



# AGENDA

CITY OF LENOIR  
CITY COUNCIL MEETING  
905 WEST AVENUE  
TUESDAY, JANUARY 7, 2020  
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

- A. A public hearing will be held to consider a rezoning request submitted by Robert Triplett, for property located at 413 Vance Street NW, NCPIN#2749687204, to be rezoned from I-1 (Light Industrial) to R-9 (Mixed Density Residential) based on the following Consistency Statement: The proposed zoning map amendment is consistent with the adopted Comprehensive Plan because it facilitates a residential conversion on an existing lot, consistent with the policy concepts found in the plan. The proposed amendment is reasonable and in the public interest because it will allow an active residential use in a high vacancy neighborhood. **Note:** The owner is in process of converting a previously industrial building to a residence. A rezoning to a residential zone is required for the property to be used primarily as a residence.

## III. CONSENT AGENDA ITEMS

- A. Minutes: Approval of the minutes of the Committee of the Whole meeting of Tuesday, November 26, 2019, as submitted.
- B. Minutes: Approval of the minutes of the City Council meeting of Tuesday, December 3, 2019 as submitted.
- C. Closed Session Minutes: Approval of the closed session minutes of the City Council meeting of Tuesday, November 12, 2019 as submitted and as reviewed by the City Council, City Manager and City Attorney.
- D. Capital Project Budget Ordinance; Fire Station No. 3: Approval of a Capital Project Budget Ordinance in the amount of \$1,575,615.00 to close out the capital project for Fire Station No.3.
- E. Capital Project Budget Ordinance; Crossroads Sewer Project: Approval of a Capital Project Budget Ordinance in the amount of \$2,830,500.00 to authorize activities for the Crossroads Sewer Project which involves the replacement and upsizing of approximately 3,800 linear feet of existing 12 inch diameter gravity sewer line to 20 inch diameter gravity sewer line on a positive grade.
- F. Annual Audit Contract; S. Eric Bowman: Approval of the Annual Audit Contract as submitted by S. Eric Bowman, PA. The agreed upon cost for the audit is \$98.00 per hour with a 75% cap for interim invoice approval of \$35,268, which is 75% of the prior year's audit fee.

## 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. The calendar for the month of January will be presented to Council listing various meetings and events.
2. The ABC Board will meet on Thursday, January 9 at 2:00 p.m. at Lenoir Store No. 1. located at 115 ABC Court.
3. The Lenoir Business Advisory Board will meet on Thursday, January 9 at 6:00 p.m. at City Hall, Third Floor.
4. Curbside Christmas Tree Pickup service ends on Friday, January 10.
5. The City/County Services Committee will meet on Monday, January 13 at 11:45 a.m.
6. The Caldwell County Economic Development Commission will host their annual Celebration Luncheon on Tuesday, January 14 beginning at noon at the J. E. Broyhill Civic Center.
7. The Lenoir Tourism Development Authority will meet on Thursday, January 16 at 4:00 p.m. at City Hall, Third Floor.
8. City offices will be closed on Monday, January 20 in observance of the Martin Luther King, Jr. Holiday.

**B. Items for Council Action**

1. If Council wishes to proceed with the grants submittal, City Council should adopt the enclosed Authorizing Resolution for NC Department of Commerce One NC Fund Grant and Building Reuse Grant Submission for "Project Buckeye".

**VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY****VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR****IX. REPORT AND RECOMMENDATIONS OF COUNCIL MEMBERS****X. ADJOURNMENT**

**CITY OF LENOIR**

**COUNCIL ACTION FORM: January 7, 2020**

**I. Agenda Item:**

R7-19: Re-zoning one lot at 413 Vance St NW

**II. Background Information:**

The applicant requests that the City re-zone 413 Vance St NW from I-1 (Light Industrial) to R-9 (Mixed Density Residential). The owner is in process of converting a previously industrial building to a residence. A rezoning to a residential zone is required for the property to be used primarily as a residence.

See attached staff report for the analysis and consistency statement supporting this request.

