

Town of Pilot Mountain

Pilot Center 612 E Main Street Pilot Mountain, NC 27041 Monday, April 11, 2022, 7:00 PM

BOARD OF COMMISSIONERS REGULAR MEETING AGENDA

Call to Order/Moment of Silence/Pledge of Allegiance

Adoption of Agenda

Public Hearing

Before speaking, please state your name and address. Please limit comments to three minutes.

- 1. Comprehensive Plan
- 2. UDO Text Amendment

Public Comment

Anyone may speak on any issue. Before speaking, please state your name and address. Please limit comments to three minutes. Comments may also be submitted to publiccomments@pilotmountainnc.org.

Consent Agenda

- 3. Approval of Minutes
- 4. Approval of Budget Calendar

Board & Committee Reports

5. ABC Board Report

Unfinished Business

- 6. Comprehensive Plan Adoption
- 7. UDO Text Amendment
- 8. Acceptance of WWTP Funds

New Business

- 9. Division of Water Infrastructure Application
- 10. Update to Capital Improvement Plan
- 11. Street Resurfacing Project Budget Amendment
- 12. FY 2022 Budget Amendment 2
- 13. Social Districts
- 14. Financial Policies Adoption

Administrative Reports

15. Town Manager & Staff Reports

Mayor and Commissioners Comments

Closed Session

16. Personnel Issue

Other Business

Adjourn

Town of Pilot Mountain Board of Commissioners Meeting Monday, March 14, 2022 7:00 PM

Members Present: Mayor Evan Cockerham, Commissioner Rachel Collins, Commissioner Donna Kiger, Commissioner Scott Needham and Commissioner Dwight Atkins

Staff Present: Town Manager, Michael Boaz, Town Clerk, Holly Utt and Police Chief Robbie Jackson

Call to order 7:00 PM

Mayor Cockerham called the meeting to order at 7:00 PM. Commissioner Collins led the Pledge of Allegiance.

Adoption of Agenda

Commissioner Needham made a motion to adopt the agenda as presented and it was unanimous.

Public Comment

Frank Nichols, 110 Nelson Street, was present to address the Board. Mr. Nichols stated that he had sent emails regarding the staffing and take home vehicle policy for the police department. He asked why the town needed another officer if we were covered by the county. He stated that we have two officers that stay in the office from 8-5, why do we need an additional officer? He asked if the town was financially able to spend \$8-10K for each officer to have a take home vehicle.

Emily Settle, 309 S Key Street, was present to address the Board. Mrs. Settle stated that she has lived at the corner of Pine St. and Butler St. for 16 years and there is always a water issue and streets would have to be cut up and it would be months before they were fixed and most of the time it was just gravel. There are constant issues and with the milling that was done the street condition is undrivable. The streets are an embarrassment and citizens pay an embarrassing amount of taxes for nothing to take place. No one is facing any consequences except for the residences. She encouraged everyone to drive down Butler Street and see if they want to drive that every day. She asked if the price would increase on the paving since the contract was signed last year.

Vince Hancock, 727 Westridge Drive, was present to address the Board. He echoed what Mrs. Settle said and stated that it was also concerning about the streambank restoration time frame. He is eager to hear about what the DOT has to say about the paving. He asked about performance dates on these contracts.

Russell Blankenship, 517 Butler Street, was present to address the Board. He explained that he wanted to open his tattoo shop in town and he had found a place on Key Street and he would need for the zoning to allow tattoo shops in that area. He thanked the Board for their time.

Ellie Needham, owner of property on Westridge Drive, was present to address the Board. She asked about the financing of the street paving project for 20 years and where the funding would come from. Mayor Cockerham stated that the town receives around \$70K a year in Powell Bill funds. She asked if the previous year's Powell Bill funds were misused or where was it going.

Jerry Millsaps, owner of properties on Butler Street, was present to address the Board. Mr. Millsaps stated that he has had a water problem at one of his properties and the town manager is aware of it. There is a curb a few houses above him and he wanted to know if the city did that and left the other homeowners out of that. Mr. Boaz stated that the curb was done by the property owner. Mr. Millsaps said it should not be up to the property owner to stop the water.

Craig Sizemore – NC DOT, joined the meeting via Zoom. Mr. Sizemore updated the Board on the paving project. He said his crew is prepared to begin paving work on Butler Street on Monday. They have another project to finish up in Forsyth County this week due to a road being closed. They will move the equipment to Butler Street on Friday and, weather permitting, begin paving on Monday. The paving should be completed in two days. They will then move the equipment to Westridge Drive and begin that work. He reminded everyone that this is weather sensitive and they will get it done weather permitting. Once those streets are paved they will hopefully have the rest of the streets paved by the end June.

Consent Agenda

February 14, 2022 Minutes

Commissioner Collins made a motion to adopt the consent agenda and was unanimous.

Board & Committee Reports

Chairman Pell provided the following sales numbers from the ABC Store:

January 2021 sales: \$168,734 January 2022 sales: \$203,192

Increase of 18.52%

New Business

ABC Board Appointment

Commissioner Kiger asked if anyone had applied to the ABC Board. Mr. Boaz stated that no applications had been received. Anyone can apply at any time whether the position is open or not and applications will be held. Application are available at town hall and online. Commissioner Needham made a motion to appoint Bill Hancock for a three year appointment to the ABC Board and it was unanimous.

Resolution Approving DWI Funding Application

Mr. Boaz explained that the two resolutions would authorize staff to submit an application to the NC Division of Water Infrastructure for further funding for the Waste Water Treatment Plant and comply with the provision of the statute that created the Viable Utility Reserve. Commissioner Needham made a motion to adopt Resolution R2022-03 and Resolution R2022-04 and it was unanimous.

Administrative Reports

Town Manager & Staff Reports

- The Waste Water Treatment Plant project has been approved by the State Water Infrastructure Authority to convert to all grant funding. This will still need to be approved by the LGC.
- The Planning Board has recommended that the Board of Commissioners approve the Comprehensive Plan. It will be on the agenda for a public hearing in April.
- The workshop will be held Thursday, March 17th at 6:00 PM. The required LGC training will be held at this work session.

Commissioner Collins asked if there was an update on the water inter-connect project. Mr. Boaz stated that Smith-Rowe needs 2,000 linear feet of ductile iron pipe to complete the project. They placed the order in July 2021 and are still awaiting the shipment.

Commissioner Kiger asked if there was an update on the streambank restoration project. Mr. Boaz stated that he had spoken with Charles Anderson this afternoon and he said that they are finishing the engineering on the last section and construction should begin in September or October. Commissioner Kiger asked if we had any fall back if he doesn't do what he says he's going to do since this has been going on for over six years. Mr. Boaz stated that the Board, at some point, could cancel the contract but he thinks it will get done because they get 10% of the project for administration funds.

Mayor and Commissioners Comments

Commissioner Needham: Thanked everyone for coming out. He appreciates their passion and willingness to come to the Board. None of the Board wanted this to happen the way it did but there was no way to stop it once it had started. Hopefully the DOT will be out on Monday to start on Butler Street and move on to Westridge Drive. He asked that anyone that wants to get involved in town to please get involved. There are exciting events coming up in downtown and he urged people to come out and support local businesses.

Commissioner Atkins: Thanked everyone for coming out. He answered the question about past powell bill funding. He explained that when he was Mayor several years back the Powell Bill funding was around \$40K. This was a small amount of money and the Board basically had to decide which pothole to fix on what street while other streets were deteriorating. This loan was the best way to fix all the streets in town without having to raise taxes on citizens.

Commissioner Collins: Thanked everyone for coming to the meeting. She knows the street are horrible but hopefully the paving will start soon. She also noted that in the comprehensive plan that there were 22% of households in Pilot Mountain that fall below the poverty line. She asked that people look out for their neighbors and let them know the resources available if they need help.

Commissioner Kiger: She thanked everyone who came out. She asked that anyone that wants to get involved can get an application on the website. If there is not an opening then the application can be held until there is a vacancy. For those that don't want to hold a board seat there are lots of volunteer positions for committees and events.

Mayor Cockerham: Thanked everyone for their patience during this process. He has tried to give updates and be as honest as possible. He appreciated everyone coming out and expressing their concerns.

Other Business

No other business to discuss

Adjourn or Recess

Commissioner Atkins made a motion to adjourn and it was unanimous.

Respectfully Submitted:	Attest:		
Holly Utt	Evan Cockerham		
Town Clerk	Mayor		

FY 2022-2023 BUDGET CALENDAR

April 1, 2022	Distribute budget materials to Department Heads
April 11, 2022	Board of Commissioners adopts budget calendar
April 15, 2022	Department budgets due to Town Manager
April 18, 2022	Town Manager reviews requests, prepares budget, and begins meetings with department heads.
May 9, 2022	Recommended budget presented to Commissioners.
May 19, 2022	Commissioners hold 1 st Budget workshop.
May 26, 2022	2 nd Budget Workshop, if necessary.
June 13, 2022	Commissioners hold public hearing and approve budget.



TOWN OF PILOT MOUNTAIN

BOARD OF COMMISSIONERS MEETING

ABC Board Report

Background Information:

Chairman Pell provided the following info about the store:

February 2021: \$155,066 February 2022: \$199,094 Increase of 30.00%

Staff Recommendation: Information only

Possible Board of Commissioner Actions

• Take no action

Attachments

None



TOWN OF PILOT MOUNTAIN

BOARD OF COMMISSIONERS MEETING

Comprehensive Plan Adoption

Background Information:

You have before you tonight the Draft 2040 Comprehensive Plan as developed by Mosaic. They worked with the steering committee, staff, and the public to develop this plan and its goals. I think the plan is a very good road map for growth and development for the Town over the next 20 years. The steering committee and the Planning & Zoning Board have both recommended that the Commissioners approve the Comprehensive Plan as presented.

Staff Recommendation:

Approve Comprehensive Plan as presented.

Possible Board of Commissioner Actions

- Approve Comp Plan
- Make changes to and approve Comp Plan
- Deny approval of Comp Plan and send back to Planning Board for further review
- Take No Action

Attachments

• Draft 2040 Comprehensive Plan







PREPARED FOR: The Town of Pilot Mountain, NC



PREPARED BY:



Mosaic Civic Studio
PO Box 405
Boone, North Carolina 28607
www.mosaiccivicstudio.com



ACKNOWLEDGMENTS

PILOT MOUNTAIN BOARD OF COMMISSIONERS

Evan Cockerham; Mayor

Scott Needham; Mayor Pro Tem

Donna Kiger; Commissioner

Rachel Collins; Commissioner

Dwight Atkins; Commissioner

PLAN STEERING COMMITTEE

Evan Cockerham; Committee Chair

Scott Needham;

Board of Commissioners

Donna Kiger;

Pilot Mountain Business Assoc.

Todd Tucker; President, Surry Co. Economic Development Partnership

Andrew Wright;

Vice President, Surry Co. Economic Development Partnership

Mamie Sutphin; Surry Co. School Board

Harry Wilson; President, Armfield Civic & Recreation Center

Christy Craig; Chair, Pilot Mountain Tourism Development Authority & Special Events Coordinator

Neal Willard; Extra-Territorial

Tawanna Taylor; Downtown Business Owner

PILOT MOUNTAIN STAFF

Michael Boaz; Town Manager

Jenny Kindy; Main Street Coordinator

Andy Goodall; Town Planner, Benchmark Planning

Holly Utt; Town Clerk

Robbie Jackson; Chief of Police

SPECIAL THANKS TO

Leah Tunstall; Director, Armfield Civic Center

Anna Nichols; Branch Manager, Charles H. Stone Library

Daniel White; Parks & Recreation Director, Surry County

Jesse Day; Planning Director, Piedmont Triad Regional Council

Carter Spradling; Director, Northwest Piedmont Rural Planning Organization

CONTENTS

Summary of Visible Victories

CLEARED FOR TAKEOFF: Plan Introduction	1 THE CARGO HOLD / PLAN APPENDICES			
Background and Purpose	A. Land Suitability Analysis Factors			
Planning Goals	B. Detailed Survey results			
Process & Timeline	C. Public-Private Partnerships & Development Agreements			
CHAPTER 1 / TOWN PROFILE	D. Parks & Recreation Trust Fund Grant Details			
History	E. Table of Potential Funding Sources			
Demographic & Socioeconomic Trends	MAPS			
Regional Context	Map #1: Regional Context			
Existing Conditions Map Series	Map #2: 1910 Sanborn Map			
Land Suitability Analysis	Map #3: Current Zoning			
Influential Plans & Initiatives	Map #4: Environmental Conditions			
CHAPTER 2 / CO-PILOTS FOR PROGRESS:	Map #5: Natural & Recreation Resource			
Community Engagement & Vision4	1 Map #6: Public Infrastructure & Major Employers.			
Engagement Strategy	Map #7: Cultural, Historic, & Civic Resources			
Results	Map #8: Land Suitability Analysis.			
Vision Statements	Map #9: Interactive Map Results			
CHAPTER 3 / GAINING ALTITUDE:	Map #10: Degree of Change			
Plan Recommendations5	Map #11: Development Character Zone 1; Parkland Preservation			
Chapter Overview & User Guide	Map #12: Development Character Zone 2; Rural Reserved			
Degree of Change	Map #13: Development Character Zone 3;			
Land Use & Environment	Suburban Neighborhood			
Economic Vitality	Map #14: Development Character Zone 4; Traditional Neighborhood			
Infrastructure & Public Services	Map #15: Development Character Zone 5; Mixed Use Center			
Transportation & Mobility	Map #16: Development Character Zone 6; Town Center			
Parks & Recreation	Map #17: Development Character Zone 7; Industrial Mix			
Community Development & Sense of Place	Map #18: Official Future Land Use Map			
CHAPTER 4 / SMOOTH LANDING:	Map #19: Undeveloped Parcels			
Plan Implementation 15				
Priority Recommendations by Planning Element	. p ,			

SPECIAL FEATURES:

Exhibits

Exhibit #1 Power in Partnerships: Business Recruitment

Exhibit #2: Sauratown Mountains Scenic Byway

Exhibit #3: Pilot Mountain State Park

Exhibit #4: Duke Energy Site Readiness Program

Exhibit #5:Urban Redevelopment Areas vs. Local Development Act of 1925

Exhibit #6: Expanding Access to Capital: Community

Development Financial Institutions

Exhibit #7: Transit Providers: PART & YVEDDI

Exhibit #8: The Economic Case for Greenways

Exhibit #9: The Mountains-to-Sea Trail

Exhibit #10: Armfield Civic & Recreation Center

On the Radar: Conceptual Schematics & Renderings

Schematic #1: Future Land Use Transect Model

Schematic #2: Conservation Cluster Development Patterns

Schematic #3: The Dyehouse District

Schematic #4: Commercial Evolution.

Schematic #5: Connectivity is Key: The Key Street Southside Infill Development Plan

Schematic #6: Main Street Streetscape Revitalization

Schematic #7: Downtown Tranquility at Depot Street Park

Schematic #8: Recreation Destination: Waterworks Park

Schematic #9: West Main Makeover: Yadkin Valley Regional Bike Plan

Schematic #10: Come Together: Pilot Mountain Central Market & Amphitheater

Earning their Wings: Case Studies in Successful Implementation

Case Study #1: Rainscapes Rewards: Montgomery Co., Maryland Stormwater Rebate Program

Case Study #2: Moving Lenoir to the Second Floor

Case Study #3: Brew It Madras!: Brewery Recruitment

Case Study #4: Placebranding: Community-Driven Visioning in Belmont, NC

Case Study #5: Treehouse Tourism on the Cashie River

Case Study #6: Captured and Converted: Jackson County, NC Green Energy Park

Case Study #7: Shallotte Riverfront Town Center: Economic Development Authority of G.S 158-7.1

Case Study #8: Textile Mill to Opportunity Factory: Gaston TechWorks

Case Study #9: The 423: Chattanooga's City Newsletter

Case Study #10: Shining a Light on EV Charging: Dual-use LED Streetlights in L.A.

Case Study #11: Main Street to the Mountains: Connecting downtown to the National Forest in Brevard, NC

Case Study #12: Bike Boost: Economic Impact of Rocky Knob Park, Boone, NC

Case Study #13: Two-wheels, One Community: Zacks Fork Trail, Lenoir, NC

Case Study #14: Window Treatment: New Life for Vacant Storefronts

Case Study #15: When Money Grows on Trees: Street Trees as Economic Development

Case Study #16: Friday Night Lights: Spotlight on Visual Arts in Boone, NC

Key Resources

Resource #1: NCSU Low Impact Design for Stormwater Guidebook

Resource #2: Curb Enthusiasm:

Deployment Guide for On-Street Electric Vehicle Charging

Resource #3: FHWA Small Town and Rural Multi-modal Network Guide

Resource #4: AchiEVe: Model Policies to Accelerate Electric Vehicle Adoption

Resource #5: North Carolina Great Trails State Master Plan



PLAN INTRODUCTION



Background and Purpose Planning Goals Process & Timeline

BACKGROUND AND PURPOSE

WHY PLAN?

Progress Pilot Mountain is a comprehensive plan that charts a course for the next two decades of Pilot Mountain's future. A comprehensive plan helps guide decision-making for elected and appointed officials, town staff, and community leaders by defining a shared, long-range vision for the town's future and identifying specific policies that will achieve desirable and appropriate growth in alignment with the community's future vision.

As of January 01, 2021, North Carolina General Statute 160D-501 requires municipalities with zoning to have an up-to-date comprehensive plan. *Progress Pilot Mountain* satisfies this requirement by updating and replacing the Town of Pilot Mountain's 2005 Land Use Plan.

In addition to meeting the statutory requirement, there are several reasons why Pilot Mountain needs a Comprehensive Plan. Pilot Mountain is experiencing incremental, but steady population growth, and is strategically located near two of North Carolina's most iconic state parks, while maintaining easy access to urban markets in Winston-Salem and Greensboro. A shifting economic landscape, both nationally and regionally, presents new opportunities for non-traditional economic development. Additionally, renewed activity and investment in Main Street provides an opportunity to carry forward the momentum of recent success to further catalyze Pilot Mountain's downtown. These opportunities create the need for a plan that addresses the changing economic landscape, prepares the town for new demands, and empowers the community to take steps toward achieving its desired future.

Pilot Mountain's response to socioeconomic and environmental challenges will determine the town's, competitive position in the regional market, quality of life for residents, and overall community health for decades to come. The success of Pilot Mountain will require bold leadership that is willing to take calculated risks by pursuing the innovative

and transformational strategies proposed in this plan.

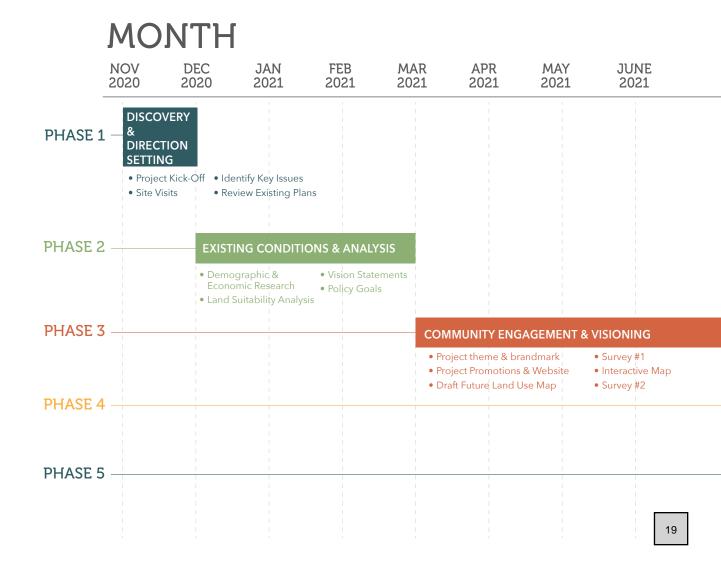
	BOARDING PASS				H	ave a nice	e flight
Name of passenger TOWN OF PILOT MOUNTAIN From 2020 To 2040 Gate	Flight No. 20202040 0°	Date I JAN 2022 Seat	Time 12:00 AM	 	Name of pa TOWN 0F PILOT M From 2020 To 2040 Flight No. 20202040 Gate		Time 12:00 AM Seat
01	15A	FIRST CLASS		İ	01		15A FIRST CLA

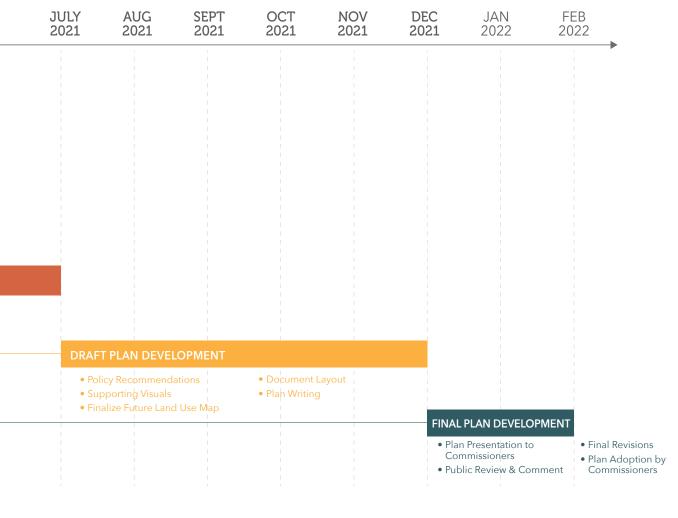
Progress Pilot Mountain conveys a vibrant, long-range vision by articulating the community's desire for strategic growth and investment while maintaining the town's historic mountain character and genuine small-town charm. Four (4) goals guided the comprehensive planning process:



PLANNING PROCESS & TIMELINE

Progress Pilot Mountain was developed over the course of a five-phase process guided by a project steering committee that worked in collaboration with town staff, town commissioners, and community stakeholders.







CHAPTER 1



Town History
Demographic & Economic Trends
Regional Context
Existing Conditions Map Series
Land Suitability Analysis
Influential Plans & Studies

TOWN HISTORY



LATE 17TH CENTURY

Saura Tribe

The region's earliest known inhabitants were the Saura, or Cheraw, people. In the late 17th century, the Saura tribe left their homes, near present day Asheville, and settled in the region near the Dan River and what are now known as the Sauratown Mountains. Pilot Mountain, which lends its name to the town, is a remnant of the Sauratown Mountains. The Saura referred to Pilot Mountain as Jomeokee meaning "Great Guide" or "Pilot." In 1669, German physician and explorer John Lederer visited and documented the Saura settlements, and European traders soon followed. The traders brought diseases that caused devastating epidemics among the Saura and other indigenous peoples. By 1710, the surviving Saura abandoned their villages near Pilot Mountain and moved south to the Pee Dee River in present day South Carolina.



18TH CENTURY

The Great Wagon Road

Although the Saura tribe abandoned their villages, their mark on the region remained. The paths used by ancient Native American tribes eventually became the Great Wagon Road, used by 18th-century colonists to travel and settle in the South. On the Great Wagon Road, Pilot Mountain, or Mount Ararat, as early German Moravian settlers called it, served as a landmark for families migrating to their new home of der Wachua, or the Wachovia Tract, which is now present-day Winston-Salem. Wachovia quickly became an established urban center and led to further settlement of the Piedmont region including the Town of Pilot Mountain.

German settlement of the region continued, along with settlement of the Scots-Irish, and English Quakers, who relocated for the fertile land which provided excellent sites for mills and agriculture, especially the cultivation of tobacco. These Piedmont settlers, were primarily subsistence farmers, with small, self-operated farms.

In 1751, Pilot Mountain was surveyed for the first time by Joshua Fry and Peter Jefferson, Thomas Jefferson's father.



19TH CENTURY

Trade & Tobacco

As the towns grew, trade routes developed from the small farms near Pilot Mountain to export centers. The fast moving, deep rivers east of the Piedmont region did not provide easy access to the ports of coastal North Carolina, so trade routes from the Piedmont initially expanded north to Virginia. In 1888, the Cape Fear and Yadkin Valley railroad was constructed from the Atlantic port of Wilmington to Mount Airy, and the Dalton station opened in downtown Pilot Mountain. With the completion of the railroad, the depot became a center of commercial and social activity. The Town boomed with nine tobacco factories by the early 1890s only Winston had more. The railroad gave rise to the growth of Pilot Mountain as a town, and created the need for an organized local government. On March 9, 1889, the Town of Pilot Mountain was incorporated.

With the railroad came hotels and boarding houses to accommodate travelers from the East who were seeking cooler regions of the state during summer as well as the advertised healing powers of mineral springs resorts. In the 1850s, H.T. Gillam, owner of the Pilot Mountain pinnacle and surrounding land, established an inn near the base of the mountain and operated a tourism business that offered tours to the summit. Pilot Mountain's reputation as a scenic and desirable travel destination was born and continues to attract visitors today.

Pilot Mountain was largely spared the atrocities of the Civil War. General Stoneman's raid to destroy confederate support passed through Surry County further west of Pilot and did limited damage to the county that voted overwhelmingly not to secede from the Union in the first place.



20TH CENTURY

Birth of a State Park

The 20th century brought substantial change and growth to the young town. In 1910, Pilot Mountain the first public school was opened. In 1914, the Bank of Pilot Mountain was constructed on Main Street. In 1915, nearly the entirety of Pilot Mountain State Park, as it is known today, was sold at auction by the Gillam heirs. The mountain was purchased by a syndicate of Winston-Salem investors who never developed it as was speculated.

In 1916, the first local power plant provided services electric services to the area. The 1930s expanded access to the broader world with establishment of the Town's first public library and movie theater. The 1940s, ushered in a dramatic boost to the Town's economy with the arrival of textile manufacturing. The textile industry remained a powerful economic force until the 1990s when textile companies shifted production to overseas factories resulting in plant closings and layoffs throughout North Carolina. Pilot Mountain was not spared from this new reality and several textile mills shuttered their doors by start of the new millennium.

Despite the economic highs and lows, the latter half of the century saw unprecedented civic activism and significant investment in public causes. The Town's first land use plan was adopted in 1963 and updated in 1978. A major milestone was achieved in 1968 wit: the establishment of Pilot Mountain as North Carolina's 14th state park. A group of Surry County citizens called The Pilot Mountain Preservation and Park Committee proposed the establishment of the state park to protect the mountain and surrounding land from further commercial exploitation. Working with the conservation-minded owner of the property, Mrs. J.W. Beasley, the committee secured options on the land and raised matching funds that made it possible to purchase the land with federal grants. The committee further acquired more than 1,000 acres of land along the Yadkin River that was added to the park in 1970. Today, the 3,703-acre park stands as a monument to the determination and perseverance of a citizenry dedicated the preserving the iconic mountain in perpetuity.

A decade after the establishment of Pilot Mountain State Park, local trail advocates planned, constructed, and opened the Sauratown Trail in 1979 that provides a critical link across the mountains from Hanging Rock to Pilot Mountain State Park.



21ST CENTURY

Piloting A Course Forward

With the loss of manufacturing as a prime driver of the economy, the town of Pilot Mountain has shifted focus to re-invigorate its historic storefronts with independent businesses, capitalize on recreation tourism, and embrace viticulture production and agritourism. The shifting economic landscape and a resurgence in community activism and investment in the downtown positions Pilot Mountain to take advantage of new opportunities for non-traditional economic development. In an emerging economy where remote-workers can live anywhere, the town is poised to leverage its charming downtown and proximity to the inspiring landscapes of Pilot and Hanging Rock state parks to attract a new wave of residents and visitors.

DEMOGRAPHIC & SOCIOECONOMIC TRENDS

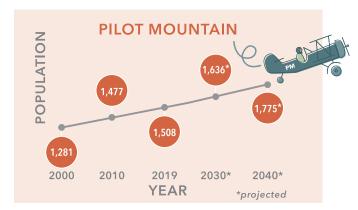
This section presents a series of infographics that provide an objective and factual overview of pertinent demographic and socioeconomic data to establish a baseline of existing conditions in Pilot Mountain and Surry County today. This data signals trends that are affecting or will affect the community and future growth patterns.

POPULATION & DEMOGRAPHIC TRENDS

HISTORIC & PROJECTED POPULATION CHANGE

Pilot Mountain's average rate of population growth over 10-year increments from 2000 to 2020 is 8.5%. It is reasonable to assume this trend will continue if current economic and market forces remain the same. By contrast, the NC State Demographer's office projects that Surry County's population will remain constant over the next 20 years.

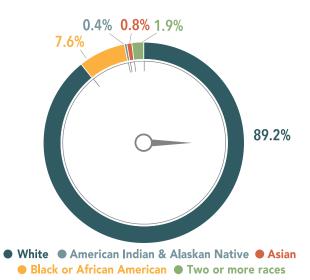




AGE GROUP DISTRIBUTION

55-64 years 35-54 years 0-9 years 10-19 years 20-34 years

POPULATION BY RACE





ECONOMY & EMPLOYMENT

EMPLOYMENT



50% OF PILOT MOUNTAIN'S POPULATION OVER AGE 16 IS ACTIVELY EMPLOYED. 47.2% IS RETIRED, UNEMPLOYED, OR NOT ACTIVELY SEEKING EMPLOYMENT.

TELECOMMUTERS



LABOR FORCE WORKING FROM HOME



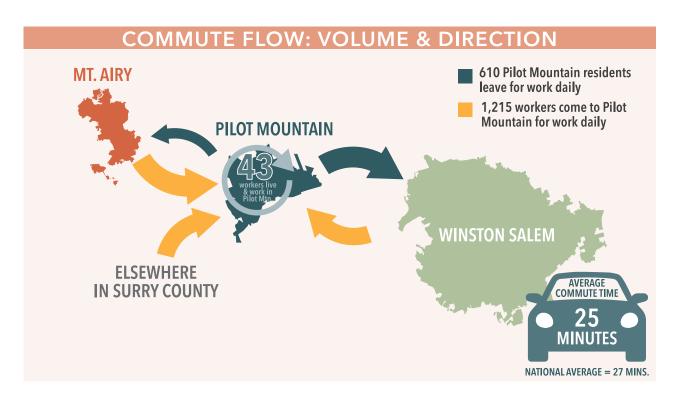
FASTEST GROWING REGIONAL EMPLOYMENT SECTORS

HEALTHCARE & SOCIAL ASSISTANCE

CONSTRUCTION

FOOD SERVICES & ACCOMMODATIONS

HEALTHCARE AND SOCIAL
SERVICE SECTORS ARE
PROJECTED TO GROW
2.7% ANNUALLY

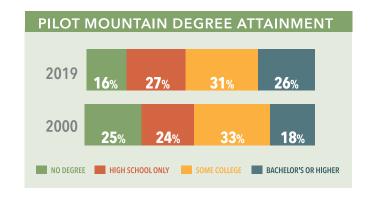


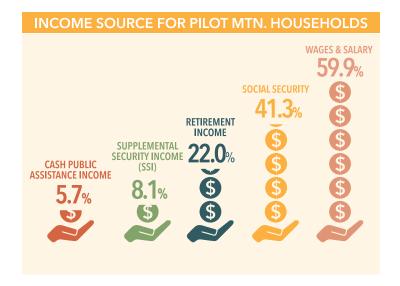
CURRENT LARGEST EMPLOYMENT INDUSTRIES

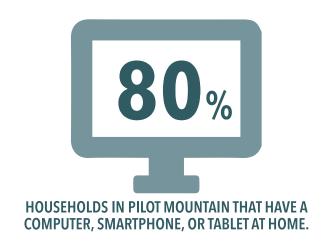


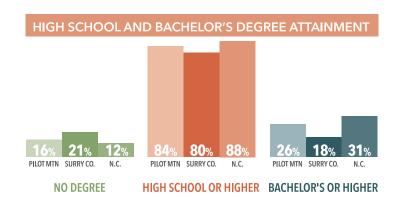
INCOME & EDUCATION

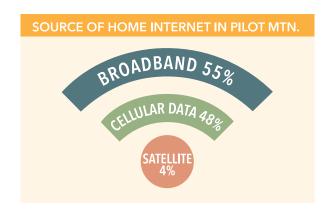
\$36,250 \$43,597 \$54,602 \$\cdot\\$ \cdot\\$ \cdo

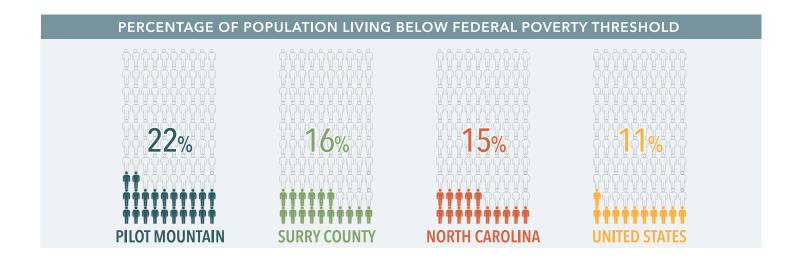












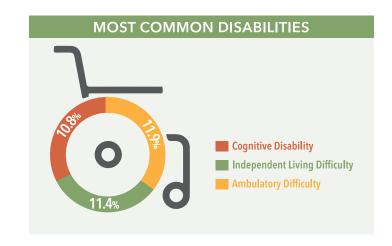
HEALTH & RECREATION

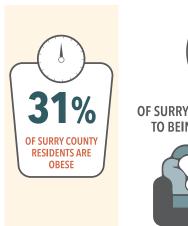
PERCENT OF POPULATION WITH A DISABILITY

NORTH CAROLINA 13.4%

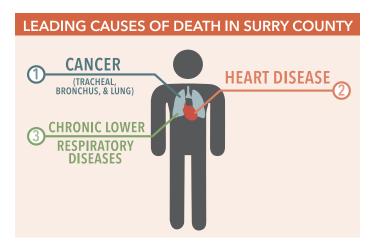
SURRY COUNTY 20.2%

PILOT MOUNTAIN 20.6%







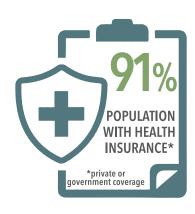


TOP SURRY COUNTY HEALTH ISSUES











*out of 100 NC counties



OF RESIDENTS SMOKE

IN SURRY COUNTY

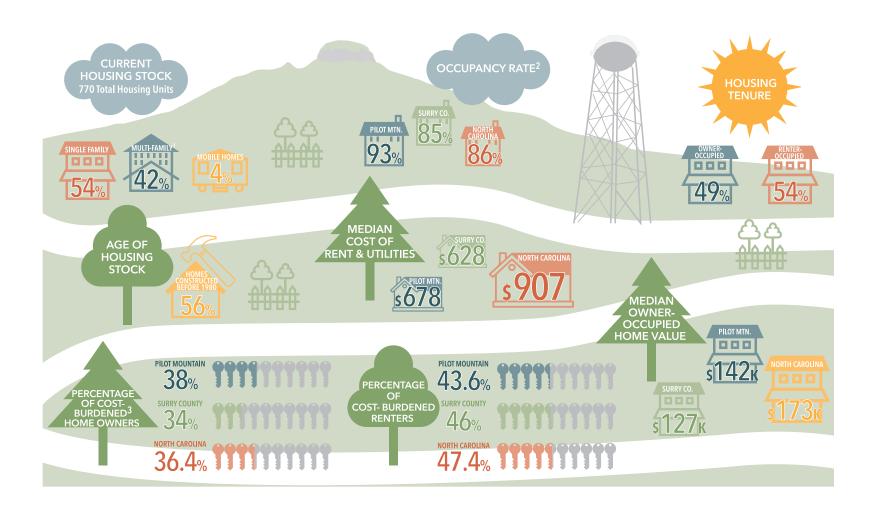


WITHIN 5-MILE RADIUS OF DOWNTOWN PILOT MTN.





HOUSING





² THIRTY Percent of housing stock that is occupied

³ THIRTY percent or more of monthly income is spent on housing and utilities



REGIONAL CONTEXT

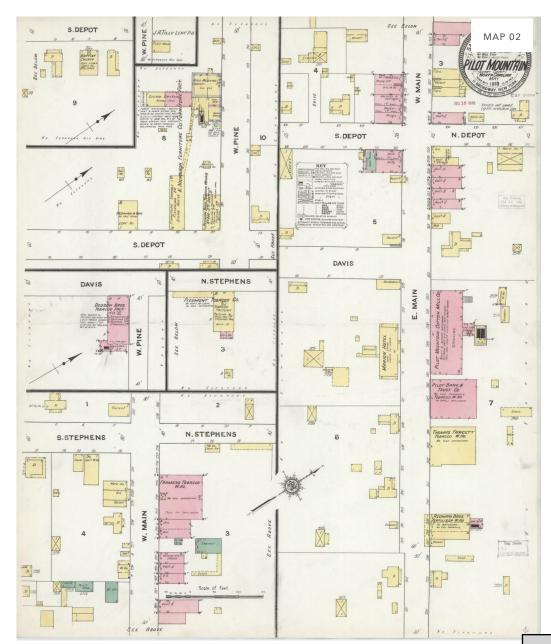
The Town of Pilot Mountain occupies approximately two (2) square miles adjacent to the eastern boundary of Surry County, NC. Nestled among the Sauratown Mountains in the state's Piedmont region, the Town of Pilot Mountain is strategically located on US Highway 52 between two of North Carolina's most iconic state parks: Pilot Mountain and Hanging Rock. The town's location on Highway 52 provides direct access to larger markets only a half-hour drive south to Winston-Salem and 15 minutes north to Mount Airy. Planned NCDOT transportation projects will further expand access to the town from Winston-Salem and the Greensboro metropolitan area. Pilot Mountain enjoys the best of both worlds with easy access to urban centers and high-quality outdoor recreation destinations. These assets present the town with a significant opportunity to position itself for coordinated future growth and sustained economic prosperity.

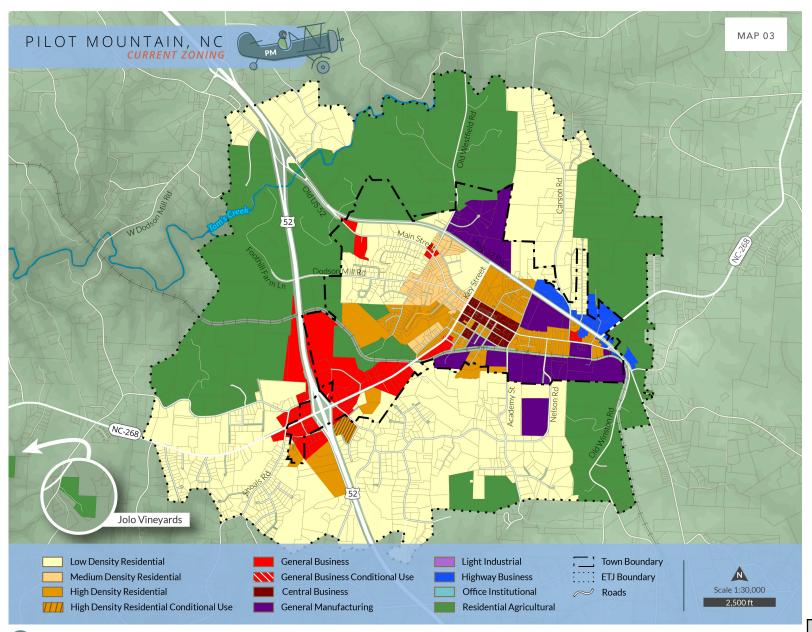


EXISTING CONDITIONS MAP SERIES

The following map series provides a geospatial presentation of the existing physical environment and development patterns within the Pilot Mountain planning jurisdiction and surrounding area. Characteristics of the natural and built environment have significant implications for future land use, development policies, transportation networks, recreation opportunities, and open space preservation. A thorough understanding of current conditions provides the foundation for developing context-specific recommendations and public policy that accounts for the nuances of Pilot Mountain's distinctive physical traits and historic growth patterns.

1910 Sanborn Fire Insurance Map of Pilot Mountain. Sanborn maps were developed to provide pertinent information to insurance underwriters in order to assess liability and risk in developed areas. Buildings are color-coded according to their material composition and labeled according to their use along with key architectural features. Nowadays, Sanborn maps are a useful tool for observing how the environment of towns and cities evolved over the 19th and 20th centuries.





ZONING

The Pilot Mountain Unified Development Ordinance (UDO) identifies ten (10) base districts, although two districts (Office-Institutional and Light Industrial) have not yet been established on the zoning map for specific parcels. In addition, Pilot Mountain's UDO identifies two (2) Overlay Districts that address areas of the town with distinctive features that require additional performance standards irrespective of the use of the land. The two Overlay Districts are: 1) Downtown Design District, and 2) Watershed Overlay District. Lastly, two (2) types of conditional districts are also provided for in the UDO, and can be applied to specific parcels in order provide the applicant and/or town with greater discretion in establishing performance standards for a unique project or development concept.

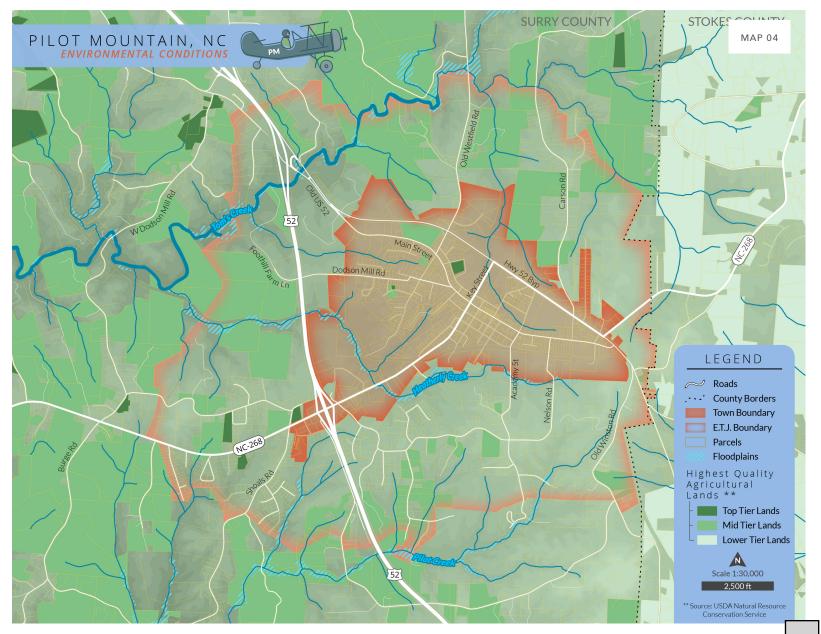
In terms of residential and commercial uses, the zoning map and associated zoning regulations indicate a pattern of traditional development that is denser in the Town's core and becomes less-dense the further the distance from the core. While there is some mixing of compatible uses is allowed in each district, permitted uses predominantly follow a traditional Euclidean-style of zoning with strong separation of uses into geographic districts.

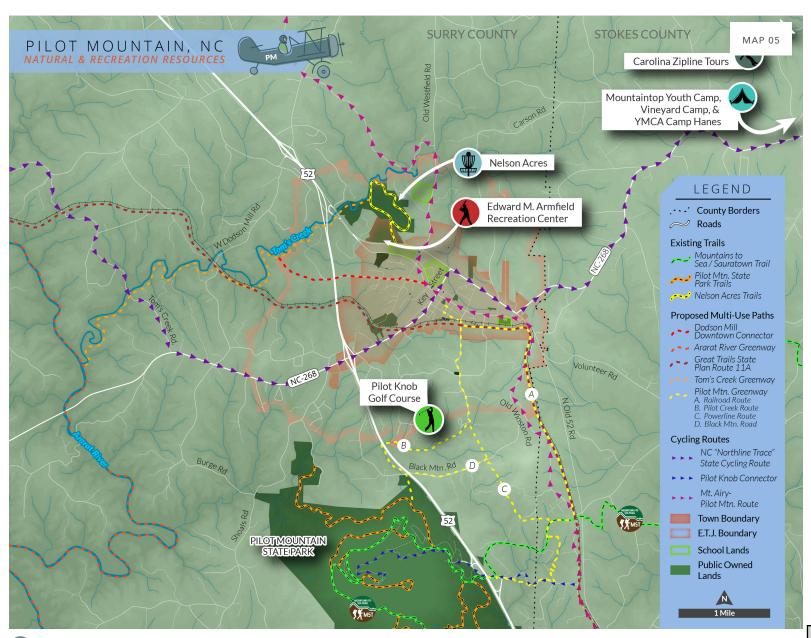
ENVIRONMENTAL CONDITIONS

Surry County has long held a reputation as an area rich in fertile soil thanks to the presence of several mighty rivers, such as the Yadkin and Ararat, and their tributaries. Surrounding Pilot Mountain, the majority of prime agricultural lands, as identified by the NC Natural Heritage Program's Agricultural Lands Assessment, are located in the town's Extra Territorial Jurisdiction (ETJ). State-designated prime farmland and farmland of statewide importance play a critical role in the production of food, feeds, fibers, and oilseed crops. These farmlands have the ideal combination of physical and chemical characteristics for producing high yields year after year.

Pilot Mountain's surrounding agricultural lands are integral components of the town's open space, wildlife habitat, groundwater recharge areas, and rural character that contribute to the environmental health and appealing natural aesthetic of the town. Not to mention, adjacent farms provide access to local food and opportunity for value-added agritourism enterprises such as the booming viticulture industry in the Yadkin Valley.

Consistent with national and statewide trends, Surry county as a whole is experiencing a loss in farmland as development occurs which further strains less-optimal farmland. Conservation of Pilot Mountain's highest quality agricultural lands will be paramount to preserving local food systems and the town's scenic character.





NATURAL AND RECREATION RESOURCES

The Town of Pilot Mountain enjoys an abundance of natural and recreation resources in close proximity to the town thanks to the Sauratown Mountains. The most notable Sauratown destinations are Pilot Mountain and Hanging Rock State Parks. The iconic pinnacle of Pilot Knob is ever-present from almost any vantage point in the town. The entrance to Pilot Mountain State Park is a four-mile drive from downtown. The state park welcomes over 1 million visitors each year from across the state and region.

Located at the eastern end of the Sauratown Mountain chain in Stokes County, Hanging Rock State Park is only a 25-minute drive from downtown Pilot Mountain. Over 850,000 people visit Hanging Rock State Park. The Town of Pilot Mountain is enviable located in between these two popular state parks, presenting enormous opportunity for recreation tourism and outdoor activities for locals including hiking, climbing, and mountain biking.

The well-loved Mountains-to-Sea Trail (MST) traverses southern Surry County. Segment 7 of the MST utilizes hiking trails within Pilot Mountain State Park and the Sauratown Trail that connects Pilot Mountain State Park to Hanging Rock State Park. This segment is approximately 35 miles long and is maintained by the Friends of the MST and Sauratown Trails Association.

In addition to the well-known natural-surface trails within and between the two state parks, several multi-use paths are proposed in and around the Town of Pilot Mountain. In 2020, a greenway feasibility study was completed to evaluate potential routes for a multi-use path connecting downtown Pilot Mountain to Pilot Mountain State Park. The plan identified four (4) potential routes. Route A coincides with Route 11A of the NC Great Trails State Plan which proposes a rail-with-trail to connect the Towns of Pilot Mountain and Mount Airy. Multi-use paths are also proposed along Tom's Creek and the Ararat River.

A multi-use path along Tom's Creek is proposed to terminate at Nelson Acres, a 115-acre town-owned park with approximately three (3) miles of hiking trails and an 18-hole disc golf course. Nelson Acres is adjacent to, and accessed via the Armfield Civic and Recreation Center. The Armfield Center provides the Pilot Mountain Community with traditional recreation opportunities such as ball-fields, youth sports leagues, a playground, indoor fitness facilities, and an indoor competition swimming pool.

The rural area surrounding Pilot Mountain also boasts many opportunities for recreation. 470 miles of cycling routes, identified on the Surry Bikeway Plan, navigate scenic rural roads, including the State Northline Trace Route. The Pilot Knob Park Country Club offers 18 holes of golf with stunning views of the mountain. Several overnight camps and a zipline company are also located within a short drive east of Pilot Mountain.

PUBLIC INFRASTRUCTURE AND MAJOR EMPLOYERS

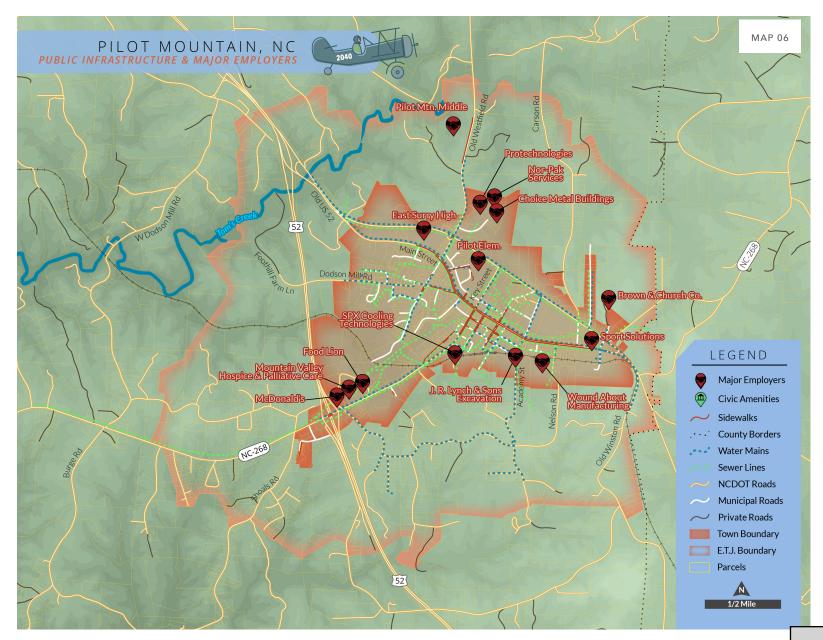
The Town of Pilot Mountain operates a 1.5-million-gallon wastewater system and maintains 19 miles of sanitary sewer line and 424 manholes throughout the town. The wastewater treatment plant is located on Heatherly Creek at the southeast end of town. Sewer line infrastructure is concentrated within town limits. Sewer lines range in size from small 4-inch service line to 18-inch mains. 4.5 miles of pressurized force mains and 20 lift stations complete the system.

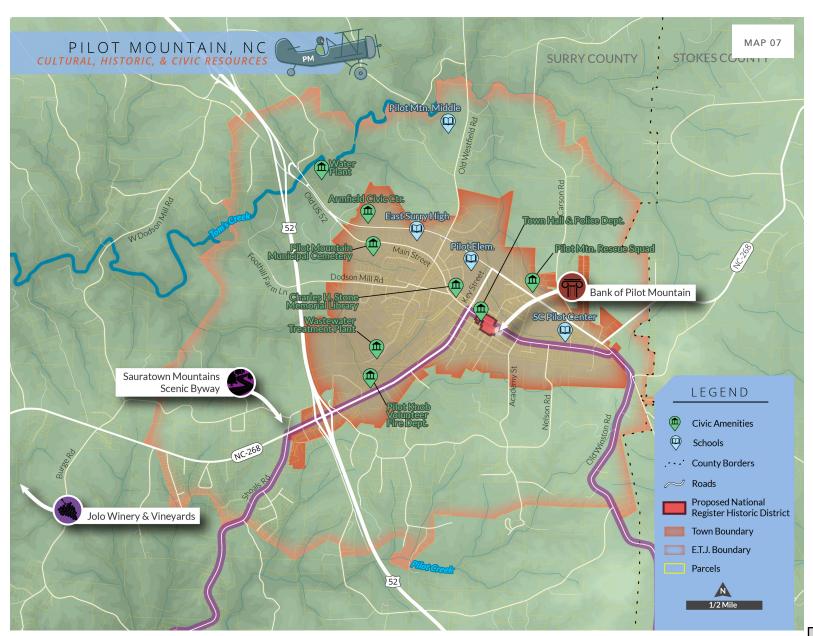
The town has operated its own water treatment plant for decades, but has entered into an interconnect agreement with the City of Mount Airy and will transition to purchasing all water from Mount Airy within the next couple years. Under the interconnect agreement, the town will still maintain its own 26 miles of water mains, 380 water valves, 201 fire hydrants, and two (2) water storage tanks. Pilot Mountain has extended its water service area beyond town limits to serve residential development to the south.

