearing reference voluntary annexation 14-02, at 7:04 p.m. Second was made by Councilmember DB Setzer.

Motion was made by Councilmember Nicky Setzer to close the public hearing and go back into regular session at 7:05 p.m. Second was made by Councilmember Dayne Miller.

**8. OLD BUSINESS-** City Manger Barrick informed council that the back parcels at the Francis Sigmon Park have been closed on. He is now waiting on a date for closing of the front property to S & A Sports.

## **9. NEW BUSINESS-**

**A. Ordinance 03-14 Fiscal Year 2015 Budget Amendment-** This budget amendment appropriates funds for the following projects:

NCDENR Grant

Two Cell Phone Tower Modification Permits

Claremont Daze Sponsorships

Christmas Parade Sponsorships

Fire Dept FEMA 800 MHz Radio Grant Mobile Radios & 15 Walkie Radios = A \$94,800 Value

Initial Contribution to the C-5195 Sidewalk Grant Project Fund

Motion was made by Councilmember Nicky Setzer to accept Ordinance 03-14. Second was made by Councilmember Timothy Lowrance. Motion passed unanimously.

**B. Ordinance 04-14 US 70 Speed Limit-** The City has been approached by NCDOT to clean up our existing City ordinance in regards to the 25mph speed limit area along US 70. When the City enacted the ordinance US & 0 was both US 70 & 64. Now that Main Street is no longer US 64, NCDOT has asked to remove that wording and clean up the files. The speed limits will remain the same.

Motion was made by Councilmember Nicky Setzer to accept Ordinance 04-14. Second was made by Councilmember Dayne Miller. Motion passed unanimously.

**C. Ordinance 05-14 BGA Drive Annexation (ANX 14-02) -** The owners of 2421 BGA Drive are requesting voluntary annexation into the Corporate Limits of the City of Claremont. This 9.310 acre tract is currently in the ETJ of the City of Claremont and is contiguous to current Corporate Limits, served by City Utilities, and is served by all other city services. The City Clerk certifies the sufficiency of the request as the City tries to honor voluntary annexation requests, the proposed annexation would expand the City's tax base, and the proposed annexation will not hamper the Cities ability to deliver public services to this parcel.

A Public Hearing has been held and all requirements to annex this contiguous parcel have been fulfilled.

Motion was made by Councilmember Timothy Lowrance to accept Ordinance 05-14. Second was made by Councilmember Dale Sherrill. Motion passed unanimously.

**D. Ordinance 07-14 Apple Inc. Development Agreement-** As required by NCGS 160A- 400.22 The City Council must formalize the completed Development Agreement by ordinance. Apple has now executed the agreement and we are ready to finalize the agreement via ordinance.

Motion was made by Councilmember Dale Sherrill to accept Ordinance 07-14. Second was made by Councilmember Nicky Setzer. Motion passed unanimously.

**E. Police Department Phase III Bid Tabulation-** On August 26<sup>th</sup> at 4pm the City Manager and Police Chief opened bids for the Police Station Phase III Up fit Project. At this time the apparent low bidder is Lail Builders Inc. The City is over budget on this project and will be working with the low bidder. Our approach will be to have the City Council approve these bids and engage NCGS 143-129(b) to allow the City to make some reasonable changes to allow the project to return closer to our budget. Our goal is to have meetings and conversations with the low bidder and bring back a contract to the October 6, 2014 City Council Meeting for approval and notice to proceed.

Motion was made by Councilmember DB Setzer to approve the bids for Phase III and allow City Manager Barrick to negotiate with Lail Builders per G.S. 143-129. Second was made by Councilmember Dayne Miller. Motion passed unanimously.

**F. Ordinance 06-14 C-5195 Sidewalk Project Fund-** The City of Claremont applied for and was awarded a CMAQ federally funded sidewalk project for the construction of sidewalks in various areas of the City to include:

1. Centennial Blvd from North Oxford Street to North Lookout Street
2. South Depot from terminus to Frazier Drive with a crosswalk
3. Calvin Street from North Depot to North Lookout
4. Yount Street from South Depot to Bethlehem
5. Bethlehem Street from Yount to Old Catawba Street
6. Calvin Street from North Lookout to School Street
7. School Street from Calvin Street to US 70

This grant award is for a total of \$650,000 with 80% federal money coming through NCDOT and 20% of the project funding coming from the City of Claremont. This breaks down to \$520,000 from NCDOT and the City funding \$130,000. The City Council Approved the NCDOT agreement on May 6, 2013 and approved an agreement with the Wooten Company for Engineering on July 7, 2014. At this time \$75,000 of Fund Balance is proposed to be moved into this Fund to cover engineering and the beginning of construction. More funds will be moved later.

Motion was made by Councilmember Nicky Setzer to accept Ordinance 06-14, to establish a sidewalk project fund. Second was made by Councilmember Dayne Miller. Motion passed unanimously.

## **10. DEPARTMENT & COMMITTEE REPORTS**

**A. Monthly Department Dashboard Report-**

**B. Parks and Recreation Committee-** Jessica Miller spoke on behalf of the Recreation Committee. She gave updates for movies in the park. The next movie will be held on September 20th at 9 p.m. In

case of rain the movie will be moved to the fire department. Plans are under way for this year's Scaremont Park, to be held October 25 and 26. September 26<sup>th</sup> will be the last tailgate market for this year. Applications for the Christmas Parade can be found on the city website.

## 11. CITY MANAGERS REPORT

City Manager Barrick informed council and those in attendance that there will be a Flu Shot Clinic held at City Hall on September 30<sup>th</sup> at 9:30 a.m. The city will again host a homecoming parade for Bunker Hill High School on October 7<sup>th</sup> at 6 p.m., with a pep rally to follow in the city park. City Manager Barrick also thanked the public works department for their work on installing a 12" water line and for the upgrades made to the cross country track at River Bend Middle School.

**12. CLOSED SESSION:** Motion was made by Councilmember Timothy Lowrance to go into a closed session in reference to G.S. 143-318.11(a) (4) at 7:27 p.m. Second was made by Councilmember Nicky Setzer. Motion passed unanimously.

Motion was made by Councilmember Nicky Setzer to recess the closed session at 7:45 p.m. Second was made by Councilmember Timothy Lowrance. Motion passed unanimously.

**13. ADJOURN-** Motion was made by Councilmember Dayne Miller to adjourn the meeting at 7:46 p.m. Second was made by Councilmember Dale Setzer. Motion passed unanimously.

Respectfully submitted,  
Wendy L. Helms, Administrative Support Clerk

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Shawn R. Brown, Mayor

Attested:

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Douglas L. Barrick, City Clerk

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Citizen's Concerns and Comments**

North Carolina General Statutes require that the City Council allow time at each public meeting for Citizen Input.

**Recommendation: Hear Public Concerns and Comments**

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approve Deed of Easement to Apple Inc.**

This deed of easement will allow Apple Inc to use an unopened section of right of way along South Oxford Street for the purposes of installing a distribution line. This deed is part of the originally approved development agreement.

