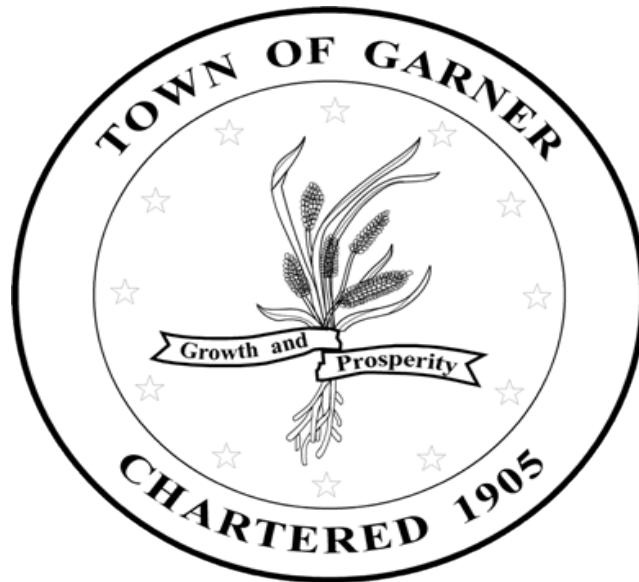


TOWN OF GARNER



TOWN COUNCIL MEETING

March 5, 2018
7:00 P.M.

Garner Town Hall
900 7th Avenue
Garner, NC 27529

**Town of Garner
Town Council Agenda
March 5, 2018**

Dinner will be served for town officials in the Conference Room at 6:15 p.m.

The Council will meet in regular session at 7:00 p.m. in the Garner Town Hall located at 900 7th Avenue.

- A. CALL MEETING TO ORDER/ROLL CALL: Mayor Ronnie Williams

The Council will call for a brief recess at 9:00 p.m.

- B. PLEDGE OF ALLEGIANCE: Mayor Pro Tem Marshburn

- C. INVOCATION: Mayor Pro Tem Marshburn

- D. PETITIONS AND COMMENTS

This portion of the meeting is to receive comments from the public on items not included in this agenda. Citizens should sign up with the Town Clerk to speak prior to the start of the meeting. The Board is interested in hearing your concerns, but may not take action or deliberate on subject matter brought up during the Petitions and Comments segment. Topics requiring further investigation will be referred to the appropriate town officials or staff and may be scheduled for a future agenda.

- E. ADOPTION OF AGENDA

- F. PRESENTATIONS

- G. CONSENT

All items on the Consent Agenda are considered routine, to be enacted by one motion and without discussion. If a member of the governing body requests discussion of an item, the item will be removed from the Consent Agenda and considered separately.

- 1. Council Meeting Minutes Page 4
Presenter: Stella Gibson, Town Clerk

Adopt minutes from the January 30, 2018 Work Session and the February 20, 2018 Regular Meeting.

Action: Adopt Minutes

2. Investment Policy Update Page 14
Presenter: Pam Wortham, Finance Director

At the February 20th Council meeting, Craig Robinson from PFM presented some recommended changes to the Investment Policy. These changes also include administrative clean-up due to personnel changes.

Action: Approve Revised Investment Policy

3. Thompson Road Sidewalk Grading Page 36
Presenter: Tony Chalk, Town Engineer

The Engineering Department was asked to solicit bids to reduce the steepness of the slopes at 803 and 835 Thompson Road. After review of the bids, staff recommends award of this contract to WE Garrison.

Action: Authorize Contract Execution

4. Temporary Construction Easements on Avery Street & Curtiss Drive Page 38
Presenter: William E. Anderson, Town Attorney

This Resolution of Intent is to acquire temporary construction easements needed for the construction of a sidewalk on Avery Street and Curtiss Drive, by negotiated purchase if possible or by eminent domain if necessary.

Action: Adopt Resolution (2018) 2346

H. PUBLIC HEARINGS

1. Conditional Use Permit CUP-SP-17-28, McDonald's @ McCullers Page 46
Presenter: Alison Jones, Planner II

Request for conditional use site plan approval for a restaurant. This project is a complete tear down of the existing McDonald's and gas canopy. The re-build will consist solely of a stand-alone McDonald's restaurant (no gas).

Action: Approve CUP-SP-17-28

I. NEW/OLD BUSINESS

1. Revenue Savings Plan Policy Update Page 55
Presenter: Pam Wortham, Finance Director

The Revenue Savings Plan Policy establishes a portion of the annual revenue stream to assist in meeting the Town’s annual debt service for future capital improvements. Proposed changes to the policy will simplify the current method of calculation.

Action: Approve Revised Revenue Savings Plan Policy

2. Financing Contract Page 64
Presenter: Pam Wortham, Finance Director

In response to the RFQ issued by Davenport & Company on behalf of the Town, sixteen bids were received to secure a direct bank loan for financing various vehicles and equipment purchases for the FY2017/18 budget year. Davenport is recommending award of this loan to KS Bank.

Action: Approve Financing Contract

J. COMMITTEE REPORTS

K. MANAGER REPORTS

1. garner info

L. ATTORNEY REPORTS

M. COUNCIL REPORTS

N. CLOSED SESSION

Pursuant to N.C. General Statutes Section 143-318.11(a)(5) “to discuss possible real estate acquisition and the Town’s negotiating position regarding such real estate.”

O. ADJOURNMENT

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Council Meeting Minutes		
Location on Agenda: Consent		
Department: Administration		
Contact: Stella Gibson, Town Clerk		
Presenter: Stella Gibson, Town Clerk		
Brief Summary: Adopt minutes from the January 30, 2018 Work Session and the February 20, 2018 Regular Meeting.		
Recommended Motion and/or Requested Action: Adopt Minutes		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	SG	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

**Garner Town Council
Council Work Session Minutes
January 30, 2018**

The Council met in a Work Session at 6:00 p.m. on Tuesday, January 30, 2018 in the Town Hall Council Chambers located at 900 7th Avenue.

CALL MEETING TO ORDER/ROLL CALL

Present: Mayor Ronnie Williams, Mayor Pro Tem Ken Marshburn, Council Member Kathy Behringer, Council Member Buck Kennedy, Council Member Gra Singleton and Council Member Jackie Johns.

Staff Present: Rodney Dickerson-Town Manager, Matt Roylance-Asst. Town Manager-Operations, John Hodges-Asst. Town Manager- Development Services, Pam Wortham-Finance Director, Rick Mercier-Communication Manager, Joe Stallings-Economic Development Director, Mike Franks-Budget & Special Projects Manager, Lori Smith-Police Captain, BD Sechler-HR Director, Sonya Shaw-PRCR Director, Rob Smith-Asst. PRCR Director, Marcelle Williams-Recreation Program Supervisor, Jack Baldwin-Center & Program Manager, Thad Anderson-Interim Town Attorney, and Rebecca Schlichter-Deputy Town Clerk.

Also Present: Parks and Recreation Advisory Board Members, Lisa Sullivan, Ernestine Durham, Darlene Duncan, and Althea Boone

Mr. Dickerson introduced the new Budget & Special Projects Manager, Mike Franks.

ADOPTION OF AGENDA

Mayor Pro Tem Marshburn requested to add a closed session concerning a personnel issue.

Motion: Marshburn
Second: Singleton
Vote: Unanimous

REPORTS/DISCUSSION

Health Benefits Overview

Presenter: BD Sechler, Human Resources Director

Mr. Sechler introduced John Gasiorowski & Paul Sydor from Independent Benefit Advisors who presented a health care update.

Affordable Care Act

- Regulations continue to drive costs up
- Estimated increase of 2.7% in 2018 for the Health Insurance Tax (HIT) to subsidize the federal and state ACA Insurance Exchanges

Pharmacy Benefits

- Generally, pharmacy cost consumes 25% of the total cost of health care.
- Garner's FY16/17 pharmacy cost was 23% of the total cost of health care.

- Expensive new “Specialty” and “Biologic” drugs:
Example: Hepatitis C drug is \$90,000 - \$125,000 per person

Strategies to Manage Medical Cost – Value Based Care

- Accountable Care Organizations (ACO)
Outcomes based medical care by providers that are incentivized by their contracts to enhance quality of care and coordinate care
- Addressing the health and wellness of employees
Incentivizing healthy lifestyle changes and preventive care compliance with differential employee paycheck deduction for health insurance

Insurance Carrier Options

- Aetna
- BCBSNC
- Cigna
- United Healthcare
- Other

Insurance Carrier Relationships

- Over the last 5 years, the health insurance carriers are looking for 3-5 year relationships with employers
- Insurance carriers do not want to submit proposals to employers that have terminated relationships less than 3 years long

Autonomy of Town of Garner’s Health Insurance Plan

- Control Your Destiny
Fully-Insured Financial Arrangement
Self-Funding Financial Arrangement
- Partial Control
NC League of Municipalities
- No Control
State Health Plan

Renewal Projection Format in the Health Insurance Industry

- Town of Garner’s projected renewal costs are based on the amount of claims paid by the health insurance carriers, previously BCBSNC and currently Aetna.
- The Town’s claims in FY15/16 and FY16/17 far exceeded the premiums paid for the health insurance causing loss ratios of approximately 130% for FY15/16 and 116% for FY16/17.
- Insurance carriers consider 78% - 82% a tolerable loss ratio.
- Insurance carriers increase health insurance premiums when actual loss ratios exceed tolerable loss ratios.
BCBSNC issued a 44% rate increase for FY16/17
Aetna’s proposal was better with a 30% renewal for FY16/17
Aetna’s issued a 38% rate increase for FY17/18

(For FY17/18, the Town switched to Aetna's ACO with a 19% increase to avoid the 38% increase on the Aetna PPO.)

Timeline for Upcoming Health/Benefits Related Items

- Recommendations to Town Manager on Comprehensive Benefits Survey – Late February
- Aetna Initial Renewal due to Town - Mid/late-March
- Comprehensive Benefits Survey Presentation to Council – Mid-March
- Final Decision on FY18/19 Health Care – Mid-April
- Deadline for Staff to Complete Health Risk Assessment Questionnaire – April 20th
- Open Enrollment – May
- FY 18/19 Health Plan & Rates Effective – July 1

New Recreation Center Operational Plan

Presenter: Sonya Shaw, PRCR Director

Ms. Shaw introduced the members of the Advisory Board present and then gave a presentation on the Garner Recreation Plan.

Guiding Principles

- Relocating current programming from WCPSS to Town facilities
- Maximizing use of new facility to expand programs and leagues
- Increasing hours of public access
- Hosting tournaments

Ms. Shaw also stated this plan incorporates the input of PRCR staff and Advisory Committee and examines the following:

- Industry Trends
- Current Operating Model (Garner)
- Operational Hours
- Access Fees
- Public Access
- Programming
- Weekend Tournaments
- Staffing

Council Member Singleton requested that the weekday hours be consistent throughout the week and recommended installing new lighting at Avery Street with savings from delay in construction of Recreation Center.

COUNCIL REPORTS

Behringer

- Requested an update on the business storing granite slabs on Garner Road and if they were in compliance.

- Reported that the depot had been hit by a truck this weekend. The building inspector was looking at the depot today to see if the damage will have an effect on the moving the depot. Ms. Behringer would like the Town to expedite the move.

Singleton

- Reported that Weston Road needs to be milled and repaired.
- Requested an update on New Bethel Church Road Bridge replacement. Mr. Hodges reported that the TIP date was pushed out.

Johns

- Requested that Hwy 50 bridge be repaired while we wait for new bridge.

Kennedy

- Reported that truckloads of dirt have been delivered to property on Highway 50.
- Asked where are the Town’s biggest challenges when it comes to hiring? Mr. Dickerson reported we have an offer out for a senior planner, we have a planner 1 position open and the inspection position has received a limited applicant pool.

MANAGER REPORTS

- Updated Council on the status of Meadowbrook. The septic distribution field needs to be replaced and staff is currently getting estimates.
- Ribbon cutting for YMCA is scheduled for February 20th at 11:00 a.m.

CLOSED SESSION

Pursuant to N.C. General Statutes 143-318.11(a)(6) to discuss the qualifications, competence, performance, character, fitness, or conditions of appointment of an individual public officer or employee.

Pursuant to N.C. General Statutes 143-318.11(a)(4) to discuss economic development.

