

# AGENDA



**CITY OF LENOIR  
CITY COUNCIL MEETING  
CITY HALL, THIRD FLOOR  
801 WEST AVENUE  
TUESDAY, JUNE 21, 2016  
6:00 P.M.**



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## **I. CALL TO ORDER**

- A. Moment of Silence & Pledge of Allegiance

## **II. MATTERS SCHEDULED FOR PUBLIC HEARINGS**

## **III. CONSENT AGENDA ITEMS**

- A. Minutes: Approval of minutes from the City Council Meeting of Tuesday, June 7, 2016 as submitted.
- B. Minutes: Approval of minutes from the Budget Work Session of Thursday, May 26, 2016 as submitted.
- C. Closed Session Minutes: Approval of closed session minutes of Tuesday, November 10, 2015, Tuesday, January 5, 2016, Tuesday, January 26, 2016, Tuesday, April 5, 2016, Tuesday, April 19, 2016, Tuesday, May 3 and Tuesday, May 17 as reviewed by the City Attorney, City Manager and City Council.
- D. FY2016-2017 Paving Bids: Bids were received on Wednesday, May 18, 2016 and Thursday, June 9, 2016 for the City's Annual Paving Contract with only one bid submitted at each opening. City Staff is requesting City Council reject the bid of June 9 due to it being higher than the City's current contract and further direct City Staff to re-advertise for bids.

## **IV. REQUESTS AND PETITIONS OF CITIZENS**

## **V. REPORTS OF BOARDS AND COMMISSIONS**

## **VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER**

### **A. Items of Information**

1. Friday after Five is scheduled on Friday, June 24 with the Silvio Martinat Swing Band performing on the square from 7:00 p.m. – 10:00 p.m.
2. Fabulous Film Night is scheduled for Saturday, June 25 with the movie "Star Wars, The Force Awakens" being shown at 8:30 p.m. on the square.
3. A Community Jazz Festival will be held on Saturday, June 25 from 6:00 p.m. – 11:00 p.m. at the Martin Luther King, Jr. Center. This event is a fundraiser for City employee Archie Bowers to assist the family with ongoing medical bills.
4. The Planning Board meeting of Monday, June 27 has been cancelled due to no agenda items.
5. The Committee of the Whole will meet on Tuesday, June 28 at 8:30 a.m. at City Hall, Third Floor, former Council Chambers.

6. The Foothills Regional Airport Authority will meet on Wednesday, June 29 at noon.
7. A Cruise-In Event is scheduled for Saturday, July 2 in the downtown area.
8. City offices will be closed on Monday, July 4 in observance of Independence Day.
9. The July 5 City Council Meeting has been **cancelled** due to the Independence Day holiday. City Council will meet on Tuesday, July 19 at 6:00 p.m. The Committee of the Whole Meeting for July has also been cancelled.
10. A Shakin' Bakin' Under the Sky Musical Madness Event is scheduled on Friday, July 8 from 6:00 p.m. – 10:00 p.m. on the square.
11. The annual Blackberry Festival will be held on Saturday, July 9 from 10:00 a.m. – 4:00 p.m. in downtown Lenoir.
12. The City/County Services Committee will meet on Monday, July 11 at 11:45 a.m.
13. The Caldwell County Economic Development Commission will meet on Tuesday, July 12 at 8:00 a.m.
14. The Sister Cities Committee will meet on Thursday, July 14 at 1:15 p.m.
15. Friday after Five is scheduled for Friday, July 15 with the band "The Logic" performing on the square from 7:00 p.m. – 10:00 p.m.
16. The City/County Coordinating Committee will meet on Monday, July 18 at 11:30 a.m.

#### B. Items for Council Action

1. Resolution; NC Clean Water Management Trust Fund (NCCWMTF) Grant for Conservation Easement on the Lenoir Watershed: If City Council wishes to approve the NCCWMTF Grant, City Staff recommends approval of the submitted Resolution Accepting the NC Clean Water Management Trust Fund Grant for a Conservation Easement on the Lenoir Watershed. **Note:** This item was tabled from the June 7 City Council Meeting in order to allow Council to receive additional information clarifying the requirements of the Conservation Easement. **Note: City Staff recommends deferring this agenda item until the City Council Meeting of Tuesday, July 19, 2016 in order to receive additional information.**
2. Proposal; Project Administration Services for NCCWMTF: City Staff recommends approval of a Grant Project Administration Services Proposal in the amount of \$10,000 as submitted by Martin-McGill for the NC Clean Water Management Trust Fund Grant. **Note:** This item was tabled from the June 7 City Council Meeting. **Note: City Staff recommends deferring this agenda item until the City Council Meeting of Tuesday, July 19, 2016.**
3. Authorizing Resolution for NC Department of Commerce Building Reuse & Restoration Grant Submitted for Project Umbrella: City Staff recommends approval of an Authorizing Resolution to apply to the North Carolina Department of Commerce Building Reuse and Restoration Grants Program for a proposed expansion project known as "Project Umbrella." Caldwell County will provide the 5% match.

**VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY**

**VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR**

**IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS**

**X. ADJOURNMENT**

**LENOIR CITY COUNCIL  
TUESDAY, JUNE 7, 2016  
6:00 P.M.**

**PRESENT:** Mayor Gibbons presiding. Councilmembers present were Edmisten, Perdue, Perkins, Rohr, Stevens, Thomas, and Willis. Also in attendance were City Manager Hildebran, City Clerk Cannon and City Attorney Blair.