**Recommendation: Approve Deed with final edits by City Attorney**

STATE OF NORTH CAROLINA

DEED OF EASEMENT

COUNTY OF CATAWBA

This instrument was prepared by and  
after recording return to:

Womble, Carlyle, Sandridge & Rice, LLP

Suite 3500, One Wells Fargo Center, 301 S. College Street, Charlotte NC 28202

Attn.: Bruce A. Buckley [No title opinion given or implied]

This Deed of Easement (this “Easement”) is made by the **City of Claremont**, a municipal corporation organized and existing under the laws of the State of North Carolina (“Grantor”), to and for the benefit of **Apple Inc.**, a California corporation (“Grantee”).

Grantor has certain rights in, to and under the following and the applicable properties that are the subject thereof: (a) the right of way of South Oxford Street as described in the plat recorded in Plat Book 29 at Page 111 of the Catawba County Registry; (b) the road and utility easement granted to Grantor by Lura Belle Sigmon recorded in Book 1723 at Page 748 of the Catawba County Registry, (c) the deed granted to Grantor by Prysmian Cables and Systems USA, LLC (successor to Claremont NA Cable Systems LLC by name changes and mergers) recorded in Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Catawba County Registry, (d) the deed granted to Grantor by Leslie C. Sigmon and wife recorded in Book 3247 at Page 1358 of the Catawba County Registry, and (e) the deed granted to Grantor by Apple Inc. recorded in Book \_\_\_\_\_ at Page \_\_\_\_\_ of the Catawba County Registry (which deed from Apple Inc. shall, for the purposes of this Easement, be considered limited to the portion of such property located within the right of way of South Oxford Street as described in the plat recorded in Plat Book 29 at Page 111 of the Catawba County Registry) (collectively the “Existing Rights”).

In connection with Grantee’s development of a utility scale solar energy system and other facilities or uses associated with, convenient to or necessary for operating, maintaining, repairing, upgrading, replacing or restoring the utility scale solar energy system (the “Project”) on the real property of Grantee located on the south side of Kelly Boulevard and located generally to the north of Long Creek and to the west of McLin Creek, and for valuable consideration paid by Grantee, the receipt of which is hereby acknowledged, Grantor does hereby grant, bargain, sell and convey unto Grantee, its successors and assigns (which may include, without limitation,

Duke Energy Carolinas LLC), the perpetual right, privilege and easement in and to the use of the Existing Rights and on, within, over, under and through the properties that are the subject thereof, in common with Grantor and others entitled to the use thereof for (i) vehicular access, including without limitation the right to clear, grade, pave, gravel, construct, install, locate, repair and maintain an access way, and (ii) the construction, installation, erection, location, repair and maintenance of electrical transmission lines (above or below ground, or any combination thereof) and other facilities, improvements or installations associated with, convenient to or necessary for the Project, including without limitation the right to remove, trim, prune, top or otherwise control the height or growth of any tree or vegetation that may create a safety hazard or interfere with the use thereof, and including reasonable access from time to time so as to allow for construction, repair and maintenance activities relating to the access way and the electrical transmission lines and facilities, improvements or installations associated with convenient to or necessary for the Project, for the benefit of and as an appurtenance to the real property of Grantee located on the south side of Kelly Boulevard.

To have and to hold the same unto Grantee, its successors and assigns (which may include, without limitation, Duke Energy Carolinas LLC) forever.

Additional Provisions:

1. Grantor shall have the right to use the areas and improvements that are subject to or located within the areas encumbered by or described in the Existing Rights for purposes not inconsistent with Grantee's full enjoyment of the rights hereby granted, including, without limitation, the right to construct, repair and maintain roads and utilities.

2. This Easement shall not divest Grantor of any rights or interest in the South Oxford Street right-of-way, except that Grantee's rights under this Easement shall be paramount to Grantor's rights in or to the use of the areas subject to this Easement that are actually used by Grantee for its improvements and installations.

3. Grantee and Grantor are each responsible for any and all expenses for labor or materials required in connection with the construction, installation, erection, location, repair and maintenance of any improvement each party, respectively, installs within the areas subject to this Easement; however, Grantee's right to full, unimpeded and uninterrupted use of the areas subject to this Easement shall be paramount to Grantor's use of the areas subject to this Easement.

4. Before Grantor commences construction of any improvements within the areas subject to this Easement, Grantor shall provide Grantee with reasonable prior written notice of the proposed timing, scope and location of such construction work and Grantor and Grantee shall work together to establish a mutually agreed upon schedule for Grantor's work so that it does not conflict or interfere with any work that Grantee is performing or plans to perform.

5. If Grantor finds that it is necessary to construct any improvements that encroach within or upon any areas used or to be used by Grantee under the easement rights granted herein, Grantor shall be entitled to do so provided that (i) Grantor shall not be entitled to remove or relocate any of Grantee's electrical transmission lines and facilities, improvements or

installations associated therewith, (ii) Grantor shall not interrupt or interfere with the electrical service provided by any electrical transmission lines and facilities, improvements or installations associated therewith or with Grantee's use thereof or access thereto, and (iii) if in the exercise of Grantee's rights under this Easement it becomes necessary for Grantee to remove temporarily or disturb any of Grantor's encroaching improvements, then Grantor, at Grantor's sole cost, shall be responsible to reimburse Grantee for all additional costs incurred by Grantee that were necessitated by the presence of such encroaching improvements, and Grantor shall be responsible to replace or restore at Grantor's sole cost any such encroaching improvements that were removed or disturbed or to reimburse Grantee for the additional costs incurred by Grantee to replace or restore any such encroaching improvements if Grantee elects to do so, with any such reimbursement of Grantee to be made promptly upon receipt of notice from Grantee of the amount due accompanied by invoices and receipts that support the amount being claimed for reimbursement.

6. Plans for the construction, installation and location of the access way or the electrical transmission lines and other facilities, improvements or installations associated with convenient to or necessary for the Project shall be submitted to Grantor for approval prior to commencement of construction. Grantor's approval of the plans shall not be unreasonably withheld, conditioned or delayed. If Grantor has not communicated regarding such plans within ten (10) days after receipt thereof, it shall be presumed that Grantor has no objection to the plans. Such plans shall provide that any electrical transmission lines and other facilities, improvements or installations associated therewith shall be located as reasonably as possible along an edge of that portion of right of way of South Oxford Street as described in the plat recorded in Plat Book 29 at Page 111 as such right of way lies on any of the properties that comprise the Existing Rights. Grantor and Grantee shall work together as to the location of Grantee's improvements and installations with the goal of efficiently and effectively locating Grantee's improvements and installations within the areas subject to this Easement where they would minimize their impact on Grantor's potential installation of improvements within the South Oxford Street right-of-way. Grantee, upon completion of its improvements and installations pursuant to this Easement, shall submit to Grantor as-built drawings of the improvements and installations showing the record drawing location of these improvements or installations.