ADJOURNMENT:

Motion: Kennedy
 Second: Marshburn
 Vote: Unanimous

RETURN TO REGULAR SESSION AND ADJOURNMENT: 9:22 P.M.

**Town of Garner
Town Council Meeting Minutes
February 20, 2018**

The Council met in regular session at 7:00 p.m. in the Garner Town Hall located at 900 7th Avenue.

CALL MEETING TO ORDER/ROLL CALL: Mayor Ronnie Williams

Mayor Ronnie Williams, Mayor Pro Tem Ken Marshburn, Council Member Kathy Behringer, Council Member Jackie Johns, Council Member Buck Kennedy, and Council Member Gra Singleton (arrived at 7:33 p.m.)

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager-Development Services, Matt Roynance-Asst. Town Manager-Operations, Jeff Triezenberg-Planning Director, David Bamford-Planning Services Manager, Jonathan Ham-Asst. Planning Director, Tony Chalk-Town Engineer, Het Patel-Senior Planner-Transportation & Land Use, Brandon Zuidema-Police Chief, William E. Anderson-Town Attorney, and Stella Gibson-Town Clerk

Also Present: Sam Bridges-Lobbyist

PLEDGE OF ALLEGIANCE: Council Member Buck Kennedy invited members of Boy Scout Troop 391 to lead the pledge of allegiance.

INVOCATION: Council Member Buck Kennedy

PETITIONS AND COMMENTS

ADOPTION OF AGENDA

Motion: Marshburn
Second: Johns
Vote: Unanimous

PRESENTATIONS

Introduction of Miss Garner and Miss Garner Outstanding Teen
Presenter: Harold Garner, Executive Director of Miss Garner Pageant Association

Mr. Garner introduced Miss Garner, Kaylee Spruille and Miss Garner Outstanding Teen, Madison Walker.

Update of Investment Portfolio

Presenter: Craig Robinson, PFM

Mr. Robinson presented an update of the Town's investment portfolio as of the end of December 2017 and recommendations for changes to the current investment policy.

CONSENT

Council Meeting Minutes

Presenter: Stella Gibson, Town Clerk

Adopt minutes from the November 28, 2017, December 19, 2017, January 2, 2018, January 16, 2018 and February 5, 2018 Council Meetings and Closed Session minutes from December 19, 2017 and February 5, 2018.

Action: Adopt Minutes

Stop and Yield Conditions for Oak Park Subdivision

Presenter: Tony Chalk, Town Engineer

The Engineering Department is recommending approval of six (6) stop conditions and two (2) yield conditions within the Oak Park Subdivision to serve as basic traffic control measures.

Action: Approve Stop and Yield Conditions

Stop Conditions for Clifford Grove Subdivision

Presenter: Tony Chalk, Town Engineer

The Engineering Department is recommending approval of three (3) stop conditions within the Clifford Grove Subdivision to serve as basic traffic control measures.

Action: Approve Stop Conditions

Motion: Marshburn
Second: Johns
Vote: Unanimous

PUBLIC HEARINGS

NEW/OLD BUSINESS

Design Services for White Oak, Ackerman, and Hebron Church Road Intersection Improvements Project

Presenter: Het Patel, Senior Planner

Mr. Patel presented the Town's staff report for the White Oak Road, Ackerman Road, and Hebron Church Road Intersection Improvements Project. Improvements in this area will help alleviate the congestion and increase safety.

Action: Authorize Execution of Contract

Motion: Kennedy
Second: Behringer
Vote: Unanimous

ETJ Removal Request – Jack Parker Properties

Presenter: David Bamford, Planning Services Manager

Mr. Bamford explained 19.6-acres owned by Jack Parker Properties NC, LLC was de-annexed by action of the General Assembly on June 30, 2017 (Session Law 2017-76 (Senate Bill 105)). While the site was removed from the municipal corporate limits, it was not also removed from Garner's zoning and ETJ jurisdiction.

Action: Adopt Resolution (2018) 2345

Motion: Marshburn
Second: Singleton
Vote: Unanimous

Additional Design Services for New Rand Road Sidewalk

Presenter: Tony Chalk, Town Engineer

Mr. Chalk stated Kimley-Horn amended their design services agreement with the Town to design a sidewalk crossing over the railroad at New Rand and the installation of curb and gutter and sidewalk along Garner Road to connect to the sidewalk system.

Action: Authorize Contract Amendment

Motion: Singleton
Second: Kennedy
Vote: Unanimous

Sewer Project Award for US 70 to White Oak Creek Outfall

Presenter: Jonathan Ham, Asst. Town Engineer

Mr. Ham presented a recommendation to award the US 70 to White Oak Creek Outfall Sewer Project to The Wooten Company. Engineering services provided by The Wooten Company under this contract includes survey, design and supplemental construction contract administration/auditing services.

Action: Authorize Execution of Agreement

Motion: Marshburn
Second: Behringer
Vote: Unanimous

Introduction of FY 2018-19 Budget Process

Presenter: Mike Franks, Budget & Special Projects Manager

Mr. Franks reviewed the FY 2018/19 budget process, reviewed key dates in the process, and the Town Manager's priorities for developing the recommended budget.

Action: Discussion only; no action required

COMMITTEE REPORTS

Council Member Kennedy reported that he and Mayor Pro Tem Marshburn attended a meeting with the GVFR to discuss a Memorandum of Understanding relating to the possible merger of GVFR and the Town. The next committee meeting will be held on March 19.

LOBBYIST REPORT

Mr. Bridges provided an update on the redistricting of the House and Senate districts.

MANAGER REPORTS

- garner info
- Finance Report
- Building & Permit Report
- Future Development Projects Report
- New Guide to Garner available
- NCDOT seeking comments regarding the NC50 bridge replacement – staff will follow-up with the design team to request alternate configurations that would allow better access to area businesses.
- Garner 101 – March 1
- TCC Coffee Chat – March 7
- Additional grading for Thompson Road sidewalk – cost estimate for this project is \$15,225
- Pancake Breakfast – Schedule for March
- Chamber of Commerce Reverse Raffle & Toast of the Town – March 2
- YMCA ribbon cutting on February 22
- Cost estimates for improvements at Meadowbrook total \$29,000. This item will be placed on the February Work Session agenda for discussion.
- Information on relocating the Historic Depot was distributed to Council for discussion at a March meeting.

ATTORNEY REPORTS

Mr. Anderson requested to add a closed session pursuant to N.C. General Statutes 143-318.11(a)(5)) “to discuss possible real estate acquisition and the Town’s negotiating position regarding such real estate.”

COUNCIL REPORTS

Marshburn & Johns

- Had nothing new to report that was not included in the Manager’s Report.

Behringer

- Reported trash along East Garner Road and Jones Sausage Road from the Hwy 40 overpass around the railroad tracks to the White Oak area.
- Spoke with NCDOT Deputy District Engineer regarding the dedicated turn lane and striping on Creech Road.

Singleton

- Asked if staff had monitored the morning and afternoon school traffic at the Creech Road intersection. Mr. Chalk advised this request was forwarded to the NCDOT District Office and they are looking into.
- Asked for a status on improving the paving in front of the YMCA. Mr. Chalk responded that this issue not on the NCDOT punch list of items needing work. However, Mr. Dickerson reported it to YMCA staff a couple of weeks ago.

Kennedy

- Asked about the possibility of re-instating an Appearance Committee.

Williams

- Asked if the Town could provide any assistance to the Bellarose Assisted Living Facility in obtaining authorization for offsite signage (which is prohibited in the Town's Code of Ordinances). Mr. Triezenberg is working with Bellarose and the adjoining property owner to facilitate a resolution.

CLOSED SESSION

Pursuant to N.C. General Statutes Section 143-318.11(a)(3) "to consult with the Town Attorney regarding litigation."

RETURN TO REGULAR SESSION AND ADJOURNMENT: 10:49 p.m.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Investment Policy Update		
Location on Agenda: Consent		
Department: Finance		
Contact: Pam Wortham, Finance Director		
Presenter: Pam Wortham, Finance Director		
Brief Summary: At the February 20th Council meeting, Craig Robinson from PFM presented some recommended changes to the Investment Policy. We are bringing this back for approval. These changes include some administrative clean-up due to personnel changes since it was originally adopted.		
Recommended Motion and/or Requested Action: Approve Revised Investment Policy		
Detailed Notes:		
Funding Source: N/A		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	PW	
Finance Director:	PW	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

FINANCE DEPARTMENT MEMORANDUM

TO: RODNEY DICKERSON, TOWN MANAGER
FROM: PAM WORTHAM, FINANCE DIRECTOR
SUBJECT: INVESTMENT POLICY UPDATE
DATE: FEBRUARY 27, 2018

At the February 20, 2018, Council meeting, Craig Robinson from PFM presented a recommendation to make changes to our Investment Policy as it relates to our portfolio diversification. Our current policy states that for Municipal Obligations, Commercial Paper, and Bankers' Acceptances, we would not exceed 25% of our portfolio's assets to any one of those categories. The recommendation is to move that limit down to 15% in each. We currently have approximately 7% in Commercial Paper, and we do not have any exposure to either of the other categories. This change has no impact on our current strategy or practice. This change can be found in Item H, Portfolio Diversification, under Sector Limit, on Page 6 of the policy document.

In addition to the change discussed above, I have included some housekeeping items to update names to reflect the changes since this was last adopted.

Please let me know if you have any questions. Thank you.



Town of Garner, North Carolina

Statement of Investment Policy

Pam Wortham, Finance Director

Adopted on: 03/05/2018

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GLOSSARY

INVESTMENT POLICY CHANGES

**Town of Garner, North Carolina
Department of Finance
Pam Wortham**

This Investment Policy has been established by the Town of Garner to ensure effective management of the day-to-day cash management and investment activity for the Town, and is designed to increase non-tax revenues by investing funds when not needed for current obligations.

The general custody of all funds requires the investment of those shall be in conformance with federal, North Carolina General Statute, and other legal requirements, including provisions of the North Carolina General Statutes, specifically the Local Government Budget and Fiscal Control Act, primarily NCGS 159-30, NCGS 159-31, NCGS 159-32, NCGS 159-33, and NCGS 159-33.1, and a comprehensive Investment Policy developed and maintained by the Town.

Questions or recommendations regarding these policies should be directed to the Finance Director who will consider the recommendations and implement any which she deems to be in the best interest of the Town.

Pam Wortham, Finance Director

TOWN OF GARNER, NORTH CAROLINA INVESTMENT POLICY

A. INTRODUCTION

The cash and investment functions of the Town of Garner, North Carolina (the “Town”) are administered by the finance director. It is the policy of the Town that the investment and administration of its funds be made in accordance with North Carolina General Statutes (“NCGS”), The Local Government Budget and Fiscal Control Act, primarily NCGS 159-30, 159-31, 159-32, 159-33, 159-33.1, and the applicable provisions of any outstanding bond indebtedness, and this Investment Policy (the “Policy”). The Town shall be in complete compliance with all applicable federal, state and local laws and other regulations and statutes governing the investment of public funds.

The purpose of this Policy is to set general guidelines for the investment of the Town’s funds.

B. SCOPE

This Investment Policy applies to the cash and investment activities of the Town, except for its petty cash accounts, debt funds, fiduciary funds, proceeds from certain bond issuances and other post-employment benefits funds. All financial assets of other funds, including the general fund, the capital project funds, the debt service funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of the Policy. For the purpose of this Policy, these funds are referred to as the “Investment Portfolio”.

The Town’s funds are accounted and reported in a series of accounts including the following:

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town’s expendable financial resources and the related liabilities (except those accounted for in the Proprietary Funds and similar trust funds) are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the Town’s governmental funds types:

- General Fund – The General Fund is the general operating fund and is used to account for all financial resources except those required to be accounted for in another fund.
- Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The Town has one Capital Projects Funds.

Although all these assets and fund types may be pooled for investment purposes, they may be segregated as necessary for accounting and budgetary reporting purposes.