**I. CALL TO ORDER**

A. The meeting was opened by a moment of silence followed by the Pledge of Allegiance led by Mayor Gibbons.

**II. MATTERS SCHEDULED FOR PUBLIC HEARINGS**

**FY2016-2017 ANNUAL**

**BUDGET:** A. A public hearing was held to receive public comments regarding the annual budget for the fiscal year beginning July 1, 2016 through June 30, 2017.

A copy of the Budget Ordinance is hereby incorporated into these minutes by reference. (Refer to pages 159-163.)

The recommended budget is comprised of General Fund, \$16,148,851, Special Downtown District, \$179,918, Tourism Development, \$60,000 and Water Fund, \$8,116,201, for a total budget of \$24,502,970.

The property tax rate of \$0.58 per \$100 valuation remains unchanged. The budget contains a 3% increase in sewer rates and a 2% COLA for employees effective January 1, 2017. All other charges/fees remain unchanged.

The City is required to have its budget adopted by July 1, 2016 in order to establish its legal spending limits.

Mayor Gibbons opened the public hearing to receive public comments regarding the recommended budget.

There being no public participation, Mayor Gibbons closed the public hearing and asked Council for action.

Councilmember Rohr stated he was glad the budget does not contain a tax increase, but restated his prior opposition to the proposed 3% sewer rate increase. He remarked the City's inside and outside utility customers should also be charged the same rate. Mr. Rohr related that he was in favor of reducing the current tax rate and eliminating the

downtown district.

Mayor Pro-Tem Willis referred to the highlights of the recommended budget and reiterated the budget does not contain a tax increase, but does contain a 2% COLA increase for employees. Mr. Willis noted it was a great budget and thanked City Manager Hildebran and City Staff for all their hard work.

Councilmember Perdue pointed out the budget does not contain a financing package and the City will be paying for capital items out of the General Fund. He noted it was a healthy budget.

On behalf of City Council, Mayor Gibbons expressed appreciation to City Manager Hildebran, Interim Finance Director Gilbert and all City employees for all their hard work in compiling the budget. He emphasized the City has a great downtown and he was glad for all the good things the City has accomplished.

Upon a motion by Mayor Pro-Tem Willis, Council voted 6 to 1 to approve the FY2016-2017 Annual Budget as presented and as recommended by City Manager Hildebran. Councilmember Rohr voted against the budget.

### **III. CONSENT AGENDA ITEMS**

A. Upon a recommendation by City Manager Hildebran, the following Consent Agenda items were submitted for approval:

1. Minutes: Approval of minutes from the City Council Meeting of Tuesday, May 17, 2016 as submitted.
2. Minutes: Approval of minutes from the Committee of the Whole Meeting of Tuesday, May 24, 2016 as submitted.

Upon a motion by Councilmember Stevens, Council voted 7 to 0 to approve the above listed items on the Consent Agenda as submitted and as recommended by City Manager Hildebran.

### **IV. REQUESTS AND PETITIONS OF CITIZENS**

#### **J.E. BROYHILL PARK IMPROVEMENTS PROJECT:**

- A. Reverend Charlie Rivens, Smith Memorial United Methodist Church and Harper's Chapel United Methodist Church, addressed City Council on behalf of a group of concerned citizens regarding the timeline of the proposed improvements at the J.E. Broyhill Park located on Ridge Street.

Reverend Rivens presented photos of the recent demolition process at the

park and inquired why the work wasn't progressing and also why the basketball court has been removed. Mr. Rivens stated that several members of the community feel the delay is due to their being a minority group that uses the park.

Mayor Gibbons informed the audience this project is the first phase of the North Main Street Beautification Plan and explained the City is waiting on the release of Community Development Block Grant Funds (CDBG) which will be used to complete the remaining phase of the scheduled park improvements. Mayor Gibbons pointed out the City was also delayed during the demolition process to due asbestos removal and environmental issues.

City Manager Hildebran reiterated the City is waiting on the release of the Community Development Block Grant (CDBG) funding.

Reverend Rivens stated, in order to eliminate any confusion, the citizens need to be kept informed of the situation regarding the park renovations. He thanked City Council for the opportunity to speak.

Reverend Bryon Grayson, St. Paul AME Church, commented the park is intended to beautify the City and reiterated the community was unaware the basketball court was going to be removed. Mr. Grayson further stated the downtown area needs to continue to grow.

Mr. Roger Patterson, 331 Eastview Place, informed Council he currently serves as President of the Local Chapter of the NAACP and that he supports Mr. Rivens and Mr. Grayson's comments. Mr. Patterson thanked City Council for all of their ongoing projects, but cited safety concerns at the park due to the status of the demolished buildings. He also pointed out that bushes have grown over onto the sidewalk on Finley Avenue.

In addition, Mr. Patterson asked Council if there were any plans to do anything to the old filling station property located beside of St. Paul's AME Church on Finley Avenue.

Reverend James Wilfong, Highway to Hedges Church, informed Council he wants the park put back together and further wants everyone to work together and communicate together.

Planning Director Wheelock restated this project is part of the North Main Street Beautification Plan in which the City held community meetings and received public input for that project. Ms. Wheelock stated the water damage at the basketball court was severe, and due to cost, replacing it is not included in the first year's budget for the proposed park improvements. Ms. Wheelock clarified the CDBG funding calls for a specific plan on how these funds will be allocated.

A member of the audience expressed her support to have the basketball

court replaced at the park. Another member of the audience expressed safety concerns for the children being on the street since they cannot currently use the park.