**III. Staff and Planning Board Recommendation:**

Approval of the re-zoning based on the following consistency statement:  
The proposed zoning map amendment is consistent with the adopted Comprehensive Plan because it facilitates a residential conversion on an existing lot, consistent with the policy concepts found in the plan. The proposed amendment is reasonable and in the public interest because it will allow an active residential use in a high-vacancy neighborhood.

**IV. Reviewed by:**

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

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



**Planning Director:** \_\_\_\_\_



# Staff Report

## Zoning Amendment

### CASE NUMBER R #7-19

## LOCATION MAP/AERIAL PHOTOGRAPH



Subject Property

Left: 413 Vance St NW

## SUMMARY

**Owner**

Robert Triplett

**Applicant**

Robert Triplett

**Location**

413 Vance St NW

**NC PIN**

2749687204

**Project Planner**

Hannah Williams, CZO

*Updated December 18, 2019*

**Description of Request:**

The applicant requests that the City re-zone 413 Vance St NW from I-1 (Light Industrial to R-9 (Residential Multi-family).

**Staff Recommendation:**

Approval of the request, based on the consistency statement on page 6.

**Planning Board Recommendation:**

Approval of rezoning.

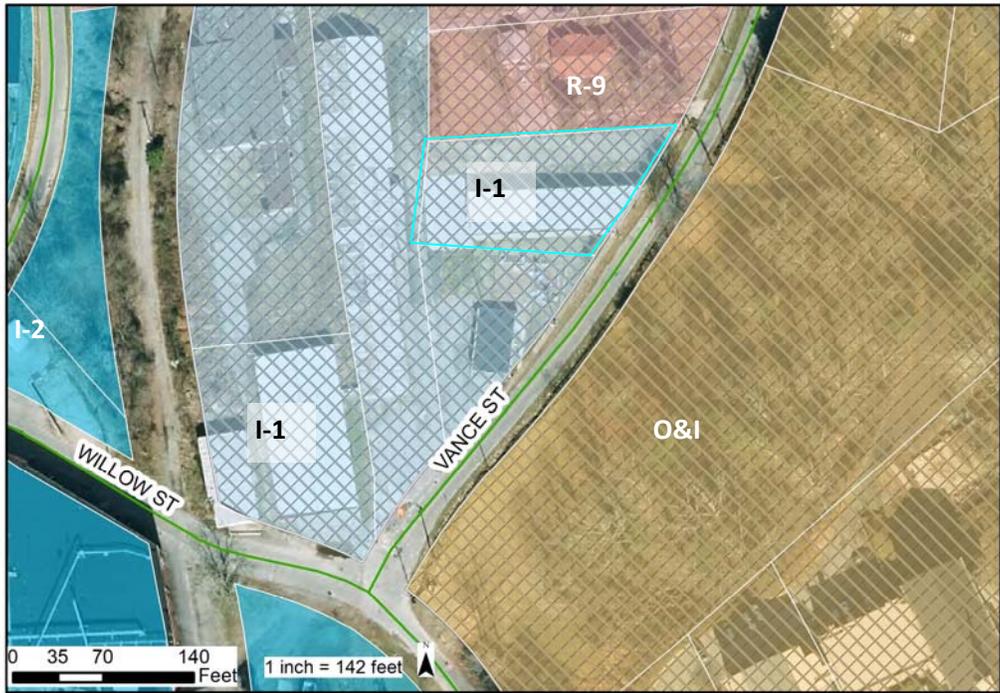
**Public Comment:**

**Planning Board Meetings:** November 25, 2019. Notices were mailed to property owners within 100 ft. of the subject property on November 15, 2019.

**City Council (Public Hearing):** Scheduled for January 7, 2020. Notices were mailed to property owners within 100 ft. of the subject property on December 20, 2019.