C. OBJECTIVES

1. All investments and deposits shall be in compliance with federal, North Carolina, and other legal requirements, including provisions of North Carolina Statutes, specifically The Local Government Budget and Fiscal Control Act, primarily NCGS 159-30, 159-31, 159-32, 159-33, 159-33.1, and Trust Agreements, where applicable.
2. The cash management and investment activities of the Town shall be conducted in a manner which is consistent with prevailing prudent business practices which may be applied by other public organizations of similar size and financial resources.
3. All investments and deposits will be managed to accomplish the following fundamental goals:
 - **Safety of Principal** - The single most important objective of the investment program is the preservation of principal of those funds within the Investment Portfolio.
 - **Maintenance of Liquidity** - The Investment Portfolio will be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as to fund special projects and other operational requirements which are either known or which might reasonably be anticipated.
 - **Maximizing Return** - The Investment Portfolio shall be managed so as to maximize the return on investments within the context and parameters set forth by the safety and liquidity objectives above.

D. STANDARD OF PRUDENCE

All investments and deposits shall be in compliance with NCGS 159-30, 159-31, 159-32, 159-33, and 159-33.1. Public funds held and invested by the Town shall be held in trust for the citizens of the Town and any investment of such funds shall be made solely in the interest of the citizens of the Town and with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The finance director and the finance director designees, shall exercise due diligence, shall not be held personally responsible for a specific security's credit risk or market price change provided these deviations are reported by the finance director to the Town's stakeholders in a timely manner and that reasonable and prudent action is taken to control adverse developments.

E. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the

investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial and investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Town.

F. DELEGATION OF AUTHORITY

Authority to manage cash and the investment program is granted to the finance director and derived from NCGS 159-30, 159-31, 159-32, 159-33, and 159-33.1. The finance director shall act in accordance with established written procedures and internal controls for the management of cash and the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral and depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the finance director. The finance director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the investment activities.

G. AUTHORIZED INVESTMENTS

The finance director may invest in the following securities that are in compliance with the NCGS 159-30. The finance director, however, may impose additional requirements and restrictions in order to ensure that the Town's goals are met. Permitted Investments include:

1. **U.S. Treasury Obligations.** Bills, notes and any other obligation or security issued by or backed by the full faith and credit of the United States Treasury. The final maturity shall not exceed a period of three (3) years from the time of purchase.
2. **Federal Agency Obligations.** Securities issued by any federal government agency or instrumentality or government sponsored enterprise with a rating of at least "AA" (or its equivalent) by at least two NRSROs, one of which will be either Moody's Investors Services, Inc., or Standard & Poor's, Inc., and which otherwise meet the requirements of NCGS 159.30(c)(2). The final maturity shall not exceed a period of three (3) years from the time of purchase.
3. **Municipal Obligations.** Bonds, notes and other general obligations of the State of North Carolina and its agencies, authorities, and local government unit or public authority, subject to such restrictions the secretary of the Local Government Commission may impose, upon which there is no default, and provided that the issuer has a rating of at least "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. The final maturity shall not exceed three (3) years of the date of purchase.
4. **Commercial Paper.** "Prime quality" commercial paper, with a maturity of 270 days or less, bearing the highest rating of at least one nationally recognized statistical rating organization and not bearing a rating below the highest rating by

any nationally recognized statistical rating organization which rates the particular obligation.

5. **Banker's Acceptances.** Provided that the accepting bank or its holding company is either (1) incorporated in North Carolina or (2) has outstanding publicly held obligations bearing the highest rating by at least on nationally recognized statistical rating organization and not bearing a rating below the highest rating by any nationally recognized statistical rating organization which rates the particular obligations.
6. **Certificates of Deposit and Bank Deposit Notes.** Deposits at interest or savings certificates of deposit with any bank, savings and loan association or trust company in North Carolina, provided such deposits or certificates of deposit are fully insured by the Federal Deposit Insurance Corporation ("FDIC") or are fully collateralized.
7. **Money Market Mutual Funds (Open-Ended Investment Funds).** Participating shares in a mutual fund for local government investment (such as the North Carolina Capital Management Trust) certified by the Local Government Commission,
8. **Local Government Investment Pool (LGIP).** A commingled investment pool established and administered by the State Treasurer pursuant to NCGS 147-69.3,
9. **Inter-Local Government Investment Pool.** A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to G.S. 160A-460 through G.S. 160A-464, if the investments of the pool are limited to those qualifying for investment under this subsection (c), and
10. **Repurchase Agreements.** Direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if:
 - a. Such obligations that are subject to such repurchase agreement are delivered (in physical or in book entry form) to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a safekeeping receipt issued by a depository satisfactory to the local government or public authority, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current market value, calculated at least daily, of not less than one hundred percent (100%) of the repurchase price, and, provided further, that the financial institution serving either as trustee or as fiscal agent for the local government or public authority holding the obligations subject to the repurchase agreement hereunder or the depository issuing the safekeeping receipt shall not be the provider of the repurchase agreement;

- b. A valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedures, conforming, to the extent practicable, with federal regulations and satisfactory to the local government or public authority have been established for the benefit of the local government or public authority or its assignee;
- c. Such securities are free and clear of any adverse third party claims; and
- d. Such repurchase agreement is in a form satisfactory to the local government or public authority

H. PORTFOLIO DIVERSIFICATION

The Investment Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio permitted in each eligible security is as follows:

Permitted Investment	Sector Limit	Issuer Limit
U.S. Treasury Obligations	100%	100%
Federal Agency Obligations	100%	100%
Municipal Obligations	15%	5%
Commercial Paper	15%	5%
Bankers' Acceptances	15%	5%
Certificates of Deposit and Bank Deposit Notes	25%	5%
Money Market Mutual Funds	100%	100%
LGIP	100%	100%
Repurchase Agreements	50%	25%

I. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of the Town is essential. Accordingly, to the extent possible, the investment portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Whenever practical, selection of investment maturities will be consistent with the known cash requirements of the Town in order to minimize the forced sale of securities prior to maturity.

Unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than three years from the date of purchase or in accordance with state and local statutes and ordinances.

To manage the volatility of the Investment Portfolio, the finance director shall determine an appropriate duration or weighted average maturity (“WAM”) target for the Investment Portfolio or for any separate fund identified in section B. Scope.

J. SECURITY DOWNGRADES

In the event that any security held in the Investment Portfolio is downgraded below the required rating by any NRSRO, the finance director shall be notified immediately and shall make a determination on the security's disposition.

K. INVESTMENT OF BOND PROCEEDS

The Town intends to comply with all applicable sections of the Internal Revenue Code as it related to Arbitrage Rebate and the investment of bond proceeds. All investment records will be maintained to ensure compliance with all regulations.

L. COLLATERALIZATION OF BANK DEPOSITS

As required by NCGS 159-31(b) full collateralization will be required on all funds on deposit or deposited at interest. The Town shall utilize the pooling method of collateralization and shall use only banking institutions approved by the North Carolina Local Government Commission.

M. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

The finance director will maintain a list of financial institutions and depositories designated by Town Council pursuant to NCGS 159-31 to act as its official depositories and to provide banking services. In addition, a list will be maintained of security broker-dealers designated by Town Council to provide investment services.

All broker/dealers who desire to provide investment services to the Town will be provided with current copies of the Town's Investment Policy. Before an organization can provide investment services to the Town, it must confirm in writing that it has received and reviewed the Town's Investment Policy.

At the request of the finance director, broker/dealers will supply the Town with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information will be provided:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- 2) Proof of Financial Institution Regulatory Authority ("FINRA") certification
- 3) Proof of state registration
- 4) Completed broker-dealer questionnaire
- 5) Certification of having read and understood and agreeing to comply with the Town's investment policy
- 6) Evidence of adequate insurance coverage.
- 7) A sworn statement by an authorized representative of the broker/dealer pledging to adhere to "Capital Adequacy Standards" established by the Federal Reserve Bank and acknowledging the broker/dealer understands that the Town has relied upon this pledge;
- 8) any additional information requested by the finance director in evaluating the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for the Town:

- 1) “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of at least \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the Financial Institution Regulatory Authority (“FINRA”);
- 5) Registered to sell securities in the State of North Carolina; and
- 6) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

The Town shall designate broker/dealers on an annual basis. If an external third-party Investment Manager is engaged, the finance director may designate that Investment Manger to maintain a list of approved broker/dealers

An annual review of the financial condition and registration of all qualified financial institutions, depositories and broker-dealers will be conducted by the finance director.

N. ENGAGEMENT OF INVESTMENT MANAGERS

The finance director may engage one or more qualified firms to provide investment management services for the Town. All investment management firms who desire to provide investment services to the Town will be provided with current copies of the Town’s Investment Policy. Before an organization can provide investment services to the Town, it must confirm in writing that it has received and reviewed the Town’s Investment Policy.

Only firms meeting the following requirements will be eligible to serve as investment manager for the Town:

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to the Town an annual updated copy of Form ADV, Part II;
- 3) Must be registered to conduct business in the State of North Carolina; and
- 4) Must have proven experience in providing investment management services under NCGS 159-30.

Any firm engaged by the Town to provide investment services shall:

- 1) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the State of North Carolina;
- 2) Provide monthly reports of transactions and holdings to the finance director;
- 3) Provide quarterly performance reports that display investment performance in comparison to the Town’s investment benchmarks and which show that the manager has solicited at least three bids for any security purchased or sold on behalf of the Town; and
- 4) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to the Town.

O. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

All securities purchases and sales will be transacted only with designated broker/dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers, taking into consideration current market conditions. Electronic

bids will be accepted. The Town will accept the bid which, in the sole judgment of the finance director or his/her designee: (a) offers the highest rate of return within the maturity required; (b) optimizes the investment objective of the overall Investment Portfolio, including diversification requirements. When selling a security, the Town will select the bid that generates the highest sale price, consistent with the diversification requirements.

P. SAFEKEEPING AND CUSTODY

All investment securities purchased by the Town or held as collateral on deposits or investments shall be held by the Town or by a third-party custodial agent that may not otherwise be counterparty to the investment transaction. The custodian shall be a trust department with an account with a Federal Reserve Bank and authorized to act as trustee in North Carolina. The custodial agent shall annually provide a copy of its most recent reports issued in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16.

All securities in the Town's Investment Portfolio will be held in the name of the Town and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. The custodial agent shall issue a safekeeping receipt to the Town listing the specific instrument, rate, maturity, and other pertinent information. On a monthly basis, the custodial agent will provide reports that list all securities held for the Town, the book value of holdings, and the market value as of month-end.

The Town officials and representatives of the custodial agent responsible for, or in any manner involved with, the safekeeping and custody process of the Town shall be bonded in such a manner as to protect the Town from losses from malfeasance and misfeasance.

Confirming copies of all investment transactions must be delivered to the Town or its custodial agent.

Q. INTERNAL CONTROLS

The finance director shall establish a framework of internal controls governing the administration and management of the Town's Investment Portfolio. Such controls shall be designed to prevent and control losses of Town monies arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

Compliance should be assured through the annual independent audit of the Town.

R. RECORDS AND REPORTS

The finance director will review an investment report on at least a quarterly basis as provided by external and/or internal investment managers.

The finance director shall report to Town Council on a regular basis, as determined by the Town Council. The Town Council may require additional information or clarification from the finance director either orally or in writing.

The reports to the Town Council shall consist of a summary of cash and investments by depository and a listing of all investments that includes investment types, cost, market value, maturity date, yield and average portfolio yield. A report shall be prepared for each calendar month as of the last day of that month.

The finance director shall submit to the Local Government Commission the semiannual reports on status of deposits and investments, and reports of financial information in accordance with the requirements of NCGS 159-33 and NCGS 159-33.1.

S. PERFORMANCE STANDARDS

The Investment Portfolio will be managed in accordance with the parameters specified within this policy, and designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with the Town's investment risk and cash flow needs. The Town's portfolio management approach will be active, allowing periodic restructuring of the Investment Portfolio to take advantage of current and anticipated interest rate movements.

The returns on the Investment Portfolio will be compared to a series of appropriate benchmarks and shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased, the risks undertaken, and the benchmarks shall have a similar weighted average maturity as the Investment Portfolio. For funds having a weighted average maturity greater than 90 days, performance will be computed on a total return basis.

T. INVESTMENT POLICY ADOPTION

This policy and any amendments shall be formally approved and adopted by resolution of the Town Council. The finance director shall review the policy annually and bring any recommendation before the Town Council for consideration.

This policy is enacted by the Town of Garner, North Carolina this 5th day of March, 2018.

Rodney Dickerson, Town Manager

Stella Gibson, Town Clerk

Glossary of Terms

Bankers' Acceptance: a draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark: a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker: brings buyers and sellers together for a commission.