Recreation Director Winkler explained for the audience there was extensive water damage at the park which caused the wall to be pushed in as well as damage to the shuffleboard court and basketball court. He further explained all the funding allocated by the City for the improvements project was used for the asbestos removal and the project will move forward once the CDBG funding is released.

Reverend Rivens commented the City should have a maintenance budget in order to maintain its facilities and inquired whether the City was having maintenance issues in other areas.

Director Winkler noted the J.E. Broyhill Walking Park is funded by the Broyhill Foundation and reported the HVAC units were replaced recently at the two of the Recreational facilities.

Director Winkler repeated the safety issues at the park and explained, upon completion, the park will be ADA accessible. He noted the park will have new shelters and a nine hole Disc Golf course which will be the first course installed at one of the City's facilities. In addition, Director Winkler pointed out the City has experienced vandalism in the park along with issues regarding homeless people being at the park as well as drug activity occurring there.

Mayor Gibbons emphasized the J.E. Broyhill Park has always been a City park and available for all citizens of the community. He noted that work has not stopped on the project and the City could consider putting a basketball court back in. Director Winkler pointed out it would probably not be in the same location in the park due to the proposed grading and landscaping to make the park more accessible for everyone.

Reverend Grayson remarked the City was excluding minorities by putting in a disc golf course because they weren't familiar with that particular game. It was noted the disc golf course could be put in another area if necessary.

Councilmember Thomas stated that communication seems to be the issue and the City needs to make sure everyone understands the plan for the park improvements.

Mayor Gibbons re-emphasized the J.E. Broyhill Park is for all citizens of the City of Lenoir and noted that City Council is open and willing to receive input from the community. He invited citizens to contact City Council should they have any questions.

Planning Director Wheelock clarified her Department does not have data

yet on the minimum housing properties that were mentioned and explained how projects are moved up on the City's Minimum Housing Priority List. In addition, Ms. Wheelock stated the J.E. Broyhill Park is currently being underutilized and the City's goal is to increase the use of the park. She restated the park is for children and adults and will be an asset for our downtown area upon completion of the proposed improvements.

In conclusion, Mayor Gibbons reiterated Staff would contact the property owners regarding the minimum housing issues on Finley Avenue and further pointed out there were a lot of recreational programs and sports programs currently available at the Martin Luther King, Jr. Center located on Finley Avenue as well as the other City recreational facilities.

Following a question regarding whether Main Street will be paved, it was further noted the City has a street assessment list which ranks City streets according to when they need to be paved. It was noted the City has 120+ miles of City streets to maintain. City Manager Hildebran also mentioned the City's paving budget has been increased for the upcoming FY2016-2017 budget year.

**N.C. MOUNTAIN BIKE ALLIANCE  
MEMBERS; WATERSHED PROPERTY:**

- B. Dr. David Brendle addressed City Council and stated he has been a resident of Lenoir for over four and one-half years. He also mentioned he is part of the Caldwell County Pathways as well as a member of the North Carolina Mountain Bike Alliance.

Dr. Brendle stated he was involved with the building of the Zacks Fork mountain bike trail and remarked the Watershed Property has great potential for another larger trail. He related that representatives of Martin-McGill previously recommended that a portion of the Watershed Property be made into a mountain bike trail.

Dr. Brendle conveyed how mountain biking will benefit the local economy and that it is a good tourism model. He referred to how the town of Asheville and Brevard are greatly benefiting from having trails. Dr. Brendle reported he recently had conversations with Nancy Guthrie, Board Member, North Carolina Clean Water Management Trust Fund (NCCWMTF), who indicated she would consider the option of a trail, but could not guarantee the request would be approved by the NCCWMTF. Dr. Brendle further related the City's proposed funding would not change should this revision be added.

Shawn Moore, Luna Cycles, distributed a timeline and a map of the Watershed property to Councilmembers. Mr. Moore reiterated the economic impact a mountain bike trail would have for the City. Mr. Moore stated he is not against the City receiving the grant funding, but is asking that Council consider this revision to the Conservation Easement before approving the proposed Conservation Easement at tonight's City Council Meeting.

Mr. Moore reviewed the timeline and pointed out how the City previously received an unsolicited offer to purchase the Watershed property but declined the offer. Following the City's second proposal to purchase the property, he noted the City hired Martin-McGill to compile an assessment of best use on the property. Mr. Moore stated that Martin-McGill advised Council to develop the property in lieu of selling it.

Mr. Moore explained how Boone has experienced significant economic growth due to the Rocky Knob Mountain Bike Park located there and pointed out Lenoir's proximity to other biking trails on the map he submitted for review. Mr. Moore emphasized these trails receive national recognition and bring in visitors from outside of the area.

Mr. Moore stressed to Council that their decision could not be reversed should they choose to accept the Conservation Easement funding at this meeting and restated the NCCWMTF is receptive to listening to the City regarding this issue. Mr. Moore further noted Ms. Guthrie indicated that Council's decision to delay would not negatively impact the proposed Conservation Easement.

Mr. Moore respectfully asked City Council to enter into a process with the North Carolina Mountain Bike representatives and representatives from the NCCWMTF to schedule a meeting in order to see what may be done regarding this issue.

Mayor Gibbons informed the group the City is very supportive of mountain biking and referenced how the Zacks Fork Trail has not caused any issues for the City. He stated the Conservation Easement Grant funding is a great deal for the City and pointed out the Police Department's firing range is also located on the Watershed Property.

Councilmember Perdue remarked the City had been informed that mountain biking is not an acceptable use on the Watershed Property.