7. Grantee is responsible for property damage or injury to or death of any person to the extent resulting from the negligence, omission, defect in design, maintenance or workmanship of Grantee, its agents, employees, contractors or subcontractors, in connection with the installation, maintenance, or location of improvements installed by Grantee within the areas subject to this Easement. To the extent permitted by law, Grantor is responsible for property damage or injury to or death of any person to the extent resulting from the negligence, omission, defect in design, maintenance or workmanship of Grantor, its agents, employees, contractors or subcontractors, in connection with the installation, maintenance, or location of improvements installed by Grantor within the areas subject to this Easement.

8. Grantee, during the term of this Easement, agrees to procure or cause to be procured from a responsible insurance carrier or carriers, authorized under the laws of the State of North Carolina, commercial general liability insurance in the minimum amounts of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the

annual aggregate covering Grantee's legal liability for personal injury, property damage, or wrongful death caused by Grantee's construction, maintenance or repair of improvements or installations pursuant to this Easement. Grantee shall furnish Grantor a certificate of insurance within a reasonable time after execution of this Easement and within a reasonable time after such coverage is renewed or replaced. Notwithstanding anything to the contrary herein, Grantee may self-insure the required amount of coverage in its sole discretion as part of a deductible or self-insured retention program.

9. As of the date of recordation of this Easement, Grantor has procured from a responsible insurance carrier or carriers authorized under the laws of the State of North Carolina, [add description of City's insurance]. Notwithstanding anything to the contrary, Grantor may elect, in its sole discretion, to change its insurance or not purchase insurance.

10. This Easement shall be perpetual, shall run with the land, and as applicable shall be binding upon and shall inure to the benefit of Grantor and Grantee and the owners of the respective properties or any portion thereof, and their respective successors and assigns.

IN WITNESS WHEREOF, this Easement has been duly executed by Grantor on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**City of Claremont**

[SEAL]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Mayor

Attest:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Clerk

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I, the undersigned Notary Public of the County and State aforesaid, certify that \_\_\_\_\_ personally came before me this day and acknowledged that she/he is the City Clerk of the City of Claremont, a North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal, and attested by her/him as its City Clerk.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

[NOTARIAL SEAL]

\_\_\_\_\_  
NOTARY PUBLIC  
Print or type name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, this Easement has been duly executed by Grantee on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**Apple Inc.**

By: \_\_\_\_\_ [Seal]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of aforesaid County and State, do hereby certify that the following person(s) personally appeared before me this day and acknowledged the due execution of the foregoing instrument in the capacity indicated therein:

\_\_\_\_\_, as \_\_\_\_\_ President of **Apple Inc.**, a California corporation

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

[NOTARIAL SEAL]

\_\_\_\_\_  
NOTARY PUBLIC  
Print or type name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approve Resolution 09-14 Debt Setoff Program**

The North Carolina League of Municipalities Debt Setoff Program operates under NCGS 105-A and allows Cities to collect any debts that are over 60 days delinquent and at least \$50 at no cost. These debts are held out of Dept of Revenue payments at no cost to the City. This program is for any fee that the City may charge is a s great way for the City to recover delinquent payments at no charge.

**Recommendation: Approve Resolution 09-14**



**CITY OF CLAREMONT  
NORTH CAROLINA**

**RESOLUTION # 09-14**

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**A RESOLUTION AUTHORIZING THE CITY OF CLAREMONT TO  
PARTICIPATE IN THE NC LOCAL GOVERNMENT DEBT SETOFF  
PROGRAM**

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**WHEREAS**, NCGS Chapter 105A, Setoff Debt Collection Act, authorizes the North Carolina Department of Revenue to cooperate in identifying debtors who owe money to qualifying local agencies and who are due refunds from the Department of Revenue ; and

**WHEREAS**, the law authorizes the setting off of certain debts owed to qualifying local agencies against tax refunds; and

**WHEREAS**, the North Carolina Association of County Commissioners and the North Carolina League of Municipalities have jointly established a clearinghouse to submit debts on behalf of the Local Agency of the City of Claremont as defined in NCGS 105a-2(6), effective January 1, 2006 and thereafter as provided by law;

**NOW, THEREFORE, BE IT RESOLVED BY THE CLAREMONT CITY COUNCIL**, that the Local Agency will participate in the debt setoff program and hereby designates Finance Officer Stephanie Corn as the person to hold hearings and conduct necessary proceedings. The Mayor and City Manager are herby authorized to execute such documents and agreements as necessary to participate in the debt setoff program.

Adopted this 6<sup>th</sup> day of October 2014.

\_\_\_\_\_  
Shawn R. Brown , Mayor

ATTEST:

\_\_\_\_\_  
Doug Barrick  
City Clerk

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approve Memorandum of Understanding with the Debt Setoff Program**

The North Carolina League of Municipalities Debt Setoff Program operates under NCGS 105-A and allows Cities to collect any debts that are over 60 days delinquent and at least \$50 at no cost. These debts are held out of Dept of Revenue payments at no cost to the City. This program is for any fee that the City may charge is a s great way for the City to recover delinquent payments at no charge.

**Recommendation: Approve Agreement**

**Memorandum of Understanding and Agreement  
NC Local Government Debt Setoff Clearinghouse Program**

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between the \_\_\_\_\_ (“CLAIMANT AGENCY”) and the North Carolina League of Municipalities and the North Carolina Association of County Commissioners acting as the North Carolina Local Government Debt Setoff Clearinghouse (“CLEARINGHOUSE”)

**RECITALS**

WHEREAS, the Setoff Debt Collection Act, (“ACT”), Article 1 of Chapter 105A-2(A) of the North Carolina General Statutes, authorized the North Carolina Department of Revenue (“DEPARTMENT”), and claimant agencies to cooperate in identifying debtors who owe money to the State or to a qualifying local agency and who qualify for State income tax refunds; and established procedures for setting off against any refund the sum of any debt owed to the State or local government; and

WHEREAS, pursuant to NCGS 105A-3, CLEARINGHOUSE has registered with DEPARTMENT to submit delinquent debts on behalf of a local agency and has thereby become authorized to submit delinquent debts on behalf of a local agency under the ACT; and

WHEREAS, CLAIMANT AGENCY is a local agency authorized to submit a debt owed to it pursuant to the ACT; and

WHEREAS, CLAIMANT AGENCY desires to enter into this agreement with CLEARINGHOUSE in order to participate under the Setoff Debt Collection Act to increase the collection rate of delinquent debts owed to CLAIMANT AGENCY; and

WHEREAS, CLEARINGHOUSE has agreed to submit delinquent debts on behalf of CLAIMANT AGENCY.

NOW THEREFORE, in consideration of the mutual covenants and agreements, terms and conditions contained herein, CLAIMANT AGENCY and CLEARINGHOUSE mutually agree as follows:

**I. TERM/TERMINATION**

This memorandum of understanding and agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon 90 days written notice to the other party. Upon termination of this agreement all sums due and owing from either party to the other shall remain a lawful obligation of the party and be due and payable. CLEARINGHOUSE will erase all claimant data files from its debt setoff system upon termination.