Certificate of Deposit (CD): a time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

Collateral: securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC regulation.

Debenture: a bond secured only by the general credit of the issuer.

Delivery versus Payment: delivery of securities with an exchange of money for the securities. (See also "Delivery versus Receipt")

Delivery versus Receipt: delivery of securities with an exchange of a signed receipt for the securities. Also known as "free" delivery. (See also "Delivery versus Payment)."

Diversification: allocation investment funds among a variety of securities offering independent returns.

Federal Agency: government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets, also referred to as Government Sponsored Enterprises or GSEs. The largest are Ginnie Mae, Fannie Mae, Freddie Mac, Federal Home Loan Banks, Federal Farm Credit Bank, Tennessee Valley Authority.

Federal Funds: funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate: the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open – market operations.

Liquidity: the ability of ease with which an asset can be converted into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be transacted at those quotes.

Market Value: the price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: the date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (the “SEC”) permits other financial firms to use for certain regulatory purposes. Several examples include Moody’s Investor Service, Standard & Poor’s and Fitch Ratings.

Portfolio: collection of securities held by an investor.

Primary Dealer: a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Rate of Return: the yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): a agreement under which the holder of securities sells these securities to an investor with a commitment to repurchase the securities at a fixed price on a fixed date. The security’s “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

Safekeeping: a service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank for protection.

SEC Rule 15C3-1: see “Uniform Net Capital Rule”.

Securities and Exchange Commission (“SEC”): agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds: long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: the rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

North Carolina General Statute
Sub-Chapter III. Budget and Fiscal Control
Article 3.
The Local Government Budget and Fiscal Control Act
Part 3. Fiscal Control

§ 159-30. Investment of idle funds

(a) A local government or public authority may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions the governing board may impose. The finance officer shall have the power to purchase, sell, and exchange securities on behalf of the governing board. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest in any bank, savings and loan association, or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Commission may approve. Investment deposits, including investment deposits of a mutual fund for local government investment established under subdivision (c)(8) of this section, shall be secured as provided in G.S. 159-31(b).

(b1) In addition to deposits authorized by subsection (b) of this section, the finance officer may deposit any portion of idle funds in accordance with all of the following conditions:

(1) The funds are initially deposited through a bank or savings and loan association that is an official depository and that is selected by the finance officer.

(2) The selected bank or savings and loan association arranges for the redeposit of funds in deposit accounts of the local government or public authority in one or more federally insured banks or savings and loan associations wherever located, provided that no funds shall be deposited in a bank or savings and loan association that at the time holds other deposits from the local government or public authority.

(3) The full amount of principal and any accrued interest of each deposit account are covered by federal deposit insurance.

(4) The selected bank or savings and loan association acts as custodian for the local government or public authority with respect to the deposit in the local government's or public authority's account.

(5) On the same date that the local government or public authority funds are redeposited, the selected bank or savings and loan association receives an amount of federally insured deposits from customers of other financial institutions wherever located equal to or greater than the amount of the funds invested by the local government or public authority through the selected bank or savings and loan association.

(c) Moneys may be invested in the following classes of securities, and no others:

(1) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.

(2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.

- (3) Obligations of the State of North Carolina.
- (4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose.
- (5) Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that G.S. 159-30 Page 2 any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized.
- (6) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation.
- (7) Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- (8) Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment.
- (9) A commingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- (10) A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to G.S. 160A-460 through G.S. 160A-464, if the investments of the pool are limited to those qualifying for investment under this subsection (c).
- (11) Evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian.
- (12) Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if:
 - a. Such obligations that are subject to such repurchase agreement are delivered (in physical or in book entry form) to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a G.S. 159-30 Page 3

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

b. A valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedures, conforming, to the extent practicable, with federal regulations and satisfactory to the local government or public authority have been established for the benefit of the local government or public authority or its assignee;

c. Such securities are free and clear of any adverse third party claims; and

d. Such repurchase agreement is in a form satisfactory to the local government or public authority.

(13) In connection with funds held by or on behalf of a local government or public authority, which funds are subject to the arbitrage and rebate provisions of the Internal Revenue Code of 1986, as amended, participating shares in tax-exempt mutual funds, to the extent such participation, in whole or in part, is not subject to such rebate provisions, and taxable mutual funds, to the extent such fund provides services in connection with the calculation of arbitrage rebate requirements under federal income tax law; provided, the investments of any such fund are limited to those bearing one of the two highest ratings of at least one nationally recognized rating service and not bearing a rating below one of the two highest ratings by any nationally recognized rating service which rates the particular fund.

(d) Investment securities may be bought, sold, and traded by private negotiation, and local governments and public authorities may pay all incidental costs thereof and all reasonable costs of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for keeping accurate investment accounts and records.

(e) Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.

(f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer.

(g) A local government, public authority, an entity eligible to participate in the Local Government Employee's Retirement System, or a local school administrative unit may make G.S. 159-30 Page 4 contributions to a Local Government Other Post-Employment Benefits Trust established pursuant to G.S. 159-30.1.

(h) A unit of local government employing local law enforcement officers may make contributions to the Local Government Law Enforcement Special Separation Allowance Fund established in G.S. 147-69.5. (1957, c. 864, s. 1; 1967, c. 798, ss. 1, 2; 1969, c. 862; 1971, c. 780, s. 1; 1973, c. 474, ss. 24, 25; 1975, c. 481; 1977, c. 575; 1979, c. 717, s. 2; 1981, c. 445, ss. 1-3; 1983, c. 158, ss. 1, 2; 1987, c. 672, s. 1; 1989, c. 76, s. 31; c. 751, s. 7(46); 1991 (Reg. Sess., 1992), c. 959, s. 77; c. 1007, s. 40; 1993, c. 553, s. 55; 2001-193, s. 16; 2001-487, s. 14(o); 2005-394, s. 2; 2007-384, ss. 4, 9; 2010-175, s. 1; 2013-305, s. 1.)

§ 159-31. Selection of depository; deposits to be secured.

(a) The governing board of each local government and public authority shall designate as its official depositories one or more banks, savings and loan associations, or trust companies in this State or, with the written permission of the secretary, a national bank located in another state. In addition, a unit or public authority, with the written permission of the secretary, may designate a state bank or trust company located in another state as an official depository for the purpose of acting as fiscal agent for the unit or public authority. The names and addresses of the depositories shall be reported to the secretary. It shall be unlawful for any public moneys to be deposited in any place, bank, or trust company other than an official depository, except as permitted by G.S. 159-30(b); however, public moneys may be deposited in official depositories in Negotiable Order of Withdrawal (NOW) accounts.

(b) The amount of funds on deposit in an official depository or deposited at interest pursuant to G.S. 159-30(b) shall be secured by deposit insurance, surety bonds, letters of credit issued by a Federal Home Loan Bank, or investment securities of such nature, in a sufficient amount to protect the local government or public authority on account of deposit of funds made therein, and in such manner, as may be prescribed by rule or regulation of the Local Government Commission. When deposits are secured in accordance with this subsection, no public officer or employee may be held liable for any losses sustained by a local government or public authority because of the default or insolvency of the depository. No security is required for the protection of funds remitted to and received by a bank, savings and loan association, or trust company acting as fiscal agent for the payment of principal and interest on bonds or notes, when the funds are remitted no more than 60 days prior to the maturity date. (1927, c. 146, s. 19; 1929, c. 37; 1931, c. 60, s. 32; c. 296, s. 7; 1935, c. 375, s. 1; 1939, c. 129, s. 1; c. 134; 1953, c. 675, s. 28; 1955, cc. 698, 724; 1971, c. 780, s. 1; 1973, c. 474, s. 26; 1979, c. 637, s. 1; 1981, c. 447, s. 2; 1983, c. 158, s. 3; 1999-74, s. 1.)

§ 159-32. Daily deposits.

Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys shall deposit his collections and receipts daily. If the governing board gives its approval, deposits shall be required only when the moneys on hand amount to as much as two hundred fifty dollars (\$250.00), but in any event a deposit shall be made on the last business day of the month. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any

officer or employee collecting or receiving taxes or other moneys, and may prescribe the form and detail of these accounts. The accounts of such an officer or employee shall be audited at least annually. (1927, c. 146, s. 19; 1929, c. 37; 1939, c. 134; 1955, cc. 698, 724; 1971, c. 780, s. 1; 1973, c. 474, s. 27.)

§ 159-33. Semiannual reports on status of deposits and investments.

Each officer having custody of any funds of any local government or public authority shall report to the secretary of the Local Government Commission on January 1 and July 1 of each year (or such other dates as he may prescribe) the amounts of funds then in his custody, the amounts of deposits of such funds in depositories, and a list of all investment securities and time deposits held by the local government or public authority. In like manner, each bank or trust company acting as the official depository of any unit of local government or public authority may be required to report to the secretary a description of the surety bonds or investment securities securing such public deposits. If the secretary finds at any time that any funds of any unit or authority are not properly deposited or secured, or are invested in securities not eligible for investment, he shall notify the officer or depository in charge of the funds of the failure to comply with law or applicable regulations of the Commission. Upon such notification, the officer or depository shall comply with the law or regulations within 30 days, except as to the sale of securities not eligible for investment which shall be sold within nine months at a price to be approved by the secretary. The Commission may extend the time for sale of ineligible securities, but no one extension may cover a period of more than one year. (1931, c. 60, s. 33; 1971, c. 780, s. 1; 1979, c. 637, s. 2.)

§ 159-33.1. Semiannual reports of financial information.

The finance officer of each unit and public authority shall submit to the secretary on January 1 and July 1 of each year (or such other dates as the secretary may prescribe) a statement of financial information concerning the unit or public authority. The secretary may prescribe the information to be included in the statement and may prescribe the form of the statement. (1973, c. 474, s. 28.)

Disclaimer: These statutes may not be the most recent version. North Carolina may have more current or accurate information, no warranties or guarantees about the accuracy, completeness, or adequacy of the information contained on above. Please check official sources.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Thompson Road Sidewalk Project Additional Grading		
Location on Agenda: Consent		
Department: Engineering		
Contact: Tony Chalk, Town Engineer		
Presenter: Tony Chalk, Town Engineer		
Brief Summary: Bids have been received to construct 4:1 slopes at the Spence and Johnson properties on Thompson Road		
Recommended Motion and/or Requested Action: Award bid to WE Garrison; Authorize Town Manager to Execute Contract		
Detailed Notes: See attached memo		
Funding Source: Street & Sidewalk Bond Funds		
Cost: \$15,225	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	TC	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

**Town of Garner
Engineering Department
Memorandum**

To: John Hodges
Assistant Town Manager

From: Tony Chalk PE PLS
Town Engineer

Date: January 30, 2018

Re: Additional grading for Thompson Road sidewalk

Engineering staff was asked to solicit bids to reduce the steepness of the slopes at 803 and 835 Thompson Road. Three quotes were received for this work and they are as follows:

Hollins Contracting	\$44,406.50
WE Garrison	\$15,225.00
JSK Contracting	\$18,200.00

Please note that this work does not extend the 18" corrugated metal pipe. The residents have indicated that they are willing to maintain the existing slopes directly around the pipe. Extending the pipe would require additional engineering and survey work thus increasing the costs.