Mr. Moore reiterated that Council can't reverse its decision should they approve the Conservation Easement and related how the members of the North Carolina Mountain Bike Alliance invested over 1,100 man hours to construct the Zacks Fork trail. He mentioned the group maintains the trail through its volunteers and stated the group gave the City an amenity.

In addition, Mr. Moore asked Council for a portion of the grant funding should mountain biking be approved as an acceptable use of the Watershed Property. He explained this trail would be a much larger project than the Alliance members could handle, and that within two years, the City would have a great trail. Mr. Moore indicated the trail would be expanded over time.

Mayor Gibbons restated the NCCWMTF has stated the City cannot construct

a trail on the property.

Next, Mr. Moore referred to a previous article citing Police Chief Brown's comments regarding the effect of lead left on the property by users of the firing range. He stressed for City Council to keep its options open. He also reported the Lenoir Tourism Development Authority previously assisted with funding of the Zacks Fork trail.

Alice Briggs, Martin-McGill, reminded Council this is a highly competitive grant and stated she has worked on this project for a long period of time. Ms. Briggs stated that mountain biking on the tract conflicts with information she received from the NCCWMTF regarding mountain bikes and noted her attempts to contact the NCCWMTF today was unsuccessful. Upon approval, the Conservation Easement would have to be amended by state officials to allow mountain bike trails as one of the allowed uses on the property.

Ms. Briggs emphasized the Conservation Easement was granted to the City of Lenoir in order to provide environmental protection for the riparian buffers and surface waters on the Watershed. Ms. Briggs reported that Nancy Guthrie, NCCWMTF, has conveyed to her there is always concern for erosion that mountain biking would have on the Watershed Property.

Councilmember Perdue commented how the NCCWMTF would previously not accept the use of mountain biking and stated the City needs to follow the parameters of the grant.

Ms. Briggs reported the proposed contract covers the plans to encumber the funding, and following approval by Council, the language for the Conservation Easement would be added at a later date.

Mr. Moore restated the City could make the request to the NCCWMTF, but repeated the request for the trail ended should Council finalize the Conservation Easement. He further confirmed it would not be the City's responsibility to maintain a trail on the Watershed Property as the North Carolina Mountain Bike Alliance members and a host of volunteers would maintain it.

**Motion for Items VI. B-1 and VI. B-2**

Due to conflicting information, Councilmember Perdue made a motion, which carried unanimously, to table Items VI. B-1 and VI. B-2 (as listed below) until the City Council Meeting of Tuesday, June 21 in order for the City to receive additional information from the state regarding the feasibility of mountain biking.

**VI. B-1**

**TABLED; RESOLUTION; NC CLEAN WATER MANAGEMENT TRUST FUND (NCCWMTF) GRANT FOR CONSERVATION EASEMENT ON THE LENOIR WATERSHED:** If Council wishes to

approve the NCCWMTF Grant, City Staff recommends approval of the submitted Resolution Accepting the NC Clean Water Management Trust Fund Grant for a Conservation Easement on the Lenoir Watershed.

**VI. B-2**

**TABLED; Proposal; Project Administration Services for NCCWMTF:** City Staff recommends approval of a Grant Project Administration Services Proposal in the amount of \$10,000 as submitted by Martin-McGill for the NC Clean Water Management Trust Fund Grant.

Next, Mr. Bryan Elliott asked for permission to address Council and stated he has personal experience regarding easements. Mr. Elliott reiterated the Conservation Easement process needs to be done properly and asked Council to slow down the process. Mr. Elliott further related he travels extensively to other areas and states in order to participate in mountain biking and remarked a trail on the Watershed Property has great potential for the City.

**V. REPORTS OF BOARDS AND COMMISSIONS**

**VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER**

A. Items of Information

**SISTER CITIES**

**COMMITTEE:** 1. The Sister Cities Committee will meet on Thursday, June 9 at 1:15 p.m. at 1841 Café.

**LENOIR BUSINESS ADVISORY**

**BOARD:** 2. The Lenoir Business Advisory Board will meet on Tuesday, June 9 at 6:00 p.m. at City Hall, Third Floor, former Council Chambers.

**CITY/COUNTY SERVICES**

**COMMITTEE:** 3. The City/County Services Committee will meet on Monday, June 13 at 11:45 a.m.

**CALDWELL COUNTY ECONOMIC DEVELOPMENT**

**COMMISSION:** 4. The Caldwell County Economic Development Commission will meet on Tuesday, June 14 at 8:00 a.m.

**ABC BOARD:**

5. The ABC Board will meet on Tuesday, June 14 at 5:30 p.m. at Lenoir Store #1 located at 123 ABC Court.

**FRIDAY AFTER**

**FIVE:** 6. Friday after Five is scheduled for Friday, June 10 from 7:00 p.m. – 10:00 p.m. with Rosa Russ performing on the square downtown.

**SWINGIN' WINGIN'  
MADNESS EVENT:**

7. A Swingin' Wingin' Madness Event is scheduled on Friday, June 17 from 6:00 p.m. – 10:00 p.m. downtown. The band "Classics Nautical Wheelers will also be performing on the square

**CITY/COUNTY COORDINATING**

- COMMITTEE:** 8. The City/County Coordinating Committee will meet on Monday, June 20 at 11:30 a.m. at City Hall, Third Floor, former Council Chambers.

**NCDOT NOTIFICATION; WHITNEL  
INTERCHANGE PROJECT:**

9. City Manager Hildebran informed Council the City has received notification from the North Carolina Department of Transportation regarding additional cost the City may be responsible for regarding the completed Whitnel Interchange Project and stated City officials will be checking into this request.