In 2020, the town completed an Asset Management Plan (AMP) for the sanitary sewer and water systems. The plan identified 4,285 linear feet of sewer line that is extreme-risk and prioritized for immediate replacement. Only 501 linear feet of water line was identified as extreme-risk. Pilot Mountain will utilize the AMP to prioritize line and infrastructure replacement and seek funding for such projects from state and federal agencies.

Pilot Mountain maintains nearly 10 miles of public streets, including Main Street downtown. All town streets are set to be resurfaced in FY21-22. The Town has also made noticeable progress over the past decade filling sidewalk gaps and intends to build upon this progress in areas of high need and pedestrian traffic.

Pilot Mountain's largest industries for employment are the school system, manufacturing and construction, and food services. Many of the largest employers in town are identified on the map on the opposite page and bring 1,215 workers to the town each day.





CULTURAL, HISTORIC, & CIVIC RESOURCES

Much like its abundant natural assets, Pilot Mountain is rich in history, culture, and civic resources. Noteworthy community assets include the Historic Downtown (candidate for National Register Historic District status), The Pilot Center, Charles H. Stone Memorial Library, Armfield Civic Center, and newly-established Sauratown Mountains Scenic Byway.

In 2021, the Town of Pilot Mountain submitted an application to the NC State Historic Preservation Office to establish a National Register Historic District in downtown. The application is currently pending, and if approved, will be forwarded on to the National Park Service for consideration. The proposed district encompasses most of Main Street between N. Depot Street and N. Stephens Street and included 30 contributing buildings constructed in the Town's central business district between 1900 and 1970. Notable architectural styles include Queen Anne, International, and Modernist. The Town of Pilot Mountain has been a member of the North Carolina Main Street Downtown Associate Program since 2019.

The Surry Community College Pilot Center is located in downtown Pilot Mountain within a renovated textile mill on east Main Street. The Pilot Center provides workforce, technology, and community education classes as well as college credit curriculum classes to the Pilot Mountain community.

The Charles H. Stone Memorial Library located on west Main Street is one of thirteen public libraries in the Northwestern Regional Library System. The library is a popular place for retirees and senior activities, and provides access to research tools and computers. The library also hosts several community events each month including yoga on the lawn and youth activities.

In 2020-21, the town worked closely with the Piedmont Triad Regional Council to seek establishment of the Sauratown Mountains Scenic Byway through downtown Pilot Mountain. Having established the scenic byway through the NC Department of Transportation Program, project partners will now seek federal byway designation. The Sauratown Mountains Scenic Byway spurs from the Hanging Rock Scenic Byway to bring travelers into downtown Pilot Mountain. The route provides motorists with a tour of the stunning Sauratown Mountains to the east and west of the town.

LAND SUITABILITY ANALYSIS

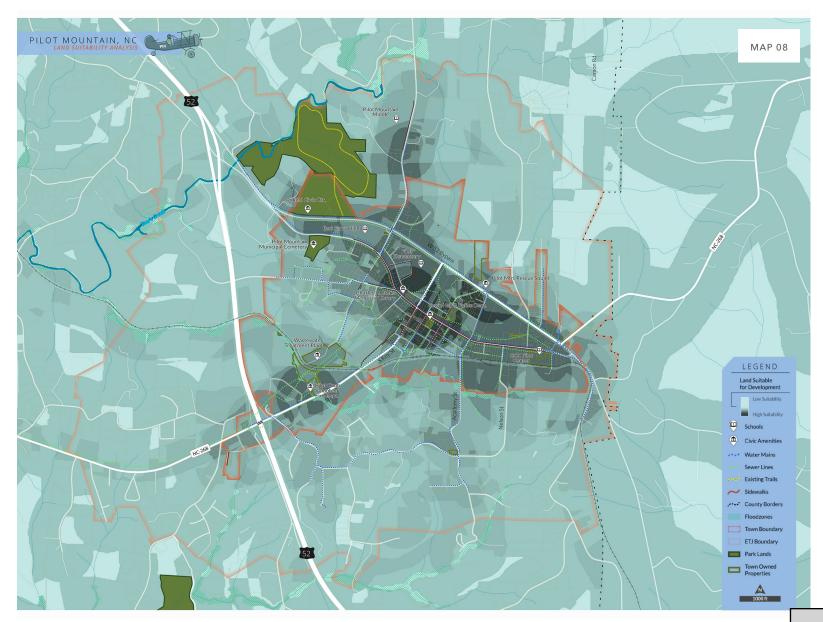
The Land Suitability Analysis (LSA) combines the data sets presented in the previous map series into a single geo-spatial model that evaluates and classifies land on a spectrum of most to least suitable for new development. The LSA model takes into consideration several factors, including:

- Existing development status (developed or undeveloped)
- Proximity to public infrastructure (roads, water, sewer, rail, sidewalks, existing & proposed greenways)
- Proximity to cultural and recreation amenities, schools, and major employers
- Environmental factors (floodplain, wetlands, and prime agricultural lands)

High suitability land is located outside of environmental hazard areas, is not characterized as prime agricultural land, and is located near existing development and public infrastructure. Low suitability lands are less appropriate for development due to environmental constraints and distance from existing infrastructure.

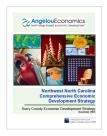
The LSA provides a broad analysis of existing data and is one of several considerations used to determine the appropriateness of development for a tract of land. The LSA presents a general snapshot of areas most suitable for development, while highlighting areas that are best suited for conservation. It does not account for site and project-specific factors that must be also be considered on a case by case basis when making development decisions.

The LSA is one of several valuable tools used to develop the Future Land Use Map. Other factors that inform the Future Land Use Map are historic development trends, existing land use policies and infrastructure, community preferences, and professional land planning best practices.



INFLUENTIAL PLANS & STUDIES

Pilot Mountain and the Piedmont Triad Region have a strong history of long-range planning and documented community initiatives. This section summarizes key recommendations from pertinent plans and studies. *Progress Pilot Mountain* builds upon these previous planning efforts and incorporates relevant recommendations where appropriate throughout this document.



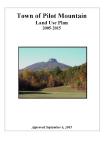
Surry County Economic Development Strategy (2003)

- Recommends creation and enhancement of both academic and workforce training programs at Surry Community College including the creation of a workforce development center.
- Support ESL programs and further develop workforce training programs geared toward Surry County's growing Hispanic population.
- Recommends stimulation of the local economy by providing Surry County entrepreneurs with educational resources, connections to angel investors locally and regionally, and access to capital for small businesses and startups



Surry County Bikeway Plan (2004)

- Identifies two primary cycling routes in Pilot Mountain:
 - » Mt. Airy-Pilot Mountain route (C Main Loop) connects downtown Pilot Mountain to Mt. Airy
 - » The Pilot Knob Connector (G spur) extends from the Mt. Airy-Pilot Mountain route to climb Pilot Knob via the State Park summit road
- The map identifies six other cycling routes throughout the county totaling 470 miles.



Town of Pilot Mountain Land Use Plan (2005-2015)

- Examines current land use patterns in Pilot Mountain and creates recommendations to ensure protection of small-town character, local economy, and improvement of historic assets to enhance land use quality through 2015.
- Encourages development of a mixed-use commercial center, connected road networks, and open space subdivision development to encourage the town's healthy growth at a pedestrian scale.
- Calls for more coordinated planning decision-making between local governments, developers, and the public.



Surry County Greenways Master Plan (2005)

- Identifies potential greenway corridors throughout Surry County and proposes specific action steps to establish, design, and maintain these greenways
- Investigates the statewide, regional and county level plans as well as private non-profits which offer support and existing planning power for new greenways.
- Proposes a greenway network comprised of 3 primary and 3 secondary corridors along land and river corridors to protect and promote natural features of the county.
- Offers 6 different designations for types of trail character throughout the network from water trails to unpaved, low impact trails in wetlands.
- Lays out guidelines of implementation in land protection, master planning, design development, construction, and maintenance.



Winston Salem State University Pilot Mountain Center Demand Analysis (2005)

- Investigates the feasibility of offering courses from Winston Salem State University to Surry County residents in two course areas of distance learning and continuing education.
- 25 in-depth interviews were conducted and showed mixed reactions.
- Part-time evening courses are most desired.
- Interviews & public surveys showed most support for part-time evening courses in nursing education and business management, as well as a center for continuing education in Pilot Mountain.
- Obstacles include: a small population base in Pilot Mountain and need for significant marketing efforts to attract students.



Pilot Mountain Comprehensive Pedestrian Plan (2013)

- Recommends policy and program changes to improve pedestrian safety and access.
- Proposes 43 specific pedestrian projects for multi-use paths, sidewalks, greenways, road crossings, and safety enhancements which altogether would create a network of over 34 miles of existing and new facilities
- The plan identifies a series of 10 high impact focus projects, including a pedestrian route connecting the town itself to Pilot Mountain State Park.



Surry County Parks and Recreation Master Plan (2016)

- Identifies county-wide recreation needs through 2026 and recommends over \$20 million in investments.
- Key improvement areas include new community parks, regional trail systems including greenways and blueways, and smaller recreational features such as shelters, playgrounds, paved courts and parking.
- Plan encourages municipalities to continue utilizing county parks and recreation funding and programs.



Pilot Mountain State Park General Management Plan (2018)

- Identifies key investment and policy changes necessary for State Parks to meet visitor's demands including nearly 8 million dollars of improvements.
- Key improvements include land acquisition needs, construction of a visitor's center, trail maintenance, new parking areas, camping area improvements and park office renovations.



Pilot Mountain Downtown Streetscape Plan (2018)

- Developed by Benchmark Planning, this set of designs offers a series of concepts to create a more attractive, safe, and pedestrian friendly public realm in downtown Pilot Mountain.
- Recommended streetscape improvements vary between sections of East and West Main Street and include a selection of new parking solutions, street trees and planters, curb-extensions at intersections, as well as conversion of some on-street parking to outdoor seating for restaurants and businesses.
- Envisions conversion of the Town Hall parking lot into a pedestrian plaza featuring an open-air market, street-facing civic building and visitor center, vendors, public restrooms, and a new amphitheater with a view of Pilot Mountain



Town of Pilot Mountain Economic Development Action Plan (2018)

- This document highlights economic goals for Pilot Mountain to achieve over the 2018-2019 year.
- Three focus areas: Business Support and Growth, Visitor Friendly Community, and Town & Park Connections
- Identifies actions to take to achieve specific objectives within each of the three focus areas, including:
 - » Mirroring successful incentive programs in other similarly sized
 - » Identifying priorities for downtown businesses;
 - » Implementing and funding streetscape plans;
 - » Connecting state park visitors with businesses in town through connector trail and co-branding of park and town.



Surry County Community Health Assessment (2018)

- This plan presents health related data collected and compiled from public survey and census data by the Surry County Health and Nutrition Center.
- Documents demographic, socioeconomic, and environmental factors affecting the health of the county's population and the availability of resources to address these health needs.
- Substance abuse/addiction services were repeatedly identified as a major issue in the county as overdose rates have increased substantially over the past years.
- Obesity was also identified as a major issue in Surry County, and the assessment recommends more access to physical activity, nutrition services, and general health care access.



Surry County 2040 Land Use Plan (2019)

- Analyzes development growth trends and factors, current policies, and future opportunities for Surry County through 2040.
- Identifies the challenge of protecting Pilot Mountain State Park from possible residential and commercial sprawl from the Winston-Salem area.
- Suggests redevelopment of underutilized spaces in and around town centers while developing industrial use in planned parks.
- Highlights importance of environmental policy for the county and areas surrounding Pilot Mountain including the Northern Piedmont Hazard Mitigation Plan which clarifies disaster mitigation guidelines and prevention measures, specifically for flooding and water-related disasters.
- Emphasizes that development should not be discouraged or prohibited, but that strategic planning is essential to ensure historic character, environment, and economy are protected while accommodating growth.



Pilot Mountain Downtown Strong Implementation Plan (2019)

- In 2019, Pilot Mountain was selected to participate in the Downtown Strong initiative offered by the North Carolina Department of Commerce, NC Main Street & Rural Planning Center.
- The two-day workshop consisted of meetings with local representatives to identify priorities for economic growth in the downtown area.
- Tangible goals were identified as recruiting at least 2 new eateries within the year, updating streetscapes, and creating a makerspace for local businesses and artisans.



Pilot Mountain Strategic Plan (2019-2022)

- Four (4) major strategic goals to provide a framework, overall direction and specific guidance to the Town Council and Town Staff:
 - » Deliver effective and efficient services to the town
 - » Improve and maintain eco and physical infrastructure
 - » Grow the economy
 - » Attract and support qualified staff
- The plan offers a list of tangible objectives to accomplish each of these four strategic goals as well as an overall SWOT analysis of the Town of Pilot Mountain.



JobsEQ Town of Pilot Mountain Economic Overview (2020)

- This document displays and analyses data for a variety of economic factors in Pilot Mountain including rates of employment and wages, educational attainment, industry, occupations, and cost of living.
- Key takeaways:
 - » Employment declined 1.4% in 2020
 - » Average income is \$37,869, below the national average of \$57,624.
 - » Largest industry sectors are construction, health services, and educational services.
 - » Largest occupational groups are food services, construction, and educational services.



Pilot Mountain to State Park Greenway Feasibility Study (2020)

- Investigates benefits and obstacles to creating a greenway connecting Pilot Mountain State Park to the town of Pilot Mountain.
- Suggests the economic benefits of connecting tourists to the downtown area from a planned visitor's center at the State Park.
- Analyzes 4 possible routes for a greenway path utilizing a variety of site analyses and community input.
- Suggests preferred route is a 5.7 mile path which would primarily utilize railroad corridor.
- Identifies constraints in steep topography, major road crossings, and residential areas.



Yadkin Valley Regional Bike Plan 2020

- Identifies opportunities and constraints for biking in the Yadkin Valley Region.
- Among other suggestions, the plan proposes a 6.3mile Pilot Mountain "Town to State Park" trail from East Surry High School to Pilot Mountain State Park.
- Plan suggests separated bike lanes, shared lane markings, wayfinding signage, rail with trail, and side paths along existing roads.
- Identifies estimated costs, partnerships, trip generators and other options or variations.

Other Significant Plans, Studies, & Policy Documents

- Pilot Mountain Unified Development Ordinance
- Pilot Mountain Source Water Protection Plan, 2014
- Pilot Mountain Stormwater Drainage Study, 2009
- Piedmont Triad Regional Open Space Strategy, 2003
- Pilot Mountain Historic District National Register of Historic Places Application, 2020
- NCDOT Division 11 Great Trails State Plan, 2020
- Piedmont Triad RPO Regional Bicycle Study, 2005
- Piedmont Triad Land Supply Analysis, 2011
- Piedmont Together: Green Infrastructure Network Strategy, 2014
- Piedmont Together: Planning for the Energy Future, 2014
- Piedmont Together: Equity Report, 2014
- Piedmont Triad Environmental Justice Scan, 2016
- Piedmont Climate Resiliency Toolkit, 2018
- Surry County Comprehensive Transportation Plan, 2021
- Mountains-to-Sea Trail Stone to Pilot Plan, 2014
- Piedmont Triad Strategic Outdoor Recreation Plan, 2021



CHAPTER 2



COMMUNITY ENGAGEMENT & VISION

Engagement Strategy Results Vision Statements

ENGAGEMENT STRATEGY

ublic engagement is at the heart of every successful planning process. Purposeful and sincere community outreach is critical to cultivating public trust, expanding support for the plan, addressing concerns early in the process, and building a sense of ownership for plan implementation.

This chapter provides an overview of all public engagement efforts and culminates with a set of Vision Statements that articulate the community's shared outlook for the Pilot Mountain of the future.

Progress Pilot Mountain was guided by the project Steering Committee, a nine (9) member committee with representatives from various areas of expertise and perspectives including elected town leadership, the business community, economic development, the school board, recreation, tourism development, and the Extra-Territorial Jurisdiction (ETJ). The Steering Committee was appointed by the Town Commissioners to inform the plan with local knowledge and insight; provide feedback on goals and recommendations; and generate public engagement through their professional and social networks.

The Steering Committee was supported by town staff and the consulting team who provided technical assistance and project management.

In response to the global COVID-19 pandemic, public engagement was designed to prioritize health and safety while maximizing opportunities for participation. Engagement strategies included a project website, Facebook page, surveys, interactive map, and a self-guided gallery walk at the library that allowed citizens and stakeholders to engage with minimal physical contact. Details and results are provided on the following pages. (Full public engagement results can be found in Appendix B).

PROJECT PROMOTION & OUTREACH

A concerted project promotional campaign utilized print, digital, and social media to raise awareness for *Progress Pilot Mountain* and encourage participation in public engagement opportunities.

PRESS RELEASE

A press release announcing the comprehensive planning project was distributed to local news outlets in February 2021 to introduce the purpose and goals of the process; provide additional resources for information; and alert the public to forthcoming engagement opportunities.

POST CARD

In the weeks leading up to the first public engagement opportunity, the Town of Pilot Mountain completed a direct-mail postcard campaign to notify all taxpayers and utility customers of the first public engagement opportunity. The postcard featured a QR code linked to the project website that provided access to the online survey and interactive map. The postcard also contained instructions for where and how to complete the survey and interactive map in-person.



WEBSITE

A project website served as the online headquarters for *Progress Pilot Mountain*. The site provided a platform for educating citizens on the comprehensive planning process and provide project background. The website was regularly updated to share key findings, maps, and deliverables with the public such as the Land Suitability Analysis, Future Land Use Map, and Vision Statements. informational video and key demographic data. Most importantly, the site facilitated access to online public engagement tools including the online, survey, interactive map, and video presentation of the Future Land Use Framework.



SOCIAL MEDIA

A project Facebook page (@progresspilotmtn) was established as a corollary to the website to communicate project updates and link to online engagement opportunities. The page has nearly 300 followers. The town and its tourism partners cross-posted public engagement announcements to Instagram to further expand promotional reach to thousands of Pilot Mountain stakeholders.



PUBLIC ENGAGEMENT STAGE 1: SURVEY, INTERACTIVE MAP, & GALLERY WALK

Progress Pilot Mountain's public engagement strategy was conducted in two (2) phases. Phase 1 took place from March 15th to April 3rd, 2021 and consisted of both online and offline experiences to reach a broad coalition of community stakeholders. Both experiences were identical in content and format with differing modes of delivery. Both surveys and the online experience were offered in Spanish as well as English.

The digital experience was facilitated through the project website and consisted of an informative survey and an online interactive map activity. Likewise, the in-person experience was staged in the Charles H. Stone Memorial Library as a self-guided "gallery walk" in which participants moved from station to station of informational displays guided by a participant worksheet. Gallery walk participants completed a paper version of the interactive map activity and printed survey. The gallery walk was open to the public during the library's normal operating hours.

The online experience and gallery walk included the following thematic sections:

- a **Project Background & Introduction:** provided a basic introduction to the comprehensive planning process in Pilot Mountain and the overall project timeline.
- b **Existing Conditions & Emerging Trends:** presented pertinent demographic, growth, and economic trend data illustrated through custom infographics and maps. This section was meant to provide an objective and factual overview of information to establish a baseline for understanding various phenomena that will be addressed by the comprehensive plan.
- c **Ideation & Vision:** Survey questions to solicit feedback on community preferences and priorities for Pilot Mountain's future.
- d **Interactive Map:** Allowed participants to identify opportunities, challenges, and assets by placing a marker and a comment on a map of Pilot Mountain's planning jurisdiction.

WHAT DID WE LEARN?

Survey #1 Results

162 members of the Pilot Mountain community responded to the online survey, and another nine completed a paper version of the survey. Ninety-two percent of survey respondents live, work, or own a business in Pilot Mountain. And the majority of respondents have done so for over ten years. Responses by Pilot Mountain citizens living within the town limits and residents of the Extra-Territorial Jurisdiction (ETJ) did not differ in any significant way. In other words, the overarching priorities of the community largely coalesce around the same goals, presented here.

PRIORITY RANKINGS

- 1 Economic development & job creation
- 2 Preserve small town character
- 3 Manage population growth & new development
- 4 Upgrade water/wastewater infrastructure
- 5 Protect natural resources & landscapes
- 6 Expand access to parks, trails, & open space
- 7 Improve transportation infrastructure, including bike & pedestrian facilities

KEY THEMES

- New commercial development ranks more important than new residential development.
- Quality-of-life driven, non-traditional forms of economic development, such as investing in parks and walkability, are preferred over traditional economic development strategies.
- Continuing support for upgrades to water & wastewater infrastructure.

Community Comments

We asked, "What are the things that make you most excited about Pilot Mountain's future?"

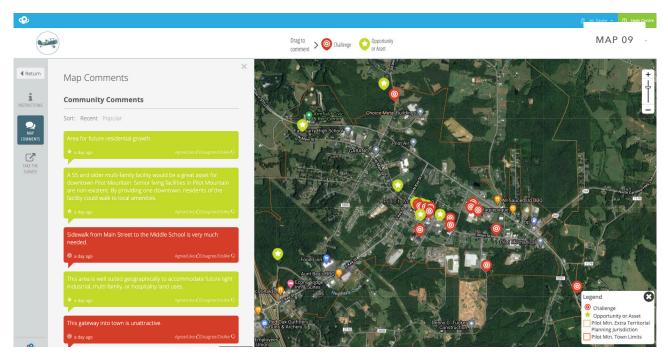
Here's what the community had to say:

- "The sheer fact that we're planning and thinking about the future!"
- "Opportunity to capitalize on the proximity to Pilot Mountain State Park"
- "A greenway connection to Pilot Mountain State Park"
- "Improved outdoor recreation opportunities, especially for youth & families"



INTERACTIVE MAP

Thirty-seven unique users participated in the interactive online map by placing markers on the map to identify opportunities, assets, and challenges that are impacting Pilot Mountain. Several more stakeholders participated by signaling their agreement or disagreement using the "thumbs-up/thumbs-down" voting feature. Below is a sampling of the most popular comments registered on the map.



- "Pilot Mtn. [State Park] is a great asset that we need to tap into and build more business around."
- "Vacant buildings [on Main Street] are an eyesore to the town. These are the first buildings visitors see when they come to town and it is very depressing. There are obvious signs of deferred maintenance and could also pose a hazard to neighboring buildings."
- Our Downtown is an almost perfect venue for events of all types and has an iconic small town feel."
- This business continues to pollute the east side of town with no regard to the harm done to neighbors. This is the lesson to be learned by not being proactive with land use planning."
- 😭 "As entry point from major highway to our little town, large signage should be erected [on Key St.] to inform visitors of all activities the town has to offer."

PUBLIC ENGAGEMENT STAGE 2: "SURVEY SAYS..."

Pilot Mountain's second stage of public engagement took place from July 7th-31st, 2021. Citizens and stakeholders participated by completing an online survey that presented and solicited feedback on the following:

- Vision Statements
- Future Land Use Character Zones
- Future Land Use Map
- Project Funding Priorities

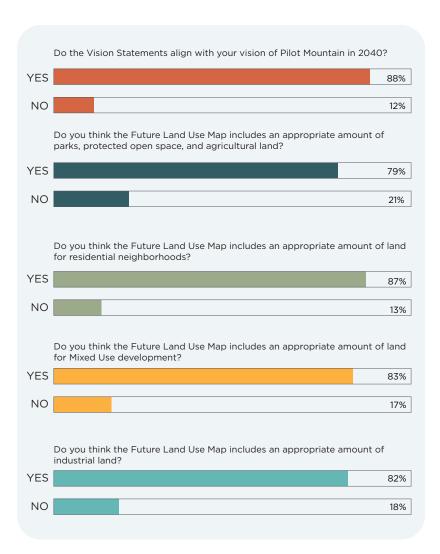
In addition to the survey, the project website was linked to the survey so that participants could view full-sized versions of the Future Land Use Transect and map. The website also included an explanatory video that introduced Pilot Mountain's Future Land Use Framework.



WHAT DID WE LEARN?

Survey #2 Results

Seventy-seven (77) respondents completed the second survey. The majority of respondents indicated that they had not participated in the first survey, suggesting that outreach for the second stage of public engagement was successful in reaching an even broader audience than the first stage. Results from key questions and a sampling of comments are provided here.



Community Comments

"Making these Vision Statements happen for our children and their children will be wonderful."

"It's great to have a plan, but this plan needs to be flexible enough to change and be balanced to meet the needs of current residents and future residents without disenfranchising anyone."

"More land for parks and protected open spaces to keep the small-town feel."

"More of [Mixed Use] development is needed, especially multi-family housing."

"[I'm] worried about the impact on infrastructure.

Can the roads handle added traffic and parking? Can the current town staffing handle added demands?"

"Less land for industrial uses."

"We need parks or public green space nearer to downtown."

Funding Priority for Projects

Several important projects and initiatives were identified during the first stage of public engagement. The second survey asked stakeholders to rank specific projects and initiatives in order of funding priority for the Town. See the results here:

- Replace aging water δ sewer infrastructure, including fire hydrants
- Incentivize new dining, retail, & entertainment downtown
- 3 Pave & upgrade town streets
- Improve appearance of buildings on Main St. through increased façade grants & code enforcement
- 5 Implement streetscape improvements on Main Street
- 6 Construct new trails & greenways to connect town destinations
- Construct greenway from downtown to Pilot Mountain State Park
- 8 Host new festivals & cultural events downtown

KEY STAKEHOLDER INTERVIEWS:

As part of the insight-gathering process, the planning team conducted three (3) interviews with key stakeholders and representatives between November 2020 and August 2021. The following individuals participated in interviews:

- James DeHart, Chief; Pilot Knob Volunteer Fire Department
- Daniel White, Director; Surry County Parks and Recreation
- John Masterson, Founder & Owner; Truth or Consequences Brewing, NM

The interviews provided insight into specific topics of community-wide interest including fire protection & emergency response; countywide parks and outdoor recreation initiatives; and the driving forces that motivate or discourage an entrepreneur from opening an independent craft brewery in a small town. Observations and ideas gleaned from the interviews informed many of the recommended actions and strategies identified in Chapter 3.

FIELD OF VISION

COMMUNITY VISION STATEMENTS

Valuable insights and themes generated by the community engagement efforts directly influenced the development of *Progress Pilot Mountain*'s Community Vision Statements. The following statements articulate a collective future vision for Pilot Mountain and provide the overarching framework for the public policy goals and plan recommendations identified in the following chapter.



1. **PILOT MOUNTAIN** will be a welcoming and inclusive community.



2. **PILOT MOUNTAIN** will encourage and support the development of new housing and public amenities within town limits that meet the needs of multiple generations, life stages, and income levels.



3. **PILOT MOUNTAIN** will become a hub for outdoor recreation by offering an experience to residents & visitors that affirms the connection between our abundant nature-based recreation offerings and our vibrant, historic town.



4. **PILOT MOUNTAIN** will preserve the historic character, mountain heritage, genuine smalltown charm, and invaluable natural assets that contribute to our distinct sense of place.



- 5. **PILOT MOUNTAIN** will offer a high quality of life supported by efficient delivery of public services by strategically directing compatible growth toward areas that are accessible to existing or planned transportation networks and water/wastewater infrastructure.
- 6. **PILOT MOUNTAIN** will maintain a compact, interconnected street network in a manner that facilitates efficient traffic flow and advances connectivity while actively expanding alternatives to vehicle travel by establishing a cohesive bicycle and pedestrian system that links neighborhoods to commercial centers, parks, and community destinations.
- 7. **PILOT MOUNTAIN** will support a diverse economy that encourages the growth of existing companies while cultivating new opportunities for recreation tourism, downtown small businesses, small-scale manufacturing, and the adaptive reuse of historic industrial buildings. Pilot Mountain will be an exceptional location for start-ups and entrepreneurs.
- PILOT MOUNTAIN will be a proactive and responsible steward of our natural resources and defining mountain landscapes by prioritizing environmental quality in all public & private development decisions.



CHAPTER 3



PLAN RECOMMENDATIONS

Chapter Overview and User Guide
Land Use & Environment
Economic Vitality
Infrastructure & Public Services
Transportation & Mobility
Parks & Recreation
Community Development & Sense of Place

USER GUIDE

his chapter identifies recommendations that will guide Pilot Mountain's town leaders and the community at large to achieve the prosperous future identified in the Community Vision Statements.

The recommendations in this chapter are informed by data-driven research, best planning practices, and the rich set of community values that were conveyed through the public engagement phase. Collectively, these strategies represent a wide range of tools, resources, and public policies necessary to meet Pilot Mountain's existing challenges, future demands, and desired outcomes.

WHO WILL USE THIS PLAN?

Long term success of the Progress Pilot Mountain Comprehensive Plan will come from community-wide adoption, use, and support. Continued endorsement and implementation of the plan by the stakeholders and citizens who helped shape the vision, principles, and themes of the plan are essential to ensuring the plan's utility and positive impact on the future of Pilot Mountain.

01 PILOT MOUNTAIN BOARD OF COMMISSIONERS

Progress Pilot Mountain serves as a policy and decision-making guide for the Board of Commissioners on matters related to land use and development, economic development, transportation, recreation, and placemaking. The recommended goals, policies, and Future Land Use Framework will guide decisions across all areas of local governance. Consistent demonstration of commitment to the plan's principles and recommendations by elected officials will lead the way toward achieving the Pilot Mountain of 2040 that the community envisions.

02 TOWN STAFF

This plan will guide Pilot Mountain town staff in evaluating development proposals, prioritizing projects & public investment, and initiating code amendments. Staff will consult the plan when preparing annual budget recommendations, pursuing funding opportunities, facilitating strategic partnerships, and determining yearly departmental productivity goals.

Town planning and management staff should annually review *Progress Pilot Mountain* and update the plan every five (5) years to reflect completed actions and consider new opportunities or challenges faced by the town.

03 PLANNING BOARD

The Planning Board will use *Progress Pilot Mountain* to determine consistency of project plans and development proposals with the goals, policies, and recommendations stated in the plan. Consistency with Progress Pilot Mountain should be the primary basis for deciding to grant or deny any request heard by the Planning Board.

04 PROPERTY OWNERS, DEVELOPERS, & INVESTORS

Progress Pilot Mountain's goals, policies, and Future Land Use Framework communicate the kind of land uses and development locations that are desired by the town. Property owners should refer to this plan to understand which land uses and development types are most appropriate for their property. The plan points to basic sources of data that can help property owners understand the capabilities and limitations of their property. Furthermore, Progress Pilot Mountain equips landowners and potential developers with the information necessary to formulate development proposals that are consistent with the shared vision set forth by the community.

05 COMMUNITY ORGANIZATIONS AND ADVOCATES

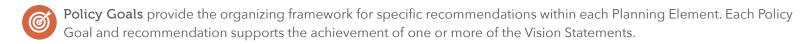
Pilot Mountain has a strong history of grassroots community leadership that has been responsible for spearheading many community development and recreation initiatives over the years. *Progress Pilot Mountain* identifies several projects and initiatives that could be led by local organizations and agencies working as strategic partners with the town.

CHAPTER ORGANIZATION

This plan provides recommendations according to six (6) planning elements:

- 1. Land Use & Environment
- 2. Economic Vitality
- 3. Infrastructure and Public Services
- 4. Transportation & Mobility
- 5. Parks & Recreation
- 6. Community Development & Sense of Place

Each Planning Element contains the following special features that organize and support plan recommendations:



- Visible Victories are short-term implementation tasks that can be immediately implemented to achieve visible and tangible results in support of the long-term vision for Pilot Mountain.
- **Exhibits** feature special content that provides greater detail on a specific topic.
- Key Resources highlight useful plans or guidance documents that provide higher levels of detail on a specific topic.
- On the Radar presents conceptual schematics & renderings that support plan recommendations through visuals that illustrate the possible outcomes of implementing suggested policies and ideas. Such projects should be on the town's radar for future transformational investment.
- **Earning Their Wings** features case studies of real-world towns and cities that have implemented a specific recommendation of this plan with success.

DEGREE OF CHANGE

If a primary purpose of the comprehensive plan and the Future Land Use Framework on the following pages is to direct change in the physical pattern of the town's development, then **Degree of Change** is used to direct how much change is recommended in different geographic areas of the town. Considering the degree or scale of change recognizes that change happens differently in different places throughout Pilot Mountain. Degree of Change is a context-specific way of planning for growth that prescribes implementation actions proportionate to the scale of investment that is appropriate for a specific area. Degree of Change prescribes the pace at which physical transformation will occur in a given location.

In most cases, the manner in which a community changes depends on the cumulative impact of several incremental changes. Over the course of many years, small investments can have as much of a transformative impact as a single big investment or project.

Pilot Mountain's Degree of Change map is a useful tool to direct *where* public and private investment should be prioritized and how much change, in terms of intensity and scale of investment, are the goal for a specific area. The Degree of Change map is intended to help keep the "big picture" in mind when considering public or private investment decisions and should be used in tandem with the Future Land Use Map.

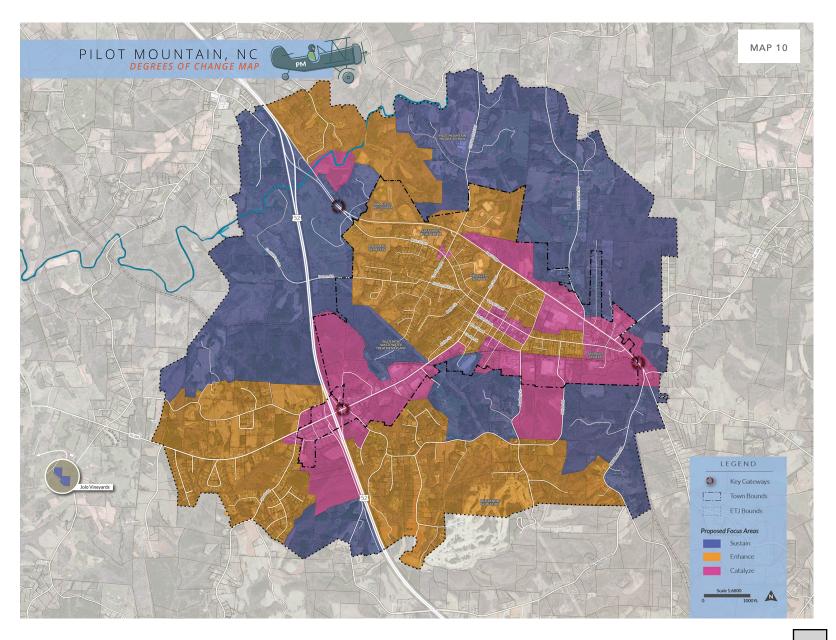
Pilot Mountain's Degree of Change map categorizes areas of the town's planning jurisdiction in three categories:

CATALYZE = A mix of large-scale investments by the town, non-profit partners, and the private sector drive transformational change to realize the community's vision. Increases in business activity, mix of uses, and residential density are strongly desired.

ENHANCE = Small to mediumscale incremental public & private investment desired. Infill sites targeted for investment support steady market growth for community stability with only minor changes in scale and impact to existing neighborhoods. SUSTAIN = Low degree of change. Continued stability and maintenance that support existing character, quality of life, and desired level of activity which has largely already been achieved.

MOST COMMUNITY MEMBERS TYPICALLY ENVISION WIDESPREAD AND DRAMATIC CHANGE EVERYWHERE, BUT THE REALITY IS MANY PLANNING EFFORTS ARE REALLY TARGETED FOR MORE INCREMENTAL CHANGE

Daniel Parolek from Missing Middle Housing, 2020



PLANNING ELEMENTS

LAND USE & ENVIRONMENT

Piot Mountain's downtown core exhibits a well-preserved traditional grid pattern of development with the town center surrounded by established neighborhoods and a historic industrial area south of Main Street. The outer edges of the town's traditional neighborhoods give way to suburban commercial & industrial development patterns that primarily take the form of strip development along Key Street and the U.S. Highway 52 Bypass. Larger tracts located south of the compact, historic town grid have been developed for light industrial uses and a residential golf course community with large, suburban lots and street network. The outer extent of the town's planning jurisdiction gives way to a greenbelt of pastoral landscapes and rural residential development. Floodplain has a minimal impact on development potential in Pilot Mountain however, steep topography presents a challenge in many locations.

Pilot Mountain is poised to reaffirm the growth and vibrancy of the traditional core and surrounding neighborhoods by encouraging and incentivizing infill development while simultaneously structuring its Unified Development Ordinance (UDO) to support new mixed-use infill within existing commercial corridors along major thoroughfares. Future Land Use Framework, map, and related land use policies detailed on the following pages are intended to protect Pilot Mountain's traditional character and prevent further development sprawl that requires extensive infrastructure investments and long-term maintenance. Pilot Mountain's classic town center and neighborhood pattern is something that distinguished the town in the Piedmont regions where agricultural land has been converted to autooriented commercial development and large-lot residential subdivisions at a rapid pace over the fifty years.

COMMUNITY VISION:



PILOT MOUNTAIN will be a proactive and responsible steward of our natural resources and defining mountain landscapes by prioritizing environmental quality in all public & private development decisions.



PILOT MOUNTAIN will encourage and support the development of new housing and public amenities within town limits that meet the needs of multiple generations, life stages, and income

levels.

PILOT MOUNTAIN will offer a high quality of life supported by efficient delivery of public services by strategically directing compatible growth toward areas that are accessible to existing or planned transportation networks and water/ wastewater infrastructure.



Future Land Use Framework

Pilot Mountain's framework for future land use is comprised of two components: the **future land use transect** and the **future land use map**. This framework serves as the cornerstone of the plan, providing guidance to Pilot Mountain's municipal leaders as they make land use and development decisions that direct where and how the community will grow.

Future Land Use Transect

The transect* is a land use planning methodology that presents a cross-section of the landscape from rural outerlands to a more urbanized core. It establishes a spectrum of land classification that relates density and intensity of development potential to ecological conditions and human settlement patterns.

The transect coordinates development with conservation to provide for fiscally-responsible growth that maintains the efficient provision of municipal services and continued taxbase stability.

The future land use transect reflects Pilot Mountain's specific environmental context, historic development pattern, and desired land use mix. Pilot Mountain's historic growth pattern is generally consistent with traditional small-town growth. The town has grown slowly outward from the downtown with some commercial and residential sprawl, surrounded by a green belt of agricultural lands and wooded tracts. The transect model and future land use map promote the preservation of this beneficial historic pattern of development in an effort to retain the distinct small-town character while promoting new infill development throughout the town.

In applying the transect model to Pilot Mountain's future land use map, the composition of the map is heavily influenced by the location of existing public and private investment in the form of infrastructure (roads, water, sewer) and existing development. The transect organizes land within the town's planning jurisdiction into seven (7) **Development Character Zones** (DCZ):

- 1. Parkland Preservation
- 2. Rural Reserved
- 3. Suburban Neighborhood
- 4. Traditional Neighborhood
- 5. Mixed use Center
- 6. Town Center
- 7. Industrial Mix

The seven (7) character zones represent development patterns that share similar attributes of environmental and built character within the Town's jurisdiction. planning Shared attributes of the built environment include the size and type of buildings and their relationship to the street; the street and block pattern; supported transportation modes; the intensity of land use; and density of development.

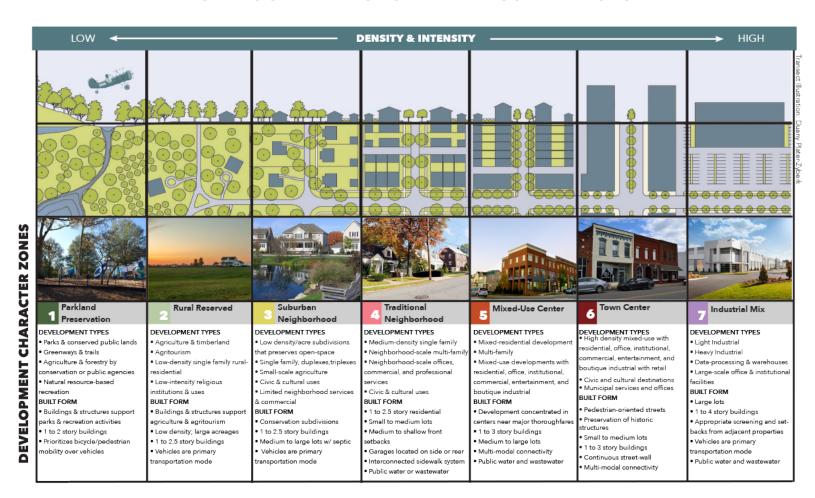
DENSITY VS. INTENSITY: UNDERSTANDING THE DIFFERENCE

Land use refers to the set of activities that occur on any given property. Land use intensity refers to the degree to which those activities occur or the extent to which a property is used for activities. For example, a commercial use is more intense than a residential use. Density further describes the intensity of residential uses and is typically expressed as the number of dwelling units located on a single acre of land.

The Character Zones are intended to provide a guide for landuse and zoning that directs growth according to character and intensity of use.

SCHEMATIC 01

PILOT MOUNTAIN FUTURE LAND USE TRANSECT



Future Land Use Map

In addition to the transect, Pilot Mountain's Future Land Use Map is informed by several factors including: historic development patterns; the town's existing zoning districts; current water/wastewater service areas; the land suitability analysis; and development preferences & goals articulated by the community through the public engagement phase.

Future Land Use Map Ingredients



Historic Development Patterns



Land Suitability Analysis



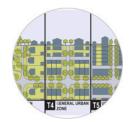
Existing Zoning Districts



Development Preferences from Public Input



Water/Wastewater Service Areas



Transect & Development Character Zones

Using The Future Land Use Map

The Future Land Use Map is a **policy tool** (in contrast with the zoning map which is regulatory). It is intended to guide Pilot Mountain's appointed and elected leaders as they make decisions on where and how the community should grow. Consideration of specific development requests such as Re-zonings, Conditional Zoning Districts, or Conditional Use Permits should include a study of both the Degree of Change map and Future Land Use Map to determine whether the request is consistent with the future land use and development policy vision articulated in this plan.

The Future Land Use Map provides the overarching structure for orchestrating appropriate patterns of development and conservation throughout Pilot Mountain's planning jurisdiction. In doing so, the map influences and informs zoning decisions as a way to achieve desired growth patterns. However, adoption of the map does not alter, circumvent, or supersede established

zoning or overlay districts without following the legislative process for amending the zoning map or Unified Development Ordinance (UDO).

Periodically, it may be necessary to enact zoning decisions that appear to conflict with the Future Land Use Map. Boundaries of the Development Character Zones may shrink, expand, or shift entirely. The Future Land Use Map is a guide to achieving the community's state vision however, it is not a mandate. To the extent possible, it should be closely followed, but when circumstances dictate otherwise, it is the intent of this plan to enable the town to respond appropriately through its land development decisions.

PURPOSE OF THE FUTURE LAND USE MAP



POLICY TOOL

Guides decision-making on where & how to grow



DIRECT DEVELOPMENT & CONSERVATION

Overarching structures for orchestrating appropriate development patterns



INFLUENCE ZONING

Are current zoning districts & development requests consistent with the Future Land Use Map?

The following pages provide a zone-by-zone presentation of each Development Character Zone that comprises the official Pilot Mountain Future Land Use Map.

Zone 1: PARKLAND PRESERVATION

LAND USE

Zone 1 is comprised of nature preserves, conservation lands, parks, and greenway corridors. This zone includes existing major conservation lands under the control of government or private conservation agencies. Many of these lands provide educational, ecotourism, or limited passive recreation opportunities.

BUILT FORM:

New buildings and structures should be constructed only to support public utilities, parks, and recreation activities. These may include structures such as shelters, amphitheaters, concessions, or play equipment or equipment rental and storage. Building heights should be 1 to 2 stories and designed for compatibility with the surrounding natural aesthetic. This zone accommodates vehicles as necessary to provide access to public lands, but prioritizes trails and greenways for bicycle and pedestrian use.

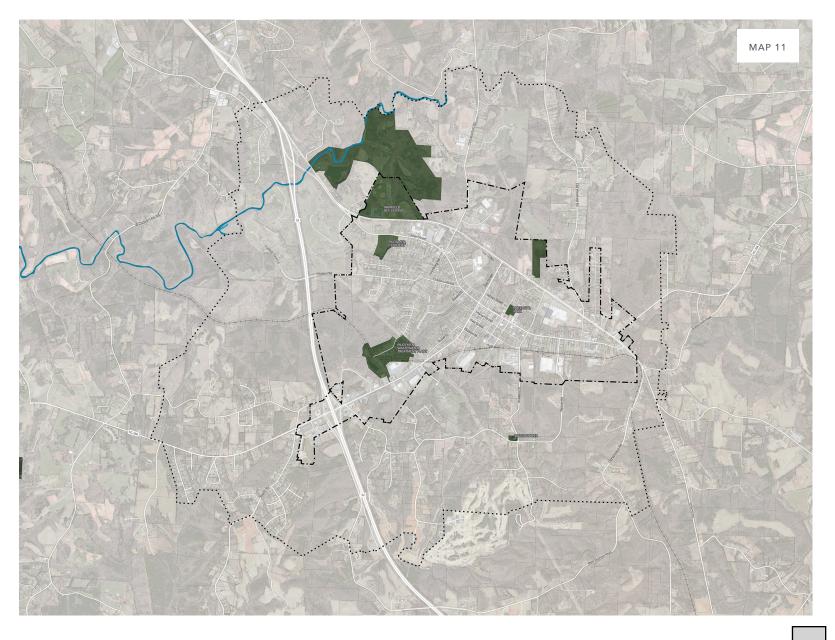


Parkland Preservation

DEVELOPMENT TYPES

- Parks & conserved public lands
- Greenways & trails
- Agriculture & forestry by conservation or public agencies
- Natural resource-based recreation

- Buildings & structures support parks & recreation activities
- 1 to 2 story buildings
- Prioritizes bicycle/pedestrian mobility over vehicles



Zone 2: RURAL RESERVED

LAND USE

The Zone 2 classification is comprised of high-quality agricultural lands, undisturbed natural landscapes, wetlands, riparian buffers, and other environmentally sensitive areas. Zone 2 classification also allows for limited development of very low-density single family residential. This area should not be targeted for expansion of public or private water and sewer infrastructure. Some areas located within Zone 2 could ultimately transition into the Zone 1 by expanding public lands and preserving natural resources and high-quality agricultural land.

BUILT FORM

This zone supports very low-density development of buildings and structures associated with agricultural and agritourism uses, including rural homesteads on large acreages. Building heights in this zone should be 1 to 2.5 stories and designed for compatibility and preservation of the surrounding natural landscapes and viewsheds. This zone accommodates vehicles as the primary mode of transportation.



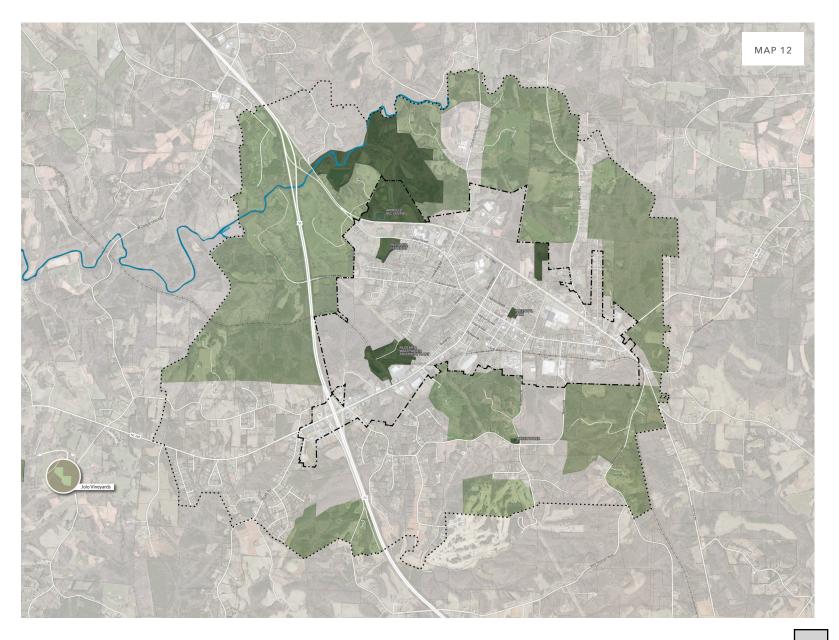
2

Rural Reserved

DEVELOPMENT TYPES

- · Agriculture & timberland
- Agritourism
- Low-density single family ruralresidential
- Low-intensity religious institutions & uses

- Buildings & structures support agriculture & agritourism
- Low density; large acreages
- 1 to 2.5 story buildings
- Vehicles are primary transportation mode



Zone 3: SUBURBAN NEIGHBORHOOD

LAND USE

The Zone 3 classification is intended for low to medium-density residential growth that may be supported by limited small-scale neighborhood commercial and civic uses such as schools, community centers, and religious institutions. Residential and non-residential uses should be in keeping with existing community character. Limited municipal services, such as fire protection, emergency services, and public water infrastructure may be available, but public sewer service is typically not available and may not be appropriate. Development in this zone is primarily served by septic.

BUILT FORM

Desirable development in this zone typically consists of cluster development such as conservation subdivisions that prioritize the conservation of open space. New and remodeled buildings in Zone 3 should primarily be residential with building heights of 1 to 2.5 stories on medium to large lots that can accommodate septic tanks. New homes should be appropriately scaled for compatibility with the existing neighborhood character. Existing suburban neighborhoods served by public utilities should be encouraged to moderately increase density along existing infrastructure for more effective and sustainable service provision. Dead-end streets and cul-de-sacs are discouraged in favor of efficient, interconnected street networks. Neighborhood commercial should be encouraged to locate near road intersections and existing compatible uses or community facilities. This zone accommodates vehicles as the primary mode of transportation, although the establishment of a sidewalk network is strongly encouraged for walkability.