## II. REPRESENTATIONS AND OBLIGATIONS OF CLAIMANT AGENCY

A. CLAIMANT AGENCY hereby designates, appoints, and authorizes CLEARINGHOUSE to process delinquent debts to be submitted to Department. For purposes of the Debt Setoff Clearinghouse Program, "DELINQUENT DEBT" is defined to mean:

- (i) a single account or monetary obligation which is at least \$50 owed by a debtor to a claimant agency; or,
- (ii) a group of accounts or single monetary obligations, each of which is less than \$50, that have been combined to total at least \$50, owed by the same debtor to a claimant agency; or,
- (iii) a combination of two or more accounts or monetary obligations, one of which is at least \$50 and the remainder of which when added together equal less than \$50, owed by the same debtor to a claimant agency.

Each account or monetary obligation may have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for the sum. However, Housing Authorities' debts must have been reduced to final judgment by the courts in order to be subject to setoff. To become a delinquent debt a period of 60 days must have elapsed between the time CLAIMANT AGENCY declares all of the applicable accounts or monetary obligations delinquent and the date the delinquent debt is submitted to CLEARINGHOUSE for collection.

B. CLAIMANT AGENCY shall comply with the provisions of the ACT prior to the submission of a debt to CLEARINGHOUSE for setoff and shall provide CLEARINGHOUSE the date of compliance with its debt submission file.

C. CLAIMANT AGENCY shall, upon execution of this agreement file a "participation form" with CLEARINGHOUSE designating a debt setoff coordinator and a debt setoff contact. Such participation form shall be updated on an annual basis and at any time there is a change in the information provided thereon. CLEARINGHOUSE shall administratively provide participation forms, as needed, for use by CLAIMANT AGENCY. The debt setoff coordinator shall be the designated local government employee authorized to receive notices and communication from CLEARINGHOUSE to insure that the requirements of this agreement and the requirements of the Act are met. The debt setoff coordinator shall supply CLEARINGHOUSE with any and all information that in the opinion of CLEARINGHOUSE is necessary for the proper implementation of this agreement. The debt setoff contact will receive all referrals from debtors.

D. CLAIMANT AGENCY shall use a file specified by CLEARINGHOUSE to prepare "debt files" and adjustments to debt files that CLAIMANT AGENCY certifies to CLEARINGHOUSE are owed to CLAIMANT AGENCY and that CLAIMANT AGENCY desires to have CLEARINGHOUSE submit to DEPARTMENT for setoff as shown on a document to be administratively supplied by CLEARINGHOUSE entitled "File Layouts for Submission of Debts from CLAIMANT AGENCY to CLEARINGHOUSE." If, in the opinion of CLEARINGHOUSE, changes to the file format are necessary to carry out this program, CLEARINGHOUSE shall timely

notify the CLAIMANT AGENCY. The CLAIMANT AGENCY covenants and agrees that it shall immediately implement any changes required by CLEARINGHOUSE. Data file structure will mirror requirements of DEPARTMENT but may include other fields such as date of debt cancellation. CLEARINGHOUSE will organize capability of date and time stamping debt for priority setting.

- E. CLAIMANT AGENCY shall transmit a debt file to CLEARINGHOUSE in a method and format acceptable to CLEARINGHOUSE. CLAIMANT AGENCY may choose one of three methods for data transmission: (1) customized software application provided by CLEARINGHOUSE; (2) file transfer protocol; and (3) hardcopy documents (hardcopy will require payment of costs of data entry services).
- F. CLAIMANT AGENCY shall comply with the notice and hearing procedures set forth in G.S. 105A-5 prior to the submission of a debt file to CLEARINGHOUSE. Debt files must be received on or before Friday at 5:00 p.m. in order to be included in the following week's submissions by CLEARINGHOUSE to DEPARTMENT.
- G. CLAIMANT AGENCY shall, after a debt file has been submitted to CLEARINGHOUSE, advise CLEARINGHOUSE of any debtor repayment or protests and instructions to delete or reduce a delinquent debt by submitting a new debt file by close of business on the day the repayment or protest and instructions to delete or reduce a delinquent debt is received.

### **III. REPRESENTATIONS AND OBLIGATIONS OF CLEARINGHOUSE**

- A. CLEARINGHOUSE shall, upon receipt of CLAIMANT AGENCY'S debt file, compile the information and submit the data to the DEPARTMENT on Monday of each week.
- B. CLEARINGHOUSE shall remit to the CLAIMANT AGENCY funds received from DEPARTMENT within a reasonable time from the date of receipt from DEPARTMENT. Thereafter, CLEARINGHOUSE shall provide the CLAIMANT AGENCY an accounting of funds collected which will include the name of the debtor, the debtor's social security number, and the amount of the debt setoff as shown on the "File Layout for Submission of Debts from CLAIMANT AGENCY to CLEARINGHOUSE."
- C. CLEARINGHOUSE will provide CLAIMANT AGENCY an entity version of the application software system, which will allow CLAIMANT AGENCY to do its own in-house data entry for transfer to CLEARINGHOUSE. CLEARINGHOUSE will provide free upgrades of the application software periodically, as needed. The entity version of the application system will provide both a comprehensive online help system and a written Installation/Set-up user's guide. A Pentium class computer with Windows 95 or above is required by CLAIMANT AGENCY using the application software system.
- D. CLEARINGHOUSE will provide a licensed copy of PKWARE'S PKZIP to CLAIMANT AGENCY. This software provides for compression and encryption for the security of the data to be sent to CLEARINGHOUSE. CLEARINGHOUSE will

also compress and encrypt the data using PKZIP before returning the data to CLAIMANT AGENCY.

- E. CLEARINGHOUSE will provide a toll free telephone number for use by CLAIMANT AGENCY to receive technical support and provide information on the use of software applications and the processing of debts for submission to DEPARTMENT. Technical support and information shall be available from 8:00 a.m. until 5:00 p.m. EST, Monday through Friday, excluding holidays. Voice mail and e-mail access shall also be provided as a part of the support/information response system.
- F. CLEARINGHOUSE will provide, at no cost to CLAIMANT AGENCY, technical support to CLAIMANT AGENCY, including site visits when advisable or appropriate. CLEARINGHOUSE will provide a first-level of support by telephone to attempt to diagnose the problems. However, if first-level support is unsuccessful, an on-site visit will be made within four (4) business days.
- G. CLEARINGHOUSE will provide, at no cost to CLAIMANT AGENCY, a training seminar of one to two days each year for CLAIMANT AGENCY'S staff on the use of the debt setoff application system.