If the Town Council so desires, I recommend awarding this work to WE Garrison.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Temporary Construction Easements on Avery Street & Curtiss Drive		
Location on Agenda: Consent		
Department: Administration		
Contact: William E. Anderson, Town Attorney		
Presenter: William E. Anderson, Town Attorney		
Brief Summary: This Resolution of Intent is to acquire temporary construction easements needed for the construction of a sidewalk on Avery Street and Curtiss Drive, by negotiated purchase if possible or by eminent domain if necessary.		
Recommended Motion and/or Requested Action: Adopt Resolution (2018) 2346		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	WEA	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

RESOLUTION NO. (2018) 2346

A RESOLUTION OF INTENT TO ACQUIRE TEMPORARY CONSTRUCTION
EASEMENTS NEEDED FOR CONSTRUCTION OF A SIDEWALK ON AVERY STREET
AND CURTISS DRIVE, BY NEGOTIATED PURCHASE IF POSSIBLE
OR BY EMINENT DOMAIN IF NECESSARY

WHEREAS, the Town Council of the Town of Garner is undertaking the construction of certain roadway and sidewalk improvements on Avery Street and Curtiss Drive; it is necessary and in the public interest to acquire the temporary construction easements described below, by negotiated purchase at the following prices if possible, or by eminent domain if necessary:

WHEREAS, if the Town has not acquired all necessary temporary construction easements by the date determined necessary by the Project Engineer and Town Attorney, the Town will acquire the remaining easements from the list set forth below by eminent domain, and the Town Attorney is authorized and directed to initiate such proceedings to acquire the following real property interest for the following purposes and compensation:

1. Property Address: 300 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 600 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711558121

Owner(s): Ebin H. & Margaret Wiley Willis Family Real Estate Holdings, LLC

Temporary Construction Easement: (600 sq. ft.) \$ 168.00

2. Property Address: 302 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 500 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711558290

Owner(s): Michelle A. Mangold

Temporary Construction Easement: (500 sq. ft.) \$ 140.00

3. Property Address: 304 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 400 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711559247

Owner(s): Roy Lee Godwin, Sr. & Anita Stubbs Godwin Revocable Living Trust

Temporary Construction Easement: (400 sq. ft.) \$ 112.00

4. Property Address: 306 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 410 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711559394

Owner(s): Hilbert A. & Mary P. Carter

Temporary Construction Easement: (410 sq. ft.) \$ 114.80

5. Property Address: 400 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 410 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711650430

Owner(s): Efrain & Maria S. Zavala

Temporary Construction Easement: (410 sq. ft.) \$ 114.80

6. Property Address: 402 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 425 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711650477

Owner(s): Matthew M. High

Temporary Construction Easement: (425 sq. ft.) \$ 119.00

7. Property Address: 404 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 430 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651525

Owner(s): Robert M. Genadio

Temporary Construction Easement: (430 sq. ft.) \$ 120.40

8. Property Address: 406 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 450 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651656

Owner(s): Denise L. Pearce & Gary E. Post, Jr.

Temporary Construction Easement: (450 sq. ft.) \$ 126.00

9. Property Address: 408 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 400 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651756

Owner(s): Benjamin Moody:

Temporary Construction Easement: (400 sq. ft.) \$ 112.00

10. Property Address: 410 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 410 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651854

Owner(s): Harry D. & Mildred Wall

Temporary Construction Easement: (410 sq. ft.) \$ 114.80

11. Property Address: 412 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 400 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651951

Owner(s): Tina M. Alexander & David E. Hickman II

Temporary Construction Easement: (400 sq. ft.) \$ 112.00

12. Property Address: 414 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 400 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711651959

Owner(s): Curtis G. & Teresa S. Woods

Temporary Construction Easement: (400 sq. ft.) \$ 112.00

13. Property Address: 416 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 400 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711661057

Owner(s): Michael Colombo

Temporary Construction Easement: (400 sq. ft.) \$ 112.00

14. Property Address: 418 Avery Street, Garner, NC 27529

To acquire a temporary construction easement consisting of 575 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711661148

Owner(s): George D. & Evelyn B. Hartman

Temporary Construction Easement: (575 sq. ft.) \$ 161.00

15. Property Address: 701 Curtiss Drive, Garner, NC 27529

To acquire a temporary construction easement consisting of 1,200 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711569168

Owner(s): Willie L. Ruffin

Temporary Construction Easement: (1,200 sq. ft.) \$ 336.00

16. Property Address: 703 Curtiss Drive, Garner, NC 27529

To acquire a temporary construction easement consisting of 900 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711568177

Owner(s): Nancy Carol Chestnut

Temporary Construction Easement: (900 sq. ft.) \$ 252.00

17. Property Address: 705 Curtiss Drive, Garner, NC 27529

To acquire a temporary construction easement consisting of 1,200 square feet as shown on easement survey by MUNICIPAL ENGINEERING SERVICES COMPANY, P.A. entitled AVERY STREET AND CURTISS DRIVE SIDEWALK CONSTRUCTION on file at the Garner Town Hall;

PIN #: 1711567168

Owner(s): Kelly S. Putnam

Temporary Construction Easement: (1,200 sq. ft.) \$ 336.00

THIS RESOLUTION. adopted this 5th day of March, 2018.

Ronnie S. Williams, Mayor

ATTEST: _____
Stella L. Gibson, Town Clerk

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: CUP-SP-17-28 McDonalds @ McCullers		
Location on Agenda: Public Hearings		
Department: Planning		
Contact: Alison Jones, Planner II		
Presenter: Alison Jones, Planner II		
Brief Summary: Eagle Engineering, Inc. is requesting conditional use site plan approval for a restaurant at 7991 Fayetteville Road.		
Recommended Motion and/or Requested Action: See Section VI of Staff Report for Council Motion Worksheet to Approve or Deny CUP.		
Detailed Notes: This project is a complete tear down of the existing McDonald's and gas canopy. The re-build will consist solely of a stand alone McDonald's restaurant (no gas). Due to the removal of the gas station, this project is considered a change of use, and all new uses are required to receive a Conditional Use Permit from the Town Council as a result of the existing Conditional Use Zoning District in which the property is located.		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	JT	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Planning Department Memorandum

TO: Mayor and Town Council

FROM: Alison Jones, Planner II

SUBJECT: *Conditional Use Site Plan Request CUP-SP-17-28, McCullers McDonalds*

DATE: March 5, 2018

I. PROJECT AT A GLANCE

Project Number: CUP-SP-17-28, McCullers McDonalds

Applicant: Frank Gray III

Owner: McCullers Crossing II, LLC

Plan Prepared by: Eagle Engineering, Inc.

General Description -

Proposed Use: Fast Food Restaurant

Project Location: 7991 Fayetteville Road

Wake Count PIN(s): 0689-97-4184

Zoning Classification: Service Business (SB) within US70/401 Overlay District

Key Meeting Dates -

Planning Commission: February 12, 2018

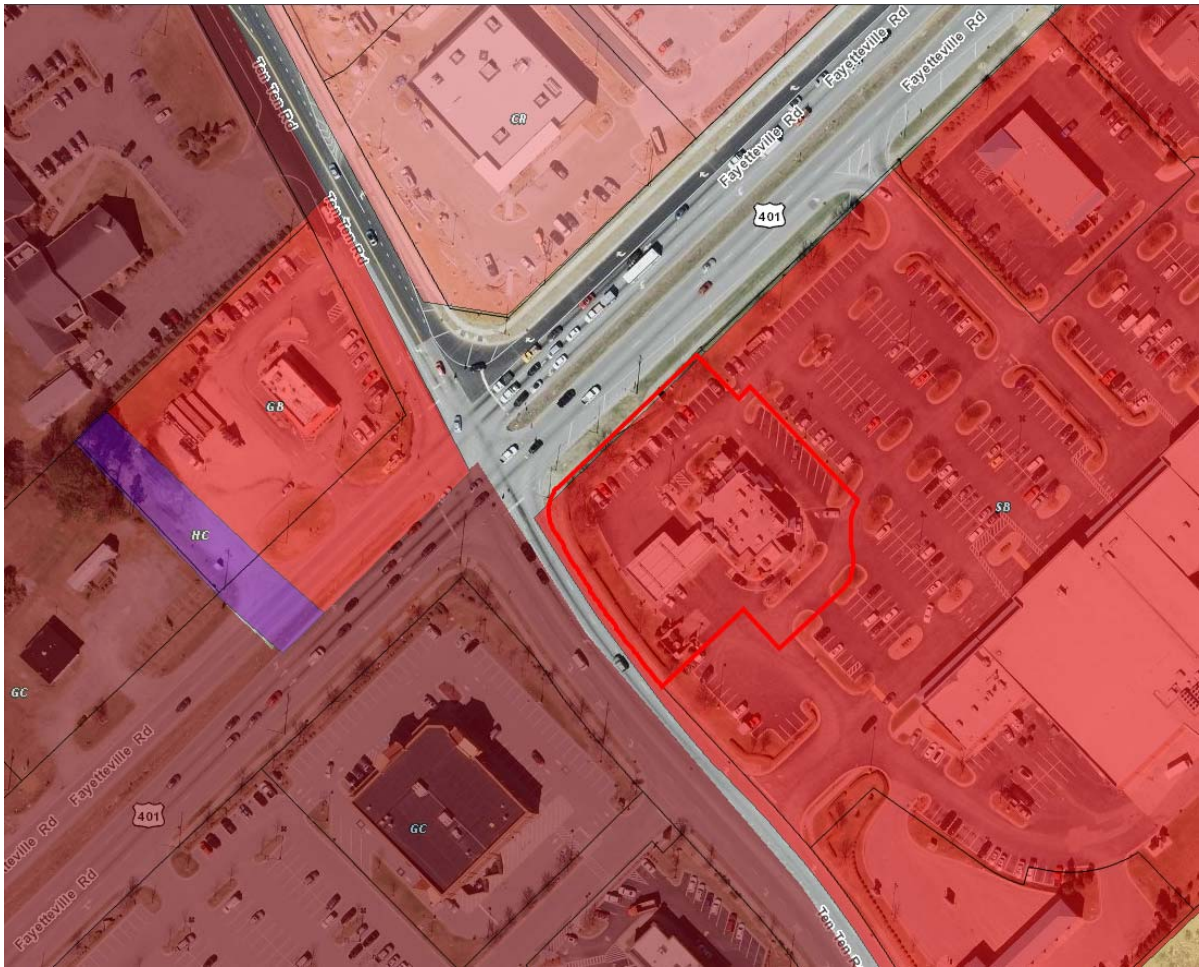
Town Council Public Hearing: March 5, 2018

II. ADJACENT ZONING AND LAND USE

North:	Community Retail (CR)	Walgreens, Sheetz
South:	Service Business (SB)	Food Lion, Jersey Mikes
East:	General Commercial (GC)*	Rite Aid
West:	Community Retail (CR)	Gas Station

**Fuquay Varina Zoning District*

Overall Neighborhood Character: Commercial intersection at Fayetteville Rd., US 401 and Ten Ten Road.



III. PROJECT DATA

Acreage:	1.28 acres
Building Size:	New construction of 4,597 sqft one-story restaurant.
Building Material and Color:	The brick and other natural stones with yellow accents.
Landscape and Buffer Requirements:	<p>The plan as proposed meets the requirements of the Landscape Ordinance.</p> <ul style="list-style-type: none">• Tree Cover: Requirements are met with existing and added vegetation.• Street Buffers: A 15-foot street buffer is shown as required on US 401.• Perimeter Buffers: A 15-foot buffer is shown as required along the north and west property lines.
Parking Spaces:	<p>Number - Parking is based on 1 space per 3 seats.</p> <ul style="list-style-type: none">• <u>Required</u>: 22 (1 accessible)• <u>Proposed</u>: 41 (2 accessible)
Floodplain:	This site does not contain a FEMA designated floodplain.
Fire Protection:	The Inspections Department has reviewed the plan for fire protection and given their approval.
Infrastructure:	<p>Stormwater Management - This project is subject to nitrogen and water quantity requirements. The proposed development is located within a previously approved storm water plan which accounted for the future development with their bmp designed to handle detention of the 1, 10 and 25-year storm events along with reducing nitrogen. Payment to a private mitigation bank will also be required to bring the overall project into compliance with the Neuse Rules.</p> <p>Water/Sewer - Connections to public water and sewer proposed.</p> <p>Transportation/Access – Gain access from Ten Ten Road and travel North through McCullers Shopping Center. From US 401, right into McCullers shopping center.</p>

IV. CONSISTENCY WITH ADOPTED TOWN PLANS AND POLICIES

2006 Comprehensive Growth Plan:

This site falls within the Neighborhood Focus Area (Neighborhood Core) centered on the intersection of US 401 and Ten Ten Road which includes recommended uses such as neighborhood-scale retail services, including professional offices, that support the daily needs of the surrounding neighborhoods; schools; and high density residential. The plan also signals that this land use designation may shift as NC540 is constructed just to the south, as the County Land Use Plan (in which the Town of Garner has had input) would have this site on the edge of a future regional center. Since a restaurant with drive through service does serve surrounding neighborhoods as well as the traveling public of the larger region, staff finds that the use may be considered consistent with the recommendations of the Comprehensive Growth Plan.