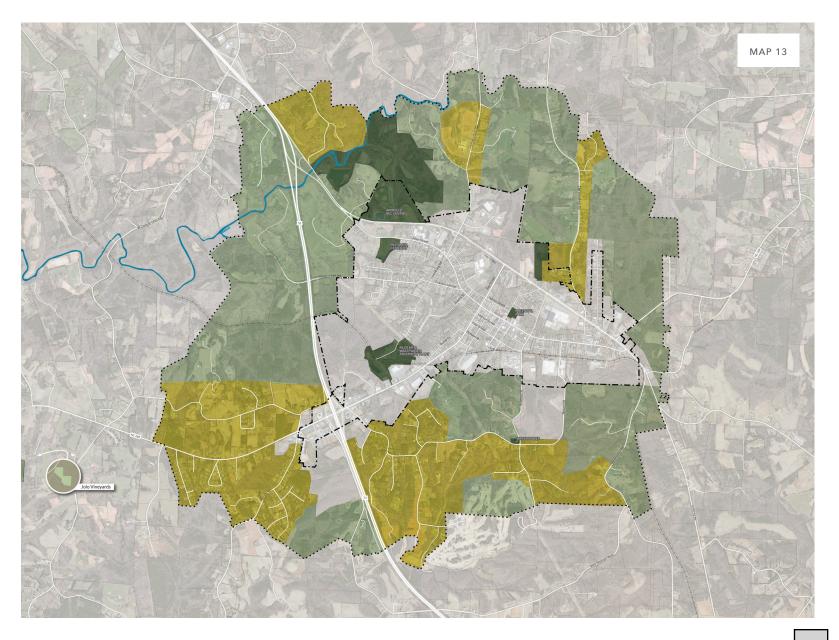


Suburban Neighborhood

DEVELOPMENT TYPES

- Low density/acre subdivisions that preserves open-space
- Single family, duplexes, triplexes
- Small-scale agriculture
- Civic & cultural uses
- Limited neighborhood services
 commercial

- Conservation subdivisions
- 1 to 2.5 story buildings
- Medium to large lots w/ septic
- Vehicles are primary transportation mode



Zone 4: TRADITIONAL NEIGHBORHOOD

LAND USE

This zone contains medium-density residential neighborhoods with occasional neighborhood-scale commercial nodes in a traditional development pattern characterized by an interconnected street network, available water or wastewater, and walkable neighborhoods that connect to parks, commercial nodes, and other neighborhoods. Attached single-family and small-scale multi-family housing that is compatible with traditional neighborhood form & character is also appropriate in this zone to provide for a healthy mix of housing options.

BUILT FORM

New and remodeled buildings in Zone 4 should be small to medium-scale residential with building heights of 1 to 2.5 stories on small to medium-sized lots. New homes are appropriately scaled for compatibility with the existing neighborhood character with medium to shallow front setbacks and garages located at the side or rear of the home. Individual lots are permitted to have up to three dwelling units. Residential streets are connected by sidewalks with street trees and landscaping.



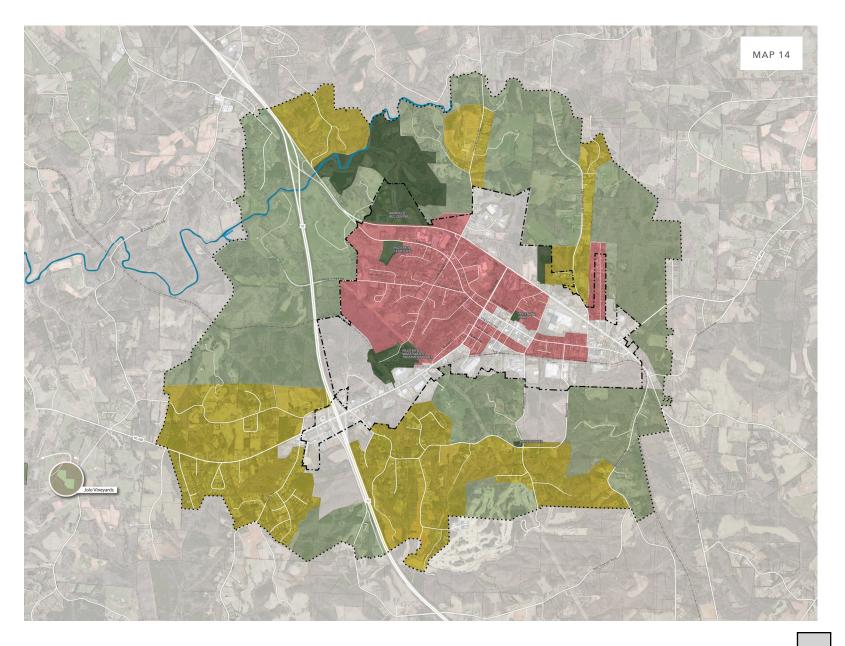


Traditional Neighborhood

DEVELOPMENT TYPES

- Medium-density single family
- Neighborhood-scale multi-family
- Neighborhood-scale offices, commercial, and professional services
- Civic & cultural uses

- 1 to 2.5 story residential
- Small to medium lots
- Medium to shallow front setbacks
- Garages located on side or rear
- Interconnected sidewalk system
- Public water or wastewater



Zone 5: MIXED-USE CENTER

LAND USE

The Zone 5 classification contains medium to higher-density mixed residential, multi-family, horizontal and vertical mixed-use developments located on or near major thoroughfares. This zone is characterized by an interconnected road network, available water or wastewater, and walkable neighborhoods that connect to commercial nodes and other neighborhoods.

BUILT FORM

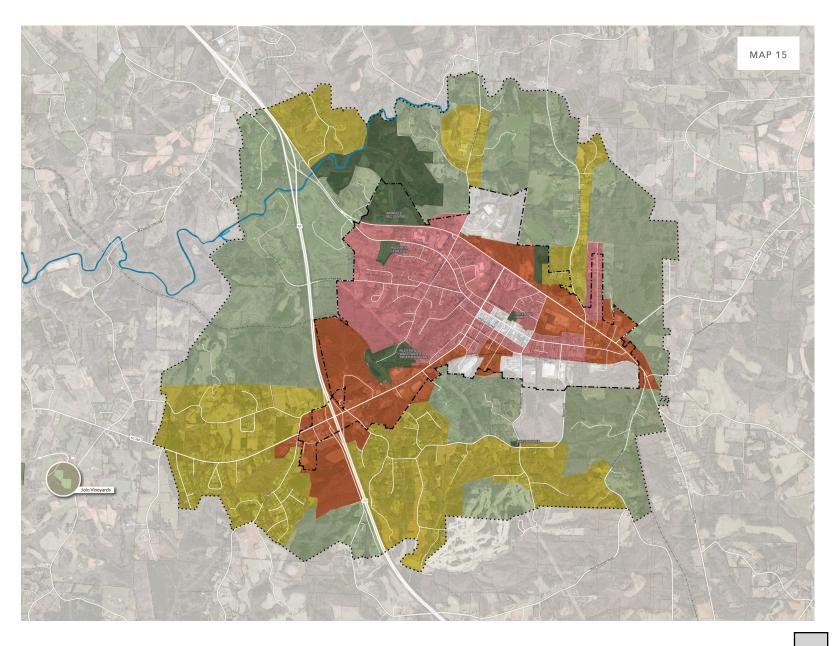
Development is concentrated in centers rather than in strips along road corridors. Redevelopment of existing strip commercial development to mixed-use centers is encouraged and incentivized with an emphasis on increasing density, adding residential units, and expanding multi-modal connectivity. New and remodeled buildings in Zone 5 should reflect a variety of building types with building heights 1 to 3 stories on medium to large lots. This zone accommodates all users: automobile, bicycle, pedestrian and transit.



DEVELOPMENT TYPES

- Mixed-residential development
- Multi-family
- Mixed-use developments with residential, office, institutional, commercial, entertainment, and boutique industrial

- Development concentrated in centers near major thoroughfares
- 1 to 3 story buildings
- Medium to large lots
- Multi-modal connectivity
- Public water and wastewater



Zone 6: TOWN CENTER

LAND USF

The Zone 6 classification is characterized by a dense, compact street grid, a well-developed pedestrian network, and readily-available water or wastewater infrastructure. This zone is predominantly comprised of traditional, vertical mixed-use buildings. The Town Center is well provided for in terms of urban services, making it the most efficient and fiscally responsible area for redevelopment or development of underutilized land.

BUILT FORM

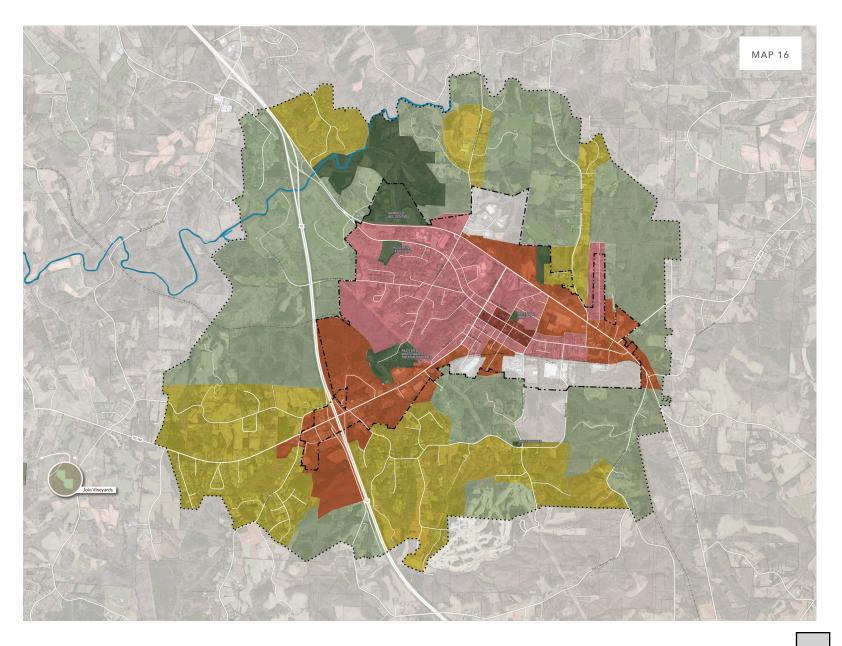
The Town Center is a complete community with highly-walkable, pedestrian-oriented streetscapes. Development should prioritize the preservation and rehabilitation of historic buildings and encourage compatible infill development. New and remodeled buildings in Zone 6 should reflect a compatible scale and vernacular of existing historic buildings in the downtown core on small to medium-sized lots. Building heights should be 1.5 to 3 stories and should form a continuous street-wall along primary streets. Parking is located on the street or at the rear of buildings. Automobile, transit, bicycle, and pedestrian traffic are accommodated.



DEVELOPMENT TYPES

- High density mixed-use with residential, office, institutional, commercial, entertainment, and boutique industrial
- Civic and cultural destinations
- Municipal services and offices

- Pedestrian-oriented streets
- Preservation of historic structures
- Small to medium lots
- 1 to 3 story buildings
- Continuous street-wall
- Multi-modal connectivity



Zone 7: INDUSTRIAL MIX

LAND USF

The Zone 7 classification is supported by major transportation corridors, public water and wastewater infrastructure. This zone provides for a full range of industrial and institutional uses that are encouraged to locate within Zone 7 where both water and wastewater services are readily available.

Built Form

New and remodeled buildings in Zone 7 should reflect a variety of building types, usually on very large lots. Building heights should be 1 to 4 stories and appropriately screened or setback from lot lines to minimize impacts to adjacent non-industrial properties. This zone accommodates vehicles as the primary mode of transportation, but should strive for connectivity to recreation assets and greenways to support a healthy workplace.



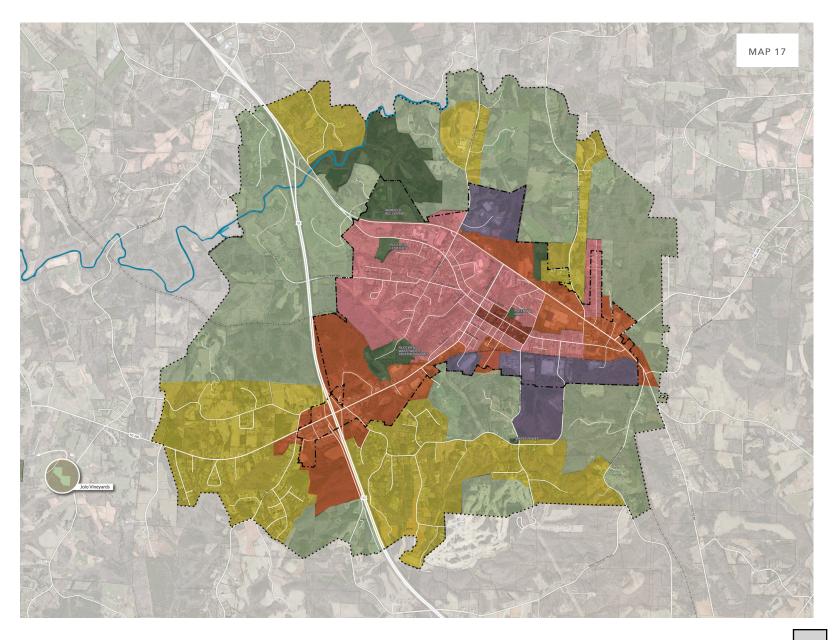
7

Industrial Mix

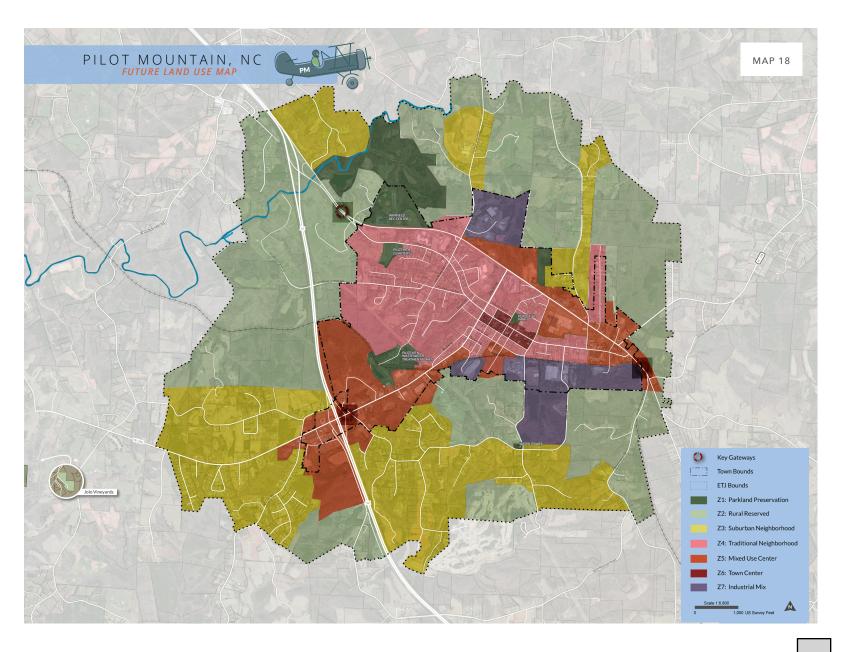
DEVELOPMENT TYPES

- Light Industrial
- Heavy Industrial
- Data-processing & warehouses
- Large-scale office & institutional facilities

- Large lots
- 1 to 4 story buildings
- Appropriate screening and setbacks from adjacent properties
- Vehicles are primary transportation mode
- Public water and wastewater



PILOT MOUNTAIN FUTURE LAND USE MAP



LAND USE & ENVIRONMENT



POLICY GOALS & RECOMMENDATIONS

- 1. Direct new growth to areas of existing available infrastructure to maximize public investment while conserving open space.
 - 1.1 Amend Unified Development Ordinance (UDO) for consistency with the 2040 Future Land Use Framework and Map.
 - 1.1.1 Consider amending table of permitted uses to allow for neighborhood-scale mixed used (upper-story dwellings in commercial building) in Development Character Zone 4, Traditional Neighborhood.
 - 1.1.2 Establish a new base zoning district or amend the existing commercial base zoning districts to explicitly accommodate Mixed Use Centers (Development Character Zone 5).
 - 1.1.3 Update zoning regulations to allow a variety of compatible land uses while ensuring that physical form of new development and redevelopment are consistent with existing neighborhood character.
 - 1.1.4 Adopt Conservation Cluster Development standards as a by-right subdivision type to promote smart growth and open space preservation. Incentivize Conservation Cluster development patterns by offering density-bonuses.
 - 1.2 Incentivize *new development* in Catalyst Areas as identified on the Degree of Change map. (Development Character Zones 5, 6 & 7).
 - 1.2.1 Grant relief from tap fees by allowing payments to be made over a period of months rather than all at once.
 - 1.2.2 Consider developing an incentive program that provides the opportunity for utility rebates.
 - 1.2.3 Conduct regular audits of the development fee schedule.
 - 1.2.4 Develop a streamlined, online system for development applications and clearly-defined approval processes.
 - 1.2.5 Perform a cost-benefit analysis of potential annexation for all new development in the Extra Territorial Jurisdiction (ETJ) that desires an extension of public water or sewer service from Pilot Mountain

SCHEMATIC 02

CONSERVATION CLUSTER DEVELOPMENT PATTERNS

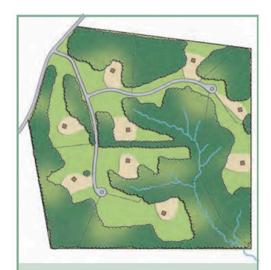


Figure 10 Option 3

Estate Lots

50% Density Reduction

9 Lots

Typical Lot Size: 160,000 sq. ft. (±4 acres)

No common open space required

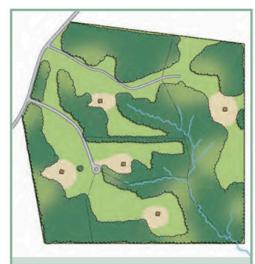


Figure 11 Option 4

Country Properties

70% Density Reduction

5 Lots

Maximum Density: 10 acres per principal dwelling

No common

open space required

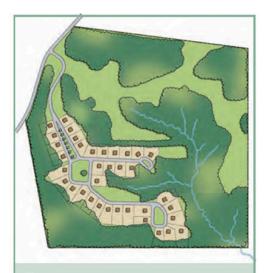


Figure 12 Option 5

Hamlet or Village

Double Density

36 Lots

Lot Size Range: 6,000 to 12,000 sq. ft...

70% Undivided **Open Space**

Credit: Pennsylvania Department of Conservation and Natural Resources and Natural Lands Trust

The Conservation Cluster approach to development is characterized by a smaller development footprint that prioritizes green space preservation by designing with a higher number of units per acre clustered in a smaller area of the overall project site. This approach to development is the opposite of traditional suburban sprawl that consumes large acreages for a small number of residential or commercial units. This type of development can be incentivized or even required through the Town's zoning ordinance. The illustration depicts three approaches to residential development on the same site comparing conventional development with a Conservation Cluster approach. Each development requires the same investment in water and sewer infrastructure, however the Conservation Cluster design quadruples the number of residential units, making the infrastructure investment financially sustainable while also preserving the maximum amount of gree space.

98

- 2. Protect rural mountain landscapes, prime agricultural lands, open space, and water resources.
 - 2.1 Encourage and support development that respects and preserves the natural features of the site through sensitive site design, avoids substantial changes to the topography, and minimizes disturbance of natural systems.
 - 2.2 Encourage owners of prime farmland to take advantage of incentives and participate in the County's Voluntary Agriculture District or establish an agricultural conservation easement held by a local land conservancy such as Three Rivers Land Trust.
 - 2.3 Continue efforts to restore degraded streams and improve the health of riparian areas.
 - 2.4 To the extent allowable by state statute, encourage and/or incentivize Low-Impact storm water mitigation strategies and Best Management Practices for new development and redevelopment.
 - 2.5 Establish a Town-administered stream-restoration installation grant or rebate program to incentivize storm water mitigation retrofit on existing developed properties. Potential seed money could be obtained from a Southeast Sustainable Communities Fund or a Clean Water Management Trust Fund grant.
 - 2.6 Audit UDO Appendix C: Approved Planting List to include multiple varieties of native and pollinator species.

KEY RESOURCE 01





Published by North Carolina State University, this resource provides guidance to communities in North Carolina for implementing Low Impact Development (LID) principles as an approach to site development and stormwater management that minimizes impacts to land and water while reducing stormwater infrastructure and maintenance costs.

- 2.7 Amend UDO to allow roof-top photovoltaic panels (solar) in all zoning districts.
- 2.8 Amend zoning & development permit application to include identification of significant natural heritage areas, wetlands, and other sensitive habitat on site plans for large-scale development in order to identify opportunities for preservation of critical habitat.
- 2.9 Continue applying floodplain development standards, as well as stream and wetland protection requirements throughout the Town's planning jurisdiction.
- 2.10 Support Surry County in actively managing smart growth around Pilot Mountain State Park and US Highway 52 to protect scenic rural landscapes and the viewshed of Pilot Knob according to the recommendations of the Surry County Land Use Plan 2040.
- 2.11 Appoint a Pilot Mountain representative to the Piedmont Triad Regional Food Council as a liaison between the Food Council and the Town Commissioners to support Pilot Mountain's local growers and strengthen the local food system.
- 2.12 Amend Accessory Use regulations in the UDO to explicitly allow on-site sale of fresh agricultural products & produce in the Residential Agricultural Zoning District and/or Future Land Use DCZ 2, Rural Reserved.



EARNING THEIR WINGS

CASE STUDY 01

RAINSCAPES REWARDS: MONTGOMERY CO., MARYLAND STORMWATER REBATE PROGRAM

Stormwater management poses a problem for many urban areas. Montgomery County, Maryland began the Rainscapes Rewards program to offer financial rebates to homeowners who install watershed-friendly landscapes on their property. The program encourages homeowners in the community to create "rainscapes" which are landscapes and hardscapes that encourage filtration, retention, and flow of rainwater in otherwise impermeable areas. Property owners can access extensive resources through the program website including manuals for qualifying projects, maintenance guidelines, and partnered contractors.

Qualifying projects range in type and cost and include rain gardens, pavement removal, permeable paving, conservation landscaping, green roofs, and rain barrels or cisterns. Once property owners front the cost and their projects are approved, they are eligible to receive reimbursement after final inspection. The program offers up to \$7,500 to residential applicants and up to \$20,000 for commercial owners who complete one of the approved stormwater mitigation techniques. The rebate cannot be applied to stormwater mitigation



that is required by the county's regulations for new site development, allowing the project funds to be allocated to retrofitting existing landscapes.

- 3. Encourage a balanced mix of residential and compatible non-residential uses.
 - 3.1 Reduce barriers to incremental and small-scale commercial development by easing parking requirements:
 - 3.1.1 Consider revising the requirement for a PE-sealed parking study when providing less than the minimum required number of spaces.
 - 3.1.2 Allow existing on-street public parking along lot frontage to count toward parking requirement.
 - 3.1.3 Allow for a greater percentage of shared parking between adjacent compatible uses.
- 4. Provide appropriate transition between varying intensity and scales of development.
 - 4.1 Conduct regular audits, every 3-5 years, of the Town's Table of Permitted Uses to ensure that permitted uses are consistent with the Town's desired land-use mix and updated to account for new uses that result from changes in market forces & technological advancements.
 - 4.2 Amend UDO Article 8 to include performance standards for auto-repair and auto-body shops that require orderly storage of vehicles and screening from public rights of way and adjacent property lines.
 - 4.3 Amend UDO Article 4 to strengthen regulations and requirements for non-conforming situations:
 - 4.3.1 Develop an amortization schedule to phase-out non-conforming uses and structures.
 - 4.3.2 Reduce the number of days within which a non-conforming use may be re-established following discontinuance.
 - 4.3.3 Reduce the tax-value percentage threshold that allows for repair and reconstruction of non-conforming buildings after casualty damage.

- 5. Provide desirable multi-generational housing that meets the needs of diverse life stages, income levels, and physical abilities.
 - 5.1 Review and identify opportunities to reduce minimum lot sizes and setbacks to provide greater development flexibility that encourages a supply of affordable residential lots across all residential zoning districts.
 - 5.2 Allow duplexes, townhomes, condominiums, cottage/bungalow courts, and multifamily housing by-right in the zoning districts located in Development Character Zones (DCZ) 4 & 5. Incentivize new housing development in these zones by offering density bonuses, and reduced minimum parking requirements.
 - 5.3 Partner with Habitat for Humanity of Greater Mount Airy to identify locations and recipient families for new home-build projects.
 - 5.4 Allow attached or detached accessory dwelling units in all residential districts by right allow for low-impact increase in housing stock and density.
 - 5.5 Incentivize upper story residential in downtown buildings by establishing a Town-administered grant program to assist downtown building owners with architectural assessments, feasibility studies, and potential upfits for converting upper-stories into residential units.
 - 5.6 Incentivize upper story residential in new commercial development through by-right construction and density bonuses in the zoning districts located within DCZ 4, Mixed Use Center.
 - 5.7 Incentivize and encourage new developments to construct homes and commercial buildings with photovoltaic (solar) panel stub-ins to support future installation of roof-top PV panels.



CASE STUDY 02

MOVING LENOIR TO THE SECOND FLOOR

Many cities seek to renovate historic downtown buildings with ground-level commercial opportunities and upper story residential units. Promoting the economic and cultural benefits of this kind of redevelopment has empowered property owners, business owners, and more to seek grants and

funding to sell and redevelop their property for second-story residences. Many of the barriers to success for this kind of development are rooted in lack of information and financial support provided to key players and property owners.

Lenoir's "Moving Lenoir to the Second Floor" and Building Upgrades and Improvements for Lenoir Downtown (BUILD) programs help to alleviate these barriers through a variety of resources and financial incentives. In Lenoir's downtown area, commercial property owners and business owners renting commercial space are eligible to apply for BUILD grants based on tangible interior and exterior building improvement costs. The BUILD grant has a matching requirement, as recipients are required to invest 2 dollars for every 1 received by the grant, ensuring the program covers 33.33% of all building rehabilitation costs up to \$5,000. As a result of these program's education and financial incentives, Lenoir has achieved great progress in their downtown redevelopment. As of April 2020, 8 property owners began renovation and 8 more properties sold, ushering in over half a million dollars in private investment in the area and one million in private acquisitions in a year long period of time. So far, the program has added 13 upper-story residential units to the downtown.



- 6. Preserve and enhance neighborhood character.
 - 6.1 Protect rural and residential character by adopting commercial design standards.
 - 6.1.1 Prohibit strip-style linear development along roads and corporate architecture that does not contribute to the desired character of the town.
 - 6.1.2 Set maximum setbacks for zoning districts in Development Character Zones 5 & 6.
 - 6.2 Adopt design standards for multi-family housing that will ensure compatibility with existing neighborhoods.
 - 6.3 Define appropriate block lengths within the UDO's subdivision design standards based on Development Character Zones in order to facilitate appropriate connectivity and highly walkable developments in Zones 3, 4, 5, & 6.
- 7. Protect historic architecture and character of downtown Pilot Mountain.
 - 7.1 Continue efforts to establish downtown Pilot Mountain as a National Register Historic District.
 - 7.2 If National Register Status is attained, adopt an ordinance, pursuant to NC GS 160D-404(c)(3), preventing demolition by neglect of historic buildings to place affirmative responsibility upon building owners for maintenance of historic structures and establish enforcement penalties to ensure such maintenance.
 - 7.3 Continue enforcement of the Downtown Design Overlay District Standards.
 - 7.4 Consider establishing a Municipal Service District for the Downtown core to provide funding for downtown infrastructure, streetscape, and aesthetic improvements.
 - 7.5 Establish a Vacant Non-Residential Building Registration program in conjunction with a Non-Residential Building Maintenance ordinance that provides for periodic inspections to verify that vacant buildings remain secure; contain no hazardous conditions or criminal activity; eliminate visible evidence of vacancy or abandonment; and allow for enforcement of mandatory repairs or demolition by the owner OR Town in cases of the owner's abandonment of the intent to repair the structure. Build funding reserves for proactive code enforcement of this ordinance.

ECONOMIC VITALITY

Like many North Carolina communities, textile manufacturing was once the cornerstone of Pilot Mountain's economy. As textile mills shifted operations overseas, the town's economy diversified and many workers began commuting to jobs in Winston-Salem, a trend that continues today. Manufacturing still maintains a presence in Pilot Mountain, which is home to a number of companies that produce and sell pre-fabricated car-ports across the region. Pilot Mountain's easy access to U.S. Highway 52 and proximity to Winston-Salem are attractive economic advantages. Surry County Schools is a major employer in the area with three (3) schools located in Pilot Mountain.

Pilot Mountain's industrial park is just over 50% capacity, and provides readily-available medium-sized lots for light industrial operations. Additionally, the town has identified other large tracts south of downtown for future industrial development should opportunities present.

Pilot Mountain's greatest opportunity for sustained economic vitality lies in the town's ability to capitalize on its proximity to Pilot Mountain & Hanging Rock State Parks and the Piedmont-Triad metro-area. Pilot Mountain's well-preserved, historic downtown is experiencing renewed investment and can establish the town as a basecamp for the outdoors by offering unique shops, restaurants, and boutique lodging in a friendly, walkable atmosphere. In a shifting economy where remote and hybrid work arrangements enable many professionals to live anywhere, the town is poised to leverage these assets to attract a new wave of residents, visitors, and investment.

COMMUNITY VISION:

PILOT MOUNTAIN will become a hub for outdoor recreation by offering an experience to residents & visitors that affirms the connection between our abundant nature-based recreation offerings and our vibrant, historic town.

PILOT MOUNTAIN will support a diverse economy that encourages the growth of existing companies while cultivating new opportunities for recreation tourism, downtown small businesses, small-scale manufacturing, and the adaptive reuse of historic industrial buildings. Pilot Mountain will be an exceptional location for start-ups and entrepreneurs.



POLICY GOALS & RECOMMENDATIONS

- 1. Attract private investment and new businesses to Main Street.
 - 1.1 Continue active participation in the NC Small Town Main Street Program. Leverage grant opportunities available to member Towns for business recruitment and building renovations.
 - 1.2 Partner with available commercial property owners to recruit successful businesses in the Piedmont region to open second locations in Pilot Mountain by offering incentives such as subsidized rent and/or utilities during the start-up period.



- 💿 1.3 Continue allowing and encouraging outdoor patio seating and dining in downtown and on sidewalks with adequate width.
 - 1.4 Partner with property owners of vacant commercial lots in downtown to attract and incentivize infill development that extend or fill gaps in the street wall.
 - 1.5 Maintain available stock of ground-floor street-front retail and restaurant space by activating upper-stories and the rear of buildings for residential units or professional services and offices.
 - 1.6 Continue downtown business incentive program and pursue additional grants or funding sources to sustain this program.



CASE STUDY 03

BREW IT MADRAS: MADRAS, OREGON BREWERY RECRUITMENT

Local breweries often serve as catalysts for new small business and investment in a community while increasing tourism and downtown visitation. A small town in central Oregon, Madras, launched an aggressive marketing program in 2017 called, "Brew It, Madras!" The marketing campaign encouraged new breweries to move to the town's Urban Renewal District (URD) downtown core. The town offered financial incentives including covering permit fees, site development costs, and technical design assistance. With a professional digital and print marketing campaign, Madras advertised itself as a prime location for a brewery, highlighting proximity to fresh mountain water, local agriculture, and location within a popular beer-loving tourist region. In 2018, the campaign successfully attracted the Madras Brewing Co., now located in downtown Madras with a broad selection of local beer, a robust menu of fresh local food, and community events. Cheers to this small-town success story!



2. Attract new citizens and visitors to Pilot Mountain.



- 2.1 Implement a distinct and recognizable brand & logo system for the Town that leverages and coordinates with existing influential regional brands:
 - Pilot Mountain State Park
 - Yadkin Valley Heritage Corridor
 - Growing Outdoors Partnership MADExMTNS
- 2.2 Position the town as an attractive destination for young families & professionals through family-friendly events, programming, businesses, and outdoor recreation facilities.
- 2.3 Promote Pilot Mountain as an attractive destination for retirees by pursuing the AARP Livable Communities designation.
- 2.4 Seek funding to establish a weekend trolley or bus shuttle service that connects Downtown Pilot Mountain to Downtown Mount Airy and Pilot Mountain State Park.
- 2.5 Develop a Pilot Mountain-specific marketing strategy:
 - 2.5.1 Identify the Town's target audiences for downtown visitation and outdoor recreation tourism.
 - 2.5.1.1 Identify strategies for traditional and digital marketing; social media outreach; and promotional story-telling that highlights existing local businesses; organizations, or events.
 - 2.5.1.2 Develop a visually-compelling data package for business recruitment that highlights visitation numbers for nearby state parks and vehicle counts for U.S. Hwy. 52.
 - 2.5.2 Promote Pilot Mountain's proximity to the Yadkin Valley American Viticultural Area, Mountains to Sea Trail, Greensboro, and Winston-Salem.
 - 2.5.3 Support and participate in the development of the NC Triad Outdoors website led by the Piedmont Triad Regional Council Outdoor Recreation Advisory Council.

OUTDOOR RECREATION
IN NORTH CAROLINA
GENERATES \$1.3
BILLION IN STATE AND
LOCAL GOVERNMENT
TAX REVENUE.

2018 Outdoor Industry Association Outdoor Recreation Economy Report



EARNING THEIR WINGS

CASE STUDY 04

PLACEBRANDING: COMMUNITY-DRIVEN VISIONING IN BELMONT, NC

Place-branding is a community-driven visioning process aimed at achieving consensus on identity and aspirations. A place-brand reflects the character and spirit of the community. In essence, it is a storytelling tool; a vehicle for broadcasting a community's identity. Place-branding communicates both tangible and intangible assets of the City through visual and written mediums. The place-branding process answers vital questions about the community's identity and shared goals. Results of the place-branding process have significant implications for community and economic development.

Throughout 2019 and 2020, the City of Belmont, NC engaged in a place-branding process to discover, organize, and articulate the city's identity by developing a brand identity, tagline, and logo system. The process included in-depth stakeholder and pubic engagement through focus groups and an online survey to inform development of the brand identity and style. The resulting brand platform, logo system, and promotional collateral represent the celebrated diversity of Belmont and its many offerings while honoring the City's heritage as a railroad town and former textile hub. The place-branding campaign included the creation of brand collateral such as downtown banners, storygraphics for marketing, a signage package for new city facilities, and a promotional video.



- 2.6 Attract new lodging business to support the tourism industry.
 - 2.6.1 Work with downtown property owners with available buildings to attract a boutique hotel.
 - 2.6.2 Amend UDO, consistent with state regulations, to permit and regulate homestays (such as AirBnbs) that will provide lodging for visitors and an extra source of income for Pilot Mountain residents.
 - 2.6.3 Pursue a Public-Private Partnership with a project-specific development agreement to develop a unique Townowned lodging destination oriented toward outdoor recreation travelers. In this arrangement, a private company can lease the property from the Town to operate the business and facilities.



EARNING THEIR WINGS

CASE STUDY 05

TREEHOUSE TOURISM ON THE CASHIE RIVER

In 2016, the Mayor of the small Town of Windsor formed a committee to find new ways to boost tourism utilizing the 55-mile Cashie River which flows through the town. The committee leveraged their natural resources to develop a unique tourism destination in a set of small, tucked away elevated cabins which sit above the river in the trees. These treehouses are linked to the nearby campground and the natural landscape with a 480-foot-long boardwalk to intertwine the experience of tourists with the natural setting. With a \$190,000 grant from the NC Department of Commerce, Windsor contracted experts from the reality TV show "The Treehouse Guys" to help design and build the treehouses and used this filmed opportunity to further amplify the marketing for their area. Tourists are encouraged to engage with the town's natural setting with nearby kayak and canoe rental and guided river tours. Local Food Trucks also offer food to visitors in the campground or tourists travel to the nearby downtown area to dine. Since opening in 2017, the treehouses have seen near-constant rental by visitors to Windsor from across the country. Building off this success, the town later received another large state grant to add two more treehouses which were opened late 2018.



- 3. Support the retention and expansion of existing businesses and industry sectors.
 - 3.1 Continue working with the Surry County Economic Development Partnership to promote the East Surry Business Park to appeal to a variety of modern industries.
 - 3.2 Continue supporting the Pilot Center and local workforce development to support existing industries.
 - 3.3 Work with East Surry High School, Surry Community College, local industries, and businesses to establish an internship/apprenticeship program for high school and community college students in local companies.
 - 3.4 Continue working with Surry County Economic Development Partnership to bring natural gas to Pilot Mountain's industrial properties.
 - 3.5 Continue promoting proximity to the Surry County/Mt. Airy Airport in corporate & industrial recruitment efforts.



POWER IN PARTNERSHIPS: BUSINESS RECRUITMENT

EXHIBIT 01

The State of North Carolina, the County of Surry, and Town of Pilot Mountain partner in proactively identifying Incentive and Grant opportunities for relocating and expanding companies based on new taxable investments including new construction, building renovations, and investments in machinery and equipment as well as new job creation.

The State of North Carolina provides discretionary and tax incentives to qualifying businesses through the following programs and grants:

- One NC Fund Grant
- Job Development Investment Grants
- Green Business Fund
- Sales and Use Tax Exemptions, Refunds and Discounts
- Building Reuse Grant
- Community Development Block Grants
- Industrial Development Fund Grants
- Industrial Revenue Bonds

Surry County can partner with Pilot Mountain to develop incentive agreements on a case-by-case basis to maximize the overall incentive opportunities and usually with a matching component. These programs can include:

- Land for expansion and new facilities
- Cash grants based on new property tax payments
- Infrastructure assistance in providing water, sewer and natural gas service to new facilities
- Reduction or the elimination of local fees and permits
- Matching Grant Programs

North Carolina's Community Colleges and Workforce Development Boards offer economic development tools for job training and recruiting through the community colleges. The Surry Community College Customized Industrial Training Program allows for new grants and recurring employee training based on the company's direction and needs.

Additionally, the State of North Carolina offers a wide variety of cost-saving incentives:

- Foreign Trade Zones Provides opportunities to defer, reduce and/or eliminate import duties
- Interactive Digital Media Tax Credit
- Road Access and Rail Access Programs
- Recycling Business Assistance
- North Carolina Biotechnology Center

- 4. Leverage natural resources for outdoor recreation tourism by enhancing and promoting trail-town experience and state park proximity.
 - 4.1 Work with the Piedmont Triad Regional Council (PTRC) to establish Town participation in the Outdoor Recreation Advisory Council or similarly-purposed entities.
- 4.2 Install wayfinding signage from Pilot Mountain State Park to Downtown Pilot Mountain to capture a greater number of park visitors.
 - 4.3 Work with Pilot Mountain State Park to establish park-and-ride shuttle from downtown Pilot Mountain to the State Park when parking in the State Park reaches capacity.
 - 4.4 Promote and leverage the Sauratown Mountains Scenic Byway through downtown Pilot Mountain. Support efforts for designation as a federal scenic byway.



SAURATOWN MOUNTAINS SCENIC BYWAY

EXHIBIT 02

In 2021, the Town of Pilot Mountain worked closely with the Piedmont Triad Regional Council, Surry County, and Mount Airy to establish the Sauratown Mountains Scenic Byway through NCDOT's program. The Scenic Byways program highlights scenic roads with unusual, exceptional, or unique intrinsic qualities for public viewing and enjoyment. Byway routes are identified by road signage. Beginning in Mount Airy, the Sauratown Mountains Scenic Byway links eastern Surry County's prominent state parks and guintessential mountain towns including: the Town of Danbury, Hanging Rock State Park, Town of Pilot Mountain, and Pilot Mountain State Park. Now that the byway has been recognized by NCDOT, the coalition is pursuing National Park Service designation as a federally-recognized Scenic Byway.





EXHIBIT 03

BY THE NUMBERS

ESTABLISHED: 1968

ANNUAL VISITORS: 1 Million

LAND AREA: 3,703 acres

MILES OF HIKING TRAILS: 28

MILES OF EQUESTRIAN TRAILS: 10

MILES FROM DOWNTOWN PILOT MOUNTAIN: 4



Rising abruptly 1,400 feet above the surrounding valley, Pilot Mountain has been a navigational landmark for centuries, and today, is a popular recreational destination offering hiking, camping, climbing, paddling, equestrian, and spectacular scenery.

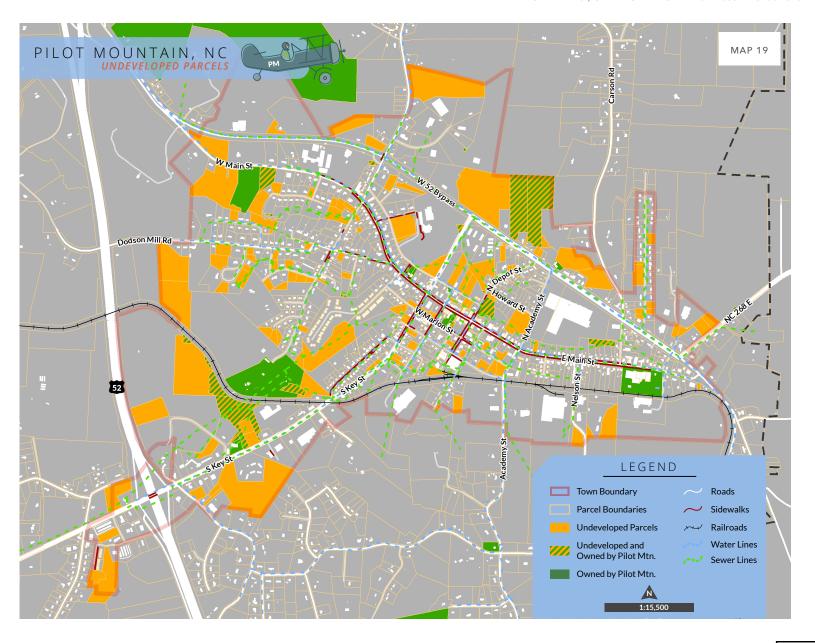
Like the rocky escarpments in nearby Hanging Rock State Park, Pilot Mountain is a remnant of the ancient Sauratown Mountains. The top of Pilot Mountain is identified by two prominent pinnacles. Big Pinnacle, with walls of bare quartzite and a rounded top covered in vegetation, juts skyward more than 200 feet from its base. Big Pinnacle is connected to Little Pinnacle by a narrow saddle. The park provides visitors easy access to the top of Little Pinnacle where the view encompasses hundreds of square miles of the Piedmont and the nearby mountains of North Carolina and Virginia.

The mountain summit comprises the principal park area and is connected to the Yadkin River park section by a 6.5-mile trail corridor. The extensive hiking trail network is complemented by a bridle trail and canoe trail on the Yadkin River. The park provides 49 family camping sites and a group camping area with canoe-in access sites. Rock climbing and rappelling are allowed on portions of the pinnacle's steep cliffs, and those cliffs perched around the mountain's summit offer seemingly endless views of the Piedmont's Sauratown and Blue Ridge Mountains.

More than 1 million visitors flock to Pilot Mountain State Park each year providing an enormous economic opportunity for the town.

- 5. Recruit new investment to existing commercial corridors and nodes outside of downtown.
 - 5.1 Continue working with Surry County Economic Development Partnership and property owners with available land in Catalyst Areas to market and recruit new commercial and in industrial investment.
 - 5.2 Publish and promote an inventory of available mixed-use & commercial properties in DCZ 5 on the Town's website.
 - 5.3 Work with Surry County Economic Development Partnership to pursue Certification for appropriate industrial and commercial sites through the North Carolina Certified Sites program and Duke Energy's Site Readiness Program.
 - 5.4 Plan for conversion of former landfill to active use.

THERE ARE APPROXIMATELY 262 ACRES OF UNDEVELOPED LAND WITHIN PILOT MOUNTAIN TOWN LIMITS.





DUKE ENERGY SITE READINESS PROGRAM

EXHIBIT 04

Pilot Mountain's marketable industrial and commercial properties could benefit from greater visibility and distinction by participating in Duke Energy's Site Readiness program. The program allows local government and economic development officials to work with professional site selection consultants to determine a strategy for further enhancing a site with the goal of recruiting national companies to North Carolina. Additionally, participating sites are eligible to apply for a \$10,000 matching grant from Duke Energy to implement the strategy. After each site's state of readiness has advanced, Duke Energy's business recruitment team markets each site nationwide to targeted companies looking to expand or relocate their operations. The program is highly competitive, with only six sites selected for participation in 2020, but it has proven successful. Since its inception in 2005, the program has helped prepare properties across the state resulting in 5,650 new jobs and nearly \$6.4 billion in capital investment. Duke Energy is the electric provider for sites participating in the program.





CASE STUDY 06

CAPTURED AND CONVERTED: JACKSON COUNTY, NC GREEN ENERGY PARK

The Jackson County Green Energy Park puts its retired landfill's methane gas to creative use. The park, located in the small town of Dillsboro, NC, harnesses the energy potential of the landfill's gas into fuel for artists who work with heat. Glassblowers and blacksmithers use furnaces entirely

fueled by the methane. The studios are located in the renovated former landfill trash transfer center, and are completely staffed, maintained, and occupied by local artists.

Thirteen wells drilled 70-80 feet into the former landfill capture methane and carbon dioxide gas produced by bacteria decomposing the organic matter. The gas then travels by pipe to the studio furnace where it is used by artists, or to be burned off if the studios are not in use. With 750,000 tons of waste in the retired landfill, the redirected methane will ensure many decades of energy for the artists. This kind of reuse can capture up to 90% of methane that would otherwise escape underground and into the atmosphere. The EPA requires landfills have a flare to burn off methane, and Dillsboro's system of diverting the same methane to be used in studios was negligible in cost.

The benefits of this efficient system are offered directly to the community as the studios are less expensive for artists to rent, and accessible classes or tutorials are provided for students and new hobbyists. Jackson County's Green Energy Park has been established as a popular destination in the town, and has welcomed thousands of visitors since its opening. The park also hosts an annual Youth Arts Festival which brings the community together around a sustainable reimagining of an otherwise defunct landscape.



- 6. Revitalize vacant, underperforming, and blighted areas near downtown to develop stock of available space for boutique manufacturing, creative industries, mixed use, and growing local companies.
 - 6.1 Work with the PTRC Regional Council to identify candidate sites for the Regional Brownfields Redevelopment Program.
- 6.2 Continue administering the commercial façade grant program and pursue additional grants to sustain this program.
- 6.3 Initiate redevelopment of the Dyehouse Revitalization District to restore the former Dyehouse and surrounding properties to productive use through one of two options provided for in NC state statutes:
 - 6.3.1 OPTION 1: Acquire and convey targeted parcels in the Dyehouse Revitalization District through a private-sale RFP process pursuant to NC G.S. 158-7.1.
 - 6.3.2 OPTION 2: Establish an Urban Redevelopment Area (URA) for targeted remediation and revitalization efforts in accordance with G.S. 160A Article 22.
- 6.4 Work with private owners and/or potential re-developers of historic properties to pursue state and federal historic preservation tax credits to complete adaptive reuse projects of historic mills and factories.



EARNING THEIR WINGS

CASE STUDY 07

SHALLOTTE RIVERFRONT TOWN CENTER: ECONOMIC DEVELOPMENT AUTHORITY OF NC G.S 158-7.1

Despite experiencing robust growth in the past two decades, the small town of Shallotte, NC has struggled to establish a vibrant town center. In an effort to improve its downtown and emphasize the beauty of Shallotte's coastal landscape, town leaders partnered with the UNC School of Government's Development Finance Initiative (DFI) I to pursue redevelopment of 20-acre site into the Riverfront Town Center. The town utilized authority granted under the Local Development Act of 1925 to establish site control through acquisition of several key parcels over a period of five (5) years. Concurrent to the ongoing property acquisitions, DFI led a pre-development planning process that included market analysis, public engagement, site planning, and financial feasibility study. The resulting Riverfront Town Center Plan was adopted in 2015 and enabled the town to recruit qualified development teams through an RFP selection process. The Town has since entered into a public-private development agreement with their chosen developer. The Riverwalk opened to the public in September 2021 while construction of the town center is ongoing.





URBAN REDEVELOPMENT AREA VS. LOCAL DEVELOPMENT ACT OF 1925

EXHIBIT 05

Towns interested in taking the lead on the redevelopment of vacant, underperforming, and blighted properties have two (2) primary options authorized by NC general statutes: establishing an Urban Redevelopment Area pursuant to NC G.S. 160A, Article 22 or utilizing the authority granted by the Local Development Act of 1925 (NC G.S. 158-7.1).

Forming an Urban Redevelopment Area (URA) allows the town to acquire properties, improve them, and then sell the parcels through a competitive bidding process. However, before exercising these redevelopment powers, the town must follow a specific process outlined in the statue:

- 1. Form a Redevelopment Commission
- 2. Work with a consultant to create a Redevelopment Plan for the area that meets the requirements of NC GS 160A-513(d). If the URA includes residential properties, the plan must identify a strategy for relocating and rehousing any persons who will be displaced by redevelopment of the properties.
- 3. Hold a public hearing on the Redevelopment Plan
- 4. Planning Board must review the plan within 45 days after the public hearing
- 5. Town Commissioners must hold a public hearing to adopt the plan

After adoption of the plan, the Redevelopment Commission can commence with acquiring the and improving the parcels of interest. Sale of the properties within the URA must take place through a competitive process that rewards the highest bidder, not necessarily the bidder with the best development concept, experience, or access to capital. Redevelopment in conformity with the plan must be enforced through covenants and conditions of the sale.

The Local Development Act of 1925 offers an alternative process to the URA that provides a municipality with a higher level of discretion and autonomy in determining redevelopment outcomes. Under the authority of the Local Development Act of 1925, a town must follow specific steps for acquiring and conveying parcels, but is afforded greater control over the eventual redevelopment of the property. Towns should follow this process:

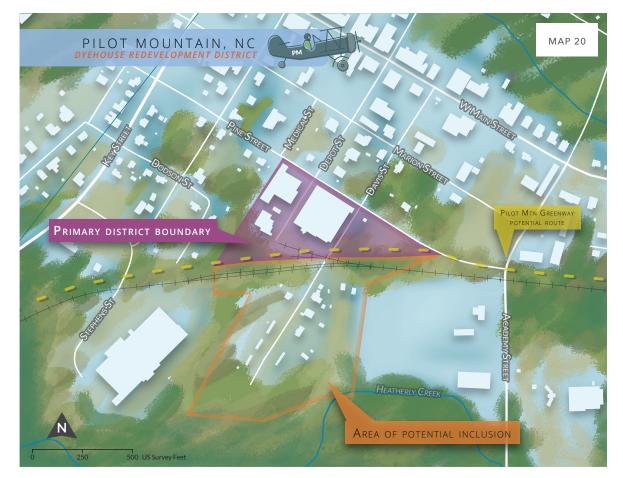
1. Hold a public hearing with published notice before acquiring any property. This can be part of the annual budget public hearing if the expenditure is included in the annual budget. Otherwise, hold a stand-alone public hearing pursuant to requirements of 158-7.1(c).

- 2. Explicitly refer to NC G.S. 158-7.1 in all resolutions related to acquiring and conveying the redevelopment properties. Doing so will give the town the authority to negotiate private sale of the properties later. Failure to acquire property pursuant to NC G.S. 158-7.1 will mean that the town must convey the property through a competitive process that awards the highest bidder rather than allowing the town to select based on qualifications and merit of the proposer's development plan.
- 3. Engage with a consultant or the UNC School of Government Development Finance Institute (DFI) to conduct a pre-development analysis and develop a general plan for the properties under Town control.
- Issue an RFP to qualified private developers for the redevelopment of the area to achieve the specific land use and development goals of the town.
- Hold a public hearing prior to lease or conveyance of the properties to the selected developer or development team.
- 6. Convey properties pursuant to NC G.S. 158-7.1(d) through a private sale with covenants and conditions to ensure the town's redevelopment goals are met.