#### **IV. UNDERSTANDING OF PARTIES**

- A. To recover the costs incurred by DEPARTMENT in collecting debts, it imposes a collection assistance fee on each debt collected through setoff. DEPARTMENT must collect this fee as part of the debt and retain it. To recover the costs incurred by claimant agencies in submitting debts for collection, a local collection assistance fee of \$15 dollars is imposed on each delinquent debt submitted to DEPARTMENT and collected through set off. DEPARTMENT must collect this fee as part of the debt and remit it to CLEARINGHOUSE. If CLAIMANT AGENCY is due a refund of more than \$50 dollars, DEPARTMENT sets the tax refund off in the amount of the delinquent debt plus its collection assistance fees and the local collection assistance fee. If DEPARTMENT is able to collect only part of a debt through setoff, its collection assistance fee has priority over the local collection assistance fee and over the remainder of the delinquent debt. The local collection assistance fee has priority over the remainder of the delinquent debt.
- B. DEPARTMENT has priority over all other claimant agencies whenever it is a competing agency for a refund. State agencies have priority over local agencies. When multiple claims among local agencies are submitted for setoff to CLEARINGHOUSE, the claims have priority based on the date and time each local agency requested CLEARINGHOUSE to submit debts on its behalf. The date and time of submission of the debt file shall constitute the date and time to establish the priority. CLEARINGHOUSE shall use submission receipt date and time of original file for priority date and time of specific debt. Additions to a delinquent debt through accrued interest and/or penalties will not change the priority date. Any "new" delinquent debt for same CLAIMANT AGENCY will have a new submission date and time, including new debts for a previously submitted debtor. A delinquent debt submitted to CLEARINGHOUSE that has been reduced, by setoff or otherwise, to an

amount of less than \$50 may lose its existing priority. If such delinquent debt is thereafter combined with a future delinquent debt submission for the same debtor and thereby becomes eligible for setoff, it shall be treated as a part of the “new” debt and shall be assigned priority based on the future submission. If such delinquent debt, through the addition of interest or penalties, is thereafter increased to an amount of at least \$50 and thereby becomes eligible for set off, such debt shall retain its original priority.

- C. CLEARINGHOUSE shall not accept a debt file that is not prepared as specified by CLEARINGHOUSE or where a period of 60 days has not elapsed between the time the CLAIMANT AGENCY declares the debt delinquent and the date the delinquent debt is submitted to CLEARINGHOUSE for collection. CLEARINGHOUSE agrees to submit delinquent debts to Department; provided, however the CLAIMANT AGENCY is solely responsible for complying with the ACT, specifically including the notice and hearing provisions and other requirements of the act.
- D. The CLAIMANT AGENCY acknowledges that CLAIMANT AGENCY is responsible for the notice and hearing requirements of the ACT. CLAIMANT AGENCY affirms to CLEARINGHOUSE that it will comply with the ACT, specifically including the notice and hearing provisions required by the ACT prior to the submission of a delinquent debt to CLEARINGHOUSE for setoff.
- E. Successful interception funds will be disbursed through Capital Management of the Carolinas (Capital Management), the agency that oversees administration of the North Carolina Capital Management Trust. CLAIMANT AGENCY shall have an account with Capital Management prior to the submission of a delinquent debt to CLEARINGHOUSE and shall retain said account for as long as this agreement shall be in full force and effect.

## **V. COMPENSATION**

- A. CLEARINGHOUSE shall receive as compensation for its services the \$15 local collection assistance fee that is imposed by DEPARTMENT on each delinquent debt that is submitted by CLEARINGHOUSE and collected through a successful interception. “SUCCESSFUL INTERCEPTION” is defined to mean the DEPARTMENT matched all or a portion of a debt submitted by CLEARINGHOUSE against a State tax refund for interception and payment towards a delinquent debt owed to CLAIMANT AGENCY.
- B. CLAIMANT AGENCY, by the execution of this agreement, authorizes CLEARINGHOUSE to retain the \$15 local collection assistance fee imposed on each delinquent debt for each successful interception. CLAIMANT AGENCY further authorizes CLEARINGHOUSE to retain the local collection assistance fee collected by it in the event CLAIMANT AGENCY is required, by statute or otherwise, to return to a debtor funds that have been set off by DEPARTMENT.
- C. CLAIMANT AGENCY may not combine individual delinquent debts of at least \$50 each by delinquent debtor name and social security number for submission to CLEARINGHOUSE. Multiple debts of less than \$50 owned by the same debtor to a

claimant agency, and one debt of less than \$50 and a debt of at least \$50 may be combined to meet the \$50 threshold and thereby constitute a delinquent debt which may be submitted to CLEARINGHOUSE.

- D. Existing submitted delinquent debts may be adjusted upwards for interest, fees etc., and will retain their original priority order, but not a later new delinquent debt, even if from the same debtor. New debts will be date stamped by CLEARINGHOUSE with the later submission date.
- E. In the event of partial payment of a delinquent debt, the CLAIMANT AGENCY may continue to submit the balance of the debt, if \$50 or more, as a part of subsequent data files. If the delinquent debt is reduced to an amount of less than \$50, it may be combined with a future delinquent debt submission for the same debtor, and will be treated as a part of the “new” delinquent debt for purposes of priority and imposition of the local collection assistance fee.

**VI. INDEMNIFICATION/REIMBURSEMENT**

CLAIMANT AGENCY fully understands and warrants to CLEARINGHOUSE that by submission of any delinquent debt submitted to CLEARINGHOUSE for setoff CLAIMANT AGENCY has complied with all of the provisions of the ACT and this agreement. The CLAIMANT AGENCY shall hold CLEARINGHOUSE free and harmless and shall indemnify CLEARINGHOUSE against any and all damages, claims, of action, injuries, actions, liability, or proceedings arising from the failure of CLAIMANT AGENCY to so perform. CLAIMANT AGENCY shall be responsible for the repayment of any sums received by it, including interest, penalties and court costs, to a debtor in the event a court of competent jurisdiction rules that said repayment is due to a debtor or debtors.

**VII. NOTICE**

Any notice required to be given under this Agreement shall be sent by certified or registered mail postage prepaid to:

\_\_\_\_\_ (debt setoff coordinator)  
\_\_\_\_\_ (local agency)  
\_\_\_\_\_ (local agency address);  
and to: NCLM, 308 West Jones Street, Raleigh, NC 27603 and NCACC, 215 North Dawson Street, Raleigh, NC 27603, in the case of CLEARINGHOUSE.

**VIII. ASSIGNMENT**

This Agreement is not assignable by either party.

**IX. CONFIDENTIAL INFORMATION**

In the course of performance of this Agreement, the parties may find it necessary to disclose to the other party certain confidential information (“Confidential Information”). Confidential Information includes, but is not limited to, information relating to the

parties' employees, trade secrets, customers, vendors, finances, operations, products, and other business information. Except as otherwise provided by law, the following terms apply to Confidential Information: (i) the non-disclosing party shall treat as confidential and use the same degree of care as it employs in the protection of its own similar confidential information, but in no event less than a reasonable degree of care; and, (ii) the non-disclosing party will only use the information in connection with its business dealings with the disclosing party, and shall disclose information only to employees or contractors having a need to know and who agree to be bound by the terms of this Section, unless otherwise authorized in writing by the disclosing party. Information shall not be subject to these terms if: (i) it is in the public domain at the time of disclosure, or enters the public domain without breach of this Agreement; (ii) it is known to the non-disclosing party prior to the disclosure, or it is independently developed by the non-disclosing party; (iii) it is obtained by non-disclosing party in good faith from a third party not under obligation of secrecy to the disclosing party; or, (iv) it is the subject of a court or government agency order to disclose, provided the non-disclosing party gives prompt notice to the disclosing party to allow the disclosing party to contest such order. The obligations set forth in this Section survive termination, rescission, non-renewal or expiration of this Agreement.