B. Items for Council Action

**VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY**

**VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR**

**IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS**

**X. ADJOURNMENT**

- A. There being no further business, the meeting was adjourned at 7:25 p.m.

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Joseph L. Gibbons

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Shirley M. Cannon, City Clerk

**Fiscal Year July 1, 2016 – June 30, 2017**

**BE IT ORDAINED** by the Lenoir City Council in regular session assembled on June 7, 2016.

**Section 1.** That the following amounts are hereby appropriated for the operation of the government of the City of Lenoir and its activities for the fiscal year beginning July 1, 2016, and ending June 30, 2017.

<b>FUND</b>	<b>ESTIMATED REVENUES</b>	<b>FUND BALANCE APPROPRIATED</b>	<b>TOTAL BUDGET</b>	<b>APPROPRIATED</b>
General	\$16,148,851		\$16,148,851	\$16,148,851
Water & Wastewater	<u>\$8,116,201</u>		<u>\$8,116,201</u>	<u>\$8,116,201</u>
<b>Total</b>	<b><u>\$24,265,052</u></b>		<b><u>\$24,265,052</u></b>	<b><u>\$24,265,052</u></b>

**Section 2.** That for said fiscal year there is hereby appropriated as expenditures of the General Fund the following:

Legislative	\$360,705
Administrative	\$558,026
Finance	\$527,545
Planning/Stormwater	\$399,918
Police	\$5,029,292
Fire	\$3,555,035
Recreation	\$1,734,469
Public Works:	
Administrative	\$473,286
Cemetery & Grounds	\$230,841
Building Maintenance	\$336,915
Sanitation	\$812,043
Streets	\$1,910,330
Vehicle Services	<u>\$220,446</u>
<b>Total</b>	<b><u>\$16,148,851</u></b>

**Budget Ordinance**  
**Fiscal Year July 1, 2016 – June 30, 2017**

**Section 3.** That for said fiscal year there is hereby appropriated as expenditures of the Water & Wastewater Fund the following:

<u>DEPARTMENT/DIVISIONS</u>	<u>APPROPRIATION</u>
Admin. & Engineering	\$313,641
Utilities Maintenance	\$280,094
Rhodhiss Water Treatment Plant	\$1,997,457
Water Distribution	\$1,692,861
Wastewater Collection	\$1,640,317
Wastewater Pretreatment	\$186,396
Wastewater Treatment Plants:	
Gunpowder Plant	\$830,549
Lower Creek Plant	\$1,174,886
<b>Total</b>	<b><u>\$8,116,201</u></b>

**Section 4.** There is hereby levied for the fiscal year ending June 30, 2017, the following rate of taxes on each one hundred dollars of assessed valuation of taxable property listed as of January 1, 2016, and of registered vehicles in accordance with G.S. 105-330.3(a)(1) for the purpose of raising the revenues from the current year's listed and registered property as set forth in the foregoing estimates of the General Fund revenues and in order to finance the foregoing General Fund appropriations.

General Fund.....\$.58 (fifty-eight cents) tax rate  
 per one hundred dollars assessed valuation.

Said General Fund tax rate is based on an estimated total appraisal value of real and personal property for the purpose of taxation of \$2,122,316,090 with an assessment ratio of one hundred percent (100%) of appraised value and estimated collection rate of 95.65%. Said collection rates are based on the actual 2015-2016 collection rates.

**Fiscal Year July 1, 2016 – June 30, 2017**

**Section 5.** That for said fiscal year there is hereby appropriated as expenditures of the special Downtown Tax District Fund for the operation of the Economic Development/Main Street Lenoir program and Tourism Development.

<b>FUND</b>	<b>ESTIMATED REVENUES</b>	<b>FUND BALANCE APPROPRIATED</b>	<b>TOTAL BUDGET</b>	<b>APPROPRIATED</b>
Special Downtown District	\$179,918		\$179,918	\$179,918
Tourism Development	<u>\$60,000</u>		<u>\$60,000</u>	<u>\$60,000</u>
<b>TOTAL</b>	<b><u>\$239,918</u></b>		<b><u>\$239,918</u></b>	<b><u>\$239,918</u></b>

**Section 6.** There is hereby levied for the fiscal year ending June 30, 2017, the following rate of taxes on each one hundred dollars of assessed valuation of taxable property listed as of January 1, 2016, and of registered vehicles in accordance with G.S. 105-330.3(a)(1) for the purpose of raising the revenues from the current year’s listed and registered property set forth in the foregoing estimates of Special Downtown District Fund revenues and in order to finance the foregoing Special Downtown District Fund appropriations.

Special Downtown District.....\$.25(twenty-five cents) tax rate  
 per one hundred dollars assessed valuation.

Said Special Downtown District tax is based on an estimated total appraised value of property for the purpose of taxation of \$12,545,740 with an assessment ratio of one hundred percent (100%) of appraised and registered real and personal property value. The estimated collection rate is 95.65%.