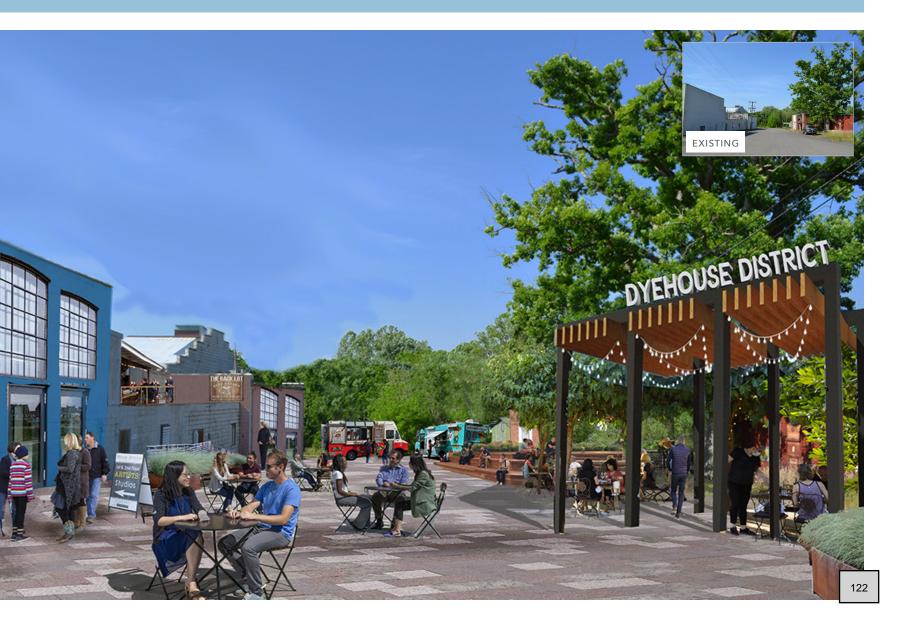
THE DYEHOUSE DISTRICT

The proposed Dyehouse District is ripe for redevelopment and presents an opportunity to return a historic industrial area of the town to active use. The Dyehouse District is located only two blocks from Main Street and along a potential alignment of the Pilot Mountain Greenway. The former dyehouse and adjacent properties are reimagined as a vibrant mixed-use center anchored by a pedestrian plaza on south Depot Street. Such a project would be a strong candidate for utilizing town authority granted under the Land Development Act of 1925 to initiate the redevelopment of this area through a detailed master-planning process.





SCHEMATIC 03



- 7. Cultivate a business environment that empowers local start-ups & entrepreneurs.
 - 7.1 Promote Pilot Mountain as a lower cost, high-reward location for starting a business or opening a second location.
 - 7.2 Establish a dedicated business incubator that fosters innovative start-ups, young businesses, artisans, and minority-owned businesses.
 - 7.3 Develop strategic partnerships with Community Development Financial Institutions like the PTRC Business Investment Fund, Carolina Community Development Fund, Piedmont Business Capital, Natural Capital Investment Fund, and Thread Capital to facilitate financial assistance for start-ups and small businesses located in the greater Piedmont Triad region that are underserved by traditional financial institutions.
 - 7.4 Develop strategic partnerships with Forsyth Technical Community College and organizations such as Agile City & Winston Starts in nearby Winston-Salem to develop a pipeline of young entrepreneurs, early-stage start-ups, and small businesses interested in starting or scaling-up in Pilot Mountain in a supportive, low-risk environment.



EARNING THEIR WINGS

CASE STUDY 08

TEXTILE MILL TO OPPORTUNITY FACTORY: GASTON TECHWORKS

Business incubators are designed to foster local innovation and collaboration, house budding small businesses, and offer educational opportunities all under one roof. Entrepreneurial individuals from the community have access to shared office space at lower costs than a traditional office, and benefit from a variety of resources offered by the organization.

 $One \, successful \, example \, is \, Tech Works, a \, technology-focused \, nonprofit \, business \, incubator \, in \, Gaston \, County. \, Branded \, as \, an \, entrepreneurial \, tech \, hub$

and learning center "committed to job creation, economic growth, innovation, and talent development," TechWorks centers their mission on empowering the local community. Partnering with OpenBroadband, they have provided free Wi-Fi to the surrounding area and downtown, as well as other businesses and residents in the county. They have also partnered with Gaston College, UNC Charlotte, and other K-12 school systems to provide training in subjects such as coding, digital marketing, and entrepreneurship. By offering essential services that will grow into the future, TechWorks has succeeded in acquiring 2.5 million dollars of funding in government investment along with private and foundation contributions. TechWorks inhabits a renovated former textile mill, which offers 14,000 square feet of co-working space, conference rooms, and event space. The renovation of industrial buildings into hubs of economic and community growth also offers a great opportunity for transforming aging infrastructure into a multi-functional working venue for small local businesses by leveraging historic mill preservation tax credits.





EXPANDING ACCESS TO CAPITAL: COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

EXHIBIT 06

The PTRC Business Investment Fund, the Greensboro Community Development Fund, Carolina Community Development Fund, Piedmont Business Capital, and Thread Capital are all North Carolina Community Development Financial Institutions (CDFIs) that lend to start-ups and expanding local businesses, with an emphasis on supporting businesses that have difficulty accessing financing through traditional lending sources.

These non-profit community loan funds support underserved communities and community-minded entrepreneurs that are committed to starting and building locally-owned small businesses. CDFIs focus on lending to socially responsible businesses and organizations that stand to make an impact in revitalizing their communities. Each CDFI offers flexible rates, personal business counseling, and higher rates of loan approval for non-traditional businesses and minority-owned businesses.





- 7.5 Continue supporting vibrant transitional businesses and mobile vendors, such as food trucks and pop-up markets, by amending the UDO to permit these uses by right in Zoning Districts within Development Character Zones 5 & 6. Develop performance standards to specifically address such businesses.
- 7.6 Foster fledgling businesses, expand the local economy, and increase neighborhood wealth by adjusting performance standards for home-based businesses to permit their establishment in appropriately-scaled accessory structures in all residential zoning districts.
- 7.7 Implement steps identified in the NC Main Street Downtown Strong Implementation Plan for establishing a maker space/artisan incubator and recruiting tenants.
- 7.8 Capitalize on the success of the Yadkin Valley American Viticulture Area by reducing regulatory barriers to the establishment of new wineries & vineyards:
 - 7.8.1 Reduce setback & screening requirements
 - 7.8.2 Allow tasting rooms, catering/commercial kitchens, and small restaurants as by-right accessory uses.



SCHEMATIC 04

COMMERCIAL EVOLUTION





- 💿 8. Sustain investment in downtown experience and promotion of events that differentiate Main Street Pilot Mountain from other small towns.
 - 8.1 Continue investing in and growing Pilot Mountain's existing festivals.
 - 8.2 Consider hosting new non-traditional festivals and recurring monthly events downtown.
 - 8.3 Invest in development of detailed plans for downtown amphitheater, open-air market hall, and public restrooms to create a central community gathering space.

MOBILE AND TRANSITIONAL **BUSINESSES CONTRIBUTE TO** A VIBRANT BUSINESS MIX AND OFTEN PROVIDE AN AVENUE TOWARD A PERMANENT, PHYSICAL ESTABLISHMENT. PICTURED HERE: THE SONGBIRD HOUSE IN PILOT MOUNTAIN.



INFRASTRUCTURE & PUBLIC SERVICES

The Town of Pilot Mountain provides essential infrastructure and support services to ensure public safety and welfare. These critical public services and infrastructure systems include: wastewater treatment, water system, public works, law enforcement, Main Street/Downtown Economic Development. The town works with the Pilot Knob Volunteer Fire Department and the Pilot Mountain Rescue Squad to ensure fire protection and efficient emergency response for the Town's citizens and property. Curbside garbage, recycling, and yard waste collection is contracted out to a sanitation service provider. The town also maintains a public cemetery on west Main Street.

A water and sewer Asset Management Plan (AMP), completed in 2020, revealed that 4,285 linear feet of sewer line and 501 linear feet of water line are rated at "extremerisk" of failure. Several thousand more linear feet of line will require substantial upgrades in the next several years, but completion of the AMP competitively positions the town to seek funding from state and federal agencies for prioritized line and infrastructure replacement.

For decades, Pilot Mountain has operated its own water treatment plant, but recently entered into an interconnect agreement with the City of Mount Airy and will transition to purchasing all water from Mount Airy within the next few years. Under the interconnect agreement, the town will still maintain its own system of water lines and tanks, but will purchase all water from Mount Airy.

Maintaining the public water and wastewater systems is one of the town's most crucial services. Pilot Mountain's growth management policies have a significant impact on the town's ability to continue these essential services and maintain the water and wastewater systems. The town maintains standards for expansions of the public water and sewer system according to the Infrastructure Specifications Manual. In order for Pilot Mountain to fund continued maintenance of its water and sewer network, the town must add new customers and development to the existing system. Expanding water and sewer lines to new service areas should be considered very carefully in consideration of the long-term costs of system upkeep.

COMMUNITY VISION:

PILOT MOUNTAIN will offer a high quality of life supported by efficient delivery of public services by strategically directing compatible growth toward areas that are accessible to existing or planned transportation networks and water/ wastewater infrastructure.





6

POLICY GOALS & RECOMMENDATIONS

- 1. Ensure that the Town's staff capacity can continue to meet service demands and the goals of this plan as Pilot Mountain grows.
 - 1.1 Conduct study of peer cities & towns to identify possible improvements to employee benefits packages.
 - 1.2 Conduct a rate study every five (5) years for employee salaries and wages.
 - 1.3 Invest in continuing education and professional development of staff.
 - 1.4 Evaluate and plan for growth of the Main Street/Downtown Economic Development Department.
 - 1.5 Conduct a study to evaluate the need for establishing a Parks and Outdoor Recreation Director to oversee development and operation of Town parks, greenways, trails, and civic spaces.
- 2. Continue to provide safe, high-quality public water and wastewater service in a sustainable and fiscally responsible manner that maximizes public investment by adding new customers to the existing systems rather than expanding the system.
 - 2.1 Continue the transition to purchasing the Town's water supply from Mount Airy according to the Interconnect Agreement.
 - 2.2 Begin implementing the 2020 Water & Sewer System Asset Management Plan for replacement of extreme risk water and sewer infrastructure.
 - 2.3 Annually update the 2020 Water & Sewer System Asset Management Plan to continue systematically prioritizing upgrades as repairs and replacements are completed.
 - 2.4 Pursue grants & loan funding to facilitate replacement of aging water and sewer infrastructure.
 - 2.5 Decommission former water treatment plant in preparation for conversion to a public park.
 - 2.6 Continue requiring new water and wastewater infrastructure to be installed according to the Pilot Mountain Infrastructure Specifications Manual to ensure quality, consistency, and adequate volume and pressure for fire suppression.
 - 2.7 Update and continue implementation of identified repairs in the 2009 Stormwater Drainage Study; pursue funding through the Clean Water Management Trust Fund.
 - 2.8 Consider utilizing surplus capacity of the town's wastewater treatment plant by accepting overflow wastewater from neighboring towns and communities. Pursue feasibility studies as opportunities present.

PILOT MOUNTAIN

MAINTAINS 26 MILES

OF MAIN WATER

LINES AND 19 MILES

OF SEWER LINES.

- 3. Leverage the Town's position as a water and wastewater service provider to encourage growth and development within Town limits.
 - 3.1 Perform a cost-benefit analysis of potential annexation for all new development in the Extra Territorial Jurisdiction (ETJ) that desires an extension of public water or sewer service from Pilot Mountain. Develop an annexation policy to address development located outside of the Town's boundaries.
 - 3.2 Continue requiring new development to connect to the Town's water system at the expense of the developer. Continue extension policies that ensure that the cost of growth is not borne by existing water customers.
 - 3.3 To the extent allowable by state law, encourage development within Town limits by increasing tap fees for development outside of Town and reducing tap fees for in-town development.
 - 3.4 Any Town-initiated expansion of utilities shall reinforce growth within Town limits for increased development densities on existing water and sewer lines rather than expanding new infrastructure.
- 4. Continue to support volunteer fire and rescue agencies while planning for the future provision of reliable, efficient, and effective fire and emergency response services.
 - 4.1 Support and participate in discussions with Surry County, the local Volunteer Fire Department Board(s), and Rescue Squad(s) to determine a strategy for modernization of Fire and Rescue services.
- 5. Sustain adequate solid waste services and programs.
 - 5.1 Continue offering curbside recycling and yard waste services.
 - 5.2 Encourage waste reduction strategies by promoting and providing education on composting, mulching, reuse, recycling, and reducing litter.
- 6. Continue to provide effective community-oriented public safety and law enforcement services that protect all persons and property while preserving security and peace.
 - 6.1 Evaluate and plan for staffing of police department to provide for reliable shift coverage at all times.
 - 6.2 Evaluate need and plan for hiring a detective position.
 - 6.3 Develop a community policing program.

- 7. Plan for capital improvements and expansions to town facilities.
 - 7.1 Continue annual updates to the Town's Capital Improvements Plan and using the plan to influence budget preparation and spending on priority projects.
 - 7.2 Conduct a Needs and Cost Analysis to evaluate the need for space and the capital required to improve the Town Hall building and site. Plan for improvements based on the results of the preliminary Needs and Cost analysis. Coordinate with proposed improvements for new civic facilities as identified in the 2018 Downtown Streetscape Plan.
 - 7.3 Pursue planning and cost analyses to evaluate the need for space and capital required to construct a new Public Works Facility.
 - 7.4 Work with the Charles H. Stone library to fundraise, crowdsource, and seek grants to fund replacement of the elevator.
 - 7.5 Develop a master plan for expanding Electric Vehicle charging stations throughout town in strategic locations, especially at town facilities, parks, schools, and other civic institutions. Take advantage of federal and state Alternative Fuel Infrastructure Tax Credits.
 - 7.6 Plan for transitioning the Town's fleet to zero-emission vehicles, such as battery-electric or alternative-fuel vehicles.
 - 7.7 Incorporate public art such as architectural embellishments of buildings, landscape features, site amenities, sculpture, and murals into major public facility initiatives (e.g., construction of plazas, public buildings, parks).
 - 7.8 Ensure that communications utilities, public broadband, and Wi-Fi are continuously updated to meet increasing demand.

KEY RESOURCE 02



CURB ENTHUSIASM: A
DEPLOYMENT GUIDE FOR
ON-STREET ELECTRIC
VEHICLE CHARGING



Published by WXY architecture + urban design and Barretto Bay Strategies in partnership with New York City Department of Transportation and the New York City Mayor's Office of Sustainability, this guide offers local governments everywhere a planning framework and practical guide to deploying level 2 curbside EV charging in business districts that primarily offer on-street parking.

- - 8. Continue and build upon transparency in Town operations and events through frequent and consistent communication via the Town's website and social media platforms.
 - 8.1 Continue publishing annual Public Works project schedule to provide advance notice to citizens of anticipated public infrastructure projects.
 - 8.2 Continue Facebook live-stream of commissioner's meetings. Create a YouTube channel to expand access to the meeting recordings.
 - 8.3 Continue quarterly Downtown e-newsletter and consider including additional topics.
 - 8.4 Include an embedded live feed of the Town's social media channels on the website homepage to increase followers and disseminate information shared on social media.
 - 8.5 Continue maintaining and providing public access to Pilot Mountain's Open Government website that provides publiconline access to the Town's financial reporting.
 - 8.6 Continue to identify opportunities for new digital platforms to facilitate an open dialogue between the Town and citizens.
 - 8.7 Publish an annual progress report that tracks the Town's achievements in implementing the recommendations of this plan.



EARNING THEIR WINGS

CASE STUDY 09

THE 423: CHATTANOOGA'S CITY NEWSLETTER

During the public engagement phase, respondents to the first survey indicated a desire for increased direct communication from the Town of Pilot Mountain regarding town-wide announcements, events, and decision-making by elected officials. The City of Chattanooga's e-newsletter, *The 423*, offers a playful example of regular, direct email communication to citizens. Named after the city's area code, the newsletter cleverly provides citizens with four event recommendations, two noteworthy news links, and three fun facts about the city each week. Citizens and stakeholders subscribe via the city website.



TRANSPORTATION & MOBILITY

Pilot Mountain's transportation system is comprised of its streets, railway, bike, pedestrian, and transit networks, as well as access to air travel. Pilot Mountain primarily relies on its road network to meet commercial and private passenger transportation needs. However, the town's growing sidewalk network is well utilized and contributes to overall quality of life, and the rail line transports industrial freight to the larger markets in the Triad each week. The recommendations in this section are aimed at steering Pilot Mountain toward a well-balanced, multi-modal transportation system. The town's existing transportation systems are profiled below.

Pilot Mountain maintains nearly ten (10) miles of public streets, including Main Street. All town streets are set to be resurfaced in FY21-22. U.S. Highway 52 provides the town with exceptional access to Winston Salem. Planned NC Department of Transportation (DOT) projects including upgrading U.S. 52 to an interstate and the Winston-Salem Northern Beltway will further improve connectivity to the Greater Piedmont Triad and north to Virginia. The town, Surry County, the Northwest Piedmont Rural Planning Organization (RPO) and NCDOT recently completed an update to the Surry County Comprehensive Transportation Plan that serves as the primary guiding document for around Pilot Mountain.

COMMUNITY VISION:

PILOT MOUNTAIN will maintain a compact, interconnected street network in a manner that facilitates efficient traffic flow and advances connectivity while actively expanding alternatives to vehicle travel by establishing a cohesive bicycle and pedestrian system that links neighborhoods to commercial centers, parks, and community destinations.

The town boasts a strong and growing pedestrian network in its historic commercial center that extends outward through adjacent neighborhoods. Pilot Mountain continues to make progress filling sidewalk gaps and must continue prioritizing such connections to critical destinations such as schools and recreation opportunities. Bicycle infrastructure is extremely limited, although the Surry County Bikeway Plan identifies several road-cycling routes in the area and the state Northline Trace cycling route traverse the Town. Expanding bicycle and pedestrian infrastructure is one of the most strategic investments the town can make to enhance quality of life, improve community health, expand equity in transportation, and encourage vibrant streetscapes both downtown and in surrounding neighborhoods. Connectivity and culture thrive hand in hand.

Pilot Mountain's nearest airport is the Mount Airy/Surry County airport located eight miles northwest of downtown. The single paved runway is used for private flights. Hangar space at the airport is primarily rented by nearby corporations and also provides space for Surry County Community College aviation classes. The nearest airport offering commercial flights is the Piedmont Triad International Airport (PTI) in Greensboro, an hour drive from Pilot Mountain.

Piedmont Authority for Regional Transportation (PART) provides public transportation via the Surry Express bus line that connects Mount Airy, Pilot Mountain, King and Winston-Salem. Yadkin Valley Economic Development District (YVEDDI) offers curb-to-curb transportation services for seniors and persons with disabilities on an appointment basis. Alternative transportation options such as rideshare services are extremely limited in Surry County and currently do not provide a reliable option for transportation.



6

POLICY GOALS & RECOMMENDATIONS

- 1. Improve appearance, function, and safety of main thoroughfares and town streets.
 - 1.1 Adopt and/or reference in local codes and design guidance, state and national complete street design policies and guidelines including the NCDOT Complete Streets Policy (2019), the NACTO Urban Bikeway Design Guide, the FHWA Separated Bike Lane Guide, and the FHWA Small Town and Rural Multimodal Networks Guide.
 - 1.2 Develop a capital improvements schedule for repaving and upgrading Town streets with priority placed on streets in Catalyst Areas identified on the Degree of Change map.
 - 1.3 Concentrate commercial development density at strategic locations along major corridors, while limiting highway access along intervening stretches of road.
 - 1.4 Develop Streetscape Corridor plans for the following highway corridors. Plans should address potential for road diets, multi-use paths, center medians, and street trees to make them more appealing for commerce and walkability.
 - 1.4.1 Key Street (NC Hwy. 268) from Hwy. 52 roundabout to Main Street
 - 1.4.2 Hwy. 52 Bypass from East Main St. to West Main St.
 - 1.4.3 Work with NCDOT to study the Golf Course Road & Key Street intersection to determine intersection improvements that will improve safety and alleviate traffic delays on Golf Course Road at peak travel times.
- 2. Maintain a compact, interconnected street network in a manner that facilitates efficient traffic flow and advances connectivity between destinations.
 - 2.1 Amend UDO Driveway and Site Access standards to require interior vehicular connectivity between adjacent commercial development and common access points or shared driveways where feasible.
 - 2.2 Define appropriate block lengths within the UDO's subdivision design standards based on Development Character Zone to ensure efficient and functional street connectivity.
 - 2.3 Amend zoning permit application to shift determination of appropriate driveway access for new development to the Town's Technical Review Committee.



EARNING THEIR WINGS

CASE STUDY 10

SHINING A LIGHT ON EV CHARGING: DUAL-USE LED STREETLIGHTS IN L.A.

As cities prepare for a sustainable future, providing resources for Electric Vehicle (EV) users is a potentially daunting task. The city of Los Angeles, California has embraced their own existing infrastructure to provide curbside EV charging. To encourage the use of electric vehicles, the city needed to supply accessible and functional charging stations across a wide geographic range. Instead of installing an entire fleet of new charging stations, LA partnered with smart technology company Flo to attach chargers to LED street lights that were recently installed throughout the city. The project plans to maximize use of prime curbside real estate and attract EV drivers while encouraging the transition to a sustainable infrastructure system. It scales public charging infrastructure in a cost-effective way while working efficiently enough to make an impact. The LA Bureau of Street Lighting has installed 431 charging stations on streetlights in the city. By integrating the chargers with existing technology, LA lowers costs in its transition to a Smart City while embracing sustainability goals. Providing charging stations offers convenience for visitors to downtown areas and encourages a reestablished connection to streetscapes for the community.



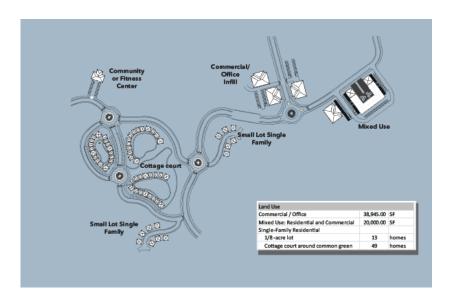


CONNECTIVITY IS KEY: THE KEY STREET SOUTHSIDE INFILL DEVELOPMENT PLAN

During the public engagement phase, stakeholders noted issues at the intersection of Key Street and Golf Course Road, particularly the challenge in turning left from Golf Course onto Key Street during peak traffic. Golf Course road serves a growing residential area and proximity to the roundabout at the Highway 52 ramp makes this intersection challenging for drivers to navigate. Additionally, Key Street (NC 268) has developed as an auto-oriented commercial corridor and is heavily-traveled as the primary thoroughfare connecting Main Street to the rest of Surry County to the west.

The concept pictured here envisions an infill development scenario that prioritizes improved vehicular and multi-modal connectivity between Key Street's existing commercial destinations and new residential and mixed used centers, including a recently-approved 64-unit multifamily project at Golf Course Road and Friendly Lane. Significant features include:

- Reconfiguration of Golf Course Road to form a fifth point on the roundabout
- New intersection aligning with Veterans Drive
- · Consolidation of multiple commercial driveways for improved traffic flow and safety with fewer opportunities for left-hand turns
- Mixed residential development with three (3) clusters of cottage courts to maximize affordable single-family residential units
- Two (2) traditional single-family home clusters
- Interconnected street network with adjacent multi-use path for true multi-modal





SCHEMATIC 05





MAIN STREET STREETSCAPE REVITALIZATION

Adopted by the town in 2019, the Downtown Streetscape Plan by Benchmark Planning offers a series of recommendations to create a more attractive, safe, and pedestrian friendly public realm in downtown Pilot Mountain.

Recommended streetscape improvements vary between sections of East and West Main Street and include a selection of new parking solutions, street trees and planters, curb extensions at intersections, as well as conversion of some on-street parking to outdoor seating for restaurants and businesses.

The plan also envisions conversion of the Town Hall public parking lot into a pedestrian plaza featuring an open-air market, street-facing civic building and visitor center, vendors, public restrooms, and a new amphitheater with a view of Pilot Mountain.



SCHEMATIC 06



CONCEPTUAL STREETSCAPE - PLAN VIEW

Additional Charleng Area
 Additional Charleng Area
 Additional Charleng Area
 Cleseration Tower - Mod Mountain Viewing Area
 Meater Hell
 Meater Hell
 Meater Hell
 Tore New of Charleng Area
 Tower Hell
 Tower Hell
 Tower Charleng Cloudt Sides
 - 3. Actively expand alternatives to vehicle travel by establishing a cohesive system of bicycle and pedestrian facilities that link neighborhoods, commercial centers, parks, schools, and other community destinations.
 - 3.1 Establish a formal town committee or community organization to lead efforts for planning and implementing greenways, bicycle and pedestrian infrastructure.
 - 3.2 Work with Surry County and municipalities within Surry to develop a county-wide trails master plan that incorporates all greenway and trail plans into a single, actionable document.
 - 3.3 Connect community destinations such as schools, parks, major employers, and the Armfield Civic Center via greenways and trails.
 - 3.3.1 Work with Surry County Schools to identify routes for connecting Pilot Mountain schools via multi-use paths.
 - 3.3.2 Pursue a feasibility study for proposed greenway along the Ararat River and Tom's Creek as identified in the Surry County Comprehensive Transportation Plan.
 - 3.4 Amend UDO sidewalk requirements to require new development to construct pedestrian or multi-use path connectivity to adjacent commercial areas, neighborhoods, and parks.
 - 3.5 Pursue grant funding through NCDOT for a bicycle and pedestrian plan that can build upon and update the Town's 2013 pedestrian plan.

KEY RESOURCE 03





In 2016, the Federal Highway Administration (FHWA) and its partners published this guidebook as a resource for transportation practitioners in small towns and rural communities. It applies existing national multi-modal design guidelines in a rural setting and highlights small town and rural case studies. It addresses challenges specific to rural areas, recognizes how rural roadways are operating today, and focuses on opportunities to make incremental multi-modal improvements despite the geographic, fiscal, and other challenges that many rural communities face.

- 3.6 Continue filling sidewalk gaps and establishing pedestrian & bicycle facilities identified for Pilot Mountain in the Surry County Comprehensive Transportation Plan and the Pilot Mountain Bicycle & Pedestrian Plan with priority placed on the following connections:
 - 3.6.1 East Surry High School to the end of West Main Street
 - 3.6.2 Hwy. 52 Bypass & West Main Street intersection to Armfield Civic Center
 - 3.6.3 Downtown to Armfield Civic & Recreation Center
 - 3.6.4 Pedestrian crossing on Hwy. 52 Bypass from East Surry High School to the Armfield Civic Center
 - Main Street to Pilot Mountain Middle School via Old Westfield Road.
 - 3.6.6 Along Key Street from Golf Course Rd. to Dodson Street.
- 3.7 Encourage development to install bicycle infrastructure in addition to required sidewalks.
 - 3.7.1 Develop required bicycle accommodations by roadway type. Refer to recommendations of the Yadkin Valley Regional Bikeway Plan and the FHWA Small Town and Rural Multi-modal Network Guide.
- 3.8 Develop a practice to have NCDOT and local and regional agencies review the recommendations of adopted bike/ped plans, such as the Yadkin Valley Regional Bicycle Plan, during roadway project planning and design to ensure that NCDOT projects include the recommended bikeways and treatments.
- 3.9 Amend UDO to require all new development that meets a certain threshold for parking spaces or parking decks to include a specified number of Electric Vehicle (EV) and bicycle charging stations.
- 3.10 Encourage new residential developments to construct homes and buildings with EV-ready conduit and wiring for at-home charging.

KEY RESOURCE 04





Produced by the Sierra Club and Plug-In America, this report consolidates a list of best government policies to accelerate adoption of EVs. The toolkit provides guidance and links to actual policies that have been successfully enacted across state and local governments and by utility providers.

- 4. Continue active participation with the Northwest Piedmont Rural Planning Organization to prepare for NCDOT-planned transportation projects and facilitate the inclusion of new projects in the NCDOT STIP.
 - 4.1 Maintain consistent attendance at meetings and representation in the RPO planning process to ensure that Pilot Mountain transportation projects, including bicycle & pedestrian, are prioritized in the State Transportation Improvement Plan.
 - 4.2 Be prepared for NCDOT-planned projects:
 - 4.2.1 Winston-Salem Northern Beltway
 - 4.2.2 Upgrade of Hwy. 52 to an interstate and conversion of the bypass on-ramp into a street connection to Cook School Road.
- 5. Expand access to transit options.
 - 5.1 Promote and support Piedmont Area Regional Transit (PART) and participate in the update to the 2010 Regional Transit Development Plan to advocate for expanded service to Pilot Mountain:
 - 5.1.1 Advocate for expanded departure times to increase convenience for riders and potential-riders from 8-9 am and 7-8 pm.
 - 5.1.2 Advocate of expanded weekend hours.
 - 5.2 Support the Yadkin Valley Economic Development District (YVEDDI) transportation program and promote their services to Pilot Mountain residents, especially senior or disabled residents.
 - 5.3 Support state and local government efforts to determine feasibility of adding passenger service on the Yadkin Valley Railroad line between Mount Airy and Winston Salem.



TRANSIT PROVIDERS: PART & YVEDDI

EXHIBIT 07

Pilot Mountain has two park-and-ride lots that are serviced by the Surry County Express Route, operated by the Piedmont Authority for Regional Transportation. The Surry Express transports commuters to and from popular locations in Winston-Salem with stops in Pilot Mountain, Mount Airy, and King.

Yadkin Valley Economic Development District Inc. (YVEDDI) is a regional nonprofit organization that administers transportation, human services, and community development programs. YVEDDI serves as the primary transportation provider in Surry County for older adults, those with disabilities, and low-income individuals.



PARKS & RECREATION

Pilot Mountain benefits from an abundance of recreation assets both within and surrounding the town. While the town does not have a parks and recreation department or formal staff position, it does own and maintain a 115-acre tract, called Nelson Acres, that provides approximately five (5) miles of hiking trails and an 18-hole disc golf course. Nelson Acres is located just outside of the town's corporate boundaries, adjacent to the Armfield Civic and Recreation Center.

The Armfield Center provides the Pilot Mountain Community with traditional recreation opportunities such as ballfields, youth sports leagues, a playground, indoor fitness facilities, and an indoor competition swimming pool. Armfield is a non-profit entity managed by a volunteer board of directors that includes representation from Surry County and the Town of Pilot Mountain. For decades the Armfield center has provided Pilot Mountain residents with an abundance of recreation opportunities that would otherwise not exist. Close partnership and coordination between the town and the Armfield Center is more important than ever to ensure that this asset continues to provide high-quality recreation facilities for generations of Pilot residents.

COMMUNITY VISION:

PILOT MOUNTAIN will become a hub for outdoor recreation by offering an experience to residents & visitors that affirms the connection between our abundant nature-based recreation offerings and our vibrant, historic town.

Complementing the town's traditional parks, Pilot Mountain's premier recreation destination is Pilot Mountain State Park, located only four miles from Main Street. Thanks to the Sauratown Mountains, the town is geographically positioned to establish itself as a destination-basecamp from which to launch any number of outdoor adventures. With 51 miles of trails within eight miles of downtown and 2,274 acres of parkland within five miles of downtown, Pilot Mountain's access to recreation is hard to match in the Piedmont Triad region. Additionally, 470 miles of cycling routes and an 18-hole golf course with stunning views of Pilot Knob offer additional opportunities for recreation. Several miles of multi-use paths are documented in plans for the Pilot area, as well. (See Map 05 on page 29 for an inventory of Pilot Mountain's most significant recreation assets.)

Outdoor Recreation is a key element of the new economy for Pilot Mountain. As a small town in a rural county striving to attract investment, tourism, young families, professionals, and retirees, Pilot Mountain must work hard to establish accessible trails and greenways, inviting parks, and connectivity to its abundant public lands and open spaces. Recreation is not merely a quality of life amenity, but a critical component of the town's economic development strategy.





POLICY GOALS & RECOMMENDATIONS

- 1. Establish Pilot Mountain's reputation as a trail-town with extensive greenway and trail connectivity between recreation assets and support for nearby regional and state trail systems.
 - 1.1 Require construction, easement, or land dedication of adopted greenway alignments in new developments and along major roadways, as appropriate to regional connectivity and roadway context for greenway projects identified on this plan's Natural and Recreation Resources Map, the Pilot Mountain Greenway to State Park Feasibility Study, the Surry County Greenway Master Plan, and NC Great Trails State Master Plan.
 - 1.2 Pursue recommendations of 2020 greenway master plan that will connect downtown Pilot Mountain to Pilot Mountain State Park.
 - 1.3 Continue promoting proximity to Pilot Mountain and Hanging Rock State Parks as key marketing themes.
 - 1.4 Participate in future updates to the Piedmont Triad Regional Trail Plan & Inventory to advocate for the inclusion & prioritization of trails & blueways near Pilot Mountain
 - 1.5 Continue conversations with the Yadkin Valley Railroad and partner with Mount Airy to develop a master plan for the development of rail-with-trail between both towns identified as Route 11A in the North Carolina Great Trails State Master Plan.
 - 1.6 Provide trail connection between Nelson Acres and future Waterworks Park.
 - 1.7 Promote and support efforts of the Friends of the Mountains to Sea Trail, implementation of the Stone to Pilot MST Subsection plan, and greater visibility of the MST in close proximity to the Town.
 - 1.8 Participate in future updates to the 2011 Piedmont Triad Regional Trail Plan.



EARNING THEIR WINGS

CASE STUDY 10

MAIN STREET TO THE MOUNTAINS: CONNECTING DOWNTOWN TO THE NATIONAL FOREST IN BREVARD, NC

Brevard, NC is working with local foundations and agencies to secure grant funding for the Estatoe Trail that connects its downtown to the nearby Pisgah National Forest. The City and its partners have been successful in building 4.8 miles of a natural surface greenway trail that extends from Davidson River campground in Pisgah National Forest to Brevard College, just north of downtown. In recent years, the City secured \$90,000 in funding from the Parks and Recreation Trust Fund (PARTF) and \$240,000 in funding from the Pisgah Health Foundation to extend the Estatoe Trail to Brevard's historically Black neighborhood, Rosenwald, and its downtown district. The greenway provides a critical connection between the city's two most important economic engines: the central business district and outdoor recreation in Pisgah National Forest.





THE ECONOMIC CASE FOR GREENWAYS

EXHIBIT 08

An interconnected network of greenways and trails is a powerful economic development tool. Trails and greenways impact local and regional economies by enhancing quality of life for residents, increasing nearby property values, lowering healthcare costs, and providing a venue for community events. Most significantly, greenways, trails, and sidewalks serve as the catalyst for stimulating private investment and recreation tourism.

Greenways and trails stimulate small business development and private investment by attracting a new customer base. This new customer base increases consumer spending in existing businesses along the trail and also attracts new trail or greenway related businesses such as bicycle rental or a trailside café. As local businesses are patronized by trail users, they purchase supplies and services from manufacturers in other sectors of the economy, thereby multiplying the impact of the trail throughout the county.

The boost to local economies provided by trails and greenways is considerable. A 3-year study of study of greenways by North Carolina State University (completed in 2018), found that for every \$1.00 spent on trail construction, \$1.72 were generated annually in local business revenue, sales tax revenue, and benefits related to improved health & transportation. The study also reported that across the four greenways studied, 790 jobs were supported through trail construction. Similarly, an economic impact study of the Swamp Rabbit Trail in South Carolina found that the trail generated a \$6.7 million dollar return on investment in its first three years.



Residential properties located near a trail or greenway also

benefit from a significant increase in property values. The greenway is an amenity that commands a higher price for nearby homes. The Little Miami Scenic Trail in Ohio is associated with higher property values up to one mile away from the trail. For every foot closer to the Little Miami trail, single-family home value increases by \$7.

Home values increase near trails because they are an attractive amenity to families and professionals looking to relocate. As a result, homes near greenways often sell faster. The National Association of Homebuilders states that "Trails consistently remain the number one community amenity sought by prospective homeowners".

- 2. Expand park system and improve quality of recreation fields and facilities.
 - 2.1 Develop a Parks and Recreation Master Plan for capital improvements of town-owned open space and identification of key greenway and trail corridors.
- 2.2 Invest in signage and facilities to increase awareness of the Nelson Acres Disc Golf Course and improve user experience.
 - 2.3 Develop detailed designs for the Depot Street Park and pursue establishment of new park on Town property.
 - 2.4 Decommission Water Treatment Plant and pursue a Parks and Recreation Trust Fund grant to finance the phased establishment of Waterworks Park.
- 2.5 Include facilities for accessible and adaptive play at Town parks.
 - Consider establishing a beginner-friendly mountain bike trail system at Nelson Acres.
 - 2.7 Amend UDO to require that large-scale new development provide a dedicated percentage of usable open space for parks and recreational opportunities.
 - 2.8 Amend UDO to require construction, dedication or reservation of adopted greenway alignments in new developments and along major roadways, as appropriate to regional connectivity, adopted plans, and roadway context.

KEY RESOURCE 05





Spearheaded by the NCDOT and NC Division of Parks and Recreation, the Great Trails State Master Plan is an ambitious effort to document existing and planned trail alignments in all 100 of North Carolina's Counties. Furthermore, the Great Trails initiative provides a foundation for establishing a dedicated funding stream at the state level for investing in shovel-ready trail projects. The NCDOT Division 11 Great Trails State Plan map identifies Route 11A as a potential rail-with-trail connecting the towns of Pilot Mountain and Mount Airy.



EXHIBIT 09

BY THE NUMBERS

FIRST ESTABLISHED: 1977

STATE TRAIL DESIGNATION: 2000

TOTAL MILES WHEN COMPLETED: 1,400

TOTAL CONSTRUCTED MILES: 659.5

The Mountains-to-Sea State Trail (MST) is North Carolina's flagship state trail. The notion of a trail extending across the width of North Carolina was first proposed in 1977 by Howard Lee, Secretary of the North Carolina Department of Natural Resources and Community Development. In 2000, the MST was designated as a state trail and a unit of the state parks system. Upon completion, the MST will be approximately 1,400 miles long extending from Clingmans Dome on the Tennessee border to Jockeys Ridge State Park on the Outer Banks. Currently, there are 659.5 miles of trail that are constructed and designated as state trail. Trail development and maintenance are led by the Friends of the MST, a non-profit organization that fundraises, conducts landowner outreach, and advocates for the trail.

Section 6 of the MST extends through Surry County along the Yadkin River from Stone Mountain State Park to Pilot Mountain State Park. Much of this section has not yet been constructed however, the Elkin Valley Trails Association (EVTA)

completed the MST Stone to Pilot Master Plan in 2014 and continue to lead efforts to implement the plan and construct trail through Surry county.

Section 7 extends from the Hauser Road trailhead in Pilot Mountain State Park to Hanging Rock State Park via the Sauratown Trail, challenging hikers with dramatic elevation change and breathtaking long-range vistas of the Yadkin Valley. This 35-mile segment is a premier segment of the MST with very little of the trail remaining to be constructed.



Image courtesy of WNCoutdoors.com



DOWNTOWN TRANQUILITY AT DEPOT STREET PARK

The Town of Pilot Mountain's two-acre tract adjacent to N. Depot Street presents a prime opportunity for a downtown park. Additionally, the site's proximity to Main Street makes it a viable candidate for off-street parking for visitors to downtown businesses. A small surface lot at the southern end of the property, accessed from Main Street, would provide additional public parking for downtown events as well as visitors to the park itself. The property's steep slope lends itself to passive recreation amenities such as a quarter-mile walking trail and natural playground that offer an opportunity for solitude and serenity in the center of town. Conversion of an underutilized alleyway provides a direct pedestrian connection from Main Street to the park.







NATURAL PLAYGROUND

TRAILHEAD PLAZA

HAMMOCK STANDS

SCHEMATIC 07





RECREATION DESTINATION: WATERWORKS PARK

As the town transitions to purchasing its water supply from Mount Airy in the near future, the existing water treatment plant will be decommissioned. The 30-acre tract on Tom's Creek features a 7.5-acre reservoir and shares a boundary with Nelson Acres making it an ideal candidate for conversion to a regional destination-quality park with the potential to attract visitors from the greater Piedmont Triad. A

balance of active and passive recreation uses provides activities for multiple generations and activity levels. A phased approach to implementation of this conceptual plan would position the town as a competitive candidate for multiple Parks and Recreation Trust Fund grants (PARTF) over several years. Key features of the proposed park include:

 Revenue-generating treehouse village for lodging (see Case Study 05 on page 96)

• Splash pad

 Conversion of the existing holding tank into a skate bowl & skills area

- Mountain bike pump track
- Eagle's nest observation tower
- Retrofit main plant building into community space with restrooms, vendors, and equipment rental



SCHEMATIC 08 Pedestrian Suspension Bridge Pedestrian Suspension Bridge Natural Step Fishing Pier Natural Step Creek Access Accessible Rental Cabin Natural Embankment Kayak Launch Pump Track (5,000 sq. ft. Bird Blind Pavillion with Rooftop Skatepark Renovated with bike rack, planters, benches, and map Community
Building with
Bathrooms and
Local Vendors

Old U.S. 52

- 3. Strengthen relationships and support for community, civic, and recreation organizations that maintain park facilities and manage programming efforts to ensure continued functionality and high-quality recreation and civic services.
 - 3.1 Work with Surry County and the Armfield Civic Center Board to conduct a feasibility study and develop a potential transition plan for transferring Armfield Center operations and assets to town ownership and management in order to continue providing programmed recreation and traditional team-sports opportunities for the Pilot Mountain community.
 - 3.2 Support expansion of existing senior programs at Armfield Civic & Recreation Center and the Charles H. Stone Public Library.
 - 3.3 Continue support for public and non-profit senior-services organizations.
 - 3.4 Support the Surry County Health and Nutrition Center in combatting the county's priority health issues: 1) Substance Abuse; 2) Obesity; 3) Mental Health Crises.
 - 3.5 Work with Surry County Parks and Recreation Department to update and support implementation of their policy recommendations of their 2016-2026 Comprehensive Master Plan to
 - 3.5.1 Increase subsidies to incorporated areas for recreation;
 - 3.5.2 Coordinate program opportunities with other parks and recreation agencies (such as the Armfield Civic & Recreation Center); and
 - 3.5.3 Establish a recreation foundation.
 - 3.6 Continue to plan and work collaboratively with Pilot Mountain State Park. Support efforts to implement the Pilot Mountain State Park Master Plan and recommendations of the Piedmont Triad Strategic Outdoor Recreation Plan.

140



ARMFIELD CIVIC AND RECREATION CENTER

EXHIBIT 10

BY THE NUMBERS

ESTABLISHED: 1980s

ACREAGE: 36 (+115 ac. at adjacent Nelson Acres)

AMENITIES & ACTIVITIES: Trails, playground, baseball, softball, walking track, event amphitheater, 18-hole disc golf, fitness & dance classes, junior Olympic-sized pool, therapy pool, nursery & afterschool programming, indoor basketball/pickleball courts



The Armfield Civic and Recreation Center has served as the epicenter for recreation in Pilot Mountain for nearly 40 years. A true grassroots effort, the Armfield Center is the result of a determined group of citizens who secured approximately \$2M through grants, state funding, and local matches to establish the facilities that comprise the Armfield recreation campus. Armfield provides the Pilot Mountain Community with numerous traditional recreation opportunities as well as exercise and social programming for seniors and children. It is a non-profit organization managed by a volunteer board of directors that includes representation from Surry County and the Town of Pilot Mountain. Growing community demand for recreation opportunities and amenities in conjunction with aging facilities at Armfield will require a dedicated partnership and close coordination between the Town of Pilot Mountain and the Armfield Center to ensure that this asset continues to provide high-guality recreation facilities for generations of Pilot residents.



EARNING THEIR WINGS

CASE STUDY 12

BIKE BOOST: ECONOMIC IMPACT OF ROCKY KNOB PARK, BOONE, NC

The 185-acre Rocky Knob Park located in Boone, NC offers a robust network of mountain biking and hiking trails that are entirely volunteer maintained. Rocky Knob Park boasts five (5) interconnected trails totaling 10 miles with four (4) separate skill building areas including a pump track. Established in 2009 by Watauga County's Tourism Development Authority (TDA), the park was opened to the public in 2011. Since then, the park has contributed around \$2.5 million to Watauga County annually through tourism revenue. Research conducted by Appalachian State University revealed that 70% of people surveyed indicated that mountain biking was very important to their decision to visit the area, and that the average survey respondent visited the park between 23-60 times annually while spending \$257 per trip.

The park was originally funded by grants, and continues to receive grant funding for new expansions and projects. In partnership with the Boone Area Cyclists, over 7,000 hours of volunteer work have been logged since its initial build period in 2010. The group offers volunteer and fundraising support to help maintain trails, finance professional contractors for technical construction, build bathrooms and shelters, and design new tracks on the site. As a



nationally recognized destination for mountain biking, Rocky Knob Park has established Boone as a can't-miss destination for outdoor enthusiasts and tourists.

142



TWO-WHEELS, ONE COMMUNITY: ZACKS FORK TRAIL, LENOIR, NC

Established in 2014, Zack's Fork mountain bike trail occupies a compact footprint within a city park in Lenoir, NC. The short, 3-mile loop trail was intentionally designed with beginners in mind, but includes technical features for bikers as well. It is the first purpose-built mountain bike trail in the Caldwell County and provides a unique destination within Lenoir. The park itself has historically been supported by volunteers, with initial fundraising efforts spearheaded by the community and construction by volunteers. Zack's Fork Trail works closely with their non-profit partner, Northwest North Carolina Mountain Bike Alliance, which provides much of the continued maintenance at the trail location, and advertises the park as a destination for visitors and mountain bike enthusiasts. Though this partnership provides regular maintenance, community work days are organized for volunteers to participate in trail building as well. Recently, the community has continued to support trail extensions and growth of the park, with the organization and partnership raising over \$20,000 to improve and build new trails.



- 4. Improve public access to water-based recreation within the town's jurisdiction.
 - 4.1 Include access to Tom's Creek and paddle-access to Pilot Mountain's reservoir at proposed Waterworks Park.
 - 4.2 Support Surry County's efforts to expand public access to rivers and streams for recreation.
- 5. Become a bike-friendly community and hub for bicycle-tourism in Surry County.
 - 5.1 Leverage the Sauratown Mountains Scenic Byway, Surry County Scenic Bikeway Plan, NC Bike Route 4, and the rural roads around Pilot Mountain to develop bicycle infrastructure and tourism.
 - 5.2 Promote road cycling as an outdoor recreation activity in Pilot Mountain.
 - 5.3 Amend Development Performance Standards in the UDO to require that new development provide bicycle parking amenities such as racks and storage facilities consistent with guidance from the Association for Pedestrian and Bicycle Pro-fessionals (APBP) on bicycle parking design and location.



- 5.4 Install bike racks, storage, and maintenance stands in downtown, at public parks, and at public/civic facilities.
- 5.5 Host events such as a cyclovía or pop-up "play lanes" in town streets or downtown that celebrate human-powered transportation such as bicycles, skateboards, scooters, and skates.
 - 5.6 Adopt and refer to the 2020 Yadkin Valley Regional Bike Plan for guidance on bicycle and micro-mobility friendly policy strategies and complete streets implementation.
 - 5.7 Implement recommendations on pages 54-55 of the Yadkin Valley Regional Bike Plan to establish the Town to Pilot Mtn. State Park Trail via separated bike lanes on W. Main Street and shared-lane road markings on Stephens and Pine Streets.



SCHEMATIC 09

WEST MAIN MAKEOVER: YADKIN VALLEY REGIONAL BIKE PLAN

Completed in 2020, the Yadkin Valley Region Bike Plan details specific treatments for realizing multi-modal facilities that connect Main Street to Pilot Mountain State Park. Specific recommendations for W. Main Street from East Surry High School to Stephens Street include narrowing vehicle lanes to 11 ft. to accommodate double-loaded bike lanes and pavement markings separated by a buffer space from cars. Addition of the buffered bike lanes will undoubtedly add value to the pedestrian experience as well.





COMMUNITY & SENSE OF PLACE

Pilot Mountain's distinct identity has developed over many decades as a result of its rich history, inspiring mountain landscape, and the vibrant personalities of its people. These elements influence the built environment which, in turn, impacts the quality of everyday life as we interact with and navigate the network of roads, buildings, pathways, and places we've created. Whether we are aware of it or not, we often have an emotional association with a place, especially the places we frequent most. Pilot Mountain has long evoked a strong sense of place in many people, as evidenced by its enduring heritage as a mountain retreat and the common sentiment among new residents that the town and community "just feel like home."

A powerful sense of place is more than a good feeling; it translates to tangible economic impact as an attractive force that entices new residents, visitors, and investment through the quality of the built environment and the energy of the community. Sense of place is hard to measure, but critical to the sustained prosperity of a community. Streets, sidewalks, and parks full of activity represent the ability to sustain restaurants, local shops, the arts community, and dynamic third places such as cafés and breweries. Tax revenue generated from downtown districts can help fund streetscape improvements and new amenities like public art programs. Diversity of cultures, food, arts, languages, talents and abilities add to the vitality and resiliency of a community - making it stronger and more attractive to a wider variety of visitors, residents, and entrepreneurs.

Placemaking does not happen by accident. It is the result of deliberate efforts by civic organizations, official town agencies, and individual citizens working together to make their community more livable, loveable, and distinctive.

COMMUNITY VISION:

PILOT MOUNTAIN will be a welcoming and inclusive community.

PILOT MOUNTAIN will become a hub for outdoor recreation by offering an experience to residents & visitors that affirms the connection between our abundant nature-based recreation offerings and our vibrant, historic town.

preserve the historic character, mountain heritage, genuine small-town charm, and invaluable natural assets that contribute to our distinct sense of place.



downtown.

6

POLICY GOALS & RECOMMENDATIONS

- 1. Encourage vibrant streets and outdoor spaces.
- 1.1 Pursue permanent regulatory changes and policies to support "parklet" concept and business use of sidewalk space
 - Install landscaping such as planter boxes and hanging baskets on light posts to create an inviting pedestrian environment in conjunction with planned streetscape improvements.
 - 1.3 Seek grants and funding for development of downtown amphitheater, open-air market hall, and public restrooms.
 - 2. Continue investment in Main Street streetscape improvements that enhance walkability and the pedestrian experience.
 - 2.1 Pursue funding strategies for phased implementation of streetscape improvements.
 - 2.2 Pursue installation of electric-vehicle charge-ready streetlight posts as part of planned streetscape improvements.
 - 2.3 As construction of the streetscape improvements become imminent, develop a public communications approach based on the NC Main Street Downtown Strong Implementation Strategy to communicate project updates and promote businesses during construction phases.
 - 2.4 Evaluate feasibility of establishing a secondary access road or alley behind buildings on the north side of Main Street to allow for continuous access to businesses during streetscape construction. Consider maintaining the alley for business access during festivals or other road closures on Main St.
 - 2.5 Pursue development of public off-street parking for downtown in conjunction with establishment of the Depot Street Park.
 - 2.6 Partner with private non-residential uses to provide additional public parking during non-operational hours. Employ wayfinding signage to direct visitors to these lots.

SCHEMATIC 10

COME TOGETHER: PILOT MOUNTAIN CENTRAL MARKET & AMPHITHEATER

Pilot Mountain's 2019 Streetscape plan casts a bold vision for redevelopment of the town hall site into a new town center and civic campus. The plan contemplates a vehicle-free pedestrian zone anchored by open-air market hall. An amphitheater abuts Marion Street flanked by a two-story public restroom building with rooftop deck offering views of the mountain.