All information, including but not limited to printed, written, oral or computer-formatted information, which CLEARINGHOUSE may gain access to during the course of the performance of this Agreement shall be the property of CLAIMANT AGENCY, shall be held in the strictest confidence, and shall be used solely for the business purposes that are the subject of this Agreement. CLEARINGHOUSE shall maintain confidentiality of such information not only during the course of the performance of this Agreement, but following its termination.

## **X. MISCELLANEOUS**

- A. This Agreement represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.
- B. The laws of the State of North Carolina shall govern the terms and conditions of this Agreement. Should any dispute arise between the parties concerning any matter under this Agreement, such disputes shall be submitted to binding arbitration before the American Arbitration Association, in accordance with applicable rules.
- C. CLAIMANT AGENCY shall enter into no other contract for similar services with any other entity so long as this Agreement remains in effect.
- D. The CLAIMANT AGENCY shall be identified and contacted as follows:
  - Type of Agency (Check appropriate type)
    - A County, to the extent it is not considered a State agency
    - A municipality
    - A Water & Sewer Authority (created under Article 1 of Chapter 162A) (Attorney for CLAIMANT AGENCY MUST complete and include Attachment I – Local Agency Certification)
    - A regional joint agency created by interlocal agreement (created under Article 20 of Chapter 160A) between two or more counties, cities, or both. (Attorney for CLAIMANT AGENCY MUST complete and include Attachment I – Local Agency Certification)

- A public health authority created under Article 2, Part B of Chapter 130A of the General Statutes.
- A metropolitan sewerage district created under Article 5 of Chapter 162A of the General Statutes.
- A sanitary district created under Article 2, Part 2 of Chapter 130A of the General Statutes.
- A housing authority created under Chapter 157 of the General Statutes, provided that the debt owed to a housing authority has been reduced to a final judgment in favor of the housing authority.
- A regional solid waste management authority created under Article 22 of Chapter 153A of the General Statutes.

Name of Agency: \_\_\_\_\_

Director/Chief Exec Officer, etc.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written, all by authority of their respective governing bodies.

\_\_\_\_\_  
(Local Agency)

**NORTH CAROLINA LOCAL GOVERNMENT  
DEBT SETOFF CLEARINGHOUSE**

By: \_\_\_\_\_  
(Authorized Official)

By: \_\_\_\_\_  
Paul A. Meyer, Executive Director  
NC League of Municipalities

ATTEST: \_\_\_\_\_  
(Clerk)

By: \_\_\_\_\_  
David F. Thompson, Executive Director  
NC Association of County Commissioners

(SEAL)

This instrument has been pre-audited  
in the manner required by the Local  
Government Budget and Fiscal Control Act.

\_\_\_\_\_  
(Signature of Finance Officer)

**REQUEST FOR COUNCIL ACTION**

Date of Meeting: **October 6 2014**

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approve Contract with Lail Builders for Police Station Phase III**

The City has worked with Lail Builders to value engineer the building and renovation project at the Police Station. The original bid was \$211,623 and through discussions this price has been reduced to \$156,490. This reduction in costs will not sacrifice the intentions of the project and the resulting construction will still be of upmost quality.

The City has originally budgeted \$75,000 in the current year's budget for construction and targeted \$25,000 in the coming year's budget for equipment. It would be my recommendation to increase the allocation of Utility Franchise taxes to \$285,000 increasing the revenues by \$66,984 for the current year and to appropriate the remaining \$48,016 in Fund Balance at an upcoming meeting. Our Fund Balance is healthy and can afford this utilization rather than delays or use of debt service.

**Recommendation:** Approve Contract

Original Bid	\$211,623.00
Contingency	\$27,603.00
Value Engineering	\$27,530.00
	\$156,490.00

**Value Engineering**

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Door Key System	\$12,300.00
Sealed Concrete	\$3,200.00
Metal Studs	\$1,750.00
On-Site Supervisor	\$4,000.00
Toilet Room Remove Some Tile	\$1,380.00
Window in locker room	\$400.00
Pex	\$300.00
Insulated Pipe	\$1,100.00
Performance Bond	\$2,100.00
HVAC Round duct	\$1,000.00
Total Value Engineering	\$27,530.00



# AIA<sup>®</sup> Document A101<sup>™</sup> – 2007

## **Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum**

**AGREEMENT** made as of the First                      day of October  
in the year Two thousand and fourtee  
*(In words, indicate day, month and year.)*

**BETWEEN** the Owner:  
*(Name, legal status, address and other information)*

City of Claremont, NC  
3301 East Main St.  
Claremont, NC 28610

and the Contractor:  
*(Name, legal status, address and other information)*

Lail Builders, Inc.  
4930 Carolina Mill Rd.  
Hickory, NC 28602

for the following Project:  
*(Name, location and detailed description)*

Claremont Police Department, Interior Renovations  
Claremont, NC

The Architect:  
*(Name, legal status, address and other information)*

Abee Architecture, PA  
PO Box 2008  
Hickory, NC 28603

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201<sup>™</sup>-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

## TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	THE WORK OF THIS CONTRACT
3	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
4	CONTRACT SUM
5	PAYMENTS
6	DISPUTE RESOLUTION
7	TERMINATION OR SUSPENSION
8	MISCELLANEOUS PROVISIONS
9	ENUMERATION OF CONTRACT DOCUMENTS
10	INSURANCE AND BONDS

### ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

### ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

### ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

*(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)*

Upon written Notice to Proceed

If, prior to the commencement of the Work, the Owner requires time to file mortgages and other security interests, the Owner's time requirement shall be as follows:

N/A

§ 3.2 The Contract Time shall be measured from the date of commencement.

Init.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than N/A ( N/A ) days from the date of commencement, or as follows:  
*(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)*  
 N/A

**Portion of the Work**  
 N/A

**Substantial Completion Date**  
 N/A

, subject to adjustments of this Contract Time as provided in the Contract Documents.  
*(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)*  
 N/A

**ARTICLE 4 CONTRACT SUM**

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor’s performance of the Contract. The Contract Sum shall be  
 One hundred and fifty six thousand four hundred and ninety Dollars  
 (\$ 156,490.00 ), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:  
*(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)*  
 No alternates were accepted.

§ 4.3 Unit prices, if any:  
*(Identify and state the unit price; state quantity limitations, if any, to which the unit price will be applicable.)*

Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

**§ 4.4** Allowances included in the Contract Sum, if any:  
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price (\$0.00)
Door Hardware Allowance	\$8,300.00
Carpet Tile Allowance	\$1,650.00
Toilet Accessory Allowance	\$1,100.00

## ARTICLE 5 PAYMENTS

### § 5.1 PROGRESS PAYMENTS

**§ 5.1.1** Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

**§ 5.1.2** The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

N/A

**§ 5.1.3** Provided that an Application for Payment is received by the Architect not later than the twenty fifth day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the tenth day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than fifteen ( 15 ) days after the Architect receives the Application for Payment.  
(Federal, state or local laws may require payment within a certain period of time.)