2010 Garner Transportation Plan:

The current transportation plan calls for US 401 to remain a 4-lane major thoroughfare through 2035 and for Ten Ten Road to be upgraded to a 4-lane major thoroughfare by 2035. Since both roads already meet the 4-lane cross-section at this location and access to the site has been managed from the thoroughfares through neighboring sites, staff finds that the project may be considered consistent with the Garner Transportation Plan.

Parks & Recreation, Open Space & Greenways Master Plan:

A review of the Parks and Recreation, Open Space and Greenways Master Plan revealed no plan recommendations in the project area; therefore, this project, as proposed, may be considered consistent with the Parks & Recreation, Open Space & Greenways Master Plan.

Unified Development Ordinance Regulations:

After sufficient review and plan revisions, staff finds that this project, as now proposed, may be considered consistent with the regulations of the Unified Development Ordinance.

V. PLANNING COMMISSION RECOMMENDATION

The Planning Commission reviewed this request at their February 12, 2018 meeting. On a unanimous vote of 6:0, the Planning Commission confirmed staff's findings in Section IV of this report that CUP-SP-17-28, McCullers McDonald's, was in conformity with adopted town plans.

VI. COUNCIL MOTION WORKSHEET

CONDITIONAL USE PERMIT ACTION WORKSHEET

Approve: I move that the Council accept the staff statements regarding plan consistency in Section IV of this report as our own and find the application meets the 10 permit criteria in Section 3.14.D. and therefore approve CUP-SP-17-28, McCullers McDonald's, with the three standard conditions listed on the attached permit.

Optional (conditions – mark, fill in and read all that applies): ...and including the following reasonable conditions necessary to address the impacts of the proposed development on:

- ___ adjoining property,
- ___ the existing natural and man-made features of the site,
- ___ off-site and on-site traffic flow,
- ___ public utilities,
- ___ such other public services or goals of the Comprehensive Growth Plan or the Transportation Plan that may be negatively impacted by the proposed development (*enumerate plan services/goals*):

Condition #1:

Condition #2:

Condition #3, (etc.):

or

Deny: I move that the Council find the application does not meet one or more of the criteria in Section 3.14.D. for granting a special use permit,

(Check and read all that apply – include stated reason/evidence)

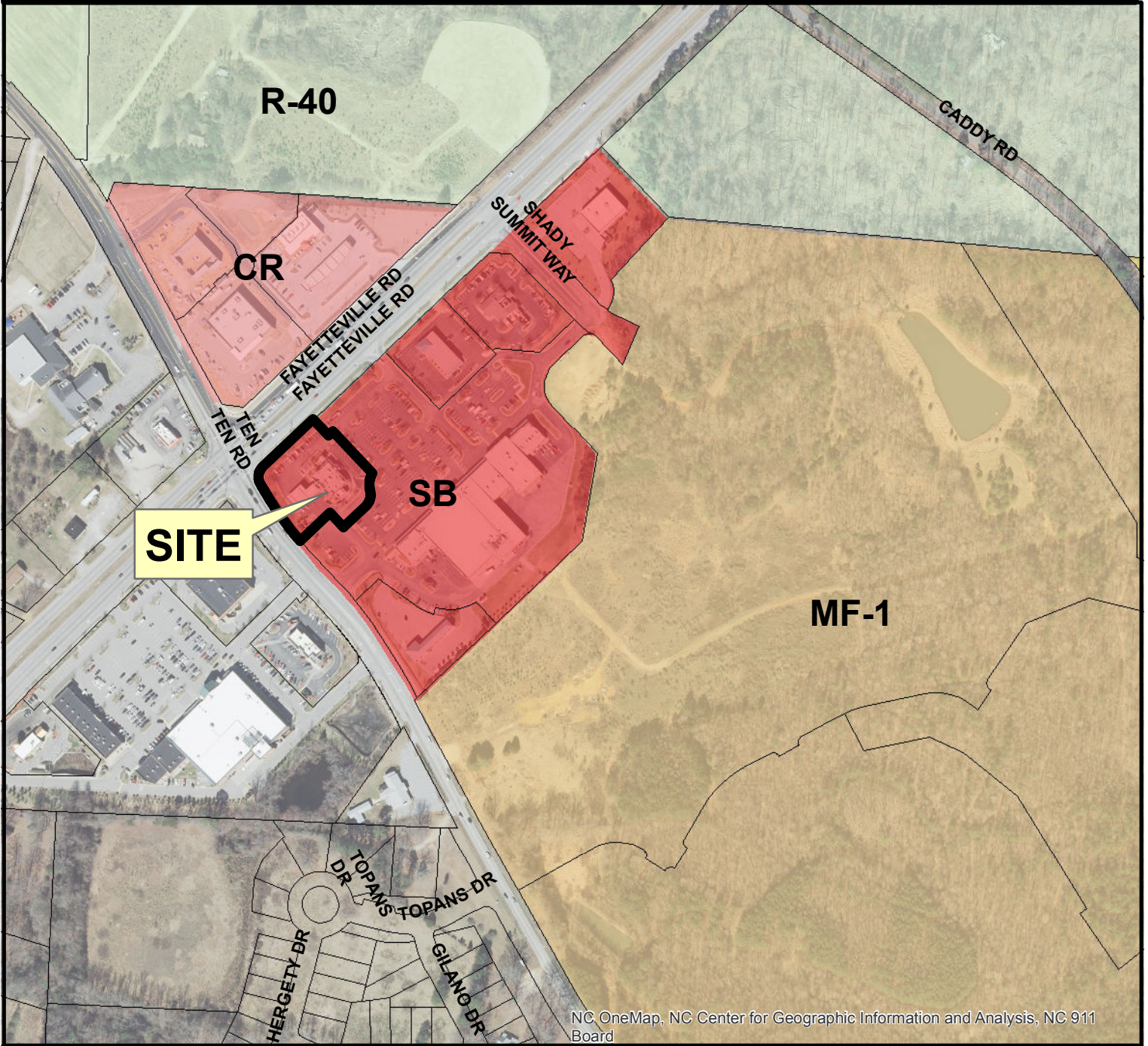
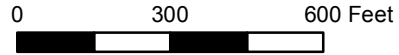
- ___ 1. The proposed use will endanger the public health or safety because/as evidenced by _____;

- ___ 2. The proposed use will substantially injure the value of adjoining or abutting property;
because/as evidenced by _____;
- ___ 3. The proposed use does not comply with all applicable provisions of this UDO;
because/as evidenced by _____;
- ___ 4. If completed as proposed, the development will not comply with all requirements of this section;
because/as evidenced by _____;
- ___ 5. The proposed use will not be compatible with the proximate area in which it is to be located;
because/as evidenced by _____;
- ___ 6. The proposed use is inconsistent with the Transportation Plan, other relevant adopted plans and policies, and the stated purpose and intent of this UDO (the fact that the use is permitted under certain circumstances in the zoning district creates a rebuttable presumption that the proposed use is in harmony with the intent of the UDO as relates to the general zoning plan);
because/as evidenced by _____;
- ___ 7. The proposed use is incompatible with adjacent uses in terms of building scale, site design, buffering and screening, operating characteristics (hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts);
because/as evidenced by _____;
- ___ 8. Any significant adverse impacts resulting from the use will not be mitigated or offset, including impacts on the natural environment;
because/as evidenced by _____;
- ___ 9. The public safety, transportation and utility facilities and services will not be available to serve the subject property while maintaining sufficient levels of service for existing development;
because/as evidenced by _____;
- ___ 10. Adequate assurances of continuing maintenance have not been provided;
because/as evidenced by _____;

and therefore, deny Conditional Use Permit for the McCullers McDonald's – CUP-SP-17-28.

**Town of Garner
Planning Department**

**Conditional Use Permit
CUP SP 17-28**



Project: McDonalds
Owner: McCullers Crossing II LLC
Applicant: Eagle Engineering, Inc
PIN: 10689974184

Proposed: Restaurant
Zoning: SB C27
Project Acreage: 1.28
Overlay: US 401

**TOWN OF GARNER
CUP-SP-17-28 – MCDONALDS @ MCCULLERS
CONDITIONAL USE PERMIT**

APPLICANT	Eagle Engineering, Inc. Attn: Frank Gray 2013-A Van Buren Avenue Indian Trail, NC 28079
LOCATION	7991 Fayetteville Road, Raleigh, NC
USE	Fast Food Restaurant
DATE ISSUED	March 5, 2018

I. COMPLETENESS OF APPLICATION

The application is complete.

II. COMPLIANCE WITH ORDINANCE REQUIREMENTS

The application complies with all applicable requirements of the Unified Development Ordinance.

III. GRANTING THE APPLICATION

The application is granted, subject to the following conditions:

- 1) The applicant shall complete the development strictly in accordance with the plans submitted to and approved by this Town Council, a copy of which is filed in the Town Hall. Any deviations from or changes in these plans must be pointed out specifically to the administrator in writing and specific written approval obtained as provided in the Unified Development Ordinance.
- 2) If any of the conditions affixed hereto or any part thereof shall be held invalid or void, then this permit shall be void and of no effect.
- 3) All applicable permit approvals shall be obtained by the applicant.

IV. SPECIFIC TO THE PROJECT

None.

c: McCullers Crossing II, LLC.
Attn: Bryan Armstrong
238 N. McPherson Church Road
Fayetteville, NC 28303

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Revenue Savings Plan Change		
Location on Agenda: Old/New Business		
Department: Finance		
Contact: Pam Wortham, Finance Director		
Presenter: Pam Wortham, Finance Director		
Brief Summary: We are proposing to simplify the calculations for the Revenue Savings Plan, based on recommendations from our Financial Advisor.		
Recommended Motion and/or Requested Action: Approve the change to the Revenue Savings Plan		
Detailed Notes: Based on discussions with Davenport and with Council Member Kennedy, a change is being proposed to the revenue savings plan. The current policy works on a sliding scale, and provides differing percentages (either 30%, 35%, or 20%) that will be dedicated to the plan, based on a tiered approach. We are proposing that the plan be modified to use 30% of all increases over the first 1% of growth. Analysis of this change indicates minimal impact on the amount that will be dedicated to the Plan, and will streamline the calculations significantly. The changes being proposed are on the 3rd and 4th pages of the attached Fiscal & Budgetary Policy Guidelines.		
Funding Source: N/A		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	PW	
Finance Director:	PW	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

FISCAL & BUDGETARY POLICY GUIDELINES

Town of Garner, North Carolina

Adopted: December 6, 2010

Amended: January 7, 2013

June 17, 2014

June 16, 2015

July 24, 2015

March 5, 2018

OBJECTIVES

This Council adopted fiscal and budgetary policy is a statement of the guidelines and goals that will influence and guide the financial management practice and budget development of the Town of Garner, North Carolina. A policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. Effective fiscal and budgetary policy:

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

To these ends, the following fiscal and budgetary policy statements are presented.

CAPITAL IMPROVEMENT PROGRAM POLICIES

1. The Town of Garner will plan for capital improvements over a multi-year period of time. The Town will prioritize all capital improvements in accordance with an adopted Capital Improvement Program (CIP), which will relate directly to the long-range plans and policies of the Town of Garner.
2. The Town will develop a five-year plan for capital improvements and review and update the plan annually. This program shall include all improvements and projects necessary to continue to provide existing levels of service or expand programs as directed or approved by the Town Council, within reasonable amounts and attainable time frames. Additional projects can be added to the CIP at any time, but funding for projects added in this manner are subject to normal operating budget constraints.
3. The Town will coordinate development of the capital improvement program with development of the operating budget.
4. The Town will maintain all its assets at levels adequate to provide the services required by law, ordinance or policy, protect the Town's capital investment, and to minimize future maintenance and replacement costs. A current inventory of all Town physical assets and their condition shall be maintained.

CAPITAL IMPROVEMENT PROGRAM POLICIES (cont.)

5. The Town will identify the total estimated capital costs, ongoing operating costs, and potential funding sources for each capital project proposal before it is submitted for approval.
6. The Town will attempt to determine the least costly and most flexible financing method for all new projects.