- 3. Strengthen community pride by investing in beautification of the built environment.
 - 3.1 Consider establishing a Pilot Mountain Beautification Committee to identify and lead implementation of beautification initiatives throughout the town.
 - 3.2 Develop a gateway signage system and work with private property owners or NCDOT right-of-way to establish consistent recognizable gateways into Pilot Mountain by installing new signage, landscaping, and street trees at or near the following intersections, in order of priority:
 - 3.2.1 NC Hwy. 268 (Key Street) at US Hwy. 52 roundabout
 - 3.2.2 Hwy. 52 Bypass and West Main Street
 - 3.2.3 3Hwy. 52 Bypass and East Main Street
- 3.3 Continue implementing Yadkin Valley Heritage Corridor wayfinding signage where appropriate.
 - 3.4 Develop a downtown wayfinding strategy in conjunction with planned streetscape improvements to establish a sense of arrival to the town center on Main Street.
 - 3.5 Utilize minimum housing and nuisance codes to address residential decay and junked vehicles to increase safety, protect quality of life, and property values.
 - 3.6 Work with property owners of vacant downtown storefronts to allow the Main Street Committee to install temporary artistic, thematic, or seasonal window displays.
 - 3.7 Utilize an Urban Forestry Grant through the NC Forestry Service to help fund initiatives related to increasing Pilot Mountain's urban canopy, strengthening tree preservation, and providing public education on urban forestry.
- 3.8 Improve alleyways with pedestrian walkways, seating, public art.
 - 3.9 Establish a Town-administered grant, rebate, or revolving loan program to assist non-residential building owners with costs associated with building rehab and upfit in order to restore buildings to active use.





WINDOW TREATMENT: NEW LIFE FOR VACANT STOREFRONTS

New Haven, CT supports several different commercial districts, and the historic downtown's 1980's redevelopment efforts began to decline in activity and growth. While other areas of the city of have prospered, the retail elements in downtown have not done the same. Concerned that the absence

of commercial activity would produce a negative impact on the local economy, the New Haven local government hoped to bring life and color to the area while encouraging the imagination of future development and design. The city's Department of Arts, Culture and Tourism (DACT) began the "Project Storefronts" program which partners with artists to transform vacant storefronts with window art, pop-up galleries, studios and art-related offices in the historic downtown district. Temporary art installations range from student art, local designers, and exhibits of historic New Haven photographs. Some installations have even shown renderings of future concepts for the interior of the buildings. The DACT partnered with the city's Office of Economic Development as well as the Economic Development Corporation to fund these installations. The city promoted the program's benefits by hosting a variety of public events. As a result, a monthly Friday artwalk brings visitors to the downtown area to view galleries and engage in commerce. This program has served as the first step in bringing the area back to life as the community becomes more connected to local artists and the downtown area.





- 4. Nurture a sense of place that showcases the community's genuine small-town mountain charm.
 - 4.1 Support and promote growth of the Pilot Mountain Farm & Art Market downtown.
 - 4.2 Encourage farm-to-table restaurants.
 - 4.3 Establish a community garden and/or edible landscapes in downtown planters. Partner with the Piedmont Triad Regional Food Council for technical support.
 - 4.4 Encourage and promote area agritourism enterprises such as you-pick farms, vineyards/wineries, breweries, farm tours, mazes, and nature-based destinations.
- 5. Create a welcoming and inclusive atmosphere that celebrates diversity in all forms.



- 5.1 Prioritize investment in festivals and events that highlight underrepresented cultures and populations with a focus on uniting diverse audiences from varying racial, ethnic, socioeconomic, and religious backgrounds.
 - 5.2 Prioritize support for minority and women-owned businesses in economic development initiatives.



WHEN MONEY GROWS ON TREES: STREET TREES AS ECONOMIC DEVELOPMENT

Street trees and landscaping help separate pedestrians from motor vehicle traffic. Trees and plantings also provide interest by framing the street, softening the appearance of hard surfaces and providing color, fragrance, and seasonal decor. They also provide shade and areas of refuge for pedestrians. Street trees enhance the pedestrian experience, increasing foottraffic and encouraging downtown visitors to stay long. More people spending more time on Main Street means a vibrant streetscape and increased sales for local businesses. The NC Forest Service provides grants on an annual basis to local governments for establishing or enhancing the urban canopy with street-trees.



- 6. Deepen community understanding of Town decision-making and development policies necessary to ensure sustained economic vitality of the community.
 - 6.1 Consider developing and hosting a Citizens' Academy.
 - 6.2 Consolidate and publish resources on best economic development, planning, and place-making practices on the Town's website.
 - 6.3 Publish a themed weekly or monthly post on the Town's social media channels that educates followers on specific economic development, planning, and place-making practices that the Town employs.
 - 6.4 Support Surry County in establishing a county-wide streaming channel and contribute regular announcements and content.
- 7. Cultivate a thriving creative community.
 - 7.1 Encourage development of a Surry County Arts Council chapter to facilitate cultural and economic development through the arts in Pilot Mountain
 - 7.2 Develop a sculpture program for installing permanent or rotational public art exhibits in key locations and destinations throughout Pilot Mountain.
 - 7.3 Develop a mural program for willing building owners. Include creative applications like electrical boxes or stairs. Consider Percent for Art program to fund commissions.
- 7.4 Install street furniture, such as seating, that doubles as functional public art.
 - > 7.5 Host regular downtown art-crawl events that highlight public art installations, features local artists, and engages downtown businesses.



FRIDAY NIGHT LIGHTS: SPOTLIGHT ON VISUAL ARTS IN BOONE, NC

Public Art Crawl events can be used to promote visual arts and culture while boosting downtown business at the same time. Art Crawls invite the public to view local artists' work in public art installations, galleries, or studios in a concentrated geographic area so that individuals get the chance to see a variety of art through the duration of the event. In Boone, the First Friday Art Crawl takes place along the downtown area's King Street. Public art installations are featured at the local university's Center for Visual Arts, as well as in local art cooperatives and shops. Local musicians participate in jam sessions at venues along the downtown area and perform at restaurants where art crawl visitors stay after to grab a meal. More formal concert series are also hosted at different venues downtown as well. Artists are able to gather engagement and make sales, and small businesses along the downtown area often stay open later and offer drinks and snacks to visitors. Many businesses also have unique offerings, such as raffles and giveaways or big sales. The popular event is marketed through social media, word of mouth in downtown businesses, and by posters hung throughout the community. The reliability and regularity of the event also ensures its success, as people are sure to find something exciting happening downtown every first Friday throughout the year, rain or shine.





CHAPTER 4



IMPLEMENTATION

Priority Recommendations by Planning Element Summary of Visible Victories

CHAPTER OVERVIEW

rogress Pilot Mountain provides a wide-ranging policy framework to guide decision-making across all levels of community action from Town government to civic-minded organizations that champion a specific project.

Plan implementation is an incremental process. Some recommendations, such as those identified as Visible Victories, can be executed in a relatively short period of time. Others recommendations are long-term in nature and will take several years of concentrated effort to achieve.

The true impact of Progress Pilot Mountain will come from accomplishing the policy goals and action-strategies identified in the plan to achieve the community's ultimate vision for Pilot Mountain. Investment in Pilot Mountain's bright future must continue with a renewed commitment by town staff, elected officials, appointed board members, and the community at large – all working in harmony to strengthen and improve the Town they love.

This chapter is comprised of six (6) Implementation Matrices corresponding with each Planning Element. Each matrix identifies the top ten (10) priority recommendations for each element. Additionally, the matrices identify the type of action, coordinating agencies, and the timeframe for completion. The final pages of the chapter provide a summary of all recommendations that represent Visible Victories.

PRIORITIZATION

Resource limitations faced by local governments across the state create an environment in which projects must be prioritized in order to achieve long-term success. Ten (10) recommendations for each planning element are identified as the top priorities based on several factors:

- Community preference as articulated through public engagement surveys
- · Urgency of the need that is addressed
- Ease of implementation (the "low-hanging fruit")
- Level of Impact on quality of life (Actions that result in the greatest positive impact for the most people)
- As funding and resources become available, or as citizen needs evolve, prioritization may change in response to new opportunities, constraints, or community preferences.

ACTION TYPE

Each of priority recommendation is further identified by the type of action it represents.

- Capital Project: Requires capital outlay from the town.
- Code Amendment: Requires amendment to the UDO or adoption of an ordinance.
- Long-range Planning: Requires additional feasibility study, planning, or design work.
- Operating Policy: Guides local government staff, elected officials, and appointed board-member decisions
- Community Initiative: Community projects that enhance character, community pride, and sense of place.

LEAD & PARTNER AGENCIES

While the Town of Pilot Mountain is a leading partner on nearly all recommended actions identified in the matrices, the town will often need to rely on the cooperation, initiative, and efforts of partner agencies to achieve the stated action item. This could

include entities such as utilities; non-profits; state or federal governmental agencies; private developers; and property owners. The matrices identify the town agencies, community stakeholders and other partners that will be responsible for ensuring the implementation of each action item. The list of should not be viewed as exclusive or comprehensive. Other individuals or agencies who are not listed may have an interest, skill, or responsibility to realize the recommended actions.

TIMEFRAME

The recommendation timeframe refers to the amount of time, in years, within which each action item should be implemented. Recommendations are categorized as either short term, mid-term, long term, or continuous.

Short-term: achievable in less than five years

Mid-term: achievable in 5-10 years

Long-term: may take more than 10 years

Continuous: ongoing efforts

PLAN MAINTENANCE

Planning for community success and vitality is an ongoing practice. Town staff should continuously monitor progress toward achieving the plan's vision and goals. Town staff, the Planning Board and Board of Commissioners should review progress on plan implementation each year as part of the town's budget retreat. This practice will allow the Board of Commissioners to establish funding priorities during each budget cycle that support continuous progress toward achieving the implementation priorities identified in this chapter.

Progress Pilot Mountain should be fully updated every five (5) years and adjusted in response to unanticipated challenges, opportunities, changes in the economic and social needs of the community, technological innovations, and the emergence of new best-practices in community planning and local government administration. As it monitors the plan throughout the year, town staff should note any necessary changes. Amendments to the plan should be made only after careful consideration of the implications. Citizen voices should always be included in the conversation.

The plan and future land use map should never be amended solely to justify approval of a specific development project or to ameliorate a vocal group of stakeholders who do not represent the majority goals and objectives of the community. After all, this plan is the result of a thoughtful, collective process of stakeholders, citizens, and lead¬ers. Be careful not to sacrifice the long-term goals and vision of the broader community for a short-term gain. Plan and map amendments should occur as the result of evaluating the plan's effectiveness, updating it to reflect completed actions, adding recommendations to assist in accomplishing policy goals, or incorporating the result of a more detailed study or small-area plan.

PRIORITY INITIATIVES ACCORDING TO PUBLIC ENGAGEMENT SURVEY #1 (APRIL 2021):

- Economic development & job creation
- 2. Preserving small-town mountain character
- 3. Managing population growth & new development
- 4. Upgrading infrastructure & improving public services
- 5. Protecting natural resources& landscapes
- 6. Expanding access to parks and trails
- 7. Improving transportation infrastructure, including bike/ped facilities

IMPLEMENTATION MATRICES

LAND USE AND ENVIRONMENT

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Code Amendment	1.1 Amend Unified Development Ordinance (UDO) for consistency with the 2040 Future Land Use Framework and Map.	Town Planning Staff, Planning Board, & Town Commissioners	Ongoing
Operating Policy	2.1 Encourage and support development that respects and preserves the natural features of the site through sensitive site design, avoids substantial changes to the topography, and minimizes disturbance of natural systems.	Developers, Surry County Permitting Agencies, Town Planning Staff, Planning Board, & Town Commissioners	Ongoing
Capital Project	2.3 Continue efforts to restore degraded streams and improve the health of riparian areas.	Town Management Staff, Property Owners, NC DEQ, NC Land & Water Fund	Ongoing
Code Amendment	4.3 Amend UDO Article 4 to strengthen regulations and requirements for non-conforming situations.	Town Planning Staff, Planning Board, & Town Commissioners	Short-term
Code Amendment	6.1 Protect rural and residential character by adopting commercial design standards for highway corridors that prohibit strip-style linear development and corporate architecture that does not contribute to the traditional character of the town.	Private Consultant, Town Planning Staff, Planning Board, & Town Commissioners	Short-term
Code Amendment	6.2 Adopt design standards for multi-family housing that will ensure compatibility with existing neighborhoods.	Private Consultant, Town Planning Staff, Planning Board, & Town Commissioners	Short-term
Community Initiative	7.1 Continue efforts to establish downtown Pilot Mountain as a National Register Historic District.	Town Planning & Main Street Staff, Main Street Coordinating Committee, NC SHPO, NPS	Short-term
Operating Policy	7.3 Continue enforcement of the Downtown Design Overlay District Standards.	Town Planning & Main Street Staff	Ongoing
Code Amendment	7.4 Consider establishing a Municipal Service District for the Downtown core to provide funding for downtown infrastructure, streetscape, and aesthetic improvements.	Town Management Staff, Town Commissioners	Mid-term
Code Amendment	7.5 Establish a Vacant Non-Residential Building Registration program in conjunction with a Non-Residential Building Maintenance ordinance.	Town Planning Staff, Town Commissioners	Mid-term

ECONOMIC VITALITY

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Operating Policy	1.1. Continue active participation in the NC Small Town Main Street Program. Leverage grant opportunities available to member Towns for business recruitment and building renovations.	Town Main Street Staff, Main Street Coordinating Committee, NC Program Main Street	Ongoing
Operating Policy	1.3 Continue allowing and encouraging outdoor patio seating and dining in downtown and on sidewalks with adequate width.	Town Planning & Main Street Staff	Ongoing
Operating Policy	1.6. Continue downtown business incentive program and pursue additional grants or funding sources to sustain this program.	Town Main Street Staff	Ongoing
Community Initiative	2.1lmplementadistinctandrecognizablebrand&logosystemfortheTownthatleveragesandcoordinateswithexistinginfluentialregionalbrands	Private Consultant, Town Management Staff, Brand Steering Committee	
Operating Policy	6.2 Continue administering the commercial façade grant program and pursue additional grants to sustain this program.	Town Main Street Staff	Ongoing
Long-range Planning	6.3. Initiate redevelopment of the Dyehouse Revitalization District to restore the former Dyehouse and surrounding properties to productive use through one of two options provided for in NC state statutes.	Town Management Staff, Board of Commissioners, Surry County EDP, UNC Development Finance Institute	Long-term
Operating Policy	6.4. Work with private owners and/or potential re-developers of historic properties to pursue state and federal historic preservation tax credits to complete adaptive reuse projects of historic mills and factories.	Town Main Street Staff, Property Owners, Developers, NC SHPO, NPS	Long-term
Capital Project	4.2 Install wayfinding signage from Pilot Mountain State Park to Downtown Pilot Mountain to capture a greater number of park visitors.	Town Management Staff, Private Consultant, NCDOT, Private Property Owners	Mid-term
Community Initiative	4.3 Work with Pilot Mountain State Park to establish park-and-ride shuttle from downtown Pilot Mountain to the State Park when parking in the State Park reaches capacity.	Town Management Staff, Pilot Mountain State Park Leadership, PART/YVEDDI or Private Transport Provider	Short-term
Community Initiative	7.1 Promote Pilot Mountain as a lower cost, high-reward location for starting a business or opening a second location.	Tourism Development Authority, Main Street Coordinating Committee, Surry County EDP, Main Street Staff	Ongoing

INFRASTRUCTURE & PUBLIC SERVICES

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Operating Policy	2.2 Begin implementing the 2020 Water & Sewer System Asset Management Plan for replacement of extreme risk water and sewer infrastructure.	Town Public Works Staff	Ongoing
Operating Policy	2.4 Pursue grants & loan funding to facilitate replacement of aging water and sewer infrastructure.	Town Management & Public Works Staff, USDA, NCDEQ	Ongoing
Operating Policy	2.1. Continue the transition to purchasing the Town's water supply from Mount Airy according to the Interconnect Agreement.	Town Management Staff, Town of Mount Airy	Short-term
Operating Policy	2.6 Continue requiring new water and wastewater infrastructure to be installed according to the Pilot Mountain Infrastructure Specifications Manual to ensure quality, consistency, and adequate volume and pressure for fire suppression.	Town Public Works Staff	Ongoing
Long-range Planning	3.1. Perform a cost-benefit analysis of potential annexation for all new development in the Extra Territorial Jurisdiction (ETJ) that desires an extension of public water or sewer service from Pilot Mountain. Develop an annexation policy to address development located outside of the Town's boundaries.	Town Management & Planning Staff, Planning Board, Town Commissioners	Ongoing
Operating Policy	3.2 Continue requiring new development to connect to the Town's water system at the expense of the developer. Continue extension policies that ensure that the cost of growth is not borne by existing water customers.	Town Planning Staff, Planning Board, Town Commissioners, Developers	Ongoing
Operating Policy	3.4 Any Town-initiated expansion of utilities shall reinforce growth within Town limits for increased development densities on existing water and sewer lines rather than expanding new infrastructure.	Town Management & Planning Staff, Board of Commissioners	Ongoing
Long-range Planning	4.1 Support and participate in discussions with Surry County, the local Volunteer Fire Department Board(s), and Rescue Squad(s) to determine a strategy for modernization of Fire and Rescue services.	Town Management Staff, Surry County Staff, Pilot Knob VFD, Pilot Mountain Rescue Squad	Mid-term
Long-range Planning & Capital Project	7.2 Conduct a Needs and Cost Analysis to evaluate the need for space and the capital required to improve the Town Hall building and site. Plan for improvements based on the results of the preliminary Needs and Cost analysis. Coordinate with proposed improvements for new civic facilities as identified in the 2018 Downtown Streetscape Plan.	Town Management & Planning Staff, Private Consultant, Board of Commissioners	Mid-term
Long-range Planning & Capital Project	7.3 Pursue planning and cost analyses to evaluate the need for space and capital required to construct a new Public Works Facility.	Town Management & Planning Staff, Private Consultant, Board of Commissioners	Mid-term

TRANSPORTATION & MOBILITY

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Long-range Planning & Capital Project	3.3 Connect community destinations such as schools, parks, major employers, and the Armfield Civic Center via greenways and trails.	Town Management & Planning Staff, Board of Commissioners, Local Trail Advocacy Organizations	Ongoing
Long-range Planning	1.2 Develop a capital improvements schedule for repaving and upgrading Town streets with priority placed on streets in Catalyst Areas identified on the Degree of Change map.	Town Management & Public Works Staff, Private Consultant	Mid-term
Long-range Planning	3.2 Work with Surry County and municipalities within Surry to develop a county-wide trails master plan that incorporates all greenway and trail plans into a single, actionable document.	Town Management Staff, Surry County Parks & Recreation Dept., Private Consultant, Local Trail Stakeholders	Mid-term
Code Amendment	3.4 Amend UDO sidewalk requirements to require new development to construct pedestrian or multi-use path connectivity to adjacent commercial areas, neighborhoods, and parks.	Town Planning Staff, Planning Board, Town Commissioners	Short-term
Long-range Planning	3.5 Pursue grant funding through NCDOT for a bicycle and pedestrian plan that can build upon and update the Town's 2013 pedestrian plan.	Town Management Staff, NCDOT, Northwest Piedmont RPO, Private Consultant	Short-term
Capital Project	3.6 Continue filling sidewalk gaps and establishing pedestrian & bicycle facilities identified for Pilot Mountain in the Surry County Comprehensive Transportation Plan and the Pilot Mountain Bicycle & Pedestrian Plan	Town Management Staff, NCDOT, Developers	Ongoing
Community Initiative	3.7 Encourage development to install bicycle infrastructure in addition to required sidewalks.	Town Planning staff, Planning Board, Town Commissioners, Developers	Ongoing
Long-range Planning	1.5 Work with NCDOT to study the Golf Course Road & Key Street intersection to determine intersection improvements that will improve safety and alleviate traffic delays on Golf Course Road at peak travel times.	Town Management & Planning Staff, NCDOT	Short-term
Long-range Planning	1.4 Develop Streetscape Corridor plans for Key Street and the Highway 52 Bypass.	Town Management & Planning Staff, Private Consultant, NCDOT	Mid-term
Community Initiative	3.1 Establish a formal town committee or community organization to lead efforts for planning and implementing greenways, bicycle and pedestrian infrastructure.	Town Management Staff, Town Commissioners, Local bike/ped advocates	Mid-term

PARKS & RECREATION

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Code Amendment	1.1 Require construction, easement, or land dedication of adopted greenway alignments in new developments and along major roadways, as appropriate to regional connectivity and road¬way context for greenway projects.	Town Planning Staff, Planning Board, Town Commissioners	Short-term
Code Amendment	2.7 Amend UDO to require that large-scale new development provide a dedicated percentage of usable open space for parks and recreational opportunities.	Town Planning Staff, Planning Board, Town Commissioners	Short-term
Long-range Planning	3.1 Work with Surry County and the Armfield Civic Center Board to conduct a feasibility study and develop a potential transition plan for transferring Armfield Center operations and assets to town ownership.	Town Management Staff, Surry County Parks and Recreation Dept., Armfield Civic Center	Short-term
Community Initiative & Capital Project	1.2 Pursue recommendations of 2020 greenway master plan that will connect downtown Pilot Mountain to Pilot Mountain State Park.	Town Management & Commissioners, Property Owners, Yadkin Valley Railroad, PMSP, PTRC	Ongoing
Capital Project	2.2 Invest in signage and facilities to increase awareness of the Nelson Acres Disc Golf Course and improve user experience.	Town Management Staff	Short-term
Long-range Planning	1.5 Continue conversations with the Yadkin Valley Railroad and partner with Mount Airy to develop a master plan for the development of rail-with-trail between both towns identified as Route 11A in the North Carolina Great Trails State Master Plan.	Town Management, Private Consultant, Property Owners, Yadkin Valley Railroad, Mt. Airy, NCDOT/NCDPR	Ongoing
Long-range Planning	2.1 Develop Parks and Recreation Master Plan for capital improvements of town-owned open space and identification of key greenway and trail corridors.	Town Management Staff, Private Consultant	Mid-term
Capital Project	2.3 Develop detailed designs for the Depot Street Park and pursue establishment of new park on Town property.	Town Management Staff, Private Consultant	Mid-term
Capital Project	2.4 Decommission Water Treatment Plant and pursue a Parks and Recreation Trust Fund grant to finance the phased establishment of Waterworks Park.	Town Management Staff, Board of Commissioners, NCDEQ	Long-term
Capital Project	1.6 Provide trail connection between Nelson Acres and future Waterworks Park.	Town Management Staff	Long-term

COMMUNITY DEVELOPMENT & SENSE OF PLACE

ACTION TYPE	RECOMMENDATION	LEAD AGENCIES	TIMEFRAME
Code Amendment	1.1 Pursue permanent regulatory changes and policies to support "parklet" concept and business use of sidewalk space downtown.	Town Planning & Main Street Staff	Short-term
Capital Project	2.1 Pursue funding strategies for phased implementation of streetscape improvements.	Town Management & Main Street Staff, Main Street Coordinating Committee, Tourism Development Authority	Mid-term
Capital Project	1.3 Seek grants and funding for development of downtown amphitheater, open-air market hall, and public restrooms.	Town Management & Main Street Staff, Main Street Coordinating Committee, Tourism Development Authority	Long-term
Community Initiative & Capital Project	3.8 Improve alleyways with pedestrian walkways, seating, & public art.	Town Main Street Staff, Main Street Coordinating Committee, Surry County Arts Council	Short-term
Capital Project	3.2 Develop a gateway signage system and work with private property owners or NCDOT right-of-way to establish consistent recognizable gateways into Pilot Mountain.	Town Management & Main Street Staff, NCDOT, Private Consultant	Short-term
Capital Project	3.4 Develop a downtown wayfinding strategy in conjunction with planned streetscape improvements to establish a sense of arrival to the town center on Main Street.	Town Main Street Staff, Main Street Coordinating Committee, Tourism Development Authority	Short-term
Community Initiative	3.6 Work with property owners of vacant downtown storefronts to allow the Main Street Committee to install temporary artistic, thematic, or seasonal window displays.	Town Main Street Staff, Main Street Coordinating Committee	Short-term
Operating Policy	3.9 Establish a Town-administered grant, rebate, or revolving loan program to assist non-residential building owners with costs associated with building rehab and upfit in order to restore buildings to active use.	Town Management Staff, Board of Commissioners	Mid-term
Community Initiative	3.1 Consider establishing a Pilot Mountain Beautification Committee to identify and lead implementation of beautification initiatives throughout the town.	Town Management Staff, Board of Commissioners, Community Stakeholders	Mid-term
Community Initiative	1.2 Install landscaping such as planter boxes and hanging baskets on light posts to create an inviting pedestrian environment in conjunction with planned streetscape improvements.	Town Main Street Staff, Main Street Coordinating Committee	Short-term

SUMMARY OF VISIBLE VICTORIES

Visible Victories are short-term recommendations that can be quickly implemented to enable visible and tangible results within the first couple of years after plan adoption. Visible Victories signal deliberate and immediate progress toward the long-term vision for Pilot Mountain. This list summarizes the Visible Victories identified throughout Chapter 3: *Gaining Altitude*.

- Continue allowing and encouraging outdoor patio seating and dining in downtown and on sidewalks with adequate width.
- Implement a distinct and recognizable brand & logo system for the Town that leverages and coordinates with existing influential regional brands.
- Install wayfinding signage from Pilot Mountain State Park to Downtown Pilot Mountain to capture a greater number of park visitors.
- Continue administering the commercial façade grant program and pursue additional grants to sustain this program.
- Continue supporting vibrant transitional businesses and mobile vendors by amending the UDO to permit these uses by right in Zoning Districts within Development Character Zones 5 & 6. Develop performance standards to specifically address such businesses.
- Continue and build upon transparency in Town operations and events through frequent and consistent communication via the Town's website and social media platforms.
- Invest in signage and facilities to increase awareness of the Nelson Acres Disc Golf Course and improve user experience.
- Include facilities for accessible and adaptive play at Town parks.





- Install bike racks, storage, and maintenance stands in downtown, at public parks, and at public/civic facilities.
- Host events such as a cyclovía or pop-up "play lanes" in town streets or downtown that celebrate human-powered transportation such as bicycles, skateboards, scooters, and skates.
- Pursue permanent regulatory changes and policies to support "parklet" concept and business use of sidewalk space downtown.
- Install landscaping such as planter boxes and hanging baskets on light posts to create an inviting pedestrian environment in conjunction with planned streetscape improvements.
- Continue implementing Yadkin Valley Heritage Corridor wayfinding signage where appropriate.
- Work with property owners of vacant downtown storefronts to allow the Main Street Committee to install temporary artistic, thematic, or seasonal window displays.
- Improve alleyways with pedestrian walkways, seating, public art.
- Nurture a sense of place that showcases the community's genuine small-town mountain charm.
- Prioritize investment in festivals and events that highlight underrepresented cultures and populations.
- Install street furniture, such as seating, that doubles as functional public art.
- Host regular downtown art-crawl events that highlight public art installations, features local artists, and engages downtown businesses.





BOARD OF COMMISSIONERS MEETING

UDO Text Amendment

Background Information:

The Board recently received a request for an amendment to the permitted use table that would allow tattoo shops in the GB district. Currently, tattoo shops are only allowed in the HB district. The staff prepared a text amendment and presented it to the Planning and Zoning Board that would allow these shops in the GB district. The Planning & Zoning Board has recommended approval of this amendment to the Commissioners.

Staff Recommendation:

Approve text amendment as presented.

Possible Board of Commissioner Actions

- Approve text amendment
- Make changes to and approve text amendment
- Deny approval of text amendment and send back to Planning Board for further review
- Take No Action

Attachments

• Planning Staff Report



124 WEST MAIN STREET - PILOT MOUNTAIN, NC 27041

Board of Commissioners Meeting

Town Hall – 124 W. Main Street – Pilot Mountain, NC 27041 Monday, April 11, 2022 7:00PM

To: Mayor Cockerham & Board of Commissioners

From: Andy Goodall Jr. – Town Planner

Date: March 24, 2022

Subject: 2022-UDO-01 (Body Piercing & Tattoo Studios)

A. ACTION REQUESTED BY THE BOARD OF COMMISSIONERS

- 1. Motion to adopt a statement approving the proposed ordinance amendment and describing its consistency with the plan; or
- 2. Motion to adopt a statement rejecting the proposed ordinance amendment and describing its consistency <u>or</u> inconsistency with the plan.

With each of these alternatives, the statement is also to include an explanation of why the governing board deems the action reasonable and in the public interest.

B. PROPOSED AMENDMENTS FOR BOARD REVIEW

The Town Board has asked that the Planning & Zoning Board review and make a recommendation in regards to permitting 'Body Piercing & Tattoo Studios' in the *GB* (*General Business*) zoning district. The use is currently only permitted-by-right in the *HB* (*Highway Business*) zoning district. Additions are highlighted in **GREEN**.

Office & Service Uses	RA	RL	RM	RH	OI	СВ	НВ	GB	GM	LI	PS
Body Piercing &							v	v			
Tattoo Studios							X	X			

C. PLANNING & ZONING BOARD RECOMMENDATION

The Planning & Zoning Board reviewed the proposed amendments on March 15, 2022. The Board found that the proposed amendments were consistent with the overall plan objective and voted (3-0) to recommend approval.

D. NCGS 160D-605

Consistency Statement

When adopting or rejecting any zoning amendment, the governing board shall also approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other officially adopted plan (I.e. Land Use Plan) that is applicable, and briefly explain why the board considers the action taken to be reasonable and in the public interest. The statement shall be one of the following:

- 1. A statement approving the proposed zoning amendment and describing its consistency with the plan; or
- 2. A statement rejecting the proposed zoning amendment and describing its consistency or inconsistency with the plan.

E. LAND USE PLAN OVERALL OBJECTIVE

"To improve the quality of life of the citizens of Pilot Mountain by encouraging responsible growth management decisions, protecting the small town character, developing an attractive community, preserving and improving historical assets and insuring a healthy local economy".



BOARD OF COMMISSIONERS MEETING

Acceptance of WWTP Funds

Background Information:

The SWIA and the LGC have approved the swap of \$1.744 million in repayable loans to all grant funds under the Viable Utility Reserve (VUR) program. This means that the total cost for this project, \$2.244 million will be grant funded. The next step is for the Board to authorize the acceptance of this funding.

Staff Recommendation: Approve Resolution 2022-08

Possible Board of Commissioner Actions

- Approve Resolution 2022-08
- Deny approval of Resolution 2022-08
- Take No Action

Attachments

• Resolution 2022-08

RESOLUTION AUTHORIZING TOWN ACCEPTANCE OF WWTP REHABILITATION LOAN FUNDS

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and;

WHEREAS, the North Carolina Department of Environmental Quality has offered a Viable Utility Reserve Grant in the amount of \$1,744,000, and a \$500,000 principal forgiveness SRF loan, for the purpose of constructing improvements to the Town's Wastewater Treatment Plant, and;

WHEREAS, the Town of Pilot Mountain intends to construct said project in accordance with the approved plans and specifications.

NOW, THEREFORE, BE IT RESOLOVED by the Board of Commissioners that:

- 1. That the Town of Pilot Mountain does hereby accept the VUR Grant of \$1,744,000, and the SRF loan of \$500,000 with principal forgiveness.
- 2. That the Town of Pilot Mountain does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.
- 3. That, James Michael Boaz, Town Manager/Finance Officer and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.
- 4. That the Town of Pilot Mountain has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

ADOPTED by the Board of Commissioners of the Town of Pilot Mountain this the 11th day of April 2022.

	Attest:				
Evan Cockerham, Mayor	Holly Utt, Town Clerk				



BOARD OF COMMISSIONERS MEETING

Division of Water Infrastructure Application

Background Information:

The attached resolutions authorize staff to submit applications to the NC Division of Water Infrastructure. This would be for a sewer collection system project and a water study project. We would hope that much of these would be totally grant funded, but there is a limit of \$15 million to each community for ARPA funding.

Staff Recommendation: Approve Resolution 2022-05 and 2022-06

Possible Board of Commissioner Actions

- Approve Resolution 2022-05 and 06
- Deny approval
- Take no action.

Attachments

• Resolution 2022-05 and 06

RESOLUTION AUTHORIZING SUBMITTAL OF APPLICATION TO NC DEO-DIVISION OF WATER INFRASTRUCTURE

WHEREAS.

The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of (state whether a wastewater treatment works, wastewater collection system, stream restoration, stormwater treatment, other "green" project, drinking water treatment works, and/or drinking water distribution system), and

WHEREAS,

The <u>Town of Pilot Mountain</u> has need for and intends to construct a wastewater collection system project described as collection system rehabilitation/replacement project, and

WHEREAS,

The Town of Pilot Mountain intends to request State loan and/or grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):

That <u>The Town of Pilot Mountain</u>, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Pilot Mountain to make scheduled repayment of the loan, to withhold from the Town of Pilot Mountain any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That <u>James Michael Boaz</u>, <u>Town Manager</u>, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 11th day of April, 2022 at Pilot Mountain, North Carolina.

Evan J. Cockerham, Mayor

RESOLUTION AUTHORIZING SUBMITTAL OF APPLICATION TO NC DEO-DIVISION OF WATER INFRASTRUCTURE

WHEREAS.

The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of (state whether a wastewater treatment works, wastewater collection system, stream restoration, stormwater treatment, other "green" project, drinking water treatment works, and/or drinking water distribution system), and

WHEREAS,

The <u>Town of Pilot Mountain</u> has need for and intends to conduct a study on a drinking water distribution system project described as Town of Pilot Mountain Distribution System AIA, and

WHEREAS,

The Town of Pilot Mountain intends to request State grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):

That <u>The Town of Pilot Mountain</u>, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Pilot Mountain to make scheduled repayment of the loan, to withhold from the Town of Pilot Mountain any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That <u>James Michael Boaz</u>, <u>Town Manager</u>, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 11th day of April, 2022 at Pilot Mountain, North Carolina.

Evan J. Cockerham, Mayor



BOARD OF COMMISSIONERS MEETING

Update to Capital Improvement Plan

Background Information:

The attached resolution approves the updated CIP. This update is necessary to list the WWTP work that needs to be done as well as adjust the budget for some of the other work that we are including on applications for State funding. This will help us get additional points for our application.

Staff Recommendation: Approve Resolution 2022-07

Possible Board of Commissioner Actions

- Approve Resolution 2022.07
- Deny approval
- Take no action.

Attachments

• Resolution 2022-07

RESOLUTION ADOPTING AMENDED CAPITAL IMPROVEMENT PLAN

WHEREAS, The Board of Commissioners has previously adopted a Capital Improvement Plan for the Town's

Water & Sewer System, and

WHEREAS, The Board of Commissions believes that, based on information received from staff and the Town's

engineers, the CIP needs to be updated.

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PILOT MOUNTAIN

That the attached Water/Sewer Capital Improvement Plan be adopted as the Town's official CIP.

Adopted this the 11th day of April, 2022 at Pilot Mountain, North Carolina.

Evan J. Cockerham, Mayor

Town of Pilot Mountain Water and Sewer Fund Capital Improvements Plan

Project	Project Location	Inflated	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number		Cost	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Water Improvements											
	Water Distribution											
1	Extreme Risk Water Main Rehab		\$85,455									
	High Risk Water Main Rehab	\$1,038,233					\$1,038,233					
	Significant Risk Water Main Rehab	\$1,606,117								\$1,606,117		
4	Install Additional Water Main	\$601,450		\$601,450								
	Hydrants and Valves											
	Replace Hydrant Assembly	\$366,436		\$175,100			\$191,336					
6	Install Additional Water Main Valves	\$103,000		\$103,000								
	Water Storage Tanks											
7	Altitude Valve on Pilot Center Tank	\$58,000	\$58,000									
8	Tank Mixing Equipment	\$34,000	\$34,000									
	Water Improvements Subtotal	\$3,807,236	\$177,455	\$879,550	\$0	\$0	\$1,229,569	\$0	\$0	\$1,606,117	\$0	\$0
	Wastewater Improvements											
	Sewer Collection											
9	Extreme Risk Gravity Main Rehab	\$600,063		\$600,063								
10	High Risk Gravity Main Rehab	\$3,000,000		\$3,000,000								
11	Significant Risk Gravity Main Rehab	\$2,040,444								\$2,040,444		
	Lift Station											
12	Offsite Pump Station and Aerial Crossing	\$568,560		\$568,560								
13	Upgrade Lola Lane Pump Station	\$1,082,289								\$1,082,289		
14	Various Pump Station Improvements	\$1,000,000	\$1,000,000									
	Wastewater Treatment Plant											
15	Wastewater Treatment Plant Rehab Phase 2	\$10,000,000		\$10,000,000								
	Wastewater Improvements Subtotal	\$18,291,356	\$1,000,000	\$14,168,623	\$0	\$0	\$0	\$0	\$0	\$3,122,733	\$0	\$0
	TOTAL	\$22,098,592	\$1 177 <i>A</i> EE	\$15,048,173	\$0	¢n	\$1,229,569	\$0	¢n	\$4,728,850	\$0	\$0



BOARD OF COMMISSIONERS MEETING

Street Resurfacing Project Budget Amendment

Background Information:

This amendment would recognize the revenue and expenditures for this project. I am including both the \$1 million grant from the State and the USDA grant/loan in this project. Once the project is complete, we can transfer any remainder from the \$1 million state grant to another capital project.

Staff Recommendation:

Approve budget amendment as written.

Possible Board of Commissioner Actions

- Approve budget amendment as written.
- Make changes to budget amendment and approve.
- Deny approval
- Take no action.

Attachments

• Street Resurfacing Project Budget Amendment 1

Town of Pilot Mountain, North Carolina Street Resurfacing Capital Project Ordinance

Amendment No. 1

BE IT ORDAINED by the Pilot Mountain Board of Commissioners that the Street Resurfacing Capital Project Ordinance be amended as follows:

Revenue	s	-
Increase	39-3300-0000 – NC OSBM	\$1,000,000.00
Increase	39-3400-0000 - USDA Grant/Loan	\$1,208,000.00
Total Increase		\$2,208,000.00
EXPENDI	TURES	-
Increase	39-4210-1910 – Construction	\$2,208,000.00
Total Inc	rease	\$2,208,000.00
Adopted t	this 11 th day of April, 2022	
	Evan J Cockerham, Mayor	
	Holly Utt, Town Clerk	

Explanation of Amendment:

1. To account for additional expenditures and grant revenue for resurface project.



BOARD OF COMMISSIONERS MEETING

FY 2022 Budget Amendment 2

Background Information:

The attached budget amendment approves transfers from the Capital Reserve Fund to the W/S fund to pay for unexpected pump station repairs and transfers from closed capital projects to the GF.

Staff Recommendation: Approve FY 2022 Budget Amendment 2

Possible Board of Commissioner Actions

- Approve budget amendment as presented.
- Make changes to and approve budget amendment.
- Deny approval of budget amendment.
- Take No Action

Attachments

• FY 2022 Budget Amendment 2

Town of Pilot Mountain, North Carolina

FY 2021 - 2022 Budget Ordinance

Amendment No. 2022-02

BE IT ORDAINED by the Pilot Mountain Board of Commissioners that the 2021-2022 Budget Ordinance be amended as follows:

REVENUES	-
Increase 10-3971-0200 – Transfer from CP Fund	\$18,532.00
Increase 60-3890-9996 – Transfer from Cap Reserve	\$115,000.00
Increase 95-3990-0000 – Fund Balance	\$53,410.00
EXPENDITURES	-
Increase 60-7820-3545 – M&R System	\$115,000.00
Increase 10-4510-1210 – Salaries	\$18,532.00
Increase 95-7000-9995 - Transfer to Water/Sewer fund	\$53,410.00
Adopted this 11 th day of April, 2022	
Evan Cockerham, <i>Mayor</i>	

 ${\it Explanation of Amendment:}$

Holly Utt, Town Clerk

^{1.} To appropriate funds for additional personnel expense and system maintenance.



BOARD OF COMMISSIONERS MEETING

Social Districts

Background Information:

In the most recent legislative session, the NC General Assembly adopted legislation that would allow NC local governments to create "social districts." Essentially, a social district would allow the off-premise consumption of alcoholic beverages in certain areas designated by the local government. There are a number of steps that have be taken both by the local government and the businesses in the district that would like to participate. This includes the creation of the district by the Town Board including the area where allowed, times allowed, and the maintenance plan for the district. All of this has to be posted on the Town's website. In addition, the district must have a logo that is placed on all cups used in the district. Each business that wishes to participate must hold a permit to sell alcoholic beverages and must sell the beverages in cups that meet certain requirements.

If a district were created in Pilot Mountain, it would accomplish a couple of things. First, a patron could buy a drink at a participating establishing and then walk around downtown visiting other shops. This could help grow the business at the other shops. Second, when we have events downtown we would not need to get a special permit to allow folks to have beer in the festival area. Finally, having such a district in place could help attract additional restaurants or possibly a brewery to downtown.

There are also potential downsides to allowing a social district. First, there is some expense involved in the creation of the logo and the signage that we are required to post in the social district area. Second, there is the requirement that signage be posted at all. As we move forward with the streetscape, we have to make sure that we don't pollute the area with signage. Third, when we have events we will have to coordinate with the beer vendors on the cups that they use. The cups are required to have the logo of the district, the name of the alcohol vendor, and a message about drinking responsibly. This could be more trouble than it is worth as the permit fee is only \$50 each time we have an event.

If the Town Board wanted to move forward with creating a social district, staff can create the necessary maintenance plan, maps, etc. and bring it back to the Board in the next couple of months. I would also like to survey/poll the business owners in downtown to see if this is something that they would want us to do. At this point, staff is asking for direction about whether to move forward or not.

Staff Recommendation:

Authorize staff to move forward with preparing social district plans and survey downtown business owners.

Possible Board of Commissioner Actions

- Authorize staff to conduct further study
- Direct staff to abandon the proposal
- Provide other direction
- Take No Action

Attachments

- NCGS 18B-904.1
- Greensboro NC social district ordinance

§ 18B-904.1. Authorization and regulation of social districts.

- (a) Definitions. The following definitions apply in this section:
 - (1) Permittee. An establishment holding any of the following permits issued by the Commission:
 - a. An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1).
 - b. An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3).
 - c. An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5).
 - d. A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
 - e. A distillery permit issued pursuant to G.S. 18B-1100(5).
 - (2) Social district. A defined outdoor area in which a person may consume alcoholic beverages sold by a permittee. This term does not include the permittee's licensed premises or an extended area allowed under G.S. 18B-904(h).
- (b) Authorization. Pursuant to G.S. 153A-145.9, a county may adopt an ordinance designating a social district in the parts of the county outside any city. Pursuant to G.S. 160A-205.4, a city may adopt an ordinance designating a social district.
- (c) Requirements for Designation. A social district designated under this section shall meet all of the following requirements:
 - (1) The social district shall be clearly defined with signs posted in a conspicuous location indicating which area is included in the social district, the days and hours during which alcoholic beverages may be consumed in the social district, the telephone number for the ALE Division and the local law enforcement agency with jurisdiction over the area comprising the social district, and a clear statement that an alcoholic beverage purchased for consumption in a social district shall (i) only be consumed in the social district and (ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased. The hours set by a city or county during which alcoholic beverages may be consumed in a social district shall be in accordance with G.S. 18B-1004.
 - (2) The city or county shall establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the social district, on the

- website for the city or county. The social district shall be maintained in a manner that protects the health and safety of the general public.
- district, the city or county shall submit to the Commission a detailed map of the social district with the boundaries of the social district clearly marked and the days and hours during which alcoholic beverages may be consumed in the social district.
- (d) Requirements for Sale of Alcoholic Beverages. A permittee located in or contiguous to a social district may sell alcoholic beverages for consumption within the social district it is located in or contiguous to in accordance with the following requirements:
 - (1) The permittee shall only sell and serve alcoholic beverages on its licensed premises.
 - (2) The permittee shall only sell alcoholic beverages for consumption in the social district in a container that meets all of the following requirements:
 - a. The container clearly identifies the permittee from which the alcoholic beverage was purchased.
 - b. The container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed.
 - c. The container is not comprised of glass.
 - d. The container displays, in no less than 12-point font, the statement, "Drink Responsibly Be 21."
 - e. The container shall not hold more than 16 fluid ounces.
 - (3) The permittee shall not allow a person to enter or reenter its licensed premises with an alcoholic beverage not sold by the permittee.
- (e) Requirements for Possession and Consumption of Alcoholic Beverages. The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements:
 - (1) Only alcoholic beverages purchased from a permittee located in or contiguous to the social district may be possessed and consumed.
 - (2) Alcoholic beverages shall only be in containers meeting the requirements set forth in subsection (d) of this section.
 - (3) Alcoholic beverages shall only be possessed and consumed during the days and hours set by the city or county in accordance with subsection (b) of this section.
 - (4) Nothing in this subdivision shall be construed as authorizing the sale and delivery of alcoholic beverage drinks in excess of the limitation set forth in G.S. 18B-1010.
 - (5) A person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is

reentering the licensed premises where the alcoholic beverage was purchased.

(f) Additional Requirements. - The Commission may adopt rules to impose requirements in addition to the requirements set forth in subsections (c) through (e) of this section. (2021-150, s. 20.3.)

- CODE OF ORDINANCES Chapter 26 - STREETS AND SIDEWALKS ARTICLE XI. SOCIAL DISTRICT

ARTICLE XI. SOCIAL DISTRICT

Sec. 26-300. Purpose and intent.

- (a) Pursuant to the provisions of G.S. § 160A-205.4, et seq, one or more social districts may be created within the city and the city hereby creates and designates the following social district: Downtown Greensboro Social District which is designated as shown on a map dated December 9, 2021; the map is available in the office of the city clerk, and signage and/or markings shall be posted clearly delineating the boundaries of the social district.
- (b) The Downtown Greensboro Social District shall be created, designated, and managed in accordance with the requirements contained in G.S. § 160A-205.4 and Chapter 18B.
- (c) Any person who violates this article, and any person who aids, abets, encourages, assists in, or contributes to such violation, shall be guilty of a misdemeanor.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-301. Definitions.

Social district means and refers to a defined outdoor area in which a citizen may consume alcoholic beverages sold by a permittee. This term does not include the permittee's licensed premises or an extended area allowed under G.S. § 18B-904(h).

Permittee means and refers to a person holding any of the following ABC permits issued by the North Carolina Alcoholic Beverage Control Commission established under G.S. § 18B-200:

- (1) An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1).
- (2) An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3).
- (3) An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5).
- (4) A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
- (5) A distillery permit issued pursuant to G.S. 18B-1100(5).

Person means and refers to an individual, firm, partnership, association, corporation, limited liability company, other organization or group, or other combination of individuals acting as a unit.

Premises means and refers to a fixed permanent establishment, including all areas inside or outside the permitted establishment, where the permittee has control through a lease, deed, or other legal process.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-302. Application.

(a) The provisions and terms contained in this article shall be applicable between the hours of 12:00 p.m. and 9:00 p.m., Monday through Sunday. At all other times, the provisions and terms contained in this article are not in effect and all provisions of state and local laws concerning the possession and consumption of alcohol shall be in full force and effect.

Greensboro, North Carolina, Code of Ordinances (Supp. No. 120, Update 1)

(b) Any alcoholic beverage purchased for consumption in the Downtown Greensboro Social District shall (i) only be consumed in the Downtown Greensboro Social District and (ii) be disposed of before the person in possession of the alcoholic beverage exits the Downtown Greensboro Social District unless the person is reentering the licensed premises where the alcoholic beverage was purchased. A violation of this section is a class 3 misdemeanor.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-303. Requirements for sale of alcoholic beverages.

A permittee located in or contiguous to the Downtown Greensboro Social District may sell alcoholic beverages for consumption within the Downtown Greensboro Social District it is located in or contiguous to in accordance with the following requirements:

- (1) The permittee shall only sell and serve alcoholic beverages on its licensed premises.
- (2) The permittee shall only sell alcoholic beverages for consumption in the Downtown Greensboro Social District in a container that meets all of the following requirements:
 - a. The container clearly identifies the permittee from which the alcoholic beverage was purchased.
 - b. The container clearly displays a logo or some other mark that is unique to the Downtown Greensboro Social District.
 - c. The container is not comprised of glass.
 - d. The container displays, in no less than 12-point font, the statement, "Drink Responsibly—Be 21."
 - e. The container shall not hold more than sixteen (16) fluid ounces.
- (3) The permittee shall not allow a person to enter or reenter its licensed premises with an alcoholic beverage not sold by the permittee.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-304. Requirements for possession and consumption of alcoholic beverages.

The possession and consumption of an alcoholic beverage in the Downtown Greensboro Social District is subject to all of the following requirements:

- (1) Only alcoholic beverages purchased from a permittee located in or contiguous to the Downtown Greensboro Social District may be possessed and consumed.
- (2) Alcoholic beverages shall only be in containers meeting the requirements set forth in section 26-303 of this article.
- (3) Alcoholic beverages shall only be possessed and consumed during the days and hours set forth in section 26-302 of this article.
- (4) Nothing in this subdivision shall be construed as authorizing the sale and delivery of alcoholic beverage drinks in excess of the limitation set forth in G.S. § 18B-1010.
- (5) A person shall dispose of any alcoholic beverage in the person's possession prior to exiting the Downtown Greensboro Social District unless the person is reentering the licensed premises where the alcoholic beverage was purchased.
- (6) A violation of this section is a class 3 misdemeanor.

Created: 2022-02-14 11:42:59 [EST]

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-305 Exceptions.

When a special event (as that term is used in article IX of this chapter) is held pursuant to the issuance of a special event permit (as that term is used in article IX of this Chapter) the terms of the special event permit supersede the provisions of this article within the boundaries of the special event. Any alcohol purchased within the boundaries of the special event may not be taken outside of the special event, even if the alcohol is to be taken from the boundary of the special event into the boundary of the social district. A violation of this section is a class 3 misdemeanor.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Sec. 26-306. Severability.

If any section, phrase, sentence or portion of this article is held void, invalid, unconstitutional or unenforceable for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision; and such holding shall not affect the validity of the remaining portions thereof.

(Ord. No. 21-185, § 1, 12-21-21, eff. 3-1-22)

Created: 2022-02-14 11:42:59 [EST]

CITY OF NEWTON

DOWNTOWN NEWTON SOCIAL DISTRICT

MAINTENANCE AND OPERATIONS PLAN

DOWNTOWN NEWTON SOCIAL DISTRICT MAINTENANCE AND OPERATIONS PLAN

Table of Contents

Introduction	3
Management	3
Potential Participating Permit Holders	3
District Boundaries	3
Operations	4
District Designation, Logo	4
Beverage Containers and Rules of Use	4
Financing	4
Security and Enforcement	5
Insurance	5
Sanitation and Maintenance	5
Marketing and Promotion	5
Ordinance Creating Downtown Newton Social District	6
Map of Social District	8

Maintenance and Operations Plan

Introduction

On September 8, 2021, Session Law 2021-150 was ratified, allowing local governments to establish "Social Districts" within their jurisdictions. These Social Districts allow for common areas where licensed establishments (e.g., bars, breweries, restaurants) may sell alcoholic beverages in designated containers to be taken into the common area for consumption. The City of Newton (the "City") has established such a Social District, designated "Downtown Newton Social District."

In the plan that follows, the management and maintenance of the Downtown Newton Social District is outlined. The plan will be submitted to the North Carolina ABC Commission and placed on the City of Newton website.

Management

The Downtown Newton Social District will be jointly managed by the Downtown Newton Development Association, City of Newton Parks and Recreation Department, the Police Department, the Planning and Zoning Department, and the Public Works and Utilities Department.

Potential Participating Permit Holders

ABC permit holders adjoining or located within the District shall apply for and obtain a Social District permit from the Planning and Zoning Department of the City at no cost to the applicant. The establishment shall be responsible to abide by the rules, regulations and requirements promulgated by the City, the ABC Commission and ABC statutory requirements governing Social District activities.

District Boundaries

The Downtown Newton Social District is shown on page 8 hereinafter. Refer to page 8 for a map of the Social District boundary.