**Section 7.** It is estimated that \$60,000 in revenue will be available in the Tourism Development Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

**Fiscal Year July 1, 2016 – June 30, 2017**

**Section 8.** Water & Sewer rates are established to be effective July 1, 2016 according to the following schedule:

<b>Water Inside Corporate Limits</b>	
0 – 1,000 gallons	\$10.02
Over 1,000 gallons	\$3.17 per 1,000 gallons
<b>Sewer Inside Corporate Limits</b>	
1 – 1,000 gallons	\$8.93
Over 1,000 gallons	\$3.78 per 1,000 gallons
<b>Water Outside Corporate Limits</b>	
0 – 1,000 gallons	\$20.04
Over 1,000 gallons	\$6.34 per 1,000 gallons
<b>Sewer Outside Corporate Limits</b>	
0 – 1,000 gallons	\$17.86
Over 1,000 gallons	\$7.56 per 1,000 gallons
<b>Resale Water</b>	
\$2.12 per 1,000 gallons	
<b>Resale Sewer</b>	
\$3.74 per 1,000 gallons	

**Section 9.** Salaries & wages accounts provide for funding of all budgeted employee positions and City Council.

**Section 10.** The City Manager and Finance Director shall notify the City Council of any items of over-expenditure or shortfalls in revenue on a timely basis throughout the fiscal year. Request for appropriations not contained in the Budget Ordinance will be presented to Council after a review of the necessary revenue sources to offset the expenditure has been conducted by the Finance Director. Recommended budget amendments will be presented to the Council at the time the request for appropriation is submitted by the Finance Director.

**Section 11.** Copies of this Budget Ordinance shall be furnished to the Finance Director and the City Manager of the City of Lenoir, North Carolina, to be kept on file by them for their direction in the collection of revenues and the expenditures of amounts appropriated.

**Section 12.** The City Manager is authorized to amend the budget by transfer of appropriations within each fund. All amendments affecting revenues or total fund appropriations shall be approved by ordinance by the City Council, to be acted on at any regular or special meeting and approved by a simple

**Fiscal Year July 1, 2016 – June 30, 2017**

majority of those present and voting, a quorum being present. Only one reading will be required and a public hearing or publication of notice is not necessary unless requested by Council.

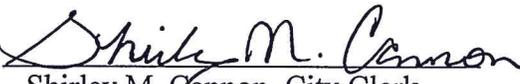
Adopted this 7<sup>th</sup> day of June, 2016.

SEAL



Joseph L. Gibbons, Mayor

ATTEST:



Shirley M. Cannon, City Clerk

# MINUTES

LENOIR CITY COUNCIL  
FY2016-2017 ANNUAL BUDGET WORKSESSION  
CITY HALL, THIRD FLOOR  
THURSDAY, MAY 26, 2016  
6:00 P.M.

PRESENT: Mayor Gibbons, Councilmember Edmisten, Perdue, Perkins, Rohr, Thomas and Willis.

Others present were City Manager Hildebran, Interim Finance Director Gilbert, City Clerk Cannon, and Public Utilities Director Thomas.

ABSENT: Councilmember Stevens.

## I. CALL TO ORDER

A. Mayor Gibbons welcomed everyone and called the meeting to order.

B. FY2016-2017 Recommended Annual Budget: City Manager Hildebran reviewed the highlights of the power point presentation of the proposed FY2016-2017 Annual Budget presented to City Council at the May 17 City Council Meeting.

The recommended budget is comprised of General Fund, \$16,148,851, Special Downtown District, \$179,918, Tourism Development, \$60,000 and Water Fund, \$8,116,201, for a total budget of \$24,502,970. The budget contains a 3% sewer rate increase and a 2% COLA for employees beginning January 1, 2017. The current property tax rate of \$0.58 per \$100 valuation remains unchanged. Mr. Hildebran also reiterated that all other General Fund charges/fees remain unchanged.

The City is required to have its budget adopted by July 1, 2016 in order to establish its legal spending limits.

Mr. Hildebran reported the City's group health insurance plan remains unchanged with the budget funding a 7.9% increase in premiums. Additionally, the recommended budget increases funding for street resurfacing 25% from FY2015-2016 to \$375,000 in FY2016-2017.

Mr. Hildebran reviewed the budget highlights which include the following:

- 1) Provides operational funds to get the new Fire Station #3 "shovel ready".
- 2) Provides operational funds in the amount of \$35,000 for grants/loans to assist in downtown development.
- 3) Allocates funds from the Community Development Block Grant program (CDBG) to continue improvements to the J.E. Broyhill Park and funds the North Main Street NW Entrance Beautification project on Creekway Drive.

- 4) Provides operational funding to initiate the Linkside Connector Project.
- 5) Does not appropriate any fund balance proceeds and maintains a General Fund balance of approximately 23%, just slightly less than City Council's goal of 24%.

Additional highlights are:

- 6) Increases funding 50% from FY2015-2016 levels to \$75,000 for Sidewalks/Greenways in FY2016-2017.
- 7) Appropriates \$10,000 for building demolition.
- 8) Continues to fund Computer/IT upgrades and supports conversion to a more user-friendly emergency mass notification system.
- 9) Provides operational funds to develop the Fairfield South Plan.
- 10) Fund all debt obligations, including the newly required 75' Quint Fire Truck and recently completed Meadowood Sewer Replacement Project.

Mr. Hildebran restated the General Fund Budget will cover the cost of the list of capital project items and the budget does not include a financing package for the upcoming fiscal year. The proposed capital items from the General Fund include the following:

- a) 4 patrol cars, brake lathe, roof replacements at several City facilities.

The proposed capital items from the Water/Sewer Fund include the following:

- b) vehicle, dump truck warehouse roof, Hayes Avenue waterline, decanter for Sludge Basin 2 and a mower.