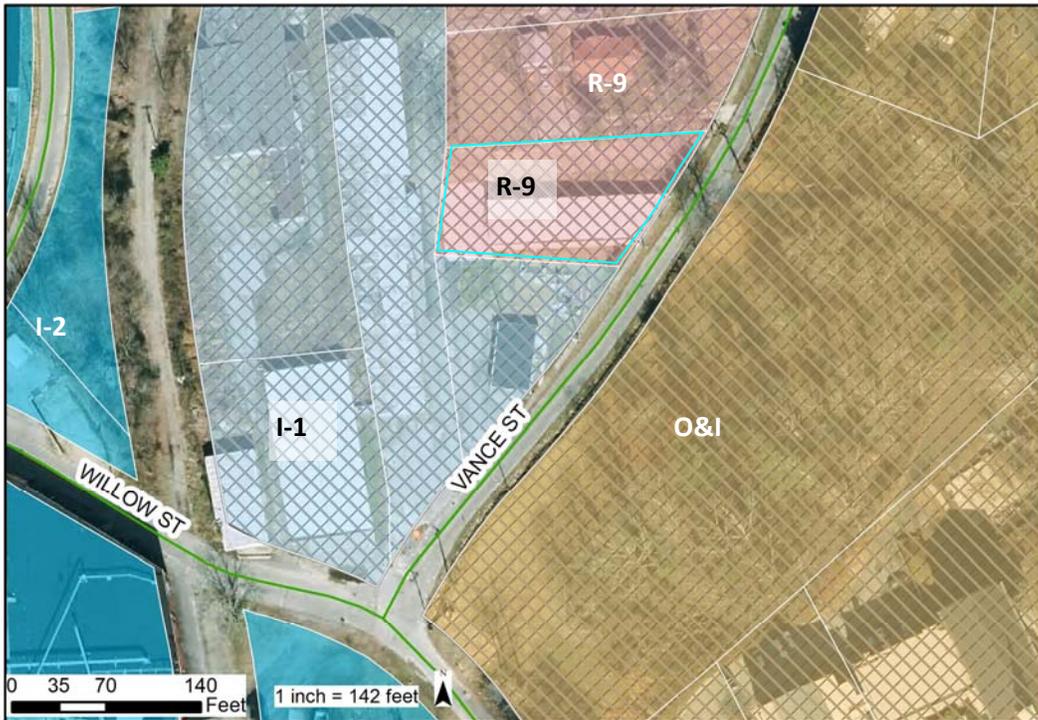
# EXISTING AND PROPOSED ZONING MAPS

**Existing Zoning: I-1, NM**



Subject Property

**Proposed Zoning: R-9, NM**



## BACKGROUND AND STAFF ANALYSIS

### Zoning Map Amendments

The City of Lenoir Ordinance establishes an official zoning map/atlas for the City of Lenoir. The zoning map may be amended from time to time by the City Council when public necessity, convenience, general welfare, or good zoning practice justifies the amendment. The zoning map cannot be changed until the Planning Board reviews the request and makes a report to City Council on the proposed change and the City Council holds a public hearing to consider the request.

### Reason for Request

This rezoning case originated with confusion in the zoning process. The zoning permit was meant to allow the addition of a bathroom to an industrial warehouse building. Caldwell County Building Inspections discovered the applicant's intent was to convert the warehouse into a residence. Since residential is not permitted as a primary use in the I-1 district, a rezoning will be necessary for the project to continue.

### Intent of the Zoning Districts

I - 1 (Light Industrial) District is established to provide regulations for the development of areas generally devoted to light manufacturing, processing and assembly uses, warehousing, retail storage and other compatible uses that are limited in noise, obnoxious odors, with little to no adverse effects on adjacent areas. Some mixture of retail, wholesale, and industrial development may occur in this district, but residential uses are prohibited.

S-2 North Main Street Special Overlay District is intended to implement the design standards and permitted uses recommended by the North Main Street Small Area Plan. This district is an overlay district, which works in tandem with the underlying zoning districts in the North Main Special Overlay area to promote orderly and compatible development appropriate to the traditional historic character and overall future vision of the area.

R - 9 Residential (Mixed Density Residential) District is intended to establish and preserve areas of land within the city for medium density single-family residences, doublewide manufactured homes, duplexes, townhomes, low-rise garden apartments, and other compatible land uses, with higher density multi-family apartments allowed as conditional uses. Any uses which would adversely affect or interfere with the residential character and development of these areas are excluded.