Operations

The Downtown Newton Social District will operate 3 days a week, 5 PM to 11 PM on Thursdays and Fridays, and 12 PM to 11 PM on Saturdays.

District Designation and Logo

The Downtown Newton Social District will utilize a modification of the City of Newton logo. Boundaries of the Social District will be clearly marked with signs affixed to all entrance/exit points.

Beverage Containers and Rules of Use

The following regulations apply to containers within the Social District:

- (i) The container prominently displays the Social District permittee's trade name or logo and a mark that is unique to the Social District permittee under the District permittee's on-premises license.
- (ii) The container prominently displays a logo or some other mark that is unique to the Downtown Newton Social District as authorized by the City.
- (iii) The container displays, in no less than 12 point font, the statement, "Drink Responsibly Be 21."
- (iv) The container is not comprised of glass material.
- (v) The container has a liquid capacity that does not exceed 16 ounces.
- (vi) Containers will be provided by the permittee after approval of the City.
- (vii) Social District containers may not be carried into another establishment.
- (viii) The permittee shall not allow a person to enter or re-enter its licensed premises with an alcoholic beverage not sold by the permittee.
- (ix) A person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

Financing

The costs of establishing and managing the Downtown Newton Social District will be funded by the City of Newton.

Security and Enforcement

Security and enforcement in the Social District will be provided by the City of Newton Police Department.

Insurance

The City of Newton is insured for its management and operation of the Social District.

Sanitation and Maintenance

The City's Parks and Recreation Department and/or Public Works and Utilities Department will provide sanitation services within the district including trash removal and litter pick up. Trash/recycling receptacles will be located at the boundaries of the Social District to encourage patrons to properly dispose of their used cups and unconsumed alcohol, as well as throughout the Social District as presently available throughout the downtown.

Marketing and Promotion

Marketing and promotion of the Social District will be provided by the Downtown Newton Development Association in collaboration with ABC permitted establishments adjacent to the Social District.



BOARD OF COMMISSIONERS MEETING

Financial Policies Adoption

Background Information:

I would like the Board to consider adoption of the attached financial policies. These are policies that dictate how we will prepare the annual budget, how we will handle debt and investments, procedures regarding cash management, etc. The LGC and the Government Finance Officers Association advises that we have these type of policies in place.

Staff Recommendation: Approve financial polices as presented.

Possible Board of Commissioner Actions

- Approve financial policies as presented.
- Make changes to and approve financial policies.
- Deny approval of financial policies.
- Take No Action

Attachments

Financial Policies

Operating Budget Policy

- A. The Town's Annual Budget ordinance will be balanced in accordance with the Local Government Budge and Fiscal Control Act (G.S. 159-8(a)). Budget revenues must equal budgeted expenditures.
- B. The Town's Annual Budget Ordinance will be adopted by each July 1 (G.S. 159-13(a)).
- C. Revenue Policy
 - 1. <u>Ad Valorem Tax</u>-As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the ad valorem tax will be budgeted as follows:
 - a. Assessed valuation will be estimated based upon historical trends and growth patterns in a conservative manner.
 - b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.
 - c. The property tax rate will be set each year based upon the costs of providing general government services, meeting debt service requirements, and building or maintaining any reserves or fund balances the Board deems necessary.
 - 2. <u>User Fees-</u>The Board of Commissioners (the "Board") sets fees that will maximize user charges instead of ad valorem taxes for services that can be individually identified and where costs are directly related to the level of services. This objective is in keeping with the Commissioner's goal that growth should pay for itself and not place a burden on current residents who do not use the service.
 - a. Emphasis on user fees results in the following benefits:
 - 1. The burden on the ad valorem tax is reduced.
 - 2. User fees are paid by all users, including those exempt from property taxes.
 - 3. User fees help minimize subsidization in any instance where there are requirements in order to qualify for the use of the service and the service is not provided to the general public
 - User fees produce information in the demand level for services and to help make a connection between the amount paid and the services received.
 - 3. <u>Interest Income-Interest income</u> is subject to variability upon changes in prevailing interest rates, which cannot be predicted with certainty. Such revenue shall therefore be budgeted in a conservative manner within the Annual Budget Ordinance.
 - 4. Grant Funding-Staff will pursue opportunities for grant funding. Application for grant funding will be made after a grant has been evaluated for consistency with the Board's goals and compatibility with Town programs and objectives. Staff must have Board approval to apply for a grant for any amount over \$50,000 and any grant that requires a local dollar match. All awarded grants can only be accepted by Board action at which time the related budget shall be established.
 - a. Grants that have been awarded in prior years and are recurring in nature will be included and addressed through the annual budget process.
 - b. Grants that fund operating expenditures but have a funding termination date must fully disclose that fact to the Board prior to acceptance.

- c. The Town Manager shall be the grant manager for all grants. The Town Manager will maintain a grant file by fiscal year for each active grant.
- d. For grants involving federal funds, the Town Manager is responsible for checking the list of federally debarred contractors prior to awarding any contracts.

D. Expenditure Policy

- 1. Expenditure budgets shall be monitored throughout the year by department heads and the Town Manager. Budget compliance is the responsibility of the department head and the Town Manager.
- 2. Budgeted funds will only be spent for categorical purposes for which they are intended. The annual operating budget ordinances defines staff authorization for operating budget adjustments. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was used or for the payment of debt principal and interest. Donations will be spent only towards the intent for which they were given.
- 3. The budgeted expenditures for debt service for any variable rate debt or synthetic variable rate debt will be set to be at least the average of the prior five years.
- 4. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
- 5. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the Town's personnel policy.
- 6. The Town will fund current expenditures with current resources and will strive to avoid balancing budgets using one-time revenues.

Capital Improvements Policy

A. Capital Improvements Plan

- 1. The Town will update and readopt annually a ten-year capital improvements plan (CIP) which projects capital needs and details the estimated costs, description, and anticipated funding sources for capital projects.
- 2. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.
- 3. The first year of the ten-year CIP will be the basis of formal fiscal year appropriations for the annual budget process.
- 4. The CIP will generally address those capital assets with a value of \$25,000 or more.
- 5. The Town generally expects to see new capital projects first appear in the last year of the CIP.
- 6. The Town acknowledges pay-as-you-go financings as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project.

B. Fixed Assets

The capitalization threshold for fixed assets shall be \$5,000. The threshold will be
applied to individual fixed assets and not to groups of fixed assets. Fixed assets will only
be capitalized if they have a useful life of at least two years following the date of
acquisition. A physical inventory of capitalized fixed assets will be performed, either
simultaneously or on a rotating basis, so that all fixed assets are physically accounted for
at least once every four years.

Debt Policy

- A. Debt will only be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt will not be used for operational needs. Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under NC law.
- B. The Town will seek to structure debt and to determine the best type of financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
- C. Debt financing will be considered in conjunction with the approval by the Board of the Town's CIP.
- D. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the useful life of the project.
- E. The Town will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
- F. Debt Affordability
 - a. The net debt of the Town, as defined in G.S.159-55, is statutorily limited to eight percent of the assessed valuation of the taxable property within the Town. The Town will use a self-imposed guideline of 4%.
 - b. The Town will strive to achieve amortization of 60% or more of its non-Utility debt principal within ten years.
- G. The Town will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt and examining the potential for refunding of outstanding debt.

Accounting, Auditing and Financial Reporting

- A. The Town will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The Town will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).
 - a. The basis of accounting within governmental funds will be modified accrual.
 - b. The basis of accounting within all Enterprise funds will be the accrual basis.
- B. Financial systems will be maintained to enable the continuous monitoring of revenues and expenses with complete sets of monthly reports provided to the Board and appropriate staff. Monthly expenditure reports will be provided to each department head for their functional area and online, real time, view only access to the financial system will be made available to department heads as much as practical and its use is encouraged.
- C. The Town will place emphasis on maintenance of an accounting system which provided strong internal budgetary control and financial controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, as well as the accountability of assets.
- D. An annual audit will be performed by an independent certified accounting firm which will issue an opinion on the annual financial statements as required by the Local Government Budget and Fiscal Control Act.
- E. The Town will prepare an Annual Comprehensive Financial Report (ACFR). The ACFR will be prepared in compliance with the established criteria to obtain the GFOA CAEFR award and will be submitted to that award program each year.
- F. Full and complete disclosure will be provided in all regulatory reports, financial statements, and debt offering statements.
- G. The Town will maintain an online transparency site that will provide information about the financial operations of the Town. Data for this site will be updated at least quarterly.

Cash Management Policy

A. Receipts

- a. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys into interest bearing accounts and investments.
- b. All incoming funds will be deposited daily as required by State law.
- c. The Finance Director is responsible for conducting at least two random or risk based internal audits of cash receipting locations per fiscal year.

B. Cash Disbursement

- a. The Town's objective is to retain monies for investment for the longest appropriate period of time.
- b. Disbursements will be made timely in advance of or on the agreed-upon contractual date of payment unless earlier payment provides greater economic benefit of the Town.
- c. Inventories and supplies will be maintained at minimally appropriate levels for operations in order to increase cash availability for investment purposes.
- d. Duel signatures are required for Town checks. Electronic signature of checks is approved.

Investment Policy

A. Policy

1. It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the Town and conforming to all State statutes governing the investment of idle funds.

B. Scope

This investment policy applies to all financial assets of the Town, except authorized
petty cash and debt proceeds. The Town pools the cash resources of its various funds
into a single pool in order to maximize the investment opportunities and returns. Each
fund's portion of total cash and investments is tracked by the financial accounting
system.

C. Prudence

- The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.
 Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- 2. Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relived of personal responsibility for an individual security's credit risk or market changes, provided deviations from expectations are reported in a timely manner and the liquidity and the sale of the securities are carried out in accordance with the terms of this policy.

D. Authorized Staff

- 1. G.S.15-25(a)6 delegates management responsibility for the investment program to the Finance Director. The Finance Director shall establish and maintain procedures for the operation of the investment program which are consistent with this policy. 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 will be responsible for all transactions undertaken and will establish and maintain a system of controls to regulate the activities of subordinates.
- 2. In the absence of the Finance Officer, the Town Clerk is authorized to execute investment activities.

E. Objectives

1. The Town's main objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.

a. Safety

Safety of principal is the foremost objective of the investment program.
 Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in interest rates will adversely affect the market

value of a security and that the security will have to be liquidated and the loss realized) the second objective, liquidity, must be met.

b.Liquidity

The investment portfolio shall remain sufficiently liquid to meet all
operating and debt service cash requirements that may be reasonably
anticipated. The portfolio will be structured so that securities mature
concurrent with cash needs (static liquidity), with securities with an
active secondary market (dynamic liquidity), and with deposits and
investments in highly liquid money market and mutual fund accounts.

c. Yield

 The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic, and interest rate cycles, taking into account investment risk contraints and liquidity needs.

F. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from business
activity that could conflict with the proper execution and management of the
investment program or that could impair their ability to make important decisions.

G. Internal Control

 The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse.

H. Collateralization

1. Collateralization is required for certificates of deposit.

I. Delivery and Custody

All investment security transactions entered into by the Town shall be conducted on a
delivery versus payment basis. Securities will be held by a third party custodian
designated by the Finance Officer and each transaction will be evidenced by safekeeping
receipts and tickets.

J. Authorized Investments

- 1. The Town is authorized by NCGS 159-30(c) to invest in certain types of investments. The Board of Commissioners approves the following types, the list of which is more restrictive than G.S. 159-30(c):
 - a. Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.
 - b. Obligations of the State of North Carolina.
 - c. Fully collateralized deposits at interest or certificates of deposits with any bank, savings and loan associations or trust company that utilizes the Pooling method of collateralization.
 - d. Participating shares in a mutual fund for local government investment, provided the investments of the fund are limited to those qualifying for investment under G.S. 150-30(c) and that said fund is certified by the LGC.

Pilot Mountain Town Hall 124 West Main St. Pilot Mountain, NC 27041



(Phone) – 336.368.2247 www.pilotmountainnc.org

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Michael Boaz, Town Manager/Finance Officer

DATE: March 9, 2022

RE: April 2022 Manager's Report

- NC DOT Division 9 has completed the repaving of Butler, Blaylock, and Westridge. They will be back to complete the other streets in the next few months. We still have some milling to complete, but we will not do that until we know that NC DOT is available to come back.
- NC DOT Division 11 should begin work on E Main Street in the near future.
- Staff met with WithersRavenel and representatives from Duke Energy to discuss options regarding the power situation on Main Street. As you will remember, we have an estimate of \$2.3 million to move the power lines completely off of Main. Duke has presented an option that would have them install 40-60ft black poles to replace the existing wooden poles on Main Street. This would leave the existing power lines in place. The cost for this option is no more than \$1.9 million. WR is looking at this option to see if additional pedestrian lights would be needed or if we could light the street with these poles. If no pedestrian lights are needed, it could save us additional funds.
- I have included a copy of the FY 2021 Annual Comprehensive Financial Report in your packet. I can provide a printed copy if anyone wants it. We will need to have a meeting with the auditor so that he can present this to your formally.

PROJECT UPDATES

- 1. Depot Street Stream Restoration Project: Design is underway and should be completed by August. We anticipate construction to begin in the fall.
- 2. Main Street National Register District: Our application was recommended to the Dept. of the Interior for approval. We should hear back by May or June.
- 3. Street Paving Project: Project is on hold until NC DOT can come back and complete paving work.
- 4. Water Treatment Upgrade: The project is nearing completion. Smith-Rowe is waiting on 2000 feet of pipe and some other equipment. We hope that all work will be completed in less than 60 days.
- 5. Streetscape Project: Duke Energy has provided the details on Option B. WR is continuing to evaluate that option.
- 6. WWTP & Pump Station Project: The Notice to Proceed has been issued to the contractor. There will not be a lot of progress on this project for some time as there is significant lead time on the equipment.



ALL FUNDS

TOWN OF PILOT MOUNTAIN

Monthly Financial Dashboard FISCAL YEAR ENDING June 30, 2022

Reporting Period: March 1-March 31 2022

ts tow	/N-WIDE		
\$	210,490	\$	715,656
		\$	40,818
\$	100,935	\$	118,609
	\$6,019		\$855,716
	\$214,219		(\$80,477
	(\$1,474)		\$0
	(\$46,859)		(\$165,605
•	(\$31,120)		\$10,088
\$	(49,511)	\$	(45,382
N/A	,	\$	=.
\$	(18,226)		-
	5,557		5,755
			(23,866
Ma	rch 2021	M	arch 2022
\$	197,864	\$	596,945
	17,162		56,299
	25,031		25,031
	2,196		1,966
	-		(18
	711		107,460
	96,378	-	(3,621
	56,386	\$	409,827
Ма	rch 2021	м	arch 2022
BY FL	IND		
22, in v	vhole dollar	S	
STMEN	ITS		
	22, in v BY FL Ma \$ \$ \$ N/A \$	March 2021 \$ 56,386 96,378 711 - 2,196 25,031 17,162 \$ 197,864 March 2021 \$ 30,951 \$ 5,557 \$ (18,226) N/A \$ (49,511) (\$31,120) (\$46,859) (\$1,474) \$214,219 \$6,019 \$ 100,935 N/A	22, in whole dollars BY FUND March 2021 \$ 56,386 \$ 96,378 711 -

408,354 \$ 1,312,601

			Compariso	n of	FYTD %
GENERAL FUND REVENUES & EXPENDITURES		Pri	or FYTD %	Cu	rrent FYTD %
Fiscal Year Budget		\$	1,754,560	\$	2,093,060
Revenues Fiscal Year to Date			82.00%		88.00%
Expenses Fiscal Year to Date			74.14%		83.61%
NATER & SEWER ENTERPRISE FUND					
Fiscal Year Budget		\$	948,660	\$	1,036,090
Revenues Fiscal Year to Date			71.42%		77.17%
Expenses Fiscal Year to Date			75.93%		87.90%
WWTP & PUMP STATION REHAB PROJECT		_			
Project Budget		\$	1,374,500		1,374,500
Revenues Project to Date	\$ 122,445		3.83%		8.91%
Expenses Project to Date	\$ 167,827		6.65%		12.21%
Nater Treatment Upgrade Project					
Project Budget		\$	3,978,000	\$	3,978,000
Revenues Project to Date	\$ 3,675,162		7.71%		92.39%
Expenses Project to Date	\$ 4,156,545		8.72%		104.49%
Sunset Sewer Rehabilitation Project					
Project Budget		\$	2,573,038	\$	2,573,038
Revenues Project to Date	\$ 2,056,327	Ψ	40.15%	-	79.92%
Expenses Project to Date	\$ 2,133,417		39.16%		82.91%
WATER & SEWER AIA PROJECT		NA		\$	305,000
Project Budget					
Revenues Project to Date	\$ 332,279		78%		109%
Expenses Project to Date	\$ 314,278		77%		1039

SPECIFIC REVENUE	COLLEC	TIONS AT	A GL	ANCE			1						
				Comparison	of F	Y %			Compari	son	of Monthly E	хреі	nses
				Prior		Current	GENERAL FUND	Fis	cal Year		YTD Ex	pen	ses
AD VALOREM PROPERTY TAX			FY %			FY %	DEPARTMENTS	2022 Budget			Prior FY		Current FY
Fiscal Year Budget			\$	867,500	\$	955,760	Governing Body	\$	174,360	\$	90,998	\$	112,603
Revenues this Month	\$	27,867		1.40%		2.92%	Administration		346,890		229,729		303,682
Revenues FYTD	\$	917,397		99.18%		95.99%	Community & Economic D		41,960		42,477		35,271
							Downtown Revitilization		140,280		64,764		118,745
SALES & USE TAX							Police Dept		830,670		624,062		761,259
Fiscal Year Budget			\$	398,600	\$	558,630	Street Dept		123,460		73,183		75,470
Revenues this Month	\$	58,543		11.64%		10.48%	Powell Bill		42,000		38,127		17,186
Revenues FYTD	\$	457,469		88.97%		81.89%	Sanitation		296,560		172,922		278,251
UTILITY FRANCHISE TAX							Pilot Center		20,340		24,001		16,769
Fiscal Year Budget			\$	118,140	\$	110,000	Library		38,340		3,661		3,668
Revenues this Month	\$	25,257		21.00%		22.96%	Debt Service		38,200		76,570		27,148
Revenues FYTD	\$	76,001		64.70%		69.09%	Non Departmental		-		-		-
REFUSE COLLECTION FEE	S							\$	2,093,060	\$	1,440,494	\$	1,750,051
Fiscal Year Budget			\$	73,010	\$	72,470	Fiscal Year Budget			\$	1,754,560	\$	2,093,060
Revenues this Month	\$	5,996		9.16%		8.27%	YTD % of Annual Budget Exp	ended			82.10%		83.61%
Revenues FYTD	\$	62,531		77.66%		86.28%							
SALES & SERVICES							WATER & SEWER ENTERPRISE	FUND					
Fiscal Year Budget			\$	81,700	\$	55,200	General	\$	190,650	\$	111,705	\$	142,806
Revenues this Month	\$	4,116		2.18%		7.46%	Water/Sewer Administration		148,760		99,734		94,419
Revenues FYTD	\$	78,017		51.86%		141.34%	Production		155,130		162,356		139,895
							WWTP		257,950		184,458		187,769
WATER & SEWER ENTERP	RISE FUN	D REVENUES					Line Maintenance		283,600		190,489		345,796
Fiscal Year Budget			\$	948,660	\$	1,036,090		\$	1,036,090	\$	748,742	\$	910,686
Revenues this Month	\$	84,860		8.46%		8.19%	Fiscal Year Budget			\$	948,660	\$	1,036,090
Revenues FYTD	\$	799,549		71.42%		77.17%	YTD% of Annual Budget Expe	ended			78.93%		87.90%

Prepared by the Town of Pilot Mountain's Financial Staff

Michael Boaz, Town Manager/Finance Officer

INTRODUCTORY SECTION

T		Page No.
ı.	Introductory Section	
	Table of Contents	
	Letter of Transmittal	
	Certificate of Achievement for Excellence in Financial Reporting	
	Organizational Chart	
	Principal Officials	X
11.	. Financial Section	1.2
	Independent Auditor's Report	
	Management's Discussion and Analysis	4-12
	Basic Financial Statements	
	Government-Wide Financial Statements:	10
	Statement of Net Position (Exhibit 1)	
	Statement of Activities (Exhibit 2)	14
	Fund Financial Statements:	
	Governmental Funds:	1.5
	Balance Sheet (Exhibit 3)	15
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 4)	16
	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund (Exhibit 5)	17
	Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities (Exhibit 6)	18
	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budge and Actual – General Fund (Exhibit 7)	
	Proprietary Fund:	
	Statement of Net Position (Exhibit 8)	20
	Statement of Revenues, Expenses and Changes in Net Position (Exhibit 9)	21
	Statement of Cash Flows (Exhibit 10)	22-23
	Statement of Fiduciary Net Position (Exhibit 11)	24
	Notes to Financial Statements	25-57
	Required Supplementary Financial Data	
	Local Government Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset) (Exhibit 12)	58
	Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability (Exhibit 13)	59

Individual Fund Statements and Schedules

	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund (Statement 1)	-63
	Combining Statement of Net Position - Nonmajor Governmental Funds (Statement 2)	64
	Combining Statement of Revenues, Expenditures, and Changes in	
	Fund Balances - Nonmajor Governmental Funds (Statement 3)	65
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - (Non-GAAP) – Capital Projects Fund – Landfill Rehabilitation Project (Statement 4)	66
	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – Capital Projects Fund – Streetscape Project (Statement 5)	67
	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – Capital Projects Fund – Street Resurfacing Project (Statement 6)	68
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Water and Sewer Fund (Statement 7)	-71
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund – Water/Sewer Interconnection/Regionalization Study (Statement 8)	72
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund – Sunset Sewer (Statement 9)	73
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund – Water/Sewer AIA Project (Statement 10)	74
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund – Waste Water Trmt. Plant/Pump Station Rehab Project (Statement 11)	75
	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund – Simmons Water Line Project (Statement 12)	76
	Combining Statement of Fiduciary Net Position (Statement 13)	77
	Statement of Changes in Assets and Liabilities – Mount Pilot Now Agency Fund (Statement 14)	78
	Statement of Changes in Assets and Liabilities – Pilot Mountain Area Business Committee Agency Fund (Statement 15)	79
	Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP) – Pilot Mountain Tourism Development Authority (Statement 16)	80
	Other Schedules	
	Schedule of Ad Valorem Taxes Receivable (Schedule 1)	81
	Analysis of Current Year Tax Levy (Schedule 2)	82
III	. Statistical Section	
	Statistical Section Table of Contents	
	Net Position by Component – Last Ten Years	83
	Changes in Net Position – Last Ten Years	-85
	Fund Balances, Governmental Funds – Last Ten Years	86

	Changes in Fund Balances, Governmental Funds – Last Ten Years	87
	Assessed Value of Taxable Property – Last Ten Years	88
	Property Tax Rates – Direct and All Overlapping Governments – Last Ten Years	89
	Principal Property Taxpayer – Current Year and Nine Years Ago	90
	Property Tax Levies and Collections – Last Ten Years	91
	Ratios of Outstanding Debt by Type – Last Ten Years	92
	Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Government Expenditures – Last Ten Years	
	Computation of Direct and Underlying Debt – June 30, 2021	
	Legal Debt Margin Information – Last Ten Years	95
	Principal Employers – Current Year and Nine Years Ago	96
	Demographic and Economic Statistics – Last Ten Years	97
	Full-time Equivalent Town Government Employees by Function/Program - Last Ten Years	98
	Operating Indicators by Function – Last Ten Years	99
	Capital Asset Statistics by Function – Last Ten Years	100
IV	. Compliance Section	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	01-102
	Independent Auditor's Report on Compliance for the Major State Program; Report on Internal Control Over Compliance: In Accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act	03-104
	Schedule of Expenditures of State Awards	105
	Schedule of Findings and Questioned Cost	106

Pilot Mountain Town Hall 124 West Main Street Pilot Mountain, NC 27041



(Phone) - 336.368.2247 (Fax) - 336.368.9532 www.pilotmountainnc.org

March 4, 2022

Members of the Board of Commissioners And Citizens of Pilot Mountain,

It is our privilege to present to you the Town of Pilot Mountain's (the Town's) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the Town's operations and financial position for the fiscal year ended June 30, 2021 and details the status of Town finances to residents, elected officials, investment bankers, underwriters, rating agencies, and all other interested parties.

The Local Government Commission of the North Carolina State Treasurer's Office requires all general-purpose local governments to file with their office by November 30 of each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licenses certified public accountants. The CAFR allows us to comply with that regulation.

This report consists of management's representations concerning the finances of the Town of Pilot Mountain. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the Town's financial statements in accordance with GAAP. The Town's internal control framework has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements contained herein have been audited by Bernard Robinson and Company a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2019 are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent audit for the fiscal year ended June 30, 2020 concluded that there was reasonable basis for rendering an unmodified opinion of the Town's financial statements and that they are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that the management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Town Profile

Pilot Mountain is located in the foothills of North Carolina and in the southern section of Surry County, approximately 25 miles north of Winston-Salem and 15 miles south of Mt. Airy. The Town is situated at the base of its namesake, Pilot Mountain. The area was settled long ago by Native Americans who used Pilot Mountain as a navigational guide. Non-native settlers came to the area well over two hundred years ago and the Town was first incorporated by the General Assembly in 1889.

Pilot Mountain prides itself in providing its current population of 1,502 citizens with convenient and reliable town services while maintaining its small town, friendly atmosphere. The full range of services include police, garbage & recycling collection, street maintenance, water production & distribution, sewer collection and treatment, zoning, and yard waste collections.

Demographic Characteristics

The US Department of Commerce, Bureau of the Census, has recorded the Town's population as follows:

1990	2000	2010	2020	2030 estimate
1,151	1,281	1,477	1,649	1,775

The North Carolina Office of Management and Budget has estimated the population of the Town to be 1,649 as of July 2021.

The Town has suffered from a lack of growth over the last 8 years, mainly as a result of the Great Recession. The Town had started a modest recovery, but the COVID-19 pandemic and the related economic downturn has put that recovery into question. The Board of Commissioners budgeted for a significant decrease in sales tax revenues for FY 2021 and mad corresponding cuts to the operating budget. However, our sales tax collections remained strong throughout the pandemic and allowed the Town to make additional investments in infrastructure and equipment during FY 2021.

Governmental Structure

The Town of Pilot Mountain operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the governing Board of Commissioners. The Board is made up of a mayor and four Board members that serve staggered four year terms. The Town Board is responsible, among other things, for passing ordinances, adopting the budget, appointment committees, and hiring the Town Manager and Town Attorney. The Town Manager operates as the chief executive officer and is responsible for carrying out the policies and ordinances of the Town Board and for overseeing the day-to-day operations of the government.

Services Provided by the Town of Pilot Mountain

Administration:

Town Management
Planning & Zoning
Utility Billing & Collections

Town Clerk Code Enforcement Personnel Administration

Budget & Finance

Police

Administration
Criminal Investigations
Community Policing
Crime Prevention

Patrol Auxiliary Force Community Programs

Public Works:

Garbage & Recycling Collection Leaf & Limb Collection Right of Way Mowing Storm Drainage Water & Sewer Line Maintenance Water & Sewer Taps Sewer Treatment

White Goods Collections
Street & Sidewalk Maintenance
Street Lighting
Snow/Ice Removal
Water Meter Reading
Water Treatment

Budget Process

The annual budget serves as the foundation for the Town's financial planning and fiscal control. All departments are required to submit requests to the Town Manager, who serves as the Budget Officer per State law, on or before the last day of April each year. The Manager then uses these requests as the starting point for developing a proposed budget to be submitted to the Town Board by June 1. The Board is required to hold at least one public hearing on the proposed budget and must adopt a final budget no later than June 30. The Budget Ordinance, as adopted by the Town Board, creates a legal limit on spending authorizations. For the Town of Pilot Mountain, the FY 2020-2021 budget was adopted to include the General Fund, Water/Sewer Fund, and Capital Reserve Fund. Multi-year project ordinances are adopted for all Capital Project funds. For internal accounting purposes, budgetary control is maintained by line item. The budget ordinance adopted by the Board of Commissioners allows management to move money between line items and departments within functional areas (General Government, Public Safety, Economic & Community Development, Sanitation, and Culture & Recreation) without prior approval of the Board of Commissioners.

Factors Affecting Pilot Mountain's Financial Condition

Pilot Mountain's economy is still recovering from massive manufacturing job losses over the past 10-15 years that was primarily attributed to the textile industry. The unemployment rate for all of Surry County in August of 2020 was 5.8%. However, the poverty rate in Pilot Mountain is well over 20% and so there is a significant portion of the population that is either unemployed or not looking for work or is under employed. The average wages in the County have increased over the last several years and the unemployment rate has remained at near historic lows. These are all signs that the County's economy is improving.

The economic improvement is a slow process however, but the Town is making efforts to insure that this growth happens in a diversified way that makes the economy stronger and less susceptible to downturns in any one economic sector in the future. The Town has made efforts to encourage the redevelopment of downtown, including specialized incentive programs for owner that remodel their downtown properties. The Town has incentive policies in place for both retail and industrial growth and hopes that these policies will balance the growth in both sectors.

In addition to these efforts, the Town is a center for tourism growth in Surry County. In 2017, over 750,000 people visited Pilot Mountain State Park. In addition to the Park, there are many visitors to the wineries in our area and to other outdoor recreation venues. Tourism is a strong part of the Surry County and Pilot Mountain economy and the Town is working to take advantage of this surge in tourism spending.

The Town believes that all of these factors combine for a positive outlook on the Town's financial condition in the future. As residential construction continues to grow and as more and more visitors flock to our area to engage in outdoor recreation and take advantage of the many wineries in our area the retail sector will continue to grow and this will lead to further growth in other sectors of the economy.

Awards and Acknowledgements

The Town believes that our current CAFR meets the standards for the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting award and we will be submitting it to the GFOA for consideration. The Town received the award for FY 2018 and 2019.

Conclusion

The economy in the Winston-Salem area continues to grow on pace with North Carolina. This should continue to benefit the Town and lead to continued growth in all sectors of the economy. While we expect continued growth, the Town realizes that it must prepare for the potential impacts in our departmental service demands and balance what could be significant impacts on the Town's finances. We must continue to work to keep or expenses as low as possible and find ways to leverage our available resources to continue to invest in our community.

I would like to express my great appreciation to Town Clerk Holly Utt for all her work in compiling much of the information within this report and her work in monitoring the Town's budget and general finances. The Board of Commissioners also deserves tremendous accolades for its work in overseeing the Town's finances and ensuring that all Town operations, policies, and procedures are completed with the ultimate levels of transparency and financial accountability.

Respectfully submitted,

James Michael Boaz

Town Manager/Finance Officer

whole B-



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

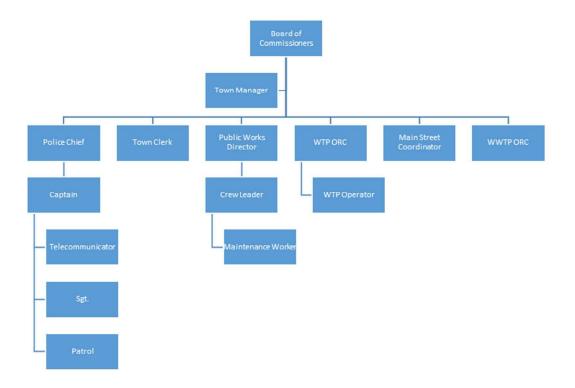
Town of Pilot Mountain North Carolina

For its Annual Comprehensive Financial Report for the Fiscal Year Ended

June 30, 2020

Chuitophe P. Morrill
Executive Director/CEO

Organization Chart Town of Pilot Mountain



Town of Pilot Mountain, North Carolina List of Principal Officials June 30, 2021

Board of Commissioners:

Evan Cockerham – Mayor

Scott Needham – Mayor Pro Tem

Dwight Atkins – Commissioner

Rachel Collins – Commissioner

Donna Kiger – Commissioner

Administrative and Financial Staff:

Michael Boaz, Town Manager/Finance Officer Holly Utt, Town Clerk

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Mayor and Members of the Town Council Town of Pilot Mountain, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Pilot Mountain, North Carolina (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Town of Pilot Mountain ABC Board, which represents 90, 87 and 99 percent of the assets, net position and revenues, respectively, of the discretely presented component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Pilot Mountain ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements for the Town of Pilot Mountain ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, based on our audit, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and aggregate remaining fund information of the Town of Pilot Mountain, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset) (including Contributions) on page 58, and the Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability on page 59, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Town of Pilot Mountain, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 on our consideration of the Town of Pilot Mountain, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Bernard Robinson & Company, J.S.P.

Greensboro, North Carolina February 28, 2022

As management of the Town of Pilot Mountain, we offer readers of the Town of Pilot Mountain's financial statements this narrative overview and analysis of the financial activities of the Town of Pilot Mountain for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

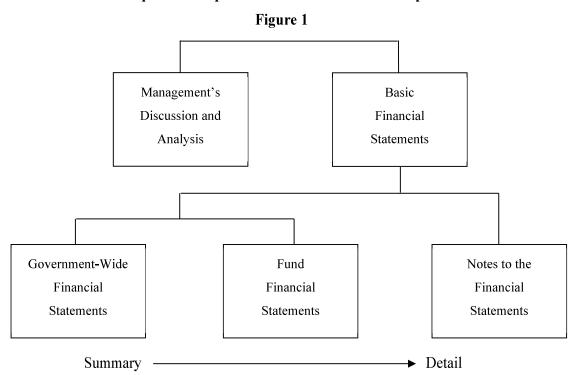
Financial Highlights

- The assets and deferred outflows of resources of the Town of Pilot Mountain exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,365,289.
- The government's total net position increased by \$936,138.
- As of the close of the current fiscal year, the Town of Pilot Mountain's governmental funds reported combined ending fund balances of \$700,975 with a net change of \$151,914 in fund balance. Approximately 94.80 percent of this total amount, or \$664,508, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32,524, or 1.64 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Pilot Mountain, North Carolina's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Pilot Mountain, North Carolina.

Required Components of Annual Financial Report



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 11) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, public works and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town's charges customers to provide. These include the water and sewer services offered by the Town of Pilot Mountain. The final category is the component units. The Town has two component units, the Pilot Mountain ABC Board and The Pilot Mountain Tourism Development Authority. Although legally separate from the Town, the ABC Board is important to the Town. The Town exercises control over the ABC Board by appointing its members and the Board is required to distribute its profits to the Town. The Tourism Development Authority is also legally separate from the Town. However, the Town exercises control over the Tourism Development Authority by appointing its members.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pilot Mountain, North Carolina, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Pilot Mountain, North Carolina adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Commissioners about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Fund – The Town of Pilot Mountain, North Carolina has a proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Fund – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Town of Pilot Mountain, North Carolina has two fiduciary funds, which are agency funds. These agency funds were closed during the year ended June 30, 2021.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 58 of this report.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis Town of Pilot Mountain, North Carolina's Net Position

Figure 2

	Business-Type											
	Government	al Act	ivities		Acti	vities			To	tals		
	 2021		2020		2021		2020	2021			2020	
Assets:												
Current assets	\$ 791,004	\$	627,058	\$	353,416	\$	299,958	\$	1,144,420	\$	927,016	
Capital assets	2,297,471		2,311,062		7,906,972		6,409,799		10,204,443		8,720,861	
Non-current assets	 											
Total assets	3,088,475		2,938,120		8,260,388		6,709,757		11,348,863		9,647,877	
Deferred outflows of resources	 220,203		180,960		40,961		47,632		261,164		228,592	
Liabilities:												
Current liabilities	167,888		177,726		326,385		249,594		494,273		427,320	
Long-term liabilities	624,360		515,986		1,066,003		421,521		1,690,363		937,507	
Other non current liabilities												
Total liabilities	 792,248		693,712		1,392,388		671,115		2,184,636		1,364,827	
Deferred inflows of resources	57,771		81,861		2,331		630		60,102		82,491	
Net Position:												
Net investment in capital assets	2,084,954		2,171,281		7,557,307		5,943,033		9,642,261		8,114,314	
Restricted	664,508		162,860		-		-		664,508		162,860	
Unrestricted	 (290,803)		9,366		(650,677)		142,611		(941,480)		151,977	
Total net position	\$ 2,458,659	\$	2,343,507	\$	6,906,630	\$	6,085,644	\$	9,365,289	\$	8,429,151	

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the 2021 Audit of the Town of Pilot Mountain, North Carolina exceeded liabilities and deferred inflows of resources by \$9,365,289 as of June 30, 2021. The Town's net position increased by \$936,138 for the fiscal year ended June 30, 2021. However, the largest portion (95%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Pilot Mountain, North Carolina uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Pilot Mountain's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Pilot Mountain, North Carolina's net position, \$664,508 represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$(941,480) is unrestricted.

Several particular aspects of the Town's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.81%. The statewide average in fiscal year 2021 was 98.96%.
- Continued growth in sales tax collections.

- Continued efforts by the staff to control expenses.
- Efforts to take care of deferred maintenance and delayed capital expenditures from previous fiscal years caused the expenses to increase this fiscal year.

Town of Pilot Mountain, North Carolina's Changes in Net Position Figure 3

Governmental Activities

	Business-Type
	Activities
2021	2

	GO VEHIMENTAL / TETIVICES		7 tetivities				Totals				
		2021	 2020		2021		2020		2021		2020
Revenues:											
Program revenues:											
Charges for services	\$	444,250	\$ 303,824	\$	1,000,173	\$	921,559	\$	1,444,423	\$	1,225,383
Operating grants											
and contributions		41,301	43,583		-		-		41,301		43,583
Capital grants and											
contributions		2,148	18,608		988,075		693,228		990,223		711,836
General revenues:											
Property taxes		905,018	813,607		-		-		905,018		813,607
Other taxes		648,889	615,263		-		-		648,889		615,263
Gain on disposal of capital assets		26,999	 6,752				-		26,999		6,752
Total revenues		2,068,605	 1,801,637		1,988,248		1,614,787		4,056,853		3,416,424
Expenses:											
General government		302,564	449,724		-		-		302,564		449,724
Public safety		949,928	802,780		-		-		949,928		802,780
Transportation		157,565	139,549		-		-		157,565		139,549
Economic development		162,146	282,186		-		-		162,146		282,186
Environmental protection		274,902	247,280		-		-		274,902		247,280
Cultural and recreation		99,390	93,425		-		-		99,390		93,425
Interest on long-term debt		6,958	3,219		-		-		6,958		3,219
Water and sewer			 		1,167,262		1,127,019		1,167,262		1,127,019
Total expenses		1,953,453	 2,018,163		1,167,262		1,127,019		3,120,715		3,145,182
Increase (decrease) in net position											
before transfers		115,152	(216,526)		820,986		487,768		936,138		271,242
Transfers			 								
Increase (decrease) in net position		115,152	(216,526)		820,986		487,768		936,138		271,242
Net position, previously reported		2,343,507	2,560,033		6,085,644		5,597,876		8,429,151		8,157,909
Restatement			 								
Net position, beginning as restated		2,343,507	 2,560,033		6,085,644		5,597,876		8,429,151		8,157,909
Net position, ending	\$	2,458,659	\$ 2,343,507	\$	6,906,630	\$	6,085,644	\$	9,365,289	\$	8,429,151

Governmental Activities – Governmental activities increased the Town's net position by \$115,152, accounting for 12.3% of the total growth in the net position of the Town. The key elements of this increase are as follows:

- Increased collection of ad valorem taxes. In FY 2020, the Town collected \$813,000 in ad valorem taxes while in FY 2021, this total rose to \$905,000, an increase of approximately \$92,000.
- An increase in local options sales taxes of \$46,899 from FY 2020 to FY 2021.
- The profit distribution from the Pilot Mountain ABC Board was \$218,059 versus \$50,000 in FY 2020.

Business-Type Activities – Business-type activities increased the Town of Pilot Mountain's net position by \$820,986, accounting for 87.7% of the total growth in the government's net position. The key elements of this increase are as follows:

• The Town is working on a number of capital improvement projects in the Water/Sewer fund that added to its net position.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Pilot Mountain uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements.

The General Fund is the chief operating fund of the Town of Pilot Mountain. At the end of the current fiscal year, the Town of Pilot Mountain's fund balance available in the General Fund was \$32,524, while the total fund balance reached \$697,032. The Town currently has an available balance of 1.64% of general fund expenditures, and total fund balance represents 35.24% of the same amount.

At June 30, 2021, the governmental funds of the Town of Pilot Mountain reported a combined fund balance of \$700,975 with a net increase in fund balance of \$151,914 Included in this change in fund balance is an increase in the fund balance for the General Fund and a net decrease in the fund balances for the Capital Project Funds.

General Fund Budgetary Highlights – During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Proprietary Fund – The Town of Pilot Mountain's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$(650,677). The total increase in net position for the fund was \$820,986. The change in net position in the Water and Sewer Fund is primarily the result of the construction of improvements to the Water/Sewer system.

Capital Asset and Debt Administration

Capital Assets – The Town of Pilot Mountain's investment in capital assets for its governmental and business-type activities as of June 30, 2021 totals \$10,204,443 (net of accumulated depreciation). These assets include land, buildings, sewer lines, equipment, and vehicles.

Major capital asset transactions during the year include the following:

- The Town spent \$9,328 for construction in progress for capital projects during the fiscal year.
- The Town spent \$1,833,653 on water and sewer fund capital projects during the fiscal year.

Town of Pilot Mountain, North Carolina's Capital Assets

Figure 4

	Governmen	tal Activities	Business-Ty	pe Activities	Totals			
	2021	2020	2021	2020	2021	2020		
Land	\$ 336,174	\$ 336,174	\$ 168,864	\$ 168,864	\$ 505,038	\$ 505,038		
Building and systems	1,328,411	1,374,955	4,816,262	5,110,723	6,144,673	6,485,678		
Machinery and equipment	23,183	33,130	12,798	39,968	35,981	73,098		
Infrastructure	84,128	88,735	-	-	84,128	88,735		
Vehicles and motorized								
equipment	155,973	117,794	24,395	39,244	180,368	157,038		
Construction in progress	369,602	360,274	2,884,653	1,051,000	3,254,255	1,411,274		
Total	\$ 2,297,471	\$ 2,311,062	\$ 7,906,972	\$ 6,409,799	\$ 10,204,443	\$ 8,720,861		

Additional information on the Town's capital assets can be found in Note 3 of the basic financial statements.

Long-Term Debt – As of June 30, 2021, the Town had total debt outstanding of \$1,889,909. Of this amount, \$1,074,353 is debt backed by the full faith and credit of the Town, \$84,197 is secured by a building, and \$151,892 is secured by equipment. The remainder of the Town's debt is secured solely by specified revenue sources.

Outstanding Debt

Figure 5

Town of Pilot Mountain's Outstanding Debt

	 Government	tal Activ	vities	Business-Type Activities					Totals			
	 2021		2020		2021		2020		2021		2020	
Loan agreement	\$ -	\$	-	\$	81,644	\$	108,858	\$	81,644	\$	108,858	
General obligation bonds	-		-		84,000		98,000		84,000		98,000	
Water line project note payable	-		-		649,914		-		649,914		-	
Water line project note payable	-		-		98,346		=		98,346		-	
Promissory note	84,197		113,263		-		-		84,197		113,263	
Equipment loan payable	-		18,038		-		18,038		=		36,076	
Water meter project	-		-		160,449		210,441		160,449		210,441	
Vehicle loan payable	-		8,480		23,572		31,429		23,572		39,909	
Police vehicle loan payable	59,397		73,425		-		-		59,397		73,425	
Police vehicle loans payable	68,923		-		-		-		68,923		-	
Compensated absences	41,551		43,408		9,919		11,188		51,470		54,596	
Total pension liability (LEO)	148,499		117,630		-		-		148,499		117,630	
Net pension liability (LGERS)	 311,188		254,762		68,310		71,856		379,498		326,618	
Total	\$ 713,755	\$	629,006	\$	1,176,154	\$	549,810	\$	1,889,909	\$	1,178,816	

The Town of Pilot Mountain's total debt increased by \$711,093 (60.3%) during the past fiscal year.

North Carolina's general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Pilot Mountain is \$11,272,436.

Additional information regarding the Town of Pilot Mountain's long-term debt can be found in Note 3 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

The impacts on the Town's economy due to the COVID-19 pandemic were not as severe as originally expected. The Town had originally budgeted for a significant decrease in sales taxes when in fact, sales tax collections were up year over year. The occupancy tax numbers returned to near pre-pandemic levels. The Town was able to make investments in capital equipment and bonuses to personnel during FY 2021. The Town expects the growth in the sales tax numbers to continue during FY 2022, albeit at a slower rate.

Budget Highlights for the Fiscal Year Ended June 30, 2022

Governmental Activities:

- The Board budgeted an increase of \$100,000 in expected profit distributions from the Pilot Mountain ABC Store.
- The Board budgeted an increase of 3% in the local options sales tax revenue for FY 2022.
- The Town anticipates an increase of approximately \$50,000 in ad valorem tax revenues due to a general reevaluation of property in Surry County.
- The Board was able to budget for pay increases and the replacement of rolling stock for FY 2022.

Business-type Activities:

- The Board enacted a rate increase of 17% to water and sewer rates. This rate increase was recommended as a part of the Town's recently completed CIP for the Water/Sewer system.
- The Town will continue to make investments in large capital projects during FY 2022.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Michael Boaz, Town Manager/Finance Officer or Holly Utt, Town Clerk, Town of Pilot Mountain, 124 West Main Street, Box 1, Pilot Mountain, NC 27041. One can also call (336) 368-2248, visit our website at www.pilotmountainnc.org or send an email to mboaz@pilotmountainnc.org or hutt@pilotmountainnc.org.

BASIC FINANCIAL STATEMENTS

J	une	<i>3</i> 0,	202.