Mr. Hildebran also expressed his appreciation to former Assistant City Manager/Interim Finance Director Danny Gilbert for all of his hard work in compiling the proposed budget. Mr. Hildebran stated that Danny has, for the past ten years, provided outstanding leadership and stewardship to the City's financial operation. He further commented that, along with all of our organization, we extend our appreciation and thanks to Mr. Gilbert for his outstanding service to the citizens of Lenoir.

In addition, Mr. Hildebran thanked the Department Directors, Team Lenoir and City Council for their patience, understanding, and dedicated work on this important policy document. Mr. Hildebran remarked, "As I observe daily, our Team Lenoir Members are committed to providing "Service Beyond Measure."

Mr. Hildebran stated a public hearing would be held to consider approval of the proposed budget at the City Council Meeting scheduled for Tuesday, June 7.

Next, Mr. Hildebran pointed out that employee compensation remains a concern for the Department Directors and related that other municipalities were also giving cost of living raises with some recommending a higher percentage and some a lower percentage than the City's proposed 2% COLA.

Fire Station No. 3.

Mr. Hildebran reported that officials with Blue Ridge Electric may be interested in assisting the City with the cost of the proposed new Fire Station No. 3 through their Cooperative USDA Loan Program. He noted the maximum amount of this

funding is capped at \$1,000,000 with 0% interest over a ten-year period. He further reported that City Staff has completed some prep work at the site.

#### Upcoming Projects; Downtown Housing & North Main Street Area

Mr. Hildebran reminded Council the Community Development Block Grant (CDBG) funding is federal money which means that a number of individuals have to sign off on projects such as the North Main Street Beautification project as well as the Improvements Project for the J.E. Broyhill Park before these projects can be completed.

Councilmember Perdue led a brief discussion about the status of the former Williams Supermarket facility located on Creekway Drive which is considered to be an eyesore for the community. Councilmember Willis commented that Planning Director Wheelock may be checking into what the City could do to enforce the code violations at the site. Mr. Hildebran pointed out the building was boarded up for safety purposes and he would check into this issue and report back to City Council. Councilmember Perkins also asked about Conley Place. Mr. Hildebran advised Council he would follow up on both properties.

#### Linkside Connector Project

Mr. Hildebran reported the City has funding allocated to complete the Alternate II, Construction Estimate Phase I, with a 12% Contingency, in the amount of \$92,080 for this project.

He also reported the City is continuing to work on obtaining an easement from Pete Huntley for the property in front of the former Lenoir Mall for the Greenway.

Councilmember Willis asked for clarification regarding how many homes could be demolished with the \$10,000 allocated in the FY2016-2017 budget for this purpose. Mr. Hildebran stated funding may cover the cost of demolishing two homes. Mr. Hildebran emphasized the City strives for owner abatement and explained that, once the six strategic foreclosures are completed Staff is currently working on, other minimum housing properties will be moved up on the City's priority list.

#### Update: Emergency Mass Communication Notification

Mr. Hildebran reported that Staff reviewed three presentations today from mass communication technology providers and noted the proposed budget includes funding for this project. Additional information regarding this item will be presented to City Council in the near future.

#### State Sales Tax Reallocation

Mr. Hildebran reported the City is expected to receive \$215,000 from the state as a result of the sales tax reallocation legislation. He also pointed out that Staff has strived to address Council's priorities with the proposed budget items.

#### Additional Discussion; Employee Compensation

Councilmember Willis asked what would be a realistic number regarding employee compensation and where does the City currently need to be in that

respect.

Mr. Hildebran stated the pay scale is a challenge, and as an example, explained the Town of Boone bases their salaries on the same pay scale as Appalachian State University. He mentioned Lenoir's pay scale is becoming more in line with the City of Shelby's, but noted it remains tough to retain individuals in the Police Department as well as other City Departments due to the difference in area salaries. Mr. Hildebran emphasized the City needs to continue to annually review the City's pay scale.

Councilmember Thomas asked if there was money in the budget to give employees a 3% COLA instead of the proposed 2% COLA with Interim Finance Director Gilbert explaining funding is tight in the proposed budget.

Mr. Hildebran suggested giving employees a holiday bonus similar to surrounding jurisdictions with all City employees receiving the same amount. He stated that currently all employees receive a \$25.00 Chamber Check at the Christmas holiday. Additional information regarding this recommendation will be presented in the future.

#### Property Tax Projections & Budget Line Items

Councilmember Rohr asked for clarification regarding the difference between the FY2015-2016 and the FY2016-2017 property tax estimates. Interim Finance Director Gilbert remarked that Caldwell County Staff compiles this report and explained that some of the difference in the projections may be depreciation as related to the Google facilities. As information, it was further noted that a 1-cent tax increase nets the City around \$120,000.

Interim Finance Director Gilbert also answered several questions from Councilmember Rohr and other Councilmembers pertaining to different line items within the proposed budget.

#### Update; Watershed Property

Mr. Hildebran presented background information on the Lenoir Watershed Property by relating the City received an unsolicited offer of \$852,540 for the Watershed property in 2013. Due to concerns about relocating the Police Department's firing range which may cost around \$500,000 and up, permitting, and noise plus potential major residential development of the area, City Council chose to retain Martin-McGill, Inc., to conduct a best use assessment for the Lenoir Watershed. After exploring a variety of options, it was determined that the best alternative was for the City to retain ownership of the property under a Conservation Easement with the North Carolina Clean Water Management Trust Fund (NCCWMTF) which was found to be the most appropriate conservation partner for the City.