### Subject and Surrounding Properties

The subject property is located at 413 Vance St, close to the intersection with Willow Street in the North Main Street area. It is owned by Robert Triplett and is in the process of being converted into a residence. The property is about a third of an acre. The building on the site that is about 4500 SF. A 15' x 80' side addition has been framed out on the north side of the building. The addition is intended to expand a residential unit. The subject property is accessed by a shared driveway between 401 Vance Street and 403 Vance Street, according to the property's deed, found in Book 1964, Page 2182 in the Caldwell County Registry.

To the north of the subject property there are residential properties at various densities. These single family homes and apartments were rezoned to R-9 from I-2 (Heavy Industrial) in 2015 when the City passed the recommendations of the N. Main Street Small Area Plan. The neighboring property to the south is a day care facility called Forever Young (403 Vance Street). There is a long industrial building to the west (401 Vance Street). Both of these are zoned I-1 (Light Industrial). All of these properties are in the North Main Street Overlay area.

### Consistency with the Comprehensive Plan

All decisions of the Planning Board and City Council should be based on consistency of the proposal with the comprehensive plan and any other officially adopted plan that is applicable. In this case, the subject property and the surrounding neighborhood are inside of the North Main Street Small Area Plan. The subject property is identified as "existing nonresidential zone" on the future land use map of the Comprehensive Plan and does not offer a different future use. The Comprehensive Plan does encourage housing at various densities and infill development. The applicant's request to rezone this property to residential would convert an un-

## STAFF ANALYSIS CONTINUED

derused industrial property into a residence in an area already served by city infrastructure.

The North Main Street Plan further expands on land use concepts in the study area by limiting industrial zoning near residential areas and expanding the R-9 zoning district. This warehouse-to-residence conversion offers a transitional area between traditional residences and other nonresidential uses. Staff finds the proposed re-zoning to be consistent with the goals and policy concepts of the Comprehensive Plan and the N. Main Street Small Area Plan.

### Comparison of Allowable Uses

Sec. 600 of the Lenoir Zoning Ordinance establishes a chart of permitted and conditional uses for each zoning district. The I-1 zoning district allows for many nonresidential uses, such as light manufacturing and commercial businesses. The R-9 zoning district allows for medium density single-family residences, doublewide manufactured homes, duplexes, townhomes, low-rise garden apartments, and other compatible land uses.

The existing building on the site has a front yard setback of 0', and is currently nonconforming to the I-1 front yard setback of 25'. The building will remain nonconforming to the R-9 front yard setback of 35', if rezoned. However, the 15' x 80' expansion of the building will meet all required setbacks of the R-9 district, and is permitted even though the existing structure is legally nonconforming.

### Comparison of Zoning Districts

	I-1	R-9
Development Standards	Min Lot Size - 10,000 ft2	Min Lot Size - 9,000 ft2
	Setbacks	Setbacks
	Front: 25'	Front: 35'
	Side Yard: 0'	Side Yard: 10'
	Abutting side Street: 25'	Abutting side Street: 25'
	Minimum Rear Yard: 0'	Minimum Rear Yard: 25'
Summary of Permitted Uses	Accessory Cottage or Apartment	Accessory Cottage or Apartment
	Adult Business/Adult Gaming Establishment	Attached Dwellings
	Day Care Centers	Bungalow Court
	Kennels	Dwelling, Single/Two-Family/Group
	Hospitals	Doublewide manufactured home
	Eating and Drinking (with or w/o drive through)	Garden Apartments
	Flea Markets	
	Green Houses	
	Manufacturing & Processing (Artisan & Light)	**For conditional uses see Section 600, Table A in Lenoir Zoning Ordinance**
	Office/Clinics	
	Public Service Facility	
	Personal Storage	
	Indoor Recreation	
	Retail (Light & Intensive)	
	Services (Automotive, Major Vehicle, Business & Personal)	
	Indoor Shooting Range	
	Studios and Specialty Schools	
	Veterinarians	
	Warehousing	

# SUBJECT PROPERTY 413 VANCE ST NW



Above: Facing subject property from shared driveway



Above: Rear of property from Vance Street



Right: Day Care on adjacent property

## STAFF RECOMMENDATION AND CONSISTENCY STATEMENT

Staff recommends that the Planning Board recommend approval of the request, based on the following consistency statement, and call for a Public Hearing for City Council to consider the request on January 7, 2020:

The proposed zoning map amendment is consistent with the adopted Comprehensive Plan because it facilitates a residential conversion on an existing lot, consistent with the policy concepts found in the plan. The proposed amendment is reasonable and in the public interest because it will allow an active residential use in a high-vacancy neighborhood.