		Primary Government			Pilot Mountain Tourism
	Governmental	Business-Type		Pilot Mountain	Development
	Activities	Activities	Total	ABC Board	Authority
Assets					
Current assets:	¢ 116.425	e 40.416	¢ 174.051	6 422.150	e 2.742
Cash and cash equivalents	\$ 116,435	\$ 48,416	\$ 164,851	\$ 422,158	\$ 3,742
Taxes receivables, net	32,461	177 700	32,461	-	45 700
Accounts receivable, net	214,092	177,702	391,794 427,044	-	45,790
Due from other governments Internal balances	122,166	304,878	427,044	-	-
Inventory	218,402	(218,402)	-	299.833	-
Prepaid items	-	-	-	2,460	-
Restricted cash and cash equivalents	- 87,448	40,822	128,270	2,400	-
	791,004	353,416	1,144,420	724,451	49,532
Total current assets	/91,004	333,410	1,144,420		49,332
Non-current assets: Capital assets:					
Land, non-depreciable improvements, and construction in progress	705,776	3,053,517	3,759,293	_	_
Other capital assets, net of depreciation	1,591,695	4,853,455	6,445,150	21,740	-
Total capital assets	2,297,471	7,906,972	10,204,443	21,740	
Security deposit			-	5,000	
Total non-current assets	2,297,471	7,906,972	10,204,443	26,740	
Total assets	3,088,475	8,260,388	11,348,863	751,191	49,532
Deferred Outflows of Resources		0,200,500	11,510,005		19,332
Pension deferrals	220,203	40,961	261,164	13,062	_
Total deferred outflow of resources	220,203	40,961	261,164	13,062	-
Liabilities					
Current liabilities:					
Accounts payable	34,224	175,412	209,636	317,381	1,357
Due to component unit	44,269	- -	44,269	· -	-
Current portion of long-term liabilities	89,395	110,151	199,546	-	-
Payable from restricted assets		40,822	40,822		
Total current liabilities	167,888	326,385	494,273	317,381	1,357
Long-term liabilities:					
Due in more than one year	624,360	1,066,003	1,690,363	18,582	
Total long-term liabilities	624,360	1,066,003	1,690,363	18,582	
Total liabilities	792,248	1,392,388	2,184,636	335,963	1,357
Deferred Inflows of Resources					
Pension deferrals	57,771	2,331	60,102	571	-
Total deferred inflow of resources	57,771	2,331	60,102	571	
Net Position					
Net investment in capital assets	2,084,954	7,557,307	9,642,261	21,740	=
Restricted for:					
Working capital	-	-	-	62,248	=
Stabilization by State Statute	577,060	=	577,060	· -	-
Streets-Powell Bill	87,448	-	87,448	-	-
Unrestricted	(290,803)	(650,677)	(941,480)	343,731	48,175
Total net position	\$ 2,458,659	\$ 6,906,630	\$ 9,365,289	\$ 427,719	\$ 48,175
•					

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA Statement of Activities Year Ended June 30, 2021

Program Revenues Operating Charges for Grants and Grants and Governmental Business-type	Program Revenues Operating Capital Grants and Grants and	Capital Grants and	Capital Grants and	Governmental Bu	imary Bu	Primary Government Business-type	In Net Position	Pilot Mountain	Pilot Mountain Tourism Development
Grants and Grants and Contributions Contributions	Grants and Grants and Contributions Contributions	Grants and Contributions		Governmen Activities	ital	Business-type Activities	Total	Mountain ABC Board	Developme Authority
\$ 302,564 \$ 140,059 \$ - \$ - \$	140,059 \$ - \$ - \$	\$	∽		(162,505)	•	\$ (162,505)	•	<i>S</i>
6,182		•	•		(943,746)	1	(943,746)	•	•
157,565 - 41,301 -		41,301	ı		(116,264)	Ī	(116,264)	•	•
7	218,059				55,913	Ī	55,913	•	•
274,902 79,950 - 2,148	•		2,148		(192,804)	•	(192,804)	•	•
			•		(99,390)	1	(99,390)	•	•
				ļ	(6,958)		(6,958)		•
1,953,453 444,250 41,301 2,148	41,301		2,148		(1,465,754)		(1,465,754)		•
1 167 262 1 000 173		\$70.880	20 080			980 068	980 068		
1.000,173	 	 	988,075			820.986	820.986		
\$1,444,423 \$ 41,301 \$	\$ 41,301	41,301			(1,465,754)	820,986	(644,768)	1	•
€	€		€					i i	
>			-					17,703	
25,446 26,740 -	26,740							•	1,294
\$ 25,446 \$ 26,740 \$ - \$	26,740 \$ -		-			•		17,703	1,294
General Revenues:	:83								
Taxes:									
Property taxes, levied for general purpose	i, levied for general purpose	eral purpose			905,018	Ī	905,018	,	•
Unrestricted intergovernmental revenues	ergovernmental revenues	revenues			648,883	ı	648,883	•	•
Unrestricted investment earnings	estment earnings	8			9	Ī	9	•	•
Gain on disposal of capital assets	d of capital assets	ts			26,999	Ī	26,999	•	•
Total general revenues and transfers	ral revenues and transfers	1 transfers			1,580,906	•	1,580,906	'	'

1,294

46,881

17,703

427,719

8,429,151 \$ 9,365,289

6,085,644 \$ 6,906,630

2,343,507 2,458,659

Net position, beginning Net position - ending

Change in net position

936,138

820,986

115,152

Balance Sheet Governmental Funds June 30, 2021

	Gei	Major Fund neral Fund	Total Non-Major Funds		Gov	Total vernmental Funds
Assets	Φ	100 004	Φ	(551	Φ	116 425
Cash and cash equivalents	\$	109,884	\$	6,551	\$	116,435
Restricted cash		87,448		-		87,448
Receivables, net:		22.461				22.461
Taxes		32,461		-		32,461
Other		214,092		-		214,092
Due from other governments		122,166		-		122,166
Due from other funds		219,876				219,876
Total assets	\$	785,927	\$	6,551	\$	792,478
Liabilities						
Accounts payable and accrued liabilities	\$	33,090	\$	1,134	\$	34,224
Due to other funds		_		1,474		1,474
Due to component unit		44,269		_		44,269
Total liabilities		77,359		2,608		79,967
Deferred Inflow of Resources						
Property taxes receivable		11,536		_		11,536
		11,536				11,536
Fund Balances						
Restricted for:						
Stabilization by State Statue		577,060		_		577,060
Streets		87,448		_		87,448
Assigned:		,				,
Capital project funds		_		3,943		3,943
Subsequent year's expenditures		_		-		_
Unassigned		32,524		_		32,524
Total fund balances		697,032		3,943	-	700,975
Total liabilities, deferred						
of resources and fund	\$	785,927	\$	6,551	\$	792,478

Exhibit 4

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position Governmental Funds

June 30, 2021

Amounts reported for governmental activities in the statement of net positive (Exhibit 1) are different because: Total Fund Balance, Governmental Funds	tion		\$ 700,975
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: Gross capital assets at historical cost Less accumulated depreciation	\$	4,053,266 1,755,795	2,297,471
Earned revenues considered deferred inflows of resources in fund statements			11,536
Long-term liabilities used in governmental activities are not financia uses and therefore are not reported in the funds:	1		
Compensated absences		(41,551)	
Long-term debt		(212,517)	
Total pensions liability		(148,499)	
Net pension liability		(311,188)	(713,755)
Deferred resources related to pensions are not reported in the funds:			
Outflows of resourses		220,203	
Inflows of resourses		(57,771)	 162,432
Net position of governmental activities			\$ 2,458,659

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

Year Ended June 30, 2021

	Major Fund General Fund		Total Non-Major Funds		Fund No		Go	Total vernmental Funds
Revenues								
Ad valorem taxes	\$	905,018	\$	-	\$	905,018		
Unrestricted intergovernmental		648,883		2,148		651,031		
Restricted intergovernmental		266,664		=		266,664		
Permits and fees		4,150		_		4,150		
Investment earnings		6		-		6		
Miscellaneous		216,490				216,490		
Total revenues		2,041,211		2,148		2,043,359		
Expenditures								
Current:								
General government		366,909		=		366,909		
Public safety		915,063		-		915,063		
Transportation		139,412		9,328		148,740		
Economic development		160,833		-		160,833		
Environmental protection		252,197		-		252,197		
Culture and recreation		67,056		-		67,056		
Debt service:								
Principal		69,611		-		69,611		
Interest and other charges		6,958				6,958		
Total expenditures		1,978,039		9,328		1,987,367		
Excess of revenues over (under)								
expenditures		63,172		(7,180)		55,992		
Other Financing Sources (Uses)								
Installment purchase obligations issued		68,923		_		68,923		
Sale of capital assets		26,999		_		26,999		
Total other financing sources		95,922		_		95,922		
Net change in fund balances		159,094		(7,180)		151,914		
Fund balances, beginning		537,938		11,123		549,061		
Fund balances, ending	\$	697,032	\$	3,943	\$	700,975		

256

Exhibit 6

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Governmental Funds

different because:	
Net changes in fund balances - total governmental funds	\$ 151,914
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful live and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay expenditures which were capitalized \$ 104,720 Depreciation expense for governmental activities (118,311)	(13,591)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	66,694
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	17,769
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Change in unavailable revenue for tax revenues	(1,753)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. New long-term debt issued (68,923) Principal payments on long-term debt (69,612)	689
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Compensated absences 1,857 Pension expenses (108,427)	(106,570)
Total changes in net position of governmental activities	\$ 115,152

Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual General Fund

		Genera	ıl Fund	
	Original	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues	Φ 067.500	Φ 006.500	Φ 007.010	Φ 10.510
Ad valorem taxes	\$ 867,500	\$ 886,500	\$ 905,018	\$ 18,518
Unrestricted intergovernmental	523,870	630,114	648,883	18,769
Restricted intergovernmental	134,420	136,420	266,664	130,244
Permits and fees	1,500	1,500	4,150	2,650
Investment earnings	520	520	6	(514)
Miscellaneous	171,750	269,824	216,490	(53,334)
Total revenues	1,699,560	1,924,878	2,041,211	116,333
Expenditures Current:				
General government	342,050	394,900	366,909	27,991
Public safety	774,380	920,258	915,063	5,195
Transportation	138,660	144,350	139,412	4,938
Economic development	148,880	160,840	160,833	7
Environmental protection	224,580	252,280	252,197	83
Cultural and recreation	60,680	68,680	67,056	1,624
Debt service:	,	,	,	,
Principal retirement	58,372	69,672	69,611	61
Interest and other charges	6,958	6,958	6,958	_
Total expenditures	1,754,560	2,017,938	1,978,039	39,899
Revenues under expenditures	(55,000)	(93,060)	63,172	156,232
Other Financing Sources (Uses)				
Installment purchase obligations issued	_	38,060	68,923	30,863
Sale of capital assets	55,000	55,000	26,999	(28,001)
Total other financing sources	55,000	93,060	95,922	2,862
Fund balance appropriated				
Net changes in fund balances	\$ -	\$ -	159,094	\$ 159,094
Fund balances, beginning			537,938	
Fund balances, ending			\$ 697,032	
, <u>, , , , , , , , , , , , , , , , , , </u>				

Statement of Net Position

Proprietary Fund

June 30, 2021

Assets	Major Enterprise Fund Water and Sewer Fund
Current assets:	
Cash and equivalents	\$ 48,416
Account receivables, net	177,702
Due from other governments	11,413
Grant receivable	293,465
Restricted cash and cash equivalents	40,822
Total current assets	571,818
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	3,053,517
Other capital asset, net of depreciation	4,853,455
Total noncurrent assets	7,906,972
Total assets	8,478,790
Deferred Outflows of Resources	
Pension deferrals	40,961
Total deferred outflows of resources	40,961
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	170,477
Accrued interest payable	4,935
Current portion of long-term liabilities	110,151
Due to other funds	218,402
Liabilities payable from restricted assets - customer deposits	40,822
Total current liabilities	544,787
Long-term liabilities:	
Due in more than one year	1,066,003
Total liabilities	1,610,790
Deferred Inflows of Resources	
Pension deferrals	2,331
Total deferred inflows of resources	2,331
Net Position	
Net investment in capital assets	7,557,307
Unrestricted	(650,677)
Total net position	\$ 6,906,630
•	

The notes to the financial statements are an integral part of this statement

Exhibit 9

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Fund

	E	Major nterprise Fund
	V	Vater and
	Se	wer Fund
Operating revenues:		
Water and sewer charges	\$	878,284
Other operating revenues		121,889
Total operating revenues		1,000,173
Operating expenses:		
Sewer department		223,840
Water administration		145,315
Sewer treatment		215,031
Line maintenance		198,481
Depreciation		371,091
Total operating expenses		1,153,758
Operating loss		(153,585)
Non-operating revenues (expenses):		
Interest and other charges		(13,504)
Total non-operating expenses		(13,504)
Net loss before contributions and transfers		(167,089)
Capital contributions		988,075
Change in net position		820,986
Total net position, beginning	_	6,085,644
Total net position, ending	\$	6,906,630

Statement of Cash Flows

Proprietary Fund

	Major Enterprise Fund Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 980,190
Cash paid for goods and services	(379,948)
Cash paid on behalf of employees for services	(202,582)
Net cash provided by operating activities	397,660
Cash flows from noncapital financing activities:	
Increase in due to other funds	(201,969)
Net cash used in noncapital financing activities	(201,969)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,868,264)
Proceeds on long-term liabilities	748,260
Principal paid on long-term liabilities	(117,101)
Interest paid on long-term liabilities	(13,504)
Capital contributions	988,075
Net cash provided by capital and related financing activities	(262,534)
Net increase in cash and cash equivalents	(66,843)
Balances, beginning	156,081
Balances, ending	\$ 89,238

Exhibit 10

Statement of Cash Flows (Continued)

Proprietary Fund

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (153,585)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	371,091
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(17,208)
Due from other governments	(2,775)
Grant receivable	101,651
Deferred outflows of resources - pensions	6,671
Increase (decrease) in:	
Accounts payable and accrued liabilities	93,914
Customers deposits	1,015
Compensated absences	(1,269)
Net pension liability	(3,546)
Deferred inflows of resources - pensions	1,701
Total adjustments	 551,245
Net cash provided by operating activities	\$ 397,660

Exhibit 11

Statement of Fiduciary Net Position Fiduciary Fund

Assets	Agenc Fund	
Cash and cash equivalents	_ \$	
Total assets	\$	
Liabilities		
Liabilities:		
Intergovernmental payable	\$	
Total liabilities	\$	_

NOTES TO THE FINANCIAL STATEMENTS

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Pilot Mountain, North Carolina (the "Town") and its discretely presented component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of Pilot Mountain, North Carolina is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component units, legally separate entities for which the Town is financially accountable. The discretely presented component units presented below are reported in separate columns in the Town's financial statements in order to emphasize that they are legally separate from the Town.

Pilot Mountain ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Pilot Mountain ABC Board, P.O. Box 1478, Pilot Mountain, NC 27041.

Pilot Mountain Tourism Development Authority

The members of the Tourism Development Authority's governing board are appointed by the Town. In addition, the Town of Pilot Mountain transfers all of the occupancy tax collected to the Tourism Development Authority to be used to promote tourism. The Tourism Development Authority, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). A separate report was not issued for the Tourism Development Authority.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Separate financial statements are provided for fiduciary funds even though they are excluded from the government-wide financial statements.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for administration, public works, street maintenance and construction, and sanitation services.

The Town reports the following non-major governmental fund:

Landfill Rehabilitation Project Capital Project Fund – This fund is used to account for the rehabilitation expenses of the Town's landfill.

Streetscape Capital Project Fund – This fund is used to account for planned upgrade to the streetscape on Main and Depot Street.

Street Resurfacing Capital Project Fund - This fund is used to account for resurfacing the Town's maintained streets.

The Town reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the Town's water and sewer operations. Water and sewer capital project funds have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparisons for the water and sewer capital project funds have been included in the supplemental information.

The Town reports the following fiduciary funds:

Mount Pilot Now Fiduciary Fund

The Town maintained fiduciary responsibility over the bank account for Mount Pilot Now. As of June 30, 2021, the Town no longer maintains this account.

Pilot Mountain Area Business Association Committee Fiduciary Fund

The Town maintained fiduciary responsibility over the bank account for the Pilot Mountain Area Business Association Committee. As of June 30, 2021, the Town no longer maintains this account.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Proprietary Fund Financial Statements - The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Pilot Mountain because the tax is levied by Surry County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

The Town's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General and Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Landfill Rehabilitation Project, Streetscape, Street Resurfacing, Water/Sewer Interconnection/Regionalization Study, Sunset Sewer Project, Water/Sewer AIA Project, Wastewater Treatment Plan/Pump Station Rehab Project, Water and Sewer Infrastructure funds, and Simmons Water Line Project. The Enterprise Fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

Deposits and Investments

All deposits of the Town and its component units are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and its component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and its component units may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and its component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's and component units' investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The ABC Board and the Tourism Development Authority consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Town of Pilot Mountain Restricted Cash

Covernmental Astivities

Governmental Activities:	
General Fund - Streets	\$ 87,448
Total Governmental Activities	87,448
Business-Type Activities:	
Water and Sewer Fund - Customer deposits	40,822
Total Business-Type Activities	40,822
Total Restricted Cash	\$ 128,270

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Inventory and Prepaid Items

The inventories of the ABC Board are valued at the lower of cost (first-in, first-out) or net realizable value. The inventories of the ABC Board consist of goods held for sale. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are set at \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and systems	20 to 50 years
Infrastructure	30 years
Plant and distribution systems	40 years
Equipment	3 to 10 years
Furniture and maintenance equipment	3 to 20 years
Vehicles	3 to 20 years

Property and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Equipment	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has an item that meets this criterion which is the pension deferrals for the 2021 fiscal year. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category – property taxes receivable and pension deferrals.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave. Any unused vacation at the end of each calendar year in excess of the thirty days is converted to sick leave. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Upon initial eligibility, ABC Board employees earn 96 vacation hours per year and after 10 years of eligible service, 144 vacation hours per year. Unused vacation at the end of each calendar year may not be carried over to the next year.

ABC Board employees can accumulate an unlimited amount of sick leave. Sick leave may be used in the determination of length of service for retirement benefit purposes. Since the ABC Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position

Net Position - Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Assigned fund balance – portion of fund balance that the Town intends to use for specific purposes:

Assigned for capital projects – portion of fund balance that has been budgeted by the Board for construction of various capital projects.

Assigned for subsequent year's expenditures – portion of fund balance that is appropriated by the Board in the next year's budget that is not already classified in restricted.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, Federal funds, State funds, local non-Town funds, and Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 40% of budgeted expenditures.

Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Pilot Mountain's employer contributions are recognized when due and the Town of Pilot Mountain has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Notes to Financial Statements

NOTE 3 – DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits

All the deposits of the Town and its component units are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's or its component units' agents in the units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and its component units, these deposits are considered to be held by the Town's and component units' agents in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, its component units, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and its component units under the Pooling Method, the potential exists for under collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board and the Tourism Development Authority have no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the Town's deposits had a carrying amount of \$289,729 and a bank balance of \$655,681. Of the bank balance, \$275,031 was covered by federal depository insurance and the remainder would be covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$420,258 and the bank balance was \$460,822, Mount Pilot Now Agency Fund was \$0, Pilot Mountain Area Business Association Committee Agency Fund was \$0 and Tourism Development Authority was \$3,692 for both the carrying amount and bank balance. All of the bank balances were covered by federal depository insurance. At June 30, 2021, petty cash for the Town was \$662, ABC Board was \$1,900 and Tourism Development Authority was \$50.

Investments

At June 30, 2021, the Town had \$2,730 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk: The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy limits the Town's investment portfolio to maturities of less than 12 months.

Notes to Financial Statements

NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Credit Risk: The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town's investment to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investor's Service as of June 30, 2021.

Custodial Credit Risk: For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town has no formal policy but management procedures are that the Town shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the Town's name to limit custodial credit risk.

Concentration of Credit Risk: The Town's Board places no limit on the amount that the Town may invest in any one issuer. All of the Town's investments are in the NC Capital Management Trust Government Portfolio.

NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2021 was as follows:

	В	eginning						Ending
	E	Balances	Inc	creases	De	ecreases	I	Balances
Governmental Activities:								
Capital assets not being								
depreciated:								
Land	\$	336,174	\$	-	\$	=	\$	336,174
Construction in progress		360,274		9,328				369,602
Total capital assets not								
being depreciated		696,448		9,328				705,776
Capital assets being								
depreciated:								
Buildings and systems		2,547,542		6,500		=		2,554,042
Machinery and equipment		284,780		11,047		=		295,827
Vehicles and motorized								
equipment		311,734		77,845		30,158		359,421
Infrastructure		138,200						138,200
Total capital assets								
being depreciated		3,282,256		95,392		30,158		3,347,490
Less accumulated								
depreciation for:								
Buildings and systems		1,172,587		53,044		-		1,225,631
Machinery and equipment		251,650		20,994		-		272,644
Vehicles and motorized								
equipment		193,940		39,666		30,158		203,448
Infrastructure		49,465		4,607				54,072
Total accumulated								
depreciation		1,667,642		118,311		30,158		1,755,795
Total capital assets being								
depreciated, net		1,614,614						1,591,695
Government activity capital								
assets, net	\$	2,311,062					\$	2,297,471

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 26,261
Public Safety	11,342
Transportation	27,323
Pilot Center	41,017
Environmental Protection	12,368
Total depreciation expense	\$ 118,311

Capital asset activity for the Business-Type Activities was as follows:

	Beginning Balances	Imamangan	Разманда	Ending Balances
Business-Type Activities:	Balances	Increases	Decreases	Balances
Water and Sewer Fund:				
Capital assets not being				
depreciated:				
Land	\$ 168,864	\$ -	\$ -	\$ 168,864
Construction in process	1,051,000	1,833,653	Φ -	2,884,653
	1,031,000	1,033,033		2,004,033
Total capital assets not	1 210 074	1.022.652		2.052.517
being depreciated	1,219,864	1,833,653		3,053,517
Capital assets being				
depreciated:				
Buildings and systems	14,582,310	34,611	-	14,616,921
Machinery and equipment	247,685	-	-	247,685
Vehicles and motorized				
equipment	79,979			79,979
Total capital assets				
being depreciated	14,909,974	34,611		14,944,585
Less accumulated				
depreciation for:				
Buildings and systems	9,471,587	329,072	-	9,800,659
Machinery and equipment	207,717	27,170	-	234,887
Vehicles and motorized				
equipment	40,735	14,849	_	55,584
Total accumulated				
depreciation	9,720,039	371,091	-	10,091,130
Total capital assets being				
depreciated, net	5,189,935			4,853,455
Business-type activity				
capital assets, net	\$ 6,409,799			\$ 7,906,972

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	В	eginning]	Ending
	В	alances	Inc	reases	Dec	reases	В	alances
Capital assets being								
depreciated:								
Furniture and equipment	\$	116,935	\$	2,669	\$		\$	119,604
Total capital assets								
being depreciated		116,935		2,669				119,604
Less accumulated								
depreciation for:								
Furniture and equipment		92,019		5,845		_		97,864
Total accumulated								
depreciation		92,019		5,845				97,864
Government activity capital								
assets, net	\$	24,916					\$	21,740

B. Liabilities

Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description: Town of Pilot Mountain, North Carolina is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Pilot Mountain employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Pilot Mountain's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.23% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Pilot Mountain were \$80,757 for the year ended June 30, 2021.

Refunds of Contributions - Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Town reported a liability of \$379,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.01062%, which was a decrease of 0.00134% from its proportion measured as of June 30, 2019.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$132,190. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		D	eferred
			Inflows of	
			Re	esources
Differences between expected and actual experience	\$	47,924	\$	-
Changes of assumptions		28,242		-
Net difference between projected and actual earnings				
on pension plan investments		53,405		=
Changes in proportion and differences between Town				
contributions and proportionate share of contributions		17,232		12,950
Town contributions subsequent to the measurement date		80,757		-
	\$	227,560	\$	12,950

\$80,757 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 41,100
2023	51,148
2024	25,798
2025	 15,807
	\$ 133,853

Actuarial Assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase	3.50 to 8.10%, including inflation
	and productivity factor
Investment rate of return	7.0%, net of pension plan investment
	expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

		Long-Term Expected
Asset Class	Target Allocation	Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1%		Discount		1%	
	Decrease (6.00%)				Increase (8.00%)	
Towns' proportionate share of the						_
net pension liability (asset)	\$	769,960	\$	379,498	\$	54,997

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of Pilot Mountain administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	8
	9

Summary of Significant Accounting Policies

Basis of Accounting: The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25 to 7.75%, including inflation
	and productivity factor
Discount rate	1.93%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for morality improvements based on Scale AA.

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$17,769 as benefits came due for the reporting period.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At June 30, 2021, the Town reported a total pension liability of \$148,499. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of (\$5,360).

Deferred Outflows of Resources		Deferred Inflows of Resources					
				\$	13,573	\$	46,369
					20,031		783
			-				
\$	33,604	\$	47,152				
	Ou Re	Outflows of Resources \$ 13,573	Outflows of Resources Resources \$ 13,573 \$ 20,031				

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ (24,834)
2023	(2,543)
2024	1,756
2025	6,781
2026	 5,292
	\$ (13,548)

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

		1%	Γ	Discount		1%
	D	ecrease		Rate	I	ncrease
	(0.93%)	(1.93%)	(2.93%)
Town's proportionate share of the						
net pension liability (asset)	\$	157,199	\$	148,499	\$	140,535

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$ 117,630
Service cost	5,896
Interest on the total pension liability	3,545
Differences between expected and actual experience	
measurement of the total pension liability	16,412
Changes of assumptions or other inputs	22,785
Benefit payments	 (17,769)
Ending balance of the total pension liability	\$ 148,499

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Total Expense, Liabilities and Deferred Outflows and Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pensions expenses for all pensions plans:

	LGERS	LEOSSA	Total
Pension Expense Pension Liability	\$ 132,190 379,498	\$ (5,360) 148,499	\$ 126,830 527,997
Proportionate share of the net pension liability	0.01062%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	47,924	13,573	61,497
Changes of assumptions	28,242	20,031	48,273
Net difference between projected and actual earnings on			
plan investments	53,405	-	53,405
Changes in proportion and differences between contributions			
and proportionate share of contributions	17,232	-	17,232
Benefit payments and administrative costs paid subsequent to			
the measurement date	80,757	-	80,757
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	46,369	46,369
Changes of assumptions	-	783	783
Changes in proportion and differences between contributions			
and proportionate share of contributions	12,950	-	12,950

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description: The Town contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers and employees not engaged in law enforcement employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5.00% of each officer's and employee's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers and employees may make voluntary contributions to the plan.

The Town made contributions of \$21,398 for the reporting year. No amounts were forfeited.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

d. Other Postemployment Benefits (OPEB)

Healthcare Benefits

Plan Description: Under the terms of a Town resolution, the Town administers a single employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System ("System") and have at least fifteen years of creditable service with the Town. The Town pays a percentage of the cost of coverage based upon the number of years of service for these benefits through private insurers. The Town Council may amend the benefit provisions. A separate report was not issued for the plan. The plan only has one member. The plan is deemed to be immaterial and thus no valuation was performed.

Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

a. Pilot Mountain ABC Board Retirement Plan

Plan Description. The ABC Board is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The ABC Board's contractually required contribution rate for the year ended June 30, 2021, was 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the ABC Board were \$5,421 for the year ended June 30, 2021.

Refunds of Contributions. Board employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Board reported a liability of \$18,582 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension asset was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Board's proportion was 0.00052%, which was a decrease of 0.00002% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Board recognized pension expense of \$6,667.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	2,347	\$	-
Changes of assumptions		1,383		-
Net difference between projected and actual earnings on pension plan investments		2,615		-
Changes in proportion and differences between employer contributions and proportionate				
share of contributions		1,296		571
Employer contributions subsequent to the				
measurement date		5,421		-
	\$	13,062	\$	571

\$5,421 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 2,154
2023	2,735
2024	1,405
2025	776
2026	 -
	\$ 7,070

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase	3.50 to 8.10%, including inflation
	and productivity factor
Investment rate of return	7.0%, net of pension plan investment
	expense, including inflation

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

		Long-Term Expected
Asset Class	Target Allocation	Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
	100.0%	
	<u>-</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease		Discount		1%	
			e Rate			crease
	(6	5.00%)	(7	7.00%)	(8	3.00%)
ABC Board's proportionate share of the						
net pension liability (asset)	\$	37,700	\$	18,582	\$	2,693

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

Deferred Outflows and Inflows of Resources

The Town had one deferred outflow of resources. Deferred outflows of resources are comprised of the following:

	Sta	tement of
	Ne	t Position
Contributions to pension plan in current fiscal year	\$	80,757
Differences between expected and actual experience		61,497
Changes in assumptions		48,273
Net differences between projected and actual		
experience		53,405
Changes in proportion and differences between		
employer contributions and proportionate share		
of contributions		17,232
	\$	261,164

Deferred inflows of resources at year-end are comprised of the following:

	Statement of		General Fund	
	Net Position		Bala	nce Sheet
Tax Receivables	\$	-	\$	11,536
Differences between expected and actual				
experience		46,369		-
Changes in assumptions		783		-
Changes in proportion and differences between				
employer contributions and proportionate share				
of contributions		12,950		-
Total	\$	60,102	\$	11,536

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance as none of the Town's property is within flood zones.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$30,000.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workmen's compensation and employee health coverage. The board also has liquor legal liability.

Notes to Financial Statements

NOTE 3 - DETAIL NOTES ON ALL FUNDS (Continued)

There have been no significant reductions in insurance coverage for the ABC Board from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each ABC Board member and employees designated as the general manager and finance officer are bonded in the amount of \$50,000, secured by a corporate surety.

The finance officer of the Tourism Development Authority is bonded in the amount of \$50,000, secured by a corporate surety.

Claims, Judgments and Contingent Liabilities

As of June 30, 2021, the Town was aware of several unasserted possible claims or assessments. In the opinion of the Town's management, the ultimate effect of these matters will not have a material adverse effect on the Town's financial position.

Commitments

The Town has entered into a contract for solid waste collection expiring June 2022 for approximately \$60,000 per year.

The ABC Board has an operating lease for its facility at 630 S. Key Street, Suite C, Pilot Mountain, North Carolina. The lease expires December 31, 2024. Rental expense was \$29,517 for the year ended June 30, 2021.

The future minimum lease payments under this operating lease as at June 30, 2021, are as follows:

Year Ending June 30	
2022	\$ 29,960
2023	30,858
2024	31,784
2025	 16,127
	\$ 108,729

The ABC Board is responsible for utilities and insurance. The payment of the rentals is guaranteed by the Town of Pilot Mountain.

Long-Term Obligations

a. Loan Agreement

The Town has pledged future water and sewer revenues, net of specified operating expenses, to repay \$544,284 in direct placement water and sewer system revenue bonds issued in June 2004. Proceeds from the bonds provided financing for the construction of water line extensions and water plant renovations. The bonds are secured solely by water and sewer revenues, net of specified operating expenses and are payable, including interest at 2.57%, through 2024. Annual principal and interest payments on the bonds are expected to require substantially all water and sewer net revenues. In the event of a default, the Town agrees to pay to the purchaser, on demand, all outstanding principal and interest owed under the related agreement.

Annual debt service requirements to maturity for long-term obligations are as follows:

	P	rincipal	Interest		
Year Ending June 30					
2022	\$	27,214	\$	2,098	
2023		27,214		1,398	
2024		27,216		700	
	\$	81,644	\$	4,196	

b. General Obligation Bonds

The Town's direct placement general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due. The bonds bear interest at 5.00% per annum. In the event of a default, the Town agrees to pay to the purchaser, on demand, all outstanding principal and interest owed under the related agreement.

Annual debt service requirements to maturity for long-term obligations are as follows:

	P	rincipal	Interest		
Year Ending June 30					
2022	\$	14,000	\$	4,200	
2023		14,000		3,500	
2024		14,000		2,800	
2025		14,000		2,100	
2026		14,000		2,100	
2027		14,000			
	\$	84,000	\$	14,700	

c. <u>Promissory Note</u>

On March 23, 2009, the Town entered into an interlocal agreement with Surry County, North Carolina for the creation of a workforce development center. Surry County purchased the building to house the project for \$540,040, and named the Town as the owner on the deed. Surry County has gifted one half of the building to the Town and the Town has signed a promissory note for the remaining half at \$270,020. The promissory note calls for interest at 3%. Payments of \$11,243, which includes interest, are due each October 1 and April 1 through April 1, 2025. The promissory note is secured by a Deed of Trust on the building. The Town has agreed to assume certain costs related to the project such as site assessment, renovations, and improvements. Upon sale of the property or any portion thereof, the sales proceeds will accrue to the County and Town equally.

Annual debt service requirements to maturity for long-term obligations are as follows:

	P	rincipal	Interest		
Year Ending June 30					
2022	\$	20,113	\$	2,376	
2023		20,720		1,768	
2024		21,345		1,141	
2025		22,019		496	
	\$	84,197	\$	5,781	

On January 18, 2013, the Town of Pilot Mountain recorded a declaration of Pilot Center Condominium, which encumbered the property. In conjunction with the creation of the Condominium, there also was incorporated under the laws of the State of North Carolina an association known as the Pilot Center Condominium Association. Subsequent to that date on January 30, 2013, the Town of Pilot Mountain sold a portion of the property.

d. Note Payable

On November 2, 2016, the Town borrowed \$55,000 from a bank to purchase a vehicle. The direct placement note payable requires annual payments of \$7,857 plus interest of 2.28% through November 2023. The note is secured by the vehicle.

Annual debt service requirements to maturity for long-term obligations are as follows:

	P	rincipal	Interest		
Year Ending June 30		_			
2022	\$	7,857	\$	545	
2023		7,857		363	
2024		7,858		182	
	\$	23,572	\$	1,090	

e. Water Meter Note Payable

On December 15, 2016, the Town borrowed \$350,000 from a financing organization to improve water meters. The direct placement note payable requires annual payments of \$54,792 which includes interest at 2.8% through January 2024. The note is secured by property.

Annual debt service requirements to maturity for long-term obligations are as follows:

	P	Principal	Interest		
Year Ending June 30					
2022	\$	51,161	\$	3,631	
2023		52,344		2,448	
2024		56,944		1,238	
	\$	160,449	¢	7,317	
	<u> </u>	100,449	Ψ	7,517	

f. Note Payable

On December 3, 2019, the Town borrowed \$73,425 from a bank to purchase two police vehicles and related vehicles. The direct placement note payables requires annual payments of \$15,709 which includes interest at 5.5% through 2025. The note is secured by the vehicles.

Annual debt service requirements to maturity for note payable obligations ae as follows:

	P	rincipal	Interest		
Year Ending June 30					
2022	\$	14,349	\$	1,360	
2023		14,677		132	
2024		15,014		696	
2025	-	15,357		352	
	\$	59,397	\$	2,540	

g. Note Payable

On June 1, 2021, the Town borrowed \$68,923 from a bank to purchase two police vehicles. The direct placement note payables requires annual payments of \$14,403 which includes interest at 1.57% through 2026. The note is secured by the vehicles.

Annual debt service requirements to maturity for note payable obligations ae as follows:

	P	rincipal	Interest		
Year Ending June 30					
2022	\$	13,382	\$	1,020	
2023		13,581		822	
2024		13,782		621	
2025		13,986		417	
2026		14,192		210	
	\$	68,923	\$	3,090	

h. Water Project Notes Payable

On May 22, 2020, the Town signed a temporary promissory note with the North Carolina Department of Environmental Quality for \$1,006,042 for a water and sanitary sewer project. The direct placement note payable will require semi- annual payments on or before May 1 and November 1 of each year. The first payment is due not earlier than six months nor later than twelve months after the scheduled date of completion of the project. The project is still ongoing as of the report date. The balance at June 30, 2021 was \$98,346.

On December 16, 2021 the Town signed a temporary promissory note with the North Carolina Department of Environmental Quality for \$2,145,000 for a water and sanitary sewer project. The direct placement note payable will require semi- annual payments on or before May 1 and November 1 of each year. The first payment is due not earlier than six months nor later than twelve months after the scheduled date of completion of the project. The project is still ongoing as of the report date. The note will be split between the Town, the City of Mount Airy, and Surry County. The balance for the Town at June 30, 2021 was \$649,914.

i. Changes in Long-Term Liabilities

Compensated absences for governmental activities have typically been liquidated in the General Fund.

	В	Beginning					Ending	(Current
]	Balance	Ir	ncreases	D	ecreases	 Balance		Portion
Governmental Activities:									
Direct placement									
Promissory note	\$	113,263	\$	-	\$	29,066	\$ 84,197	\$	20,113
Vehicle loan payable		8,480		-		8,480	-		-
Police vehicle loan payable		73,425		-		14,028	59,397		14,349
Equipment loan payable		18,038		-		18,038	-		-
Police vehicle loans payable		-		68,923		-	68,923		13,382
Compensated absences		43,408		41,551		43,408	41,551		41,551
Total pension liability (LEO)		117,630		30,869		-	148,499		-
Net pension liability (LGERS)		254,762		56,426			 311,188		
Total governmental activity									
long-term liabilities	\$	629,006	\$	197,769	\$	113,020	\$ 713,755	\$	89,395
Business-Type Activities:									
General obligation bonds	\$	98,000	\$	-	\$	14,000	\$ 84,000	\$	14,000
Water project loan payable		-		649,914		-	649,914		-
Water project loan payable		-		98,346		-	98,346		-
Loan agreement		108,858		-		27,214	81,644		27,214
Vehicle loan payable		31,429		-		7,857	23,572		7,857
Equipment loan payable		18,038		-		18,038	-		-
Water meter project		210,441		-		49,992	160,449		51,161
Compensated absences		11,188		9,919		11,188	9,919		9,919
Net pension liability (LGERS)		71,856		-		3,546	68,310		
Total business-type activity		_		_		_	 _		
long-term liabilities	\$	549,810	\$	758,179	\$	131,835	\$ 1,176,154	\$	110,151

Interfund Balances and Activity

Balances due to/from other funds at June 20, 2021, consist of the following:

Due from Water and Sewer Fund to General Fund for cash advances

\$ 218,402

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund services provided and used are not eliminated in the process of consolidation.

Notes to Financial Statements

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the granter agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 6 – CHANGE IN ACCOUNTING PRINCIPLE

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the Town performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. No restatements of fund balance and net position were necessary. As of June 30, 2021, the Town no longer has any fiduciary relationships.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

10.51%

9.32%

Proportionate Share of Net Pension Liability (Asset) Local Government Employees' Retirement System Required Supplementary Information Last Eight Fiscal Years

covered payroll

		2021	2020		2019		2018	 2017	2016	 2015	 2014
Proportion of the net pension liability (asset) (%)		0.01062%	0.01196%		0.01143%		0.00869%	0.00867%	0.01213%	0.01217%	0.01180%
Proportion of the net pension liability (asset) (\$)	\$	379,498	\$ 326,618	\$	271,159	\$	132,759	\$ 184,006	\$ 54,439	\$ (71,772)	\$ 142,235
Covered payroll		786,408	796,146		729,844		666,276	631,972	722,998	732,684	716,954
Proportionate share of net pension liability (asset) as a percentage of its covered payroll		48.26%	41.02%		37.15%		19.93%	29.12%	7.53%	-9.80%	19.84%
Plan fiduciary net position as a percenta of the total pension liability**	ige	91.63%	94.18%		91.47%		98.09%	99.07%	102.64%	94.35%	96.45%
* The amounts presented for each fisca ** This will be the same percentage for	-			-	_	ne 30).				
Contributions											
Contractually required contribution	\$	80,757	\$ 73,291	\$	47,769	\$	31,742	\$ 50,736	\$ 43,857	\$ 52,139	\$ 52,433
Contributions in relation to the contractually required contribution		80,757	73,291		47,769		31,742	 50,736	43,857	52,139	52,433
Contributions deficiency (excess)	\$		\$ -	\$	-	\$	-	\$ -	\$ 	\$ -	\$
Covered payroll	\$	768,592	\$ 786,408	\$	796,146	\$	729,844	\$ 666,276	\$ 631,972	\$ 722,998	\$ 732,684
Contributions as a percentage of											

6.00%

4.35%

7.61%

6.94%

7.21%

7.16%

Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability Required Supplementary Information

Last Five Fiscal Years*

	2021		2020	2019		2018		2017
Beginning balance	\$ 117,	630 \$	149,332	\$	250,078	\$	202,902	\$ 206,573
Service cost	5,	896	6,861		6,600		6,645	8,294
Interest on the total pension liability	3,	545	5,267		7,647		7,520	7,086
Differences between expected and actual experience								
in the measurement of the total pension liability	16,	412	(36,651)		(95,883)		39,139	-
Changes of assumptions or other inputs	22,	785	2,074		(2,961)		10,021	(2,902)
Benefit payments	(17,	769)	(9,253)		(16,149)		(16,149)	(16,149)
Ending balance of the total pension liability	\$ 148,	499 \$	117,630	\$	149,332	\$	250,078	\$ 202,902

^{*}The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total pension liability	\$ 148,499	\$ 117,630	\$ 149,332	\$ 250,078	\$ 202,902
Covered - employee payroll	289,398	337,983	327,564	279,200	313,814
Total pension liability as a percentage of covered payroll	51.31%	34.80%	45.59%	89.57%	64.66%

Notes to the Schedules:

The Town of Pilot Mountain has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund

Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:		7 ICtual	(Ivegative)
Ad valorem taxes:			
Taxes		\$ 898,531	
Interest		6,487	
Total	\$ 886,500	905,018	\$ 18,518
Unrestricted intergovernmental:			
Local option sales taxes		534,223	
Utilities sales tax		107,832	
Beer and wine tax		6,541	
Court fees and charges		287	
Total	630,114	648,883	18,769
Restricted intergovernmental:		_	
Powell Bill allocation		41,301	
ABC revenue for law enforcement		6,182	
ABC store profit sharing		218,059	
Solid waste disposal tax		1,122	
Total	136,420	266,664	130,244
Permits and fees:			
Inspection and zoning		4,150	
Total	1,500	4,150	2,650
Miscellaneous:	 _	<u> </u>	
Cemetery income		6,750	
Rental income		4,550	
Sanitation fees		78,828	
Miscellaneous		126,362	
Total	269,824	216,490	(53,334)
Investment earnings	520	6	(514)
Total Revenues	1,924,878	2,041,211	116,333
Expenditures: General government:			
Governing body:			
Salaries and employee benefits		17,411	
Other operating expenditures		53,739	
Total		71,150	
	(Continued)		

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund (Continued)

Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
General government (Continued):			
Administration:			
Salaries and employee benefits		\$ 190,362	
Professional services		31,649	
Supplies		20,633	
Travel and training		7,632	
Postage		800	
Utilities		6,645	
Maintenance and repairs		6,559	
Contracted services		16,829	
Insurance and bonds		8,070	
Dues and subscriptions		2,965	
Miscellaneous		3,615	
Total		295,759	
Total general government	\$ 394,900	366,909	\$ 27,991
Public Safety:			
Police department:			
Salaries and employee benefits		628,370	
Supplies		81,270	
Uniforms		2,551	
Automotive supplies		15,822	
Travel and training		3,027	
Telephone, postage and printing		9,824	
Utilities		5,613	
Maintenance and repairs		19,103	
Contracted services		23,727	
Insurance and bonds		16,756	
Dues and subscription		952	
Contribution to rescue		12,000	
Miscellaneous		4,608	
Capital outlay		91,440	
Total		915,063	
Total public safety	920,258	915,063	5,195

(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund (Continued)

Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Transportation:			
Public works:			
Salaries and employee benefits		\$ 42,673	
Supplies		9,620	
Utilities		39,211	
Maintenance and repairs		4,721	
Contracted services		32,629	
Insurance		7,000	
Rents		905	
Miscellaneous		1,307	
Capital outlay		1,346	
Total		139,412	
Total transportation	\$ 144,350	139,412	\$ 4,938
Economic development:			
Salaries and employee benefits		50,287	
Supplies		11,562	
Insurance		4,469	
Contracted services		21,002	
Professional services		26,909	
Special events		16,247	
Miscellaneous		30,357	
Total economic development	160,840	160,833	7
Environmental protection:			
Sanitation:			
Salaries and employee benefits		125,927	
Supplies		2,968	
Utilities		2,661	
Maintenance and repairs		3,758	
Insurance		4,940	
Contracted services		103,830	
Miscellaneous		8,113	
Total		252,197	
Total environmental protection	252,280	252,197	83
	(Continued)		

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund (Continued)

Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Cultural and recreation:			
Library:			
Contributions		\$ 35,000	
Maintenance and repairs		378	
Insurance		3,340	
Pilot Center:			
Utilities		12,852	
Maintenance and repairs		11,361	
Insurance		3,340	
Contracted services		785	
Total cultural and recreation	\$ 68,680	67,056	\$ 1,624
Debt service:			
Principal		69,611	
Interest and other charges		6,958	
Total debt service	76,630	76,569	61
Total expenditures	2,017,938	1,978,039	39,899
Revenue over (under) expenditures	(93,060)	63,172	156,232
Other financing sources (uses):			
Installment purchase obligations issued	38,060	68,923	30,863
Sale of capital assets	55,000	26,999	(28,001)
Total other financing sources	93,060	95,922	2,862
Fund balance appropriated			
Net change in fund balance	<u> </u>	159,094	\$ 159,094
Fund balances, beginning		537,938	
Fund balances, ending		\$ 697,032	

Combining Statement of Net Position

Nonmajor Governmental Funds

June 30, 2021

		C	Capital I	Project Fund	s			Total onmajor	
	L	andfill			;	Street	Gov	ernmental	
	Reha	abilitation	Str	eetscape	Res	surfacing	Funds		
Assets									
Cash and cash equivalents	\$ 532		\$ -		\$	6,019	\$	6,551	
Total assets	\$	532	\$	-	\$	6,019	\$	6,551	
Liabilities									
Accounts payable and accrued liabilities	\$	1,134	\$	_	\$	_	\$	1,134	
Due to general fund		_		1,474		_		1,474	
Total liabilities		1,134		1,474		-		2,608	
Fund Balances									
Assigned:									
Capital project funds		(602)		(1,474)		6,019		3,943	
Total fund balances		(602)		(1,474)		6,019		3,943	
Total liabilities, deferred inflows of resources									
and fund balances	\$	532	\$		\$	6,019	\$	6,551	

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2021

	C			Fotal onmajor			
	and fill abilitation	•	eetscape	S	treet urfacing	Gov	ernmental Funds
Revenues	 						
Unrestricted intergovernmental	\$ 2,148	\$ -		\$ -		\$	2,148
Total revenues	2,148						2,148
Expenditures							
Current: Capital outlay	2,750		_		_		2,750
Transportation	2,730		6,578		_		6,578
Total expenditures	2,750		6,578		-		9,328
Excess of revenues over (under) expenditures	 (602)		(6,578)				(7,180)
Net change in fund balances	 (602)		(6,578)				(7,180)
Fund balances, beginning	 		5,104		6,019		11,123
Fund balances, ending	\$ (602)	\$	(1,474)	\$	6,019	\$	3,943

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Landfill Rehabilitation Project From Inception and for the Fiscal Year Ended June 30, 2021

				Actual					ariance
]	Project	Prior	С	urrent	Total to		Positive	
	Aut	horization	Years	Year		Date		(N	egative)
Revenues:									
Restricted intergovernmental:									
Division of Waste Management									
grant	\$	143,554	\$ 160,816	\$	2,148	\$	162,964	\$	19,410
Total revenues		143,554	160,816		2,148		162,964		19,410
Expenditures:									
Capital outlay		143,554	160,621		2,750		163,371		19,817
Total expenditures		143,554	160,621		2,750		163,371		19,817
Net change in fund balance	\$		\$ 195		(602)	\$	(407)	\$	(407)
Fund balances, beginning									
Fund balances, ending				\$	(602)				

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Streetscape Project From Inception and for the Fiscal Year Ended June 30, 2021

					Variance				
	I	Project	Prior	C	urrent]	Total to	P	ositive
	Aut	horization	 Years		Year		Date	(Negative)	
Revenues:									
Unrestricted intergovernmental:									
Department of Commerce grant	\$	50,000	\$ 50,000	\$		\$	50,000	\$	
Total revenues		50,000	 50,000				50,000		
Expenditures:									
Professional services		79,350	59,950		_		59,950		(19,400)
Planning		-	 14,296		6,578		20,874		20,874
Total expenditures		79,350	74,246		6,578		80,824		1,474
Excess of revenues									
over (under) expenditures		(29,350)	 (24,246)		(6,578)		(30,824)		(1,474)
Other financing sources:									
Transfers from other funds:									
General fund		29,350	29,350				29,350		-
Total other financing sources		29,350	29,350				29,350		
Net change in fund balance			\$ 5,104		(6,578)	\$	(1,474)	\$	(1,474)
Fund balances, beginning					5,104				
Fund balances, ending				\$	(1,474)				

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Street Resurfacing Project From Inception and for the Fiscal Year Ended June 30, 2021

					F	Actual			Variance		
	I	Project		Prior	Cı	ırrent	7	Total to	P	ositive	
	Aut	horization	Years		<u>Year</u>			Date	(N	egative)	
Expenditures:											
Architectural and engineering	\$	10,000	\$	28,734	\$	-	\$	28,734	\$	18,734	
Construction		128,000		104,247				104,247		(23,753)	
Total expenditures		138,000		132,981				132,981		(5,019)	
Other financing sources:											
Transfers from other funds:											
General fund		138,000		139,000				139,000		1,000	
Total other financing sources		138,000		139,000				139,000		1,000	
Net change in fund balance	\$		\$	6,019		-	\$	6,019	\$	6,019	
Fund balances, beginning						6,019					
Fund balances, ending					\$	6,019					

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Water and Sewer Fund Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Water sales	\$ 507,000	\$ 502,431	\$ (4,569)
Sewer charges	364,000	352,945	(11,055)
Water and sewer taps		5,700	5,700
Other operating revenues	120,125	121,889	1,764
Total operating revenues	991,125	982,965	(8,160)
Expenditures:			
Sewer department:			
Professional services		10,453	
Utilities		69,796	
Maintenance and repairs		14,268	
Chemicals		10,581	
Supplies		4,232	
Contracted services		101,779	
Insurance and bonds		3,340	
Miscellaneous		9,391	
Total sewer department	254,790	223,840	30,950
Water administration:			
Salaries and benefits		95,276	
Professional services		23,328	
Utilities		398	
Supplies		2,977	
Insurance and bonds		4,340	
Miscellaneous		11,551	
Total water administration	134,790	137,870	(3,080)

(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Water and Sewer Fund (Continued) Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Sewer treatment:			
Salaries and employee benefits		\$ 71,699	
Professional services		5,708	
Utilities		38,555	
Maintenance and repairs		29,147	
Chemicals		17,125	
Supplies		789	
Contracted services		41,850	
Insurance and bonds		5,790	
Miscellaneous		1,504	
Total sewer treatment	\$ 165,530	212,167	\$ (46,637)
Line maintenance:			
Salaries and employee benefits		47,383	
Professional services		17,155	
Utilities		1,173	
Maintenance and repairs		57,285	
Supplies		14,424	
Contracted services		6,351	
Insurance and bonds		5,140	
Miscellaneous		56,322	
Total line maintenance	230,960	205,233	25,727
Debt service:			
Interest and other charges		13,504	
Principal retirement		117,101	
Total debt service	167,190	130,605	36,585
Capital outlay:			
Capital outlay		34,611	
Total capital outlay	32,875	34,611	(1,736)
Total expenditures	986,135	944,326	41,809
Revenues over (under) expenditures	4,990	38,639	33,649
	(Continued)		

Statement 7
Page 3 of 3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Water and Sewer Fund (Continued) Year Ended June 30, 2020

	Budget			Actual	Variance Positive (Negative)		
Other financing sources (uses):							
Sale of fixed asset	\$	50,000	\$	-	\$	(50,000)	
Transfers to other funds		(107,000)		44,264		151,264	
Total other financing sources (uses)		(57,000)		44,264		101,264	
Fund balance appropriated		52,010				(52,010)	
Revenues and other sources over expenditures and other uses	\$			82,903	\$	82,903	
Reconciliation from budgetary basis (modified accrual) to full accrual:							
Reconciling items:							
Principal retirement				117,101			
Capital outlay				34,611			
Transfers from capital project funds				(44,264)			
State grants				988,075			
Depreciation				(371,091)			
Increases in receivables				17,208			
Decrease in accrued vacation pay				1,269			
Decrease in deferred outflows of resources - pension	ons			(6,671)			
Decrease in deferred inflows of resources - pension	ns			(1,701)			
Increase in net pension liability				3,546			
Total reconciling items				738,083			
Change in net position			\$	820,986			

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Water/Sewer Interconnection/Regionalization Study

From Inception and for the Fiscal Year Ended June 30, 2021

				Variance	
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Restricted intergovernmental:					
State grants	\$ 2,000,000	\$ 412,530	\$ 98,346	\$ 510,876	\$ (1,489,124)
Total revenues	2,000,000	412,530	98,346	510,876	(1,489,124)
Expenditures:					
Capital outlay	4,078,000	395,105	211,512	606,617_	3,471,383_
Total expenditures	4,078,000	395,105	211,512	606,617	3,471,383
Other financing sources (uses):					
Transfers from other funds:					
Capital reserve fund	78,000	-	-	-	(78,000)
Loan proceeds received	2,000,000		98,346	98,346	(1,901,654)
Total other financing sources (uses)	2,078,000		98,346	98,346	(1,979,654)
Revenues over expenditures	\$ -	\$ 17,425	\$ (14,820)	\$ 2,605	\$ 2,605

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Sunset Sewer From Inception and for the Fiscal Year Ended June 30, 2021

				Variance	
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Restricted intergovernmental:					
State grants	\$ 1,264,392	\$ 361,297	\$ 649,914	\$ 1,011,211	\$ (253,181)
Total revenues	1,264,392	361,297	649,914	1,011,211	(253,181)
F					
Expenditures:					
Capital outlay	2,573,038	399,014	1,266,058	1,665,072	907,966
Total expenditures	2,573,038	399,014	1,266,058	1,665,072	907,966
Other financing sources:					
Transfers (to) from other funds:					
Water and sewer fund	44,254	44,254	(44,264)	(10)	(44,264)
Loan proceeds received	1,264,392		649,914	649,914	(614,478)
Total other financing sources	1,308,646	44,254	605,650	649,904	(658,742)
Other financing sources over					
(under) expenditures	\$ -	\$ 6,537	\$ (10,495)	\$ (3,958)	\$ (3,958)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Water/Sewer AIA Project From Inception and for the Fiscal Year Ended June 30, 2021

					Variance					
	I	Project	Prior	(Current	Total to		Positive		
	Aut	horization	Years		Year		Date		(Negative)	
Revenues:										
Restricted intergovernmental:										
State grants	\$	300,000	\$ 157,245	\$	133,717	\$	290,962	\$	(9,038)	
Total revenues		300,000	 157,245		133,717		290,962		(9,038)	
Expenditures:										
Capital outlay		305,000	 162,245		129,783		292,028		12,972	
Total expenditures		305,000	 162,245		129,783		292,028		12,972	
Other financing sources:										
Transfers from other funds:										
Water and sewer fund		5,000	5,000		<u>-</u>		5,000			
Total other financing sources		5,000	 5,000				5,000			
Other financing sources over										
expenditures	\$		\$ -	\$	3,934	\$	3,934	\$	3,934	

Schedule of Revenues, Expenditures, and Changes in Fund Balances -

Budget and Actual (Non-GAAP) - Capital Projects Fund - Wastewater Trmt. Plant/Pump Station Rehab Project From Inception and for the Fiscal Year Ended June 30, 2021

			Actual		Variance	
	Project	Prior	Current	Total to	Positive (Negative)	
	Authorization	Years	Year	Date		
Revenues:						
Restricted intergovernmental:						
State grants	\$ 1,350,000	\$ 52,606	\$ 69,839	\$ 122,445	\$ (1,227,555)	
Total revenues	1,350,000	52,606	69,839	122,445	(1,227,555)	
Expenditures:						
Capital outlay	1,374,500	52,606	70,719	123,325	1,251,175	
Total expenditures	1,374,500	52,606	70,719	123,325	1,251,175	
Other financing sources (uses):						
Transfers from other funds:						
Water and sewer fund	24,500	-	-	-	(24,500)	
Total other financing sources (uses)	24,500				(24,500)	
Other financing sources over						
expenditures	\$ -	\$ -	\$ (880)	\$ (880)	\$ (880)	

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Capital Projects Fund - Simmons Water Line Project From Inception and for the Fiscal Year Ended June 30, 2021

							7	/ariance		
		Project	P	rior	(Current	Total to			Positive
	Au	thorization	Y	Years Year		Year	Date		(Negative)	
Revenues:										
Restricted intergovernmental:										
State grants	\$	379,795	\$	-	\$	36,259	\$	36,259	\$	(343,536)
Total revenues		379,795		-		36,259		36,259		(343,536)
Expenditures:										
Capital outlay		379,795		-		155,582		155,582		224,213
Total expenditures		379,795		-		155,582		155,582		224,213
Other financing sources over										
expenditures	\$		\$	-	\$	(119,323)	_\$_	(119,323)	\$	(119,323)