**§ 5.1.4** Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

**§ 5.1.5** Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

**§ 5.1.6** Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of Five percent ( 5 %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201™–2007, General Conditions of the Contract for Construction;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of Five percent ( 5 %);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201–2007.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and  
*(Section 9.8.5 of AIA Document A201–2007 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)*
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201–2007.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

*(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)*

N/A

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

## § 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201–2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

N/A

## ARTICLE 6 DISPUTE RESOLUTION

### § 6.1 INITIAL DECISION MAKER

The Architect will serve as Initial Decision Maker pursuant to Section 15.2 of AIA Document A201–2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as Initial Decision Maker.

*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

N/A

## § 6.2 BINDING DISPUTE RESOLUTION

For any Claim subject to, but not resolved by, mediation pursuant to Section 15.3 of AIA Document A201–2007, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

- Arbitration pursuant to Section 15.4 of AIA Document A201–2007
- Litigation in a court of competent jurisdiction
- Other: *(Specify)*  
N/A

## ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2007.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007.

## ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. *(Insert rate of interest agreed upon, if any.)*

N/A

§ 8.3 The Owner's representative:  
*(Name, address and other information)*  
Doug Barrick  
3301 East Main St.  
Claremont, NC 28610

§ 8.4 The Contractor's representative:  
*(Name, address and other information)*  
Joe Hartman  
4930 Carolina Mill Rd.  
Hickory, NC 28602

§ 8.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

**§ 8.6 Other provisions:**

Value engineering items agreed upon:

Delete Card key system

Seal concrete in lieu of stain

Metal Studs in lieu of wood

Delete requirement for on site supervisor

Remove portion of tile in shower room

Delete window in locker room

Use Pex pipe in lieu of copper

Delete plumbing pipe insulation

Delete Performance Bond

Use round HVAC duct in lieu of square

**ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS**

**§ 9.1** The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

**§ 9.1.1** The Agreement is this executed AIA Document A101–2007, Standard Form of Agreement Between Owner and Contractor.

**§ 9.1.2** The General Conditions are AIA Document A201–2007, General Conditions of the Contract for Construction.

**§ 9.1.3** The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
N/A	N/A	N/A	N/A

**§ 9.1.4** The Specifications:

*(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

The Specifications Manual titled Renovations to Claremont Police Department Building and dated July 2014 shall be considered a part of the contract documents

Section	Title	Date	Pages
N/A	N/A	N/A	N/A

Init.

**§ 9.1.5 The Drawings:**

*(Either list the Drawings here or refer to an exhibit attached to this Agreement.)*

The drawings dated 07/09/2014 and revised on 07/23/2014 including the following pages, C1,A1-A6, A6.1,A7,A8, P1.0, P1.1, P2.0, M1, M1.1, M2.0, ES1.0, E1.0, E2.0, E3.0, shall be considered part of the contract documents.

Number	Title	Date
N/A	N/A	N/A

**§ 9.1.6 The Addenda, if any:**

Number	Date	Pages
Addenda #'s 1-6 are acknowledged as part of the contract documents	N/A	N/A

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

**§ 9.1.7 Additional documents, if any, forming part of the Contract Documents:**

.1 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:  
N/A

.2 Other documents, if any, listed below:

*(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2007 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor’s bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)*

N/A

**ARTICLE 10 INSURANCE AND BONDS**

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201-2007.

*(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)*

**Type of Insurance or Bond**  
N/A

**Limit of Liability or Bond Amount (\$0.00)**  
N/A

This Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER** *(Signature)*

\_\_\_\_\_  
**CONTRACTOR** *(Signature)*

\_\_\_\_\_  
*(Printed name and title)*

\_\_\_\_\_  
Joseph Hartman, Vice President  
*(Printed name and title)*

**REQUEST FOR COUNCIL ACTION**

Date of Meeting:

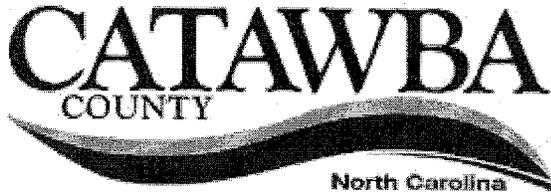
**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Approve the relocation of the November 3, 2014 City Council Meeting**

The Catawba County Board of Elections will be using the Council Chambers for the General Election Voting on November 4, 2014. In order to prepare for the elections, their staff will be setting up the voting machines on the evening of November 3, 2014. In the past the Council has relocated the meeting in lieu of rescheduling the meeting. In keeping with our rotations to departments the Claremont Fire Department Training Room will play host to the November meeting this year.

**Recommendation:** Approve Location Change



## Board of Elections

PO Box 132  
100-A Southwest Boulevard  
Telephone: 828-464-2424  
Fax: 828-464-9832  
[www.catawbacountync.gov/elections](http://www.catawbacountync.gov/elections)

September 2, 2014

Claremont City Hall  
C/O City Of Claremont  
PO Box 446  
Claremont, NC 28610

To: Claremont City Hall  
Precinct: #6 Claremont  
From: Amanda Duncan, Director  
Subject: Use of your Facilities for the November 4th, 2014 Election

Thank you for allowing us to use your facility for the Primary and 2<sup>nd</sup> Primary. On November 4<sup>th</sup>, 2014 we will be conducting a General Election in Catawba County. Again, we are requesting the use of your facilities.

AAA Moving Company will deliver on Monday the 3<sup>rd</sup>, and pick equipment up on Wednesday the 5<sup>th</sup>. Our precinct workers will set up the equipment on Monday, November 3<sup>rd</sup>. On the day of the election, they are required to report by 6 am and the precinct will be open for voters at 6:30 am and close at 7:30 pm. The judges should be completed with their work around 9 pm.

The Chief Judge will be notified to contact your facility, as in the past, to make arrangements for access to your building.

Thank you for allowing us to use your facilities. If you should have any problems or concerns, please contact our office or the Chief Judge on Election Day.

**Department, Committee & Manager Reports**

Date of Meeting: October 6, 2014

**To:** Mayor and the City Council

**From:** Doug Barrick, City Manager

**Action Requested: Allow Departments, Committees & Manager to report on monthly activities and take questions.**

**Item 9**

- A. Quarterly Financial Report
- B. Department Dashboard Report
- C. Parks & Recreation Committee

**Item 10**

City Managers Report

**Recommendation: Take Reports**

# Quarterly Financial Report Fiscal Year 2014- 2015

## GENERAL FUND REVENUE

1st Quarter

October 2014

	2014-2015 Budget	2014-2015 Actual	% Collected To Budgeted
Property Taxes(Current & Prior Year)	\$1,941,039	\$570,359	29.38%
Utility Franchise	\$225,200	\$73,736	32.74%
Sales Tax	\$259,100	\$63,920	24.67%
State Shared Revenues	\$32,650	\$8,633	26.44%
Fees	\$38,850	\$7,828	20.15%
Miscellaneous	\$23,301	\$22,997	98.70%
Occupancy	\$4,000	\$0	0.00%
Investments & Grants	\$600	\$62	10.39%
<b>Total To Date</b>	<b>\$2,524,740</b>	<b>\$747,535</b>	<b>27.83%</b>
Fund Balance Approp.	\$161,806	\$0	0.00%
Total Budget	\$2,686,546	\$747,535	