## PLANNING BOARD RECOMMENDATION

Planning Board recommends approval of the rezoning request, based on the consistency statement above.

**COMMITTEE OF THE WHOLE  
CITY HALL, THIRD FLOOR  
TUESDAY, NOVEMBER 26, 2019  
8:30 A.M.**

PRESENT: Mayor Gibbons presiding. Committee members, Perdue, Perkins, Thomas and Stevens.

City Manager Hildebran, City Clerk Cannon, Fire Chief Hair, Economic Development Director Horn, Finance Director Bean, Police Chief Phelps, Assistant Recreation Director Carter, Planning Director Wheelock, Public Utilities Director Thomas, Public Works Director Wright, and Public Information Officer Harris.

ABSENT: Mayor Pro-Tem Ben Willis, Councilmembers Jonathan Beal and Ralph Prestwood and Recreation Director Kenny Story.

OTHERS: Guy Lucas, *News-Topic*.

I. CALL TO ORDER

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

B. Postponed; Water Treatment Plant Tour: It was the consensus of City Council to postpone the tour of the Water Treatment Plant until a later date in order that all of the Councilmembers could attend.

II. CITIZEN COMMENT PERIOD

III. COMMITTEE ITEMS

A. Public Works

1. Update; Public Works: Director Jared Wright updated City Council on the following projects:
  - a) Paving of Greenway-The area from North Main to Harper Avenue is almost complete. The mill area to Hwy 18 will follow with the building of the sub-grade and the City will asphalt over the stone that is currently there.
  - b) Street Paving –J.T. Russell, Paving Contractor, will begin fall paving of the designated City streets during the second week of December.
  - c) Automated Sanitation Trucks – the two new automated sanitation trucks have been delivered and Staff is training on how to operate them. A meeting is scheduled with the Staff of Western Piedmont Council of Governments to begin compiling the new route design for the City.
  - d) Leaf Collection – Staff is operating on schedule and almost finished with leaf pickup in the City’s fourth quadrant. Director Wright stated the City is also using temporary Staff for this project.
  - e) Roof Replacement Projects – A new roof has been installed at Fire Station No. 2 with the remaining three roof replacement projects at City facilities underway.

- f) Blue Ridge Memorial Park- the annual Luminary Display is scheduled for Friday, December 13 from 6:00 p.m. - 10:00 p.m. Also, the survey for the Tranquility section at Blue Ridge Memorial Park is now complete.

2. Update; Public Utilities: Director Thomas reported on the following items:

- a) Biosolids Project –the Notice to Proceed for the Biosolids Project is scheduled for Monday, January 6 and a pre-construction meeting will be held in the near future.
- b) Crossroads Sewer Line Replacement Project – project is being finalized.
- c) Water Treatment Plant Project – working on completing punch list items.
- d) Brownfields Project is ongoing.
- e) Retirement; Daniel Clark- A reception was held on Friday, November 22 for Utility Code Coordinator Daniel Clark who is retiring from the City following twenty-nine+ years of dedicated service to the City and its citizens. Daniel was also commended for serving on the City’s Customer Service Team. Director Thomas mentioned he has a plan in place for filling Daniel’s position.
- f) Distributed the Annual Water Report to City Council.
- g) Water Meter Replacement Project – Staff is currently doing selective meter replacements for testing purposes. Once the Smart Start utility software is determined to be working properly, Staff will proceed with installing the remainder of the meters. The goal is to install fifty meters per day. Citizens will then have the option to log in and view their account online plus report any problems.
- h) The Water for All Annual Summit 2020 is scheduled for Thursday, February 13 beginning at 9:30 a.m. at the Gastonia Conference Center. The event is sponsored by the Catawba Wateree Association.