Statement 13

Combining Statement of Fiduciary Net Position Fiduciary Funds
June 30, 2021

	Mount Now Fi Fu	Area l Asso Con	Mountain Business ociation nmittee ary Fund	Total		
Assets						
Cash and cash equivalents	\$		\$		\$	
Total assets	\$	_	\$	-	\$	_
Liabilities						
Liabilities: Intergovernmental payable	\$		\$		\$	
Total liabilities	\$	_	\$	_	\$	_

Statement 14

Statement of Changes in Assets and Liabilities Mount Pilot Now Agency Fund

June 30, 2021

Assets	Beginning Balance		5 5		De	eductions	Ending Balance	
Cash and cash equivalents	\$	22,702	\$		\$	22,702	\$ 	
Total assets	\$	22,702	\$	_	\$	22,702	\$ 	
Liabilities Liabilities: Intergovernmental payable	\$	22,702	\$		\$	22,702	\$ 	
Total liabilities	\$	22,702	\$	_	\$	22,702	\$ 	

Statement 15

Statement of Changes in Assets and Liabilities Pilot Mountain Area Business Association Committee Agency Fund June 30, 2021

	_	inning lance	Ado	litions	Ded	uctions	Ending Balance	
Assets								
Cash and cash equivalents	\$	802	\$		\$	802	\$	
Total assets	\$	802	\$		\$	802	\$	
Liabilities								
Liabilities:								
Intergovernmental payable	\$	802	\$		\$	802	\$	
Total liabilities	\$	802	\$		\$	802	\$	

Statement 16

Schedule of Revenues, Expenditures Budget and Actual (Non-GAAP) - Pilot Mountain Tourism Development Authority June 30, 2021

	Budget			Actual	Variance Positive (Negative)		
Revenues	\$	27,730	\$	26,739	\$	(991)	
Expenditures: Economic development		27,730		25,445		2,285	
Revenues over expenditures	\$	_	\$	1,294	\$	1,294	

OTHER SCHEDULES

General Fund Schedule of Ad Valorem Taxes Receivable June 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections, and Credits	Uncollected Balance June 30, 2021				
2020-2021	\$ -	\$ 902,767	\$ 892,065	\$ 10,702				
2019-2020	16,557	- -	9,687	6,870				
2018-2019	5,847	-	-	5,847				
2017-2018	5,120	-	2,707	2,413				
2016-2017	1,802	-	393	1,409				
2015-2016	1,471	_	536	935				
2014-2015	1,482	-	679	803				
2013-2014	1,269	-	240	1,029				
2012-2013	1,021	-	-	1,021				
2011-2012	1,432	-	-	1,432				
2010-2011	3,486	-	3,486	-				
Total	\$ 39,487	\$ 902,767	\$ 909,793	32,461				
Less: allowance for uncollectible accounts: General Fund								
		\$ 32,461						
	Reconcilement w							
	\$ 905,018							
	ns:							
	(5,473)							
	Miscellaneous adjustments Total collections and credits							

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA Analysis of Current Year Tax Levy

Town - Wide Levy June 30, 2021

						Total Levy			
		Town-wide					Property Excluding		
	Property Valuation (in Thousand)			Amount of Levy		Registered Motor Vehicles		Registered Motor Vehicles	
			Rate						
Original levy:									
Property taxes at current year rate	\$	138,301,547	0.5700	\$	788,319	\$	788,319	\$	-
Motor vehicles		14,905,465	0.5700		84,961		=		84,961
Penalties		-	0.5700		1,014		1,014		-
Discoveries		4,729,061	0.5700		32,287		32,287		-
Releases		(650,100)	0.5700		(3,814)		(3,814)		-
Total property value	\$	157,285,973							
Net levy					902,767		817,806		84,961
Unpaid (by taxpayer) taxes at June 30, 2021					10,702		10,702		
Current year's taxes collected				\$	892,065	\$	807,104	\$	84,961
Current levy collection percenta	ıge				98.81%		98.69%		100.00%

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2021

STATISTICAL SECTION

Statistical Section Table of Contents

This part of the Town of Pilot Mountain, North Carolina's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Town's overall health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its income taxes and electric revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

					Fiscal Year E	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities Net investment in capital assets Restricted	\$ 1,812,725 239,065	\$ 2,021,994 186,164	\$ 1,929,611 270,402	\$ 1,914,776 280,387	\$ 1,879,692 286,989	\$ 1,900,642 271,660	\$ 1,859,935 534,922 ° 534	\$2,086,531 912,156	\$ 2,171,281 577,732	\$ 2,084,954 664,508
Total governmental activities net assets	\$ 2,160,628	\$ 2,375,932	\$ 2,414,480	\$ 2,527,339	\$ 2,714,445	\$ 2,553,269	\$ 2,403,381	\$ 2,560,033	\$ 2,343,507	\$ 2,458,659
Business-type activities Net investment in capital assets Unrestricted Total business-type activities net position \$6,303,893 167,185	\$ 6,303,893 167,185 \$ 6,471,078	\$ 6,111,527 117,284 \$ 6,228,811	\$ 5,967,434 22,477 \$ 5,989,911	\$ 5,827,035 (9,995) \$ 5,817,040	\$ 5,684,435 160,684 \$ 5,845,119	\$ 5,509,980 273,963 \$ 5,783,943	\$ 5,443,232 213,650 \$ 5,656,882	\$ 5,763,923 (166,047) \$ 5,597,876	\$ 5,943,033 142,611 \$ 6,085,644	\$ 7,557,307 (650,677) \$ 6,906,630
Primary Government Net investment in capital assets Restricted Unrestricted Total Primary Government	\$ 8,116,618 239,065 276,023 \$ 8,631,706	\$ 8,133,521 186,164 285,058 \$ 8,604,743	\$ 7,897,045 270,402 236,944 \$ 8,404,391	\$ 7,741,811 280,387 322,181 \$ 8,344,379	\$ 7,564,127 286,989 708,448 \$ 8,559,564	\$ 7,410,622 271,660 654,930 \$ 8,337,212	\$ 7,303,167 534,922 222,174 \$ 8,060,263	\$ 7,850,454 912,156 (604,701) \$ 8,157,909	\$ 8,114,314 577,732 (262,895) \$ 8,429,151	\$ 9,642,261 664,508 (941,480) \$ 9,365,289

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

2012 2013 2014 2015	enneal activities \$ 361,620 \$ 832,685 \$ 381,424 \$ 321,533 enmental activities 629,858 653,828 668,266 626,299 ansportation 282,684 385,097 220,711 68,340 conomic Development 77,323 70,602 80,813 188,569 nvironmental Protection 77,323 70,602 80,813 188,569 alture and Recreation 7,443 6,988 7,258 6,643 Total governmental activities expenses 1,499,763 2,089,719 1,488,723 1,373,688	iness-type activities: 765,629 836,773 940,407 924,692 Total business-type activities expense 765,629 836,773 940,407 924,692 Total Primary Government \$ 2,265,392 \$ 2,926,492 \$ 2,429,130 \$ 2,298,380	gram Revenues \$ - \$ <	rease-type activities: reases for services 629,652 654,054 706,157 717,668 Value and Sewer and Sewer and Sewer and contributions profil grants and contributions - - 26,481 Total business-type activities program revenues 629,652 654,054 706,157 744,149	Total Governmental activities program \$ 178,389 \$ 1,504,677 \$ 770,426 \$ 793,773
Fiscal Year Ending June 30, 2017	\$ 422,306 \$ 582,852 164,143 14,632 186,786 89,033 302	991,428	\$ - \$ 14,297 45,507 4 5,804	8 811,284 1 138,180 	3 \$ 1,009,268 \$
une 30, 2017 2018	372,078 \$ 338,736 591,812 746,399 177,483 195,029 42,861 126,601 208,938 241,654 131,808 106,307 1,765 14,958	994,305 910,301 994,305 910,301 \$ 2,521,050 \$ 2,679,985	4,500 2,091 - 70,694 44,764 43,900 - 142,208 - 142,208	854,528 851,123 37,000 - - 93,000 891,528 944,123	940,792 \$ 1,314,437
2019	\$ 104,580 739,034 353,503 126,601 349,685 108,279 6,130	1,174,325 1,174,325 \$ 2,962,137	\$ 163,926 2,091 70,694 43,900 137,304	907,038	\$ 1,542,403
2020	\$ 449,724 802,780 139,549 282,186 247,280 93,425 3,219 2,018,163	1,127,019 1,127,019 \$ 3,145,182	\$ 174,252 3,514 - 76,058 43,583 18,608	921,559	\$ 1,930,802
2021	\$ 302,564 949,928 157,565 162,146 274,902 99,390 6,958 1,953,453	1,167,262 1,167,262 \$ 3,120,715	\$ 140,059 6,182 218,059 79,950 41,301 2,148	1,000,173	\$ 2,475,947

Changes in Net Position (Continued) Last Ten Fiscal Years (accrual basis of accounting)

	2021	\$(1,465,754) 820,986	\$ (644,768)		\$ 905,018	648,883	56,98	9	1	•			1,580,906						\$ 1 580 906	000,000,1 \$	\$ 115152		\$ 936,138
	2020	\$(1,702,148) 487,768	\$(1,214,380)		\$ 813,607	614,686	6,752	577	1	ı		-	1,435,622		ı	•	1	1	¢ 1 435 677	450,022	\$ (266 526)		\$ 221,242
	2019	\$(1,349,897) (69,837)	\$(1,419,734)		\$ 851,937	608,930	1	886'9	3,694	Ī			1,471,549		10,831	•	•	10,831	¢ 1 487 380	1,402,300	\$ 121 652		\$ 62,646
	2018	\$(1,399,370) 33,822	\$(1,365,548)		\$ 845,608	608,133		886'9	3,694	1		(150,500)	1,313,923		10,831	1 0	55,915	131,357	\$ 1.445.780	0 1,440,200	(85 447)		\$ 79,732
ding June 30,	2017	\$(1,477,481) (102,777)	\$(1,580,258)		\$ 819,384	545,974	16,693	2,333	138,494	ı		ı	1,522,878		32,710		8,891	41,601	\$ 1.564.470	6 1,4,40	\$ 123.508		\$ 198,931
Fiscal Year Ending June 30	2016	\$ (1,400,250) (41,964)	\$(1,442,214)		\$ 811,741	545,111	ı	672	224,617	ı	34,121	(29,106)	1,587,156		ı	. 0	40,937	70,043	\$ 1.657.100	4 ارادارا و	\$ 109 675		\$ 76,941
	2015	\$(1,324,064) (180,543)	\$(1,504,607)		\$ 850,426	510,625	(1,097)	913	141,264	ı		ı	1,502,131		ı	. 00	32,466	32,466	\$ 1 53/1 507	160,400,1 0	101 881		\$ 92,383
	2014	\$(1,424,454) (234,250)	\$(1,658,704)		\$ 868,266	456,610	3,720	919	114,087	ı		19,400	1,463,002		ı	· · ·	14,750	(4,650)	¢ 1 158 357	700,000,10	\$ 138 938	$\overline{}$	\$ (46,255)
	2013	\$(1,239,096) (182,719)	\$(1,421,815)		\$ 871,046	461,624	(74,105)	1,299	119,841	ı		74,695	1,454,400		ı	· ·	15,147	(59,548)	¢ 1 304 857	200,460,1 0	\$ 29 946	2	\$ (263,852)
	2012	\$(1,351,026) (135,977)	\$(1,487,003)	Assets	\$ 810,753	454,147	1	817	101,983	000,09		71,141	1,498,841		ı		16,740	(54,401)	\$ 1 444 440	0++,+++,1 0	\$ 259 745	(237,120)	\$ 22,625
	Net (Expense)/Revenue	Governmental activities Business-type activities	Total Primary Government Expense	General Revenues and Other Changes in Net Assets Governmental activities:	Taxes	Grants and unrestricted contributions	Gain (loss) on sale of property	Investment earnings	Miscellaneous	Insurance recovery	Forgiveness of debt	Transfers in (out)	Total governmental activities	Business-type activities:	Gain on sale of property	IIIVOSUIICIII GALIIIIIBS	Miscellaneous Transfers in (out)	Total business-type activities	Tatal Drimory Gararemant	lotal Fillinaly Coveringent	Change in Net Position Governmental activities	Business-type activities	Total Primary Government

age 86

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

								Fisc	al Year En	Fiscal Year Ending June 30,								
	2012		2013		2014		2015	2	2016	2017] [2018		2019		2020		2021
General Fund																		
Restricted	\$ 204,087 \$ 121,695	∽	121,695	∽	271,682	∽	282,223	∽	286,989	\$ 271,660	0	534,922	∽	912,156	∽	577,732	↔	664,508
Assigned	- 00.0		- 000		55,070		- 000		- 17	- 000	t	- 65		20,000		20,000		- 6
Unassigned	145,/85		209,364		214,915		588,965		547,764	380,967	ı ا-	312,193		(202,288)		(59,794)		52,524
Total general fund	\$ 347,872		\$ 331,059	÷	519,665	÷	671,186	÷	834,753	\$ 652,627	<u>~</u> ∥	847,115	↔	729,868	÷	537,938	÷	697,032
All Other Governmental Funds																		
Restricted	\$ 2,571 \$		8,137	\$	25,372	∽		∽	ı	· ·		1	∽	ı	∽	,	\$	ı
Assigned	1				•					•				45,177		11,123		3,943
Unassigned, reported in:																		
Special revenue fund	•									1		1						
Capital projects fund	32,407		56,332		(26,652)		(1,636)		(1,636)	136,22	0	(195)		(2,268)				
Debt service fund	1									1		1						
Permanent fund	•		•							1		-		•				
Total all other governmental funds	\$ 34,978		\$ 64,469	S	(1,280)	S	(1,636)	\$	(1,636)	\$ 136,220	0	(195)	∽	42,909	s	11,123	÷	3,943

Changes in Fund Balance of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

					Fiscal Year E	ending June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 787,127	\$ 839,579	\$ 835,000	\$ 831,858	\$ 822,903	\$ 837,857	\$ 826,304	\$ 848,280	\$ 813,607	\$ 905,018
Other taxes and licenses	26,186	33,815	33,064	26,956	-	-	-	-	-	-
Unrestricted intergovernmental revenues	454,147	461.624	456,610	510,625	545,111	545,974	553,524	632.342	632.319	651.031
Restricted intergovernmental revenues	112,319	509,808	80,158	71,387	62,208	52,597	84,589	215,936	99,220	266,664
Permits and Fees	4,805	3,870	4,645	5,310	2,205	3,490	4,560	2,980	2,155	4,150
Investment Earnings	817	1,299	919	913	672	2,333	8,204	6,988	577	6
Other Revenues	71,829	80,891	76,378	108,998	213,786	131,669	140,126	230,587	240,180	216,490
Total revenue	1,457,230	1,930,886	1,486,774	1,556,047	1,646,885	1,573,920	1,617,307	1,937,113	1,788,058	2,043,359
Expenditures										
Current										
General government	335,084	806,837	368,222	322,995	394,091	349,613	348,923	353,197	530,230	366,909
Public safety	623,135	661,593	664,731	642,926	601,442	670,165	662,024	728,501	776,740	915,063
Transportation	259,845	379,527	241,809	89,626	192,492	182,547	149,262	333,364	185,351	148,740
Pilot Center										
Economic Development	27,683	31,697	32,188	39,581	14,632	42,861	83,296	143,469	279,291	160,833
Environmental Protection	77,323	70,602	80,813	187,919	225,582	204,167	286,438	337,890	222,340	252,197
Cultural and Recreation	130,337	259,211	73,193	89,130	55,795	98,568	103,323	68,915	60,187	67,056
Debt service:										
Principal retirement	14,932	15,384	21,114	25,584	9,561	20,628	34,656	43,484	35,151	69,611
Interest and Fees	7,555	7,103	7,376	6,765	302	1,766	6,149	6,130	3,219	6,958
Total expenditures	1,475,894	2,231,954	1,489,446	1,404,526	1,493,897	1,570,315	1,674,071	2,014,950	2,092,509	1,987,367
Excess (Deficiency) of revenues										
over (under) expenditures	(18,664)	(301,068)	(2,672)	151,521	152,988	3,605	(56,764)	(77,837)	(304,451)	55,992
Other Financing sources (uses)										
Proceeds from sale of capital assets	=	209,560	143,720	-	5,253	16,693	8,600	3,694	7,310	26,999
Transfers In	71,141	74,695	19,400	200,000	-	-	-	-	-	-
Transfers Out	-	-	-	-	(30,742)	=	(34,611)	(150,500)	(17,850)	-
Proceeds from Debt	-	-	28,158	-	86,221	-	24,491	-	-	68,923
Insurance Recovery	60,000									
Total other financing sources (uses)	131,141	284,255	191,278	200,000	60,732	16,693	(1,520)	(146,806)	(10,540)	95,922
Net change in fund balances	\$ 112,477	\$ (16,813)	\$ 188,606	\$ 351,521	\$ 213,720	\$ 20,298	\$ (58,284)	\$ (224,643)	\$ (314,991)	\$ 151,914
Debt service as a percentage of										
noncapital expenditures	1.52%	1.01%	1.91%	2.30%	0.66%	1.43%	2.53%	2.89%	2.00%	4.07%

Assessed Value of Taxable Property

Last Ten Fiscal Years

(in thousands)

Fiscal Year	Real Property	Personal Property	Public Service	Total	Tax Rate	Levy
2012	118,271,426	10,987,134	1,565,083	130,823,643	0.56	732,612
2013	120,276,354	13,489,563	1,627,876	135,393,793	0.58	785,284
2014	115,174,844	14,860,818	2,065,037	132,100,699	0.56	739,764
2015	117,224,040	16,494,865	2,060,000	135,778,905	0.57	773,940
2016	115,405,940	13,764,334	2,375,245	131,545,519	0.57	749,809
2017	108,769,516	14,159,852	2,595,804	125,525,172	0.57	715,493
2018	110,900,449	15,401,119	2,764,516	129,066,084	0.57	735,677
2019	116,863,340	18,139,804	3,679,970	138,683,114	0.57	790,494
2020	129,367,966	20,413,138	3,809,246	153,590,350	0.57	875,465
2021	116,796,568	36,583,298	3,906,107	157,285,973	0.57	902,767

Note: Property in the Town of Pilot Mountain is assessed by the Surry County Tax Office. The most recent revaluation occurred in 2016. Tax exempt property is not assessed by Surry County for tax purposes. Tax rates are per \$100 of assessed value and are the weighted average of all the individual direct rates applied.

Property Tax Rates-Direct and All Overlapping Governments Last Ten Fiscal years Per \$100 of Assessed Valuation

kame of Government County of Surry Town of Pilot Mountain	\$ 2012 0.582 0.560	- ←	2013 0.582 0.560	\$ \$ 0.582 0.560	€ 6	\$ 0.582	*	\$ 0.582 \$ 0.582 0.570	\$ \$ 0.570	↔	\$ 0.582 0.570	↔	\$ 0.582	8	\$ 0.582 0.570	\$ 0.570	\$ 0.582
Pilot Knob Fire District								0.040	0.040		0.040		0.040		0.040		0.040
Fotal Direct and Overlapping Rates	\$ \$ 1.142	\$	\$ 1.142	\$ 1.142	\$	1.152	\$	1.192	\$ 1.192	S	1.192	\$	1.192	s	1.192	\$	1.192

Principal Property Taxpayer

Current Year and Nine Years Ago

			2021				2012	
	F	Taxable Assessed		Percentage of Total Taxable	F	Taxable Assessed		Percentage of Total Taxable
		Value	Rank	Assessed Value		Value	Rank	Assessed Value
Jimmy R Lynch & Sons	\$	6,994,828	1	24.12%	\$	3,884,327	1	16.71%
Glenwood Pilot Mountain Co LLC		2,775,250	2	9.57%		2,518,370	2	10.84%
Duke Energy		2,584,754	3	8.91%			-	0.00%
Chilton Moir Edward		2,404,810	4	8.29%		2,477,230	3	10.66%
Needham Holdings LLC		2,111,880	5	7.28%		1,709,310	7	7.36%
CVS Corporation		2,022,070	6	6.97%			-	0.00%
Key Street of Pilot LLC		1,960,560	7	6.76%		1,646,710	9	7.09%
Time Warner Cable Southeast		1,660,330	8	5.72%			-	0.00%
Barbee Harold Ted		1,510,620	9	5.21%		1,646,710	8	7.09%
Pinnacle Hill Limited Partners		1,469,380	10	5.07%		1,631,310	9	7.02%
Green Thomas W Jr		1,318,220	11	4.54%		2,313,840	4	9.96%
North Key Street LLC		1,172,220	12	4.04%		2,074,840	5	8.93%
Akshar Hotels LLC		1,020,290	13	3.52%		1,773,610	6	7.63%
Intex Coprporation						1,562,780	10	6.71%
Total	\$	29,005,212		100.00%	\$	23,239,037		100.00%

Source: Municipal Tax Assessor

Property Tax Levies and Collections

Last Ten Fiscal years

Fiscal Year	Tax	es Levied	C	Collected wit	hin the Fiscal	Col	llections	,	Total Collect	tions to Date
Ended June 30	for	the Fiscal Year		Amount	Percentage of Levy	Sub	in osequent		Amount	Percentage of Levy
2012	\$	789,346	\$	772,772	97.90%	\$	16,109	\$	788,881	99.94%
2013		828,178		816,038	98.53%		12,100		828,138	100.00%
2014		830,273		816,206	98.31%		12,982		829,188	99.87%
2015		836,316		825,175	98.67%		9,913		835,088	99.85%
2016		829,075		820,043	98.91%		7,904		827,947	99.86%
2017		821,551		814,204	99.11%		4,335		818,539	99.63%
2018		815,180		805,916	98.86%		4,067		809,983	99.36%
2019		852,300		844,808	99.12%		=		844,808	99.12%
2020		875,465		858,908	98.11%		-		858,908	98.11%
2021		902,767		892,065	98.81%		=		892,065	98.81%

Source: Town Records

Ratios of Outstanding Debt by Type

Debt Per Capita

Last Ten Fiscal Years

	 vernmental Activities	Business-Ty	pe Activities	_				
Fiscal Year Ended June 30	nstallment Purchases	General Obligation Bonds	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita	Population (Est.)	Assessed Value of Taxable Property
2012	\$ 240,594	\$ 192,000	\$ 609,979	\$1,042,573	3.37%	700.18	1,489	\$130,823,643
2013	225,210	182,000	526,083	933,293	3.01%	625.53	1,492	135,393,793
2014	209,362	172,000	442,187	823,549	2.72%	546.85	1,506	132,100,699
2015	193,034	161,000	358,290	712,324	2.30%	472.99	1,506	135,778,905
2016	279,255	150,000	370,479	799,734	2.55%	532.80	1,501	131,545,519
2017	228,552	138,000	665,168	1,031,720	3.28%	685.53	1,505	125,525,172
2018	218,417	125,000	571,095	914,512	2.73%	607.25	1,506	129,066,140
2019	174,933	112,000	470,304	757,237	2.06%	503.15	1,505	138,683,158
2020	213,206	98,000	368,766	679,972	1.60%	451.51	1,506	135,423,716
2021	212,517	84,000	1,013,925	1,310,442	3.25%	872.46	1,502	138,301,547

Ratio of Annual Debt Service Expenditures For General Bonded Debt to General Government Expenditures Last Ten Fiscal Years (dollars in thousands)

Fiscal Year Ended June 30	Pr	incipal	Ir	iterest	S	tal Debt ervice enditures	Go	tal General overnment ovenditures	Percentage of Debt Service to Total General Government Expenditures
2012	\$	9,000	\$	10,050	\$	19,050	\$	1,499,763	1.27%
2013		10,000		9,600		19,600		2,089,719	0.94%
2014		10,000		9,100		19,100		1,488,723	1.28%
2015		11,000		8,600		19,600		1,373,688	1.43%
2016		11,000		8,050		19,050		1,460,054	1.30%
2017		12,000		7,500		19,500		1,526,745	1.28%
2018		13,000		6,250		19,250		1,674,071	1.15%
2019		14,000		5,600		19,600		2,014,950	0.97%
2020		14,000		4,900		18,900		2,092,509	0.90%
2021		14,000		4,200		18,200		1,987,367	0.92%

$Computation\ of\ Direct\ and\ Underlying\ De\ bt$

General Obligation Bonds

June 30, 2021

Governmental Unit	 Outstanding	Estimated Percentage Applicable ^a	 nated Share everlapping Debt
Direct Town of Pilot Mountain Installment Debt	\$ 143,594	100.000%	\$ 143,594
Underlying Surry County General Obligation Bonds	495,000	2.39%	11,851
Total direct and overlapping debt			\$ 155,445

Sources: Town of Pilot Mountain and County of Surry, North Carolina CAFR, Year Ended June 30, 2021

a - Percent applicable to the Town of Pilot Mountain calculated using assessed valuation of Town divided by assessed valuation of the County.

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA Legal Debt Margin Information Last Ten Fiscal Years

					Fiscal Year Ending June 30,	nding June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$130,823,643	\$135,393,793	\$132,100,699	\$135,778,905	\$131,545,519	\$125,525,172	\$129,066,140	\$138,683,158	\$135,423,716	\$138,301,547
Debt limit, 8% of assessed value	10,465,891	10,831,503	10,568,056	10,862,312	10,523,642	10,042,014	10,325,291	11,094,653	10,833,897	11,064,124
Total net debt applicable to limit	1,042,573	933,293	823,549	712,324	799,734	1,031,720	914,512	757,237	606,547	1,310,442
Legal debt margin available	\$ 9,423,318	\$ 9,423,318 \$ 9,898,210 \$ 9,744,507	\$ 9,744,507	\$ 10,149,988	\$ 9,723,908	\$ 9,010,294	\$ 9,410,779	\$ 10,337,416	\$ 10,227,350	\$ 9,753,682
Total net debt applicable to the limit as a percentage of debt limit	%96'6	8.62%	7.79%	6.56%	7.60%	10.27%	8.86%	6.83%	2.60%	11.84%

Source: Town of Pilot Mountain

Note: NC General Statute 159-55 limits the Town's outstanding debt to 8% of the appraised value of property subject to taxation.

Principal Employers

Current Year and Nine Years Ago

		2021			2012	
Employer	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Surry County Schools	1,320	1	4.55%	1,239	1	3.45%
Wayne Poultry Company	1,000	2	3.44%	866	2	2.41%
Northern Hospital of Surry County	850	3	2.93%	745	4	2.07%
Hugh Chatham Memorial Hospital	700	4	2.41%	407	8	1.13%
County of Surry	500	5	1.72%	859	3	2.39%
Surry Community College	500	6	1.72%	418	6	1.16%
Wal-Mart	400	7	1.38%	410	7	1.14%
Vitro/PGW	360	8	1.24%	-	-	0.00%
Hanes Brands, Inc	250	9	0.86%	427	5	1.19%
Floyd Pike Electrical Contractors	250	10	0.86%	342	10	0.95%
Renfro Corporation	200	11	0.69%	351	9	0.98%
	6,330		21.80%	6,064		16.87%

Source: Surry County Economic Development Partnership. Numbers are for Surry County and not Pilot Mountain specifically. Data is not available below the County level

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population ^a	Per Capita Personal Income ^c	Unemployment Rate ^d	Median Age	Public School Enrollment
2012	1,492	20,793	10.00%	39.7	376
2013	1,506	20,118	8.90%	39.9	377
2014	1,506	20,570	6.30%	39.8	382
2015	1,501	20,910	5.90%	39.8	385
2016	1,505	20,910	4.90%	39.8	386
2017	1,506	22,238	4.30%	38.5	390
2018	1,505	22,238	3.90%	38.5	395
2019	1,505	24,464	4.20%	39.4	411
2020	1,506	25,532	11.30%	45.5	423
2021	1,649	24,464	4.20%	45.4	435

Source:

^a Population information provided by US Census Bureau American Fact Finder

^c Per capita personal income data from the US Census Bureau American Community Survey

^d Unemployment data provided by the Federal Reserve Bank of St. Louis, as of June of each year.

1.0

1.0

1.0

1.0 2.0

1.0

1.0

1.0

1.0

1.0

1.0

1.0

1.0

1.0 1.0

1.0

1.0

1.0

1.0

1.0

Customer Service Representative

Finance Officer

Town Clerk

Administration

Main Street Coordinator

Lieutenant

Chief Captain Sergeant Officer Dispatch

Downtown Development

0.5

0.5

0.5

0.5

1.0 1.0 2.0 4.0 1.0

1.0 1.0 2.0 4.0 1.0

1.0 1.0 2.0 4.0 1.0

1.0 1.0 2.0 2.0 4.0 1.0

1.0 1.0 2.0 4.0 1.0

1.0 1.0 2.0 2.0 1.0 1.0 1.0

1.0 1.0 1.0 2.0 4.0 1.0

1.0 1.0 1.0 2.0 4.0 1.0

1.0 1.0 1.0 2.0 4.0 1.0

1.0

2021

2020

2019

2018

2017

Fiscal Year Ending June 30,

2016

2015

2014

2013

Full-time Equivalent Town Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA

-16.5

-18.5

18.0

0.5

0.5

0.5

0.5

1.0

1.0

1.0

1.0

1.0

1.0

1.0

1.0

1.0

Source: District Personnel Records

Wastewater Treatment Plant

Plant Operator

Total

Plant Maintenance Tech

Maintenance Worker

Supervisor

Pubic Works

Director

Water Treatment Plant

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	Fiscal Year En	nding June 30, 2017	2018	2019	2020	2021
Administration Zoning Permits Tax Rate	24 \$ 0.56		26 \$ 0.56	28 \$ 0.57	50 \$ 0.57	\$ 0.57	44 \$ 0.57	59 \$ 0.57	57 \$ 0.57	62 \$ 0.57
Police Criminal Activities Total Activities Patrol Miles Driven	4,008 53,882 78,526	57,024	3,490 77,249 77,562	3,986 71,779 75,123	5,048 75,588 69,718	4,321 50,245 77,458	622 11,197 71,258	3,875 69,869 91,000	3,268 66,966 75,000	3,354 67,852 82,000
Public Works Street Signs Installed Meters Read New Water/Sewer Taps	2 12,010 3		7 12,010 5	6 12,010 3	3 12,096 5	3 12,096 7	30 12,096 19	25 12,372 5	20 12,372 2	5 12,372 5
Water Treatment Gallons Treated Permit Violations	98.625 -	88.375	48.875 -	24.375	49.250	64.750 1	55.875 1	102.234 1	78.860 1	101.030
Wastewater Treatment Gallons Treated Permit Violations	78.9 -	70.7 2	39.1 1	19.5	39.4 3	51.8 -	44.7 1	72.6 1	72.8 1	69.1 -
Finance Vendor Checks Written Payroll Checks Processed Taxes Collected	7,251 585 97.90%	7,566 559 98.53%	7,395 559 98.31%	7,430 559 98.67%	5,641 559 98.91%	7,580 468 99.11%	9,213 481 99.12%	1,150 481 99.05%	1,150 429 97.93%	1,120 442 98.69%
Downtown Development Façade Grants Issued Events	- 7	- 7	- 7	- 7	- 8	- 8	2 10	3 10	6 7	5 3

TOWN OF PILOT MOUNTAIN, NORTH CAROLINA

Capital Asset Statistics by Function Last Ten Fiscal Years

				Fiscal Year E	Fiscal Year Ending June 30,					
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Crations	-	-	-	-	_	_	-	-	-	-
Stations Patrol Units	7		7	7	9	9	7	7	10	10
Public Works										
Streets (miles)	19	19	19	19	19	19	19	19	19	19
Traffic Signals	•	•	•	1	•	1	•	•	•	•
Water										
Transmission lines (miles)	18	18	18	18	18	18	18	18	18	18
Fire Hydrants	193	193	193	193	193	193	193	193	193	193
Storage Capacity	1,800,000	1,800,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,200,000	1,200,000
Wastewater Treatment										
Collection Lines	18	18	18	18	18	18	18	18	18	18
Pump Stations	19	19	19	19	19	61	19	19	19	19
Treatment Plants	Т	1	_	1	1	1	_	_		1

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and Members of the Town Council Town of Pilot Mountain, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregated remaining fund information of the Town of Pilot Mountain, North Carolina (the "Town") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Town of Pilot Mountain ABC Board, as described in our report on the Town of Pilot Mountain's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reports or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Pilot Mountain ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bernard Robinson & Company, S.S.P.

Greensboro, North Carolina February 28, 2022

Independent Auditor's Report On Compliance For The Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

To the Honorable Mayor and Members of the Town Council Town of Pilot Mountain, North Carolina

Report on Compliance for The Major State Program

We have audited the Town of Pilot Mountain, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Pilot Mountain's major state programs for the year ended June 30, 2021. The Town of Pilot Mountain's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Pilot Mountain's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Pilot Mountain's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Pilot Mountain's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Pilot Mountain complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town of Pilot Mountain is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Pilot Mountain's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bernard Robinson & Company, S.S.P.

Greensboro, North Carolina February 28, 2022

CITY OF PILOT MOUNTAIN, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title State Grants:	State/ Pass-through Grantor's No.	State <u>Expenditures</u>
N.C. Department of Environmental Quality Connect NC Bond	E-SRP-W-17-0115/ H- SRP-D-17-0142	\$ 1,833,654
Officer of the Governor: NC Governor's Crime Commission		43,604
N.C. Department of Transportation: Powell Bill		41,301
Total assistance		\$ 1,918,559

Notes to the Schedule of Expenditures of State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of State awards includes the State grant activity of the Town of Pilot Mountain under the programs of the State of North Carolina for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Pilot Mountain, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Pilot Mountain.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Loans Outstanding

The Town of Pilot Mountain had the following loan balances outstanding at June 30, 2021 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the schedule. The balance of loans outstanding at June 30, 2021 consist of:

	State	I	Amount
Program Title	Grantor's No.	<u>Ou</u>	ıtstanding
Connect NC Dand	E-SRP-W-17-0115/ H-	¢	740 260
Connect NC Bond	SRP-D-17-0142	Ф	748,260

CITY OF PILOT MOUNTAIN, NORTH CAROLINA SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section 1. Summary of Auditor's Resu	ılts	
Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmod	lified
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	X No
Significant Deficiency(s)	Yes	X No
Noncompliance material to financial statements noted?	Yes	XNo
State Awards		
Major State Program:	Connect N	IC Bond
Type of auditor's report issued on compliance for major state		
program:	Unmod	lified
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	X No
Significant Deficiency(s)	Yes	X No
Any audit findings disclosed?	Yes	X No
Section II. Financial Statement Findin	ngs	
N		
None		
Section III. State Awards Findings and Questi	oned Costs	
None		

Pilot Mountain Police Department Monthly Report for March 2022

Accidents

3/2/2022 731 S Key St 3/3/2022 111 E Main St (PI) 3/7/2022 647 S Key St 3/18/2022 410 S Key St (PI) 3/25/2022 511 E 52 Byp (PI)

	TOTAL	AN	<u>10UNT</u>	REC	COVERED
Police Service	248				
Wrecks Investigated	5	\$	58,400.00		
Assaults	4				
Larcenies	3	\$	8,880.00	\$	8,400.00
Disturbances/Domestic	7				
Burglar Alarms	21				
Breaking & Entering	0				
MIP & Property Damage	2	\$	200.00		
Traffic Citations	88				
Intoxicated Drivers	0				
Intoxicated Pedestrians	0				
Forgery/Fraud/Scam	1	\$	4,731.00		
Armed Robbery	0				
Drug Charges	17				
Other Crimes	7		•		•
Total Arrests	11				
Totals:	414	\$	72,211.00	\$	8,400.00

OTHER:

3/1/2022 Poss of Marijuana

Poss of Drug Paraphernalia

Served OFA

3/8/2022 Poss of Methamphetamine

Poss of Drug Paraphernalia

Poss of Sch II

3/11/2022 Felony Poss of Cocaine

Simple Poss of Sch II

Carrying Concealed Weapon

Simple Poss of Sch III

Poss of Drug Paraphernalia

Resist, Delay & Obstruct

Poss of Controlled Substance in the Jail

3/14/2022 Felony Poss of Sch II

Poss of Drug Paraphernalia

Simple Poss Sch II

3/26/2022 Served WFA

Recovered Stolen Vehicle

Recovered Stolen License Plate

Poss of Marijuana

Poss of Marijuana Paraphernalia

Poss of Sch II

Poss of Drug Paraphernalia

NOTES:

3/5/2022 Officers attended In-Service Training

03/14 thru 03/20/2022 Officers participated in the NCGHSP Campaign

"Booze it or Lose it"

3/15/2022 Ptl Marion & Ptl Robertson attended Taser School

Officers attended In-Service Training 3/19/2022 Ptl Hewett & Ptl Utt attended Taser School

03/21 thru 03/25/2022 Ptl McMillian & Ptl Hewett attended Radar School

3/22/2022 Officers attended Firearms Qualifying

3/29/2022 Officers attended Firearms Qualifying

03/31 thru 04/01/2022 Ptl Hardy attended Radar Recertification

General Services Work Order Applications

Applications For the Date Range 03/01/2022 Thru 03/31/2022

	CLOSED OB-2022-00094							
	OB-2022-00094							
2 JC		DPW	OTHER	300 E MAIN ST, UNIT B	TURN WATER OFF FOR FINAL. METER #1700027487	3/1/2022	3/2/2022	1
	OB-2022-00100	DPW	OTHER	110 N STEPHENS ST, UNIT A	READ METER. CHECK FOR LEAK. METER # 1700027788 LAST READING 95239	3/2/2022	3/7/2022	5
3 JC	OB-2022-00101	DPW	OTHER	207 E MAIN ST	TURN WATER ON FOR PRESSURE WASHING. LARRY PYRTLE. METER # 20016385	3/2/2022	3/2/2022	0
4 JC	OB-2022-00099	DPW	OTHER	110 W MAIN ST	TAKE 2 GARBAGE CARTS FOR LIMBS THEY ARE PICKING UP IN THE ALLEYWAY. PICK UP THIS AFTERNOON	3/2/2022	3/7/2022	5
5 JC	OB-2022-00097	DPW	OTHER	300 E MAIN ST, UNIT B	TURN WATER ON NEW CUSTOMER METER #1700027487	3/2/2022	3/2/2022	0
6 JC	OB-2022-00096	DPW	OTHER	CEMETERY H146	MARK PLOT H146 FOR SERVICE ON 3/4/22. JACK LEE PALMER	3/2/2022	3/7/2022	5
	OB-2022-00095	DPW	OTHER	870 E 52 BYPASS	CUSTOMER SAYS SHE HAS NO WATER	3/2/2022	3/2/2022	0
8 JC	OB-2022-00102	DPW	ROADWORK	108 NELSON STREET	UTILITY CUT NEEDS ADDITIONAL GRAVEL.	3/4/2022	3/11/2022	7
9 J(OB-2022-00105	DPW	OTHER	LYNCHBURG RD	TREE ACROSS ROAD	3/7/2022	3/7/2022	0
	OB-2022-00104	DPW	OTHER	524 BUTLER ST	TURN WATER OFF FOR FINAL. METER 1700027218	3/7/2022	3/9/2022	2
11 JC	OB-2022-00103	DPW	OTHER	806 SUNSET DR	CUSTOMER THINKS WATER METER IS BUSTED AND MAY NEED A RISER BUSTED BY CONTRACTOR DOING WORK ADAM LIVENGOOD	3/7/2022	3/7/2022	0
12 JC	OB-2022-00110	DPW	OTHER	VARIOUS LOCATIONS	CUT OFF FOR NON-PAYMENT 14 ACCOUNTS	3/8/2022	3/8/2022	0
13 JC	OB-2022-00109	DPW	OTHER	514 E MAIN ST	CHECK METER 1700027345 ERROR -UNABLE TO READ DEVICE. NOT OK IN MINET LAST READING 287735	3/8/2022	3/11/2022	3
	OB-2022-00107	DPW	OTHER	722 E MAIN ST	CHECK METER 1700027765 ERROR -UNABLE TO READ DEVICE. LAST READING 138485	3/8/2022	3/14/2022	6
15 JC	OB-2022-00106	DPW	ROADWORK GRAVEL	209 NC HWY 268 E - G&B OIL	PUT GRAVEL DOWN WHERE THE WATER LINE WAS REPAIRED LAST YEAR	3/8/2022	3/11/2022	3
16 JC	OB-2022-00114	DPW	OTHER	318 N KEY ST UNIT 120	CHECK METER 1700027280ERROR -NOT OK IN MINET. REVERSE FLOW DETECTED AND LAST READING IS 0	3/10/2022	3/11/2022	1
17 JC	OB-2022-00113	DPW	OTHER	618 E 52 BYPASS	CHECK METER 1700027687 ERROR -UNABLE TO READ DEVICE. NOT OK IN MINET. LAST READING 46805	3/10/2022	3/14/2022	4
18 JC	OB-2022-00117	DPW	OTHER	300 E MAIN ST. UNIT A	CUSTOMER SAYS HE HAS NO WATER. METER #1700027440	3/11/2022	3/14/2022	3
19 JC	OB-2022-00116	DPW	OTHER	542 BUTLER ST	NEW WATER TAP ONTO 6' LINE	3/11/2022	3/11/2022	0
20 JC	OB-2022-00115	DPW	OTHER	605 S KEY ST	NEW WATER TAP ONTO 6' LINE	3/11/2022	3/11/2022	0
21 JC	OB-2022-00119	DPW	ROADWORK MAN HOLE COVER	213 E MARION ST	MAN HOLE COVER IS FLIPPED UP	3/14/2022	3/14/2022	0
22 JC	OB-2022-00118	DPW	GARBAGE/RECYCLIN G	873 W 52 BYPASS - ARMFIELD CENTER	DEAD DEER IN FRONT OF CIVIC CENTER	3/14/2022	3/14/2022	0
23 JC	OB-2022-00121	DPW	OTHER	CEMETERY SECTION J	SHOW NEXT AVAILABLE PLOT ON 3/21/22 @ 1PM. SEE NOTES	3/16/2022	3/21/2022	5

General Services Work Order Applications

Applications For the Date Range 03/01/2022 Thru 03/31/2022

			11					
#	Reference #	Requesting Dept.	Job Type	Location	Description	Date Entered	Date Issued	Days Open
24	JOB-2022-00126	DPW	ROADWORK	509 BUTLER ST	FILL IN WHERE WATER REPAIR WAS MADE. WM TRUCK MADE A RUT AND SHE CAN'T GET OUT OF HER DRIVEWAY.	3/17/2022	3/23/2022	6
25	JOB-2022-00125	DPW	OTHER	309 NELSON ST	TURN WATER OFF. CALL KYLE WALLACE FOR LOCATION 336-414-8704	3/17/2022	3/17/2022	0
26	JOB-2022-00124	DPW	SEWER	200 DODSON STREET	RESIDENT COMPLAINS OF SOGGY AREA IN YARD. IT IS POSSIBLE IT IS NEIGHBORS SERVICE LINE.	3/17/2022	3/23/2022	6
27	JOB-2022-00123	DPW	OTHER	524 BUTLER ST	TURN WATER ON FOR NEW OWNER.	3/17/2022	3/17/2022	0
28	JOB-2022-00129	DPW	GARBAGE/RECYCLIN G	524 BUTLER ST	CUSTOMER NEEDS GARBAGE CART	3/22/2022	3/23/2022	1
29	JOB-2022-00128	DPW	OTHER	509 W MAIN ST	TURN OFF FOR FINAL. METER #1700027381	3/22/2022	3/22/2022	0
30	JOB-2022-00136	DPW	OTHER		DRAIN IS STOPPED UP	3/23/2022	3/23/2022	0
31	JOB-2022-00132	DPW	OTHER	VARIOUS LOCATIONS	METERS NOT READING. CHECK METER STATUS, MAKE NOTE IF THEY NEED TO BE REPLACED. 33 METERS	3/23/2022	3/25/2022	2
32	JOB-2022-00131	DPW	OTHER	VARIOUS LOCATIONS	RE-READS FOR UTILITY BILLING - 32 METERS	3/23/2022	3/25/2022	2
33	JOB-2022-00130	DPW	GARBAGE/RECYCLIN G	319 W MAIN ST - LIBRARY	REPLACE GARBAGE CART AND TAKE OLD ONE THAT IS DAMAGED	3/23/2022	3/23/2022	0
34	JOB-2022-00143	DPW	OTHER	630 S KEY ST UNIT B	CHECK METER #1700027713. SHOWING NOT OK IN MI-NET. LAST READING 18606 ON 3/26	3/30/2022	4/1/2022	2
35	JOB-2022-00142	DPW	OTHER	VARIOUS LOCATIONS	CUT OFF FOR NON-PAYMENT	3/30/2022	3/30/2022	0
35	TOTAL CLOSED	APPLICATIONS						
STATU	US: NEW							
1	JOB-2022-00098	DPW	OTHER	122 BLALOCK CT, UNIT 14	CHECK METER 1700027117 ERROR -UNABLE TO READ DEVICE. LAST READING 2723	3/2/2022		0
2	JOB-2022-00108	DPW	OTHER	806 SUNSET DR	CHECK METER 1700027192 ERROR -UNABLE TO READ DEVICE - NOT OK IN MINET. LAST READING 28303	3/8/2022		0
3	JOB-2022-00111	DPW	OTHER	114 MOUNTAINVIEW DR	CLEAN UP GRAVEL WHERE WATER LINE WAS REPAIRED AND PUT MAILBOX BACK IN PLACE	3/9/2022		0
4	JOB-2022-00112	DPW	SIDEWALK/CURB	MAIN AND DAVIS	REPAINT THE CROSSWALKS AT MAIN AND DAVIS NEAR THE SQUEEZEBOX.	3/10/2022		0
5	JOB-2022-00122	DPW	OTHER	318 N KEY ST UNIT 120	CHECK METER #1700027280. KEEPS SHOWING A READING AND THEN BACK TO 0	3/16/2022		0
6	JOB-2022-00120	DPW	OTHER	301 W MAIN ST	REPLACE METER LID WITH ONE THAT FITS	3/16/2022		0
7	JOB-2022-00127	DPW	OTHER	307 E MARION ST	CLEAN UP DIRT IN YARD WHERE WATER LINE WAS REPAIRED	3/17/2022		0
8	JOB-2022-00133	DPW	FACILITIES INSTALL PARKING SIGNS		INSTALL MDM PARKING ONLY SIGNS AT PILOT CENTER. CHECK WITH DEZEARNS IN THE PILOT PRIDE SPACE ABOUT WHERE THE SIGNS SHOULD BE INSTALLED.	3/23/2022		0
9	JOB-2022-00134		FIRE HYDRANTS	DODSON MILL ROAD	REPLACE BROKEN HYDRANT.	3/23/2022		0
10	JOB-2022-00135	DPW	FIRE HYDRANTS	E MARION & KEY STREET	REPLACE BROKEN HYDRANT.	3/23/2022		0

General Services Work Order Applications

Applications For the Date Range 03/01/2022 Thru 03/31/2022

#	Reference #	Requesting Dept.	Job Type	Location	Description	Date Entered	Date Issued	Days Open
11	JOB-2022-00137	DPW	OTHER	209 GOLF COURSE RD	CHECK METER # 1700026869. SHOWING NOT OK IN MI-NET. LAST READING ON 3/23 226781	3/24/2022		0
12	JOB-2022-00141	DPW	OTHER	107 NELSON ST	TURN OFF. USAGE ON VACANT ACCOUNT. METER #1700026930	3/29/2022		0
13	JOB-2022-00140	DPW	OTHER	213 E MAIN ST	TURN OFF. USAGE ON VACANT ACCOUNT. METER #1700027809	3/29/2022		0
14	JOB-2022-00139	DPW	OTHER	507 S STEPHENS ST	TURN WATER OFF FOR FINAL. METER #1700027603	3/29/2022		0
15	JOB-2022-00138	DPW	OTHER	800 DODSON MILL RD UNIT 9		3/29/2022		0
16	JOB-2022-00144	DPW	OTHER	433 E 52 BYPASS	CHECK METER #1700027685 DEVICE READ FAILURE IN MI-NET	3/30/2022		0
16	TOTAL NEW AP	PLICATIONS						

⁵¹ TOTAL APPLICATIONS THIS REPORT PERIOD

MONTHLY STATUS REPORT OF OPERATION FOR THE PILOT MOUNTAIN WATER TREATMENT PLANT

MONTH: March YEAR: 2022

OPERATIONS:

MILLION GALLONS OF RAW WATER TREATED	9.814	DAILY AVERAGE RAW WATER TREATED (MGD)	.316
MILLION GALLONS WATER FILTERED	9.375	DAILY AVERAGE WATER FILTERED (MGD)	.302
MILLION GALLONS PUMPED TO SYSTEM	8.861	DAILY AVERAGE WATER PUMPED TO SYSTEM (MGD)	.285

CHEMICALS USED:

ALUMINUM SULFATE	819 LBS.
SODA ASH	939 LBS.
CHLORINE	183 LBS.
HEXAMETAPHOSFATE	78 LBS.

OPERATIONS SUMMARY:

All monthly drinking water laboratory tests were in compliance and the monthly report (eMOR) was submitted to NCDEQ on April 5th, 2022.

Concern Report

	Reference #	Status	Date Entered	Description of Concern
	Concern Type		Date Closed	
	Concern Address		Days to Resolve	
1	RAC-2022-00012 WATER METER COVER RE 301 W MAIN ST	NEW PLACEMENT	03/16/2022 20	AN UNKNOWN LARGE VEHICLE PULLED INTO OUR DRIVEWAY SNAGGED AND BROKE THE CABLE WIRE RUNNING ACROSS KEY STREET AND APPARENTLY BROKE THE WATER METER COVER AGAIN. THIS WAS REPLACED SOME MONTHS BACK BUT THE ONE THAT WAS PLACED THERE WAS TOO SMALL FOR THE AREA AND REPEATEDLY FELL INTO THE HOLE. WE NEED THE COVER REPLACED AND PREFERABLY WITH ONE THAT FITS APPROPRIATELY. THANK YOU.
2	RAC-2022-00013	CLOSED	03/17/2022 03/28/2022	THE HOMEOWNERS SEWER LINE IS FAILING AND NEEDS TO BE REPAIRED. THIS LINE CROSSES ACROSS THE PROPERTY OF 200 DODSON STREET.
	206 DODSON ST		11	
3	RAC-2022-00014 STREET SIGN ISSUE 107 BULLINGTON LN	NEW	03/18/2022 18	OUR ONE WAY ROAD SIGN IS LAYING ON THE GROUND NO ONE PAYS ATTENTION TO IT ANYWAY WE STILL HAVE TRAFFIC GOING BOTH WAYS IF NOT ENFORCED JUST TAKE AWAY SIGNAGE AND MAKE IT 2 WAY TRAFFIC AGAIN THANK YOU
1	RAC-2022-00015	NEW	03/21/2022	WINDOWS BROKE OUT
4	ABANDONED BUILDING/HC 407 S STEPHENS ST		15	WINDOWS BROKE GOT
5	RAC-2022-00016 EXTERIOR VIOLATIONS ON	NEW NHOUSE	03/29/2022	
	225 E MAIN ST		7	
6	RAC-2022-00017	NEW	03/29/2022	
	225 E MAIN ST		7	