## GENERAL FUND EXPENDITURES

	2014-2015 Budget	2014-2015 Actual	% Expenses To Budget
City Council	\$65,120	\$17,930	27.53%
Administration	\$501,543	\$130,040	25.93%
Library	\$23,100	\$2,873	12.44%
Planning	\$29,300	\$7,194	24.55%
Police	\$874,398	\$216,585	24.77%
Fire	\$372,213	\$87,251	23.44%
Public Works	\$588,387	\$124,028	21.08%
Recreation	\$84,966	\$16,412	19.32%
Debt Service	\$147,520	\$0	0.00%
Transfer to other funds			
<b>Total To Date</b>	<b>\$2,686,547</b>	<b>\$602,313</b>	<b>22.42%</b>

**Revenues over(under) expenditures \$145,222**

# Quarterly Financial Report Fiscal Year 2014- 2015

## WATER/SEWER REVENUE

1st Quarter

October 2014

### CURRENT YEAR

	2014-2015 Budget	2014-2015 Actual	% Collected To Budgeted
Water & Sewer Sales	\$1,071,257	\$277,750	25.93%
Taps & Connections	\$8,500	\$100	1.18%
Utility Penalties	\$7,500	\$2,800	37.33%
Sprinkler Fees	\$24,250	\$12,850	52.99%
Reconnect Fees	\$2,000	\$1,290	64.50%
Lease Revenues	\$25,800	\$4,305	16.69%
Grants	\$0	\$0	0.00%
Miscellaneous & Investments	\$1,200	\$100	8.33%
Appropriated Fund Balance	\$0	\$0	0.00%
<b>Total</b>	<b>\$1,140,507</b>	<b>\$299,195</b>	<b>26.23%</b>

## WATER/SEWER EXPENSES

### CURRENT YEAR

	2014-2015 Budget	2014-2015 Actual	% Expenses To Budget
Water Treatment	\$283,071	\$32,163	11.36%
Water Maintenance	\$144,500	\$42,809	29.63%
Sewer Treatment	\$588,586	\$132,805	22.56%
Sewer Maintenance	\$124,350	\$16,947	13.63%
Debt Service	\$0	\$0	0.00%
<b>Total To Date</b>	<b>\$1,140,507</b>	<b>\$224,724</b>	<b>19.70%</b>

**Revenue over (under) expenses** **\$74,471**

# Claremont September 2014 Dashboard Report

Police Dept.			Fire Dept.			Financials		
	<b>Month</b>	<b>YTD</b>		<b>Month</b>	<b>YTD</b>		<b>% In</b>	<b>% Out</b>
Calls Answered	796	6575	Calls for Service	44	256	General Fund	28%	22%
Citations Served	127	921	Working Fires	1	37	Enterprise Fund	26%	20%
Warnings	89	578	Training Hours	572	2953			
Number of Arrests	8	65	Prevention Programs	8	120	<b>Rescue Squad</b>		
Accidents	4	66	False Alarms	1	24		<b>Month</b>	<b>YTD</b>
Warrants	9	78	EMS Calls	6	55	Calls for Service	38	730
Open Cases	6	42				Training Hours	40	733
Other Activities & Announcements			Other Activities & Announcements			Other Activities & Announcements		
Lt. Long & Officer Russell attended a Cold Case Homicide School. Lt. Long will be attending NCSU LEEP			Reminder that October 5-11th is Fire Prevention, The Fire welcomes visitors that week at the Station and reminds you to check your smoke alarms.			Mutual Aid Call with Alexander Rescue for a trench rescue. The Auxiliary will be selling food at Claremont Daze. We are running a TR Class at Base 1.		
Public Works			Utility Dept.			Planning & Zoning Dept.		
	<b>Month</b>	<b>YTD</b>		<b>Month</b>	<b>YTD</b>		<b>Month</b>	<b>YTD</b>
Vehicles Serviced	14	79	Water Turned Off	22	102	Zoning Permits	2	29
Recycling Tonnage	8.67	44.47	Water Taps	0	9	Residential Permits	2	15
Solid Waste Tonnage	34.31	275.04	Water Purchased	7,931,640	65,109,640	Commercial Permits	0	9
Street Lights Replaced	4	52	Water Sold	7,800,628	57,528,126	Enforcement Cases	11	51
Work Orders	43	320	McLin WWTP Avg.	157,000	160,125	Planning Board Work	2	20
Sewer Line Jetted	1,125	13,007	North WWTP Avg.	76,000	74,250	Safety Permits	0	7
Other Activities & Announcements			Other Activities & Announcements			Other Activities & Announcements		
Worked with NCDOT to repave N. Lookout Street & Repair handicap ramps at both Lookout & Main and Depot & Main. Training a new Equipment operator			Installed 960 Feet of 12 Inch Waterline on BGA drive to service the Shell Building Project. 720 of 826 AMR Meters Installed to Date			Oxford Crossing pre construction meeting with anticipated construction in spring of 2015. Land Development Plan update underway		



**Location: Claremont Park**

**Date: Oct. 25<sup>th</sup> 2014**

**Time: 4:00 pm - 8:00 pm**

**FREE Inflatible Rides for the Kids**

**Time: 7:00 pm - 11:00 pm**

**Haunted Park & Hay Rides**

**Date: Oct. 26<sup>th</sup> 2014**

**Time: 7:00 pm - 10:00 pm**

**Haunted Park & Hay Rides**

**Free Admission For All**



## City of Claremont Fiscal Year 2015 Resolution Index

### Resolutions

Number	Title	Meeting Date
01-14	Appreance Committee Appointment	July 7, 2014
02-14	Carolina Thread Trail Grant Support	July 7, 2014
03-14	Exchange Land Rights (Apple)	July 7, 2014
04-14	Surplus Property	July 7, 2014
05-14	Exchange Land Rights Amendment (03-14)	August 4, 2014
06-14	Sufficiency of Annex (14-02)	August 4, 2014
07-14	Public Hearing Annex (BGA) (14-02)	August 4, 2014
08-14	Surplus Property (Cozzen Gun)	August 4, 2014
09-14	Debt Set Off Collections	October 6, 2014



**City of Claremont**  
**Fiscal Year 2015**  
**Ordinance Index**

**Ordinances**

<b>Number</b>	<b>Title</b>	<b>Meeting Date</b>
01-14	Budget Ordinance (FD & AED)	July 7, 2014
02-14	Animal Control Updates	August 4, 2014
03-14	Budget Amendment (Various/FEMA)	September 8, 2014
04-14	US 70 Speed Limits	September 8, 2014
05-14	Annexation 14-02 BGA Drive	September 8, 2014
06-14	C-5195 Capital Project Fund	September 8, 2014
07-14	Development Agreement with Apple Inc.	September 8, 2014