DEBT POLICIES

General

1. The Town will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.
2. The Town will utilize a balanced approach to capital funding utilizing debt financing, draws on capital reserves and/or fund balances in excess of policy targets, and current year (pay-as-you-go) appropriations.
3. When the Town finances capital improvements or other projects by issuing bonds or entering into an installment financing agreement, it will repay the debt within a period not to exceed the expected useful life of the project. The Town also will ensure that it conservatively projects the revenue sources that will be utilized to pay the debt. Target debt ratios will be calculated annually and included in the review of financial trends.
4. Where feasible, the Town will explore the usage of special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
5. The Town will retire tax anticipation debt, if any, annually and will retire bond anticipation debt within six months after completion of the project.
6. Where feasible and appropriate, the Town will look to refund or refinance previous debt issuances when the net present value of the refunding exceeds 3.0% or more of the existing financing agreement.
7. The Town shall manage the issuance of debt obligation such that the net debt of the Town shall not exceed 8% of the assessed value of taxable property, as required by North Carolina General Statutes.

Tax Supported Debt

8. Direct net debt as a percentage of total assessed value of taxable property should not exceed 2.0%. Direct net debt is defined as Town-issued debt that is tax-supported.
9. The ratio of direct net debt service expenditures as a percent of total governmental fund expenditures should not exceed 15% with an aggregate ten-year principal payout ratio target of 50% or better.
10. The Town recognizes the importance of underlying and overlapping debt in analyzing financial condition. The Town will regularly analyze total indebtedness including underlying and overlapping debt.
11. The Town will seek to maintain and if possible improve its current bond ratings so borrowing costs are minimized and its access to credit is preserved.
12. Full disclosure of operation will be made to the bond rating agencies and other users of the Town's financial information. The Town staff will aid in the production of any released Official Statements, and takes responsibility for the accuracy of all information contained therein.

FUND BALANCE POLICIES

1. Unassigned Fund Balance will mean funds that remain available for appropriation by the Town Council after all assignments and commitments for future expenditures, previous Council designations, and required use restrictions by external sources have been calculated. The Town will define these remaining amounts as “unassigned fund balance.”
2. The Town of Garner will strive to maintain unassigned fund balance in the General Fund at a level sufficient to meet its objectives. The Town will target an unassigned fund balance at the close of each fiscal year equal to at least 30% of the closing fiscal year’s General Fund operating budget; at no time shall the unassigned fund balance fall below 25% of the closing fiscal year’s General Fund operating budget. Unassigned fund balances in excess of the target 30% may be appropriated from time to time for pay-as-you-go capital and other one-time uses.
3. The Town Council may, from time-to-time, appropriate fund balance that will reduce unassigned fund balance to an amount below the 25% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the Town of Garner. In such circumstances, the Council will adopt a plan to restore the unassigned fund balance to the 30% policy level within 36 months from the date of the appropriation. If restoration cannot be accomplished within such time period without severe hardship to the Town, then the Council will establish a different but appropriate time period.
4. The Town will establish and maintain within the General Fund designations and or commitments by Council for special revenue funds that will be used to account for the proceeds of specific revenue sources to finance or fund specified activities and projects that are required by statute, ordinance, resolution or executive order.

REVENUE SAVINGS PROGRAM

1. As an intentional policy, the Town of Garner shall establish and reserve a portion of the annual revenue stream to assist in meeting annual debt service for future capital improvements. The policy will be referred to as the “Revenue Savings Program.”
2. The categories of revenues applicable to this policy include: [1] *Ad Valorem* taxes, [2] Other Taxes (*including ABC Net Revenues, Local Government Sales Tax, Half Cent Local Government Sales Tax, (removed reference to Privilege Licenses), and Heavy Equipment Rental Tax*) and [3] beer & wine, utility franchise and cablevision reimbursement revenues under the category of Intergovernmental Revenues.
3. The savings program will reflect the current economy as the percentage of savings each year and will vary depending upon the annual increase in revenues for the given year.
4. A cumulative growth threshold of 1.0% must be realized before the savings plan goes into effect for any given year. ~~The policy is progressive in that the percentage of revenues saved increases as revenues increase up to 4%, at which point the savings rates begins to decline.~~
5. All revenues generated under this program shall be held in and reported as a Town Council committed fund balance account within the General Fund.
6. Revenues saved will be used to finance major capital facility improvements or infrastructure and may include land acquisition costs associated with those specific major capital improvements.
7. Revenues saved may be used to repair or reconstruct Town-owned facilities and/or infrastructure damaged or destroyed as a result of a natural disaster.

8. Revenues saved may be appropriated to pay for the debt service associated with major capital, facility or infrastructure improvements as noted in Items 6 and 7.

REVENUE SAVINGS PROGRAM (cont.)

9. Savings shall not be utilized to offset annual operating costs and equipment purchases, which should come from the regular operating budget.
10. The Revenue Savings Program shall not supplant or otherwise negate other approved Fiscal Policy Guidelines. The Revenue Savings Program is intended to compliment and support such Fiscal Policy Guidelines.
11. Savings Rate Schedule: ~~The savings plan shall be on a sliding scale. The more revenues increase in any given year, the higher the percentage of savings. As revenue growth surpasses 4%, the savings rate declines as provided in the following table.~~

<u>Increases in Revenues</u>	<u>% Dedicated to Savings</u>
Up to 1.0%	Zero
>1.0% to 2.5%	30% (of the amount > 1.0%)
>2.5% to 4.0%	35% (0.30 x 1.5% + 35% of the amount > 2.5%)
>4.0%	20% (0.30 x 1.5% + 0.35 x 1.5% + 20% of the amount > 4.0%)

As part of the budget, the Finance Director will compare the current year’s budgeted revenues to the next year’s budgeted revenues to determine how much, if any, savings will be recognized in the next budget year. Once the annual audit is complete, the Finance Director shall compare the actual amount of the prior year revenues to the budget to see if an adjustment to or from the savings plan needs to be made.

Once an annual savings amount is dedicated, that amount is added to the next year’s dedicated amount.

12. The Savings Rate Schedule shall be reviewed within six months following election of the Mayor, thereby implying a review every four years.
13. The program will go into effect January 1, 2014, and is applicable beginning with the FY 2014-15 budget.

BUDGET DEVELOPMENT POLICIES

General

1. The Town Manager shall prepare a proposed balanced budget for each annual operating fund, itemizing revenues and expenditures. A budget is considered to be balanced when total expenditures are equal to, or do not exceed revenues.
2. The Town Council shall adopt the budget of the Town at the program level.
3. The Town will develop its annual budgets in such a manner so as to incorporate historic trend analysis for revenues and expenditures with an adjustment for current financial trends and developments as appropriate.
4. One-time or other special revenues will not be used to finance continuing Town operations but instead will be used for funding special projects.
5. The Town will pursue an aggressive policy seeking the collection of delinquent utility, license, permit and other fees due to the Town.
6. The Town Council will receive a financial report no less than quarterly showing year-to date revenues and expenditures.

7. Budget amendments will be brought to Town Council for consideration as needed. The Town Manager is authorized to transfer amounts between line items within a department, provided that transfers to or from the personnel services category of expense to or from another category of expense shall be reported to the Council at the first regularly scheduled meeting of each month. Transfers between departments and revisions of the revenue or expenditure totals, or utilization of any fund balance, shall require Council

BUDGET DEVELOPMENT POLICIES (cont.)

approval by ordinance. Funds from capital project budgets to be closed shall be transferred into the General Fund, unless an external restriction or previously-imposed Council ordinance dictates otherwise.

Revenues

8. Property Taxes: The Town shall contract with Wake County for the collection of property taxes, excluding vehicle property taxes and tags, which are collected by the NC Division of Motor Vehicles. The Town encourages the practices and methods of these two agencies to maintain as high a collection rate as possible.
9. Fees: All fee schedules and user charges are reviewed and adjusted periodically to ensure that rates are equitable and cover the total cost of the service or that portion of the total cost deemed appropriate by the Town. Periodically, the Town will recalculate the full costs of activities and services supported by user fees to identify the impact of inflation and other cost increases.
10. Intergovernmental Revenues and Grants: The Town shall aggressively seek a fair share of available local, state, federal, and private financial support unless conditions attached to that assistance are contrary to the Town's interest. Prior to applying for and accepting such aid, the Town will examine the matching requirements so that the source and availability of these funds may be determined. The Town also shall assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of such aid without first reviewing the program and its merits.
11. Impact and Development Fees: The Town shall require new development activity to pay a fair share for new capital facilities or expansion of existing facilities necessitated by such new development. These fees shall not exceed a pro rata share of the reasonably anticipated cost of such improvements.

Expenditures

12. Performance Measures: The Town will attempt to minimize the financial burden on the taxpayers through systematic program reviews and evaluations aimed at improving the efficiency and effectiveness of the Town programs. These reviews consider past trends and experiences elsewhere and revisions to annual budget guidelines and Council priorities based on current needs.

CASH MANAGEMENT & INVESTMENT POLICIES

1. It is the intent of the Town that public funds will be invested to the extent possible to reduce the need for property tax revenues. The Town will conduct an analysis of cash flow needs; disbursements, collections, and deposits will be scheduled to ensure maximum cash availability and investment potential. Funds will be invested with the chief objectives of safety of principal, liquidity, and yield, in that order. All deposits and investments of Town funds will be in accordance with N.C.G.S. 159.
2. The Town will use a Central Depository to maximize the availability and mobility of cash for all funds that can be legally and practically combined. The Town shall deposit its funds only in deposit accounts that are insured by the Federal Deposit Insurance Corporation of fully collateralized by securities that are authorized by law to be used to collateralize the Town's deposits.

3. Liquidity: No less than 20% of funds available for investment will be maintained in liquid investments at any point in time. The Finance Director shall monitor and limit the amount available for investment so that the Town will have at all times sufficient monies available on demand deposits to ensure prompt payment of all Town obligations.
4. Maturity: All investments will mature in no more than thirty-six (36) months from their purchase date.

CASH MANAGEMENT & INVESTMENT POLICIES (cont.)

5. Custody: All investments will be purchased “payment-versus-delivery” and if certificated will be held by the Finance Officer in the name of the Town. All non-certificated investment will be held in book-entry form in the name of the Town with the Town’s third party Custodian (Safekeeping Agent).
6. Authorized Investments: The Town may deposit Town Funds into: Any Council approved Official Depository, if such funds are secured in accordance with N.C.G.S.159 (31). The Town may invest Town Funds in: the North Carolina Capital Management Trust, US Treasury Securities, US Agency Securities specifically authorized in GS-159 and rated no lower than “AAA”, and Commercial Paper meeting the requirements of NCGS-159 plus having a national bond rating.
7. Diversification: No more than 5% of the Town’s investment funds may be invested in a specific company’s commercial paper and no more than 20% of the Town’s investment funds may be invested in commercial paper. No more than 25% of the Town’s investments may be invested in any one US Agency’s Securities.
8. Allocation: Investment income will be allocated to each participating fund or account based on a fair and equitable formula determined by the Finance Director.
9. Reporting: The Town Council will receive an investment report at the end of each month showing current investment holdings. The Town’s investments shall be reviewed annually by the Town’s external auditor. Any irregularities shall be reported directly to the Town Council through the audit reporting processes.

ACCOUNTING

1. The Town of Garner shall maintain the highest level accounting practices possible. Accounting systems shall be maintained in order to facilitate financial reporting in conformance with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.
2. All funds of the Town are accounted for during the year on the “modified accrual” basis of accounting in accordance with State law. The governmental and agency fund revenues and expenditures are recognized on this modified accrual basis, where revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for immature principal and interest on general long-term debt, which is recognized when due.
3. Any proprietary or enterprise fund revenues and expenditures are recognized on the full accrual basis. Under this basis, revenues are recognized in the accounting period when earned and expenditures are recognized in the period when incurred. Unbilled receivables are accrued as revenues.
4. Annual Audit: An independent firm of certified public accountants will perform an annual financial and compliance audit according to Generally Accepted Auditing Standards (GAAS) and will publicly issue an opinion that will be incorporated in the Comprehensive Annual Financial Report.

5. Annual Reporting: Full disclosure shall be provided in the Comprehensive Annual Financial Report (CAFR), Official Statements and all other financial reports. The Town of Garner will promote full disclosure in its annual financial statements and its bond presentations.
6. Internal Controls: The use of internal accounting controls to the maximum extent feasible is encouraged. Internal accounting controls include both procedures and use of equipment.