Mr. Hildebran reported the North Carolina Clean Water Management Trust Fund (NCCWMTF) has approved the purchase of a Conservation Easement on the Lenoir Watershed property tract via a bargain sale with the City for a grant

award of up to \$755,993. Per the award, this project involves a total of approximately 568.36 acres (minus approximately 5.0 acres to be excluded and used as a law enforcement training facility (firing range)).

In addition, he reported the purpose of the state grant is for the purchase of conservation easement acquisition, and to preserve, enhance, restore, and maintain the natural features and resources of the property; provide habitat for native plants and animals, improve and maintain water quality; control runoff of sediment, and for recreational, scientific, educational, cultural and aesthetic purposes.

Mr. Hildebran clarified that, according to the NCCWMTF, only passive recreational use is allowed on a watershed conservation tract. Mr. Hildebran pointed out there would more than likely not be any mountain bike trails allowed on the property at this time. He stated the City would record a permanent, state-held conservation easement on the property and the conservation easement will be monitored by Foothills Conservancy of North Carolina through a separate agreement with the NCCWMTF.

Mr. Hildebran further clarified the City is restricted in its use of the property due to the conservation easement, but does maintain ownership of the property. He informed Council that Dennie Martin, Martin-McGill, or another representative would be in attendance at the June 7<sup>th</sup> City Council Meeting to present additional information.

Councilmember Rohr stated he would consider proposing a 1-cent reduction of the City's current tax rate of \$0.58 per \$100 valuation, but he realizes there is no interest from City Councilmembers. Mr. Rohr then referred to the sales tax reallocation funding in the amount of \$215,000 the City is expected to receive from the state and remarked this money should be returned to the citizens. He expressed his opposition to the proposed budget and noted he would be voting against it on June 7.

C. Adjourn: There being no further business; the meeting was adjourned at 6:48 p.m.

**CITY OF LENOIR**  
**COUNCIL ACTION FORM**

- I. Agenda Item: FY 2016 – 2018 Paving Contract.
  
- II. Background Information: On May 18, 2016, City staff conducted a bid opening for FY 2016 – 2018 paving. Only one bid from Maymead was received. It was returned unopened. On June 9, 2016, staff conducted a second bid opening. Only one bid was received from Midstate Contractors. (Maymead replied later that they did not receive the bid packet.) Since this was the 2<sup>nd</sup> bid opening, Midstate’s bid was opened and read aloud. The Midstate bid was \$97.50 per ton.
  
- III. Staff Recommendation: City staff finds that the Midstate bid of \$97.50 per ton is significantly higher than the City’s current contract amount of \$81.25. Therefore, City staff recommends that City Council reject the Midstate bid and direct City staff to re-advertise for bids.

IV. Reviewed by:

City Attorney: \_\_\_\_\_

Finance Director: \_\_\_\_\_

Public Works Director: Charles K. Beck

Public Utilities Director: \_\_\_\_\_

**CITY OF LENOIR**  
**COUNCIL ACTION FORM**

- I. **Agenda Item:** B.3. Authorizing Resolution for NC Department of Commerce Building Reuse & Restoration Grant Submission for “Project Umbrella”
- II. **Background Information:** The Building Reuse Program under the Rural Grants/Programs Section of the North Carolina Department of Commerce provides grants to local governments to support the reuse of vacant buildings and spur economic activity that will create jobs. The City is currently working with the Caldwell County EDC to apply for a Building Reuse Grant to provide funds to renovate a building owned by Blue Ridge Electric Membership Corporation located on Cooperative Way. The building will be leased for “Project Umbrella”.

“Project Umbrella” intends to expand its manufacturing activities in the City of Lenoir. The expansion is expected to create 40 additional high paying jobs, with investments in the up fit estimated to exceed two million dollars.

Caldwell County will provide the required 5% grant match pending approval of the request by the NC Department of Commerce.

- III. **Staff Recommendation:** If Council wishes to proceed with the grant submittal, City Council should adopt the enclosed Authorizing Resolution for NC Department of Commerce Building Reuse & Restoration Grant Submission for “Project Umbrella”.

- IV. **Reviewed by:**

**City Attorney:**

**City Manager:**



CITY MANAGER  
SCOTT E. HILDEBRAN

CITY OF LENOIR  
NORTH CAROLINA  
City of Lenoir Resolution  
Authority to Apply to the  
North Carolina Department of Commerce  
Building Reuse and Restoration Grants Program  
"Project Umbrella" 2016 Economic Development Expansion Project

MAYOR  
JOSEPH L. GIBBONS

CITY COUNCIL  
K. P. EDMISTEN  
T. H. PERDUE  
J. I. PERKINS  
T. J. ROHR  
D. F. STEVENS  
C. D. THOMAS  
B. K. WILLIS

**WHEREAS,** The City of Lenoir desires to assist through grant funding the expansion of an existing company within Lenoir, NC, and

**WHEREAS,** The City of Lenoir intends to request from the North Carolina Department of Commerce grant assistance for this expansion:

**NOW THEREFORE BE IT RESOLVED, BY THE LENOIR CITY COUNCIL:**

That Caldwell County will provide the required local government match of 5% for the Building Reuse grant requested.

That Scott E. Hildebran, City Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Lenoir with the North Carolina Department of Commerce for a grant to assist in the development of the project described above.

That Scott E. Hildebran, City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the North Carolina Commerce Department 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 City of Lenoir has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the 21<sup>st</sup> day of June 2016 at Lenoir, North Carolina.

SEAL

ATTEST:

\_\_\_\_\_  
Joseph L. Gibbons, Mayor

\_\_\_\_\_  
Shirley M. Cannon, City Clerk