B. Planning Board: The Planning Board met on Monday, November 25. The Board scheduled a public hearing for Tuesday, January 7, 2020 for the following item:

- 1) Rezoning; 413 Vance Street NW – Roger Triplett, applicant, is requesting rezoning from I-1 (Light Industrial) to R-9 (Mixed Density Residential). Director Wheelock stated the building is currently zoned as industrial and the goal is to convert the building into a warehouse.
- 2) Update; Stormwater Code Enforcement – Director Wheelock reported six properties remain out of compliance.

#### IV. COMMUNITY DEVELOPMENT

- A. The Lenoir Tourism Development Authority (LTDA) met on Thursday, November 14. Minutes of the meeting will be submitted. Kaylynn Horn, Economic Development Director, presented a report of the meeting.

Director Horn stated funding will be provided by the LTDA for the new bathroom facilities at the former Lenoir High School Auditorium (LHS). These bathrooms will be located on the main entrance level. It was noted that Foothills Performing Arts has expressed interest in holding events at the facility and possibly the annual Main Street Conference may be held there in the future.

- B. The Lenoir Business Advisory Board (LTDA) did not meet in November due to

not having a quorum present. Kaylynn Horn, Economic Development Director, presented a report of current activities.

Director Horn commended all of the Main Street volunteers and the Staff of Public Works for the successful Light up Lenoir event held on Thursday, November 21. There were a total of 42 trees sponsored by local businesses and decorated by area school children. The annual downtown Musical Light Show began on Thursday, November 21 and will end on Wednesday, January 1 from 6:00 p.m. – 10:00 p.m. Ms. Horn reported the annual Christmas Parade is scheduled for Friday, December 6 at 6:30 p.m. in downtown Lenoir. Also, the annual Breakfast with Santa event begins on Saturday, December 7.

### C. Financial and Administration

1. Finance Director Bean reviewed the Financial Summary as of October 31, 2019. The over/under balance in the General Fund is \$10,997,205.35, Downtown District (\$66,716.82), and Water & Sewer Fund \$1,424,732.96. (A copy of the September financial summary is attached to these minutes as information).

Director Bean reported revenues are on track and expenditures are averaging 37%. She stated the Water/Sewer Fund is on target with their budget and expenditures have decreased due to the timing of projects. Sales Tax Revenue is currently trending about the same as last year's amount.

#### Holiday Bonus

Director Bean requested that Council consider approving a \$250.00 holiday bonus for all full-time employees. She stated the City has experienced savings regarding lapsed salaries, a monthly savings for the telephone system and mentioned that bids came in under budget for the four roof replacements. City Manager Hildebran remarked employees really appreciate the bonus which also serves as a morale booster. Upon approval, the bonuses will be distributed to employees on Monday, December 2.

#### Motion

Upon a motion by Councilmember Perkins, Council voted 4 to 0 to approve the \$250.00 holiday bonus as requested by Finance Director Bean.

- D. Parks & Recreation Advisory Board: The Parks & Recreation Advisory Board did not meet in November. Assistant Recreation Director Zack Carter reported on the following items:
  - 1) Youth basketball and wrestling programs are underway with games to begin in December.
  - 2) Three swim meets have been held at the Aquatic & Fitness Center.
  - 3) The gym floors have been refinished at Mulberry Recreation Center and the Martin Luther King, Jr. Center.
  - 4) The Grinch movie will be shown at the former Lenoir High School Auditorium on Saturday, December 14 at 7:00 p.m. Santa will greet everyone from 6:00 p.m.

to 7:00 p.m.

- E) Update; Public Communications: Joshua Harris, Public Information Officer, reviewed the highlights of the Communications Reports for November. (A copy of the report is attached to these minutes as information). Activity included 231 social posts, 197 photos, 2 radio spots, 8 videos, 55 notify me, questions & answers and 6 news releases. In addition, the website experienced 28,018 views and the City's social outreach had 92,382 views.

Director Harris also reported he would be doing a public service announcement regarding holiday safety.

#### IV. PUBLIC SAFETY

##### A. Police Department

1. Update: Chief Brent Phelps stated he appreciated Councilmembers Ike Perkins and Crissy Thomas for all of their hard work in planning the sixth annual Turkey Tuesday event scheduled for Tuesday, November 26. The Police Department will assist with the distribution of turkeys to families in need beginning at 3:00 p.m. and will also help provide traffic control. In addition, Chief Phelps reported the Department has hired two new officers and they are currently finishing up their in service training.