PURCHASING

1. Commitment of Town funds for purchasing without issuance of a purchase order signed by an authorized Finance Department employee is prohibited by North Carolina General Statutes. Any purchase agreement entered into without the issuance of a properly executed purchase order is invalid and unenforceable against the Town.
2. Service Contracts: Professional services of consultants, engineers, architects, attorneys, etc., are exempt from central purchasing. The details of such purchases may be arranged directly by department heads. However, department heads should follow guidelines established by the Town Manager and must obtain a purchase order from the purchasing office certifying the availability of funds to pay for such services.
3. Town purchasing personnel are responsible for the administration of contracts used for procurement of supplies or materials, service, maintenance and rental of equipment. These contracts are established and approved by the Finance Director.
4. Competitive Bidding: In accordance with North Carolina General Statutes, the Town requires that formal bids be accepted on all requests for supplies, materials, or equipment with an estimated cost of \$90,000 or more and construction or repair work requiring an estimated cost of \$500,000. The Purchasing Manager is responsible for administering all formal bids.
5. It is the policy of the Town to have all informal bids with estimated costs of \$5,000 or more in writing. Amounts for purchases under \$5,000 may be obtained verbally or via telephone from the supplier. The purchasing office shall obtain competitive prices regardless of amount whenever economically possible to ensure all Town purchases are at the best price.
6. It is the policy of the Town of Garner that all purchases with an estimated cost of \$1,000 or more be processed on a requisition and submitted to the Town's purchasing office. Purchases under \$1,000 may be made from a check request. Purchases under \$100 may be made using petty cash.
7. It is policy of the Town of Garner that all purchases for equipment not included in the budget be submitted to the Town Manager for approval.
8. Recycled Materials Procurement: The Town will seek to buy and use products needed that are made with recycled materials if the recycled items are reasonably cost competitive with non-recycled products and meet or exceed specifications and user quality levels set forth by the Town. The Town of Garner may, at its option and on a case-by-case basis, consider purchasing recycled products not exceeding 10% more in cost than the comparable non-recycled product.
9. Minority Business Enterprise: The Town shall actively engage businesses that are at least 51% owned by one or more minority persons or socially and economically disadvantaged individuals in the formal and informal bid process.

FIXED ASSETS

1. The Town shall maintain an asset scheduling of all buildings, land, land improvements, construction, construction in progress, streets, sidewalks, vehicles, equipment, and non-tangible assets that have an initial cost of \$10,000 or more and a useful life of two or more years (with the exception of land).
2. The Town shall determine the useful life of each asset and depreciate the value of the asset annually using the straight-line method of depreciation (with the exception of land, non-tangible assets, and construction in progress).

FIXED ASSETS (cont.)

3. The Town will complete an inventory annually of all equipment and vehicles to verify accuracy. The auditor shall review the inventory and asset schedule annually.
4. It is the policy of the Town of Garner that the Purchasing Manager, with approval of the Town Council, processes all surplus property sales annually through public auction. The Town Manager may dispose of items with a value of less than \$5,000 without prior Council approval.
5. No Town employee or department head may dispose of or trade-in Town property of any kind without first receiving approval of the Town Council.
6. All sales and disposals are made in compliance with the North Carolina General Statutes governing such.

RISK MANAGEMENT

1. The Town shall develop adequate protection from loss due to property damage or liabilities of the Town of Garner.
2. The Town shall transfer risk where cost effective by purchasing insurance and requiring contractors to carry insurance.
3. Potentially hazardous situations, practices, and conditions will continue to be evaluated and, where feasible and cost effective, reduced or eliminated.

ECONOMIC DEVELOPMENT

1. The Town shall continue to attempt to diversify and stabilize its economic base in order to protect the community against economic downturns and to take advantage of economic upswings.
2. The Town shall continue its private/public economic development efforts to market the Garner as a desirable place for present business and industry to expand and for outside business and industry to locate or relocate. The Town will emphasize attracting commercial and industrial enterprises that provide a net increase to the Town's tax base and employ the local labor force.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 5, 2018		
Subject: Vehicle Financing Contract		
Location on Agenda: Old/New Business		
Department: Finance		
Contact: Pam Wortham, Finance Director		
Presenter: Pam Wortham, Finance Director		
Brief Summary: We have received proposals for the vehicle financing for the FY 2017-18 budget, and are requesting approval to move forward with the contract with KS Bank to provide the financing.		
Recommended Motion and/or Requested Action: Approve financing contract		
Detailed Notes: Please see the attached summary prepared by Davenport & Company that details the process used and the results.		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	PW	
Finance Director:	PW	
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

FINANCE DEPARTMENT MEMORANDUM

TO: RODNEY DICKERSON, TOWN MANAGER
FROM: PAM WORTHAM, FINANCE DIRECTOR
SUBJECT: INVESTMENT POLICY UPDATE
DATE: FEBRUARY 27, 2018

In response to our Request for Proposal (RFP) for the vehicle financing for the FY 2017-18 budget year, we received sixteen responses. The lowest bid received was from KS Bank, and they are offering an interest rate of 1.41% for a four-year term.

Davenport & Company prepared the RFP and compiled the results in the summary memo attached. We are recommending that we contract with KS Bank for the financing. Davenport is assisting with the preparation of the terms of the contract to ensure that it meets the requirements of the Town.

Please let me know if you have any questions. Thank you.

To Town of Garner, NC
From Davenport & Company LLC
Date March 5, 2018
Subject 2018 Installment Purchase Contract RFP Summary

Background

Davenport & Company LLC (“Davenport”), on behalf of Town of Garner, NC (the “Town”), distributed a Request for Proposals (“RFP”) to secure a commitment for a direct bank loan evidenced by an Installment Purchase Contract to finance the purchase of various vehicles and equipment and fund the associated Costs of Issuance.

The RFP was distributed to over 50 National, Regional, and Local Banks/Lending Institutions. After the initial distribution, Davenport contacted each of the potential bidders to assess their interest in the financing and address any questions they had. Bids were requested for both a Bank Qualified and Non-Bank Qualified transaction.

RFP Responses

Through this process, the Town was able to secure sixteen responses to the RFP, including:

1. Baystone Government Finance (“Baystone”);
2. BB&T Governmental Finance (“BB&T”);
3. Capital One Public Funding (“Capital One”);
4. City National Bank (“City National”);
5. First Bank (“First Bank”);
6. First Citizens Bank (“First Citizens”);
7. HomeTrust Bank (“HomeTrust”);
8. Key Government Finance (“Key”);
9. KS Bank (“KS Bank”);
10. Pinnacle Financial Partners (“Pinnacle Financial Partners”);
11. Pinnacle Public Finance (“Pinnacle Public Finance”);
12. PNC Equipment Finance (“PNC”);
13. Signature Public Funding (“Signature”);
14. SunTrust Equipment & Leasing Corp (“SunTrust”);
15. U.S. Bancorp (“US Bank”); and
16. Wells Fargo Government and Institution Banking (“Wells Fargo”).

A summary of the bids received, including interest rates, prepayment provisions, acceptance deadlines, and banks/lending institutions fees, is included in this memo.

Discussion Points

1. Interest Rate

While all of the banks/lending institutions submitted proposals consistent with the RFP specifications, KS Bank offered the lowest interest rate, as shown in Table 1 below. The rates offered by all of the banks/lending institutions, with the exception of City National and Wells Fargo, will be held firm for a closing by March 23, 2018.

Table 1: Summary of Interest Rates

Lender	Bank Qualified Interest Rate	Non-Bank Qualified Interest Rate	Final Maturity
KS Bank	1.410%	1.410%	3/1/2022
HomeTrust	2.400%	2.900%	3/1/2022
Capital One	2.590%	2.590%	3/1/2022
City National	2.680% ¹	2.680% ¹	3/1/2022
BB&T	2.690%	2.930%	3/1/2022
First Citizens	2.760%	2.940%	3/1/2022
US Bank	2.781%	2.781%	3/1/2022
PNC	2.840%	2.910%	3/1/2022
SunTrust	2.965%	2.965%	3/1/2022
Wells Fargo	2.990% ²	2.990% ²	3/1/2022
Key	3.030%	3.030%	3/1/2022
Signature	3.070%	3.070%	3/1/2022
Pinnacle Public Finance	3.100%	3.100%	3/1/2022
Baystone	3.360%	3.560%	3/1/2022
First Bank	3.600%	3.600%	3/1/2022
Pinnacle Financial Partners	3.670%	3.750%	3/1/2022

¹ If, for any reason, the Agreement is not closed by March 1, 2018, the Finance Rate shall be adjusted five (5) days prior to the Lease Funding Date using the following formula: Lease Rate = (2 year LIBOR Swap Rate + 0.89) *.79.

² Indicative rate only.

2. Bank Qualification vs. Non-Bank Qualification

Under section 265(b) of the Internal Revenue Code of 1986, as amended, issuers have the opportunity to issue loans with a Bank Qualification designation. This designation is advantageous for some lenders and can result in a lower interest rate, depending upon factors specific to each lender. In order to meet the designation, the Town cannot issue tax-exempt debt in excess of \$10 million in a given calendar year. KS Bank provided the same interest rate for a Bank Qualified or Non-Bank Qualified transaction. As such, it would be advantageous for the Town to deem the financing Non-Bank Qualified to provide the flexibility to issue additional debt above \$10 million later in the calendar year, should the necessity arise.

3. Prepayment Provisions

Prepayment provisions offered by the top five banks/lending institutions are shown in Table 2 below.

Table 2: Summary of Prepayment Provisions

Lender	Prepayment Provisions
KS Bank	In whole or in part at any time at par
HomeTrust	Not specified
Capital One	102% of the Outstanding Balance
City National	In whole on any payment date at par
BB&T	In whole at any time at par

4. Estimated Debt Service

A preliminary indication of the estimated debt service structure for the KS Bank and HomeTrust proposals is shown in Table 3. The preliminary estimated debt service shown in Table 3 accounts for estimated costs of issuance.

Table 3: Estimated Debt Service Comparison

	A	B	C	D
Lender		KS Bank	HomeTrust Bank	
Bank Qualification		BQ / NBQ	BQ	Difference
1				
2 Prepayment Provisions		In whole or in part at any time at par	Not Specified	n/a
3				
4 Acceptance / Expiration		Not Specified / March 23rd ¹	Not Specified / March 23rd	n/a
5				
6 Bank Fees		\$0	Not Specified	n/a
7				
8 Sources				
9 Par Amount*		\$ 687,000	\$ 687,000	\$ -
10 Total		\$ 687,000	\$ 687,000	\$ -
11				
12 Uses				
13 Project Fund*		\$ 672,000	\$ 672,000	\$ -
14 Cost of Issuance / Contingency*		15,000	15,000	-
15 Total		\$ 687,000	\$ 687,000	\$ -
16				
17 Interest Rate*		1.4100%	2.4000%	-0.9900%
18				
19 Closing Date		3/22/2018	3/22/2018	n/a
20 First Interest Payment		3/1/2019	3/1/2019	n/a
21 First Principal Payment		3/1/2019	3/1/2019	n/a
22 Final Maturity		3/1/2022	3/1/2022	n/a
23				
24 Debt Service*				
25 Fiscal Year				
26 2019		\$ 178,122	\$ 181,526	\$ (3,405)
27 2020		177,304	181,504	(4,200)
28 2021		177,907	182,448	(4,541)
29 2022		177,468	182,272	(4,805)
30 Total		\$ 710,800	\$ 727,750	\$ (16,950)

* Preliminary and subject to change

¹ If the loan does not close by March 23rd, the Bank will extend the rate for an additional 60 days.

Recommendation

Based upon our review of the proposals, related analyses, and discussions with Town Staff, Davenport recommends that the Town select the KS Bank Non-Bank Qualified proposal. KS Bank provided the lowest interest rate and the estimated difference in debt service over the life of the loan is expected to be approximately \$17,000 when compared to the HomeTrust bid. KS Bank provided the Town with maximum prepayment flexibility which allows the Town to pay off or refinance the loan at any time without penalty. Additionally, KS Bank provided a proposal that was fully credit approved while HomeTrust was subject to additional review.

Next Steps

March 5 th	Town Council Meeting <ul style="list-style-type: none">▪ Town Council selects winning bidder and approves the Financing
Week of March 19 th	Documents finalized
On or about March 22 nd	Close on Financing

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

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