Next, the Department plans a review of all its policies which will be sent to the North Carolina League of Municipalities (NCLM) for their follow up. He also shared their toy collection for the Toys for Tots program has been very successful this year. In addition, Chief Phelps mentioned the Department is tweaking their appearance policy by allowing officers to have a beard, but emphasized everyone would still look professional while on duty. He also shared the Granite Falls Police Department is currently reviewing their appearance policy as well.

##### B. Fire Department

1. Update: Fire Chief Ken Hair stated the Department would be installing new radio upgrades effective January 1, 2025. This change will result in separate frequencies for calls and different tones for response calls. In addition, Staff is working on in house assessments and qualifications.

Next, he reported that Corporal Joe Hamrick, Lenoir Police Department and Deputy Paul Exon, Caldwell County Sheriff's Office, will be recognized at the December 3 City Council meeting for their lifesaving efforts at a recent house fire.

#### V. OTHER

- A. December Calendar: By consensus of the Council, the calendar for the month of December was approved listing various meetings and events.

VI. Adjourn:

There being no further business; the meeting was adjourned at 9:36 a.m.

Attachments

October Financial Summary

October Communications Report



**City of Lenoir  
Financial Summary  
As of 10/31/2019**



<b>General Fund</b>					
	<b>2019-2020 Budget</b>	<b>10/31/2019</b>	<b>% of Budget</b>	<b>Change from Previous Year</b>	<b>10/31/2018</b>
Total Revenue	\$ 17,362,391.00	\$ 17,190,549.98	99%	\$ 3,700,881.40	\$ 13,489,668.58
Expenditures	\$ 17,362,391.00	\$ 6,213,344.63	36%	\$ 519,684.73	\$ 5,693,659.90
Over/Under	\$ -	\$ 10,977,205.35		\$ 3,181,196.67	\$ 7,796,008.68

<b>Downtown District</b>					
	<b>2019-2020 Budget</b>	<b>10/31/2019</b>	<b>% of Budget</b>	<b>Change from Previous Year</b>	<b>10/31/2018</b>
Revenues	\$ 183,736.00	\$ 386.17	0.2%	\$ (289.08)	\$ 675.25
Expenditures	\$ 183,736.00	\$ 67,102.99	37%	\$ 9,096.32	\$ 58,006.67
Over/Under	\$ -	\$ (66,716.82)		\$ (9,385.40)	\$ (57,331.42)

<b>Water/Sewer Fund</b>					
	<b>2019-2020 Budget</b>	<b>10/31/2019</b>	<b>% of Budget</b>	<b>Change from Previous Year</b>	<b>10/31/2018</b>
Revenues	\$ 8,941,688.00	\$ 3,346,162.54	37%	\$ 372,781.68	\$ 2,973,380.86
Expenditures	\$ 8,941,688.00	\$ 1,921,429.58	21%	\$ (149,311.07)	\$ 2,070,740.65
Over/Under	\$ -	\$ 1,424,732.96		\$ 522,092.75	\$ 902,640.21

# October 2019 Communications Report

By Joshua Harris, Director, Communications

Nov. 21, 2019



**LENOIR**  
NORTH CAROLINA

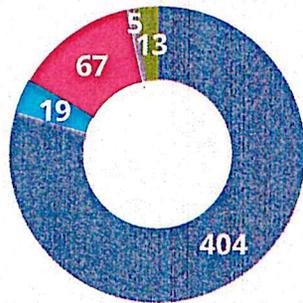
## CONTENT CREATION

News Releases	Photos	Videos	Radio Spots	Social Posts	Notify Me	Q&A	eSign
<b>6</b>	<b>197</b>	<b>8</b>	<b>2</b>	<b>231</b>	<b>55</b>	<b>16</b>	<b>3</b>

## PUBLIC ENGAGEMENT

### New Followers

**508**



Facebook Twitter Instagram  
eNews City Alerts

### Social Reach

**92,382**

Facebook	81,909	
Twitter	10,190	

### Video Views

**5,691**

Facebook	5,535
YouTube	156

### Website Views

**28,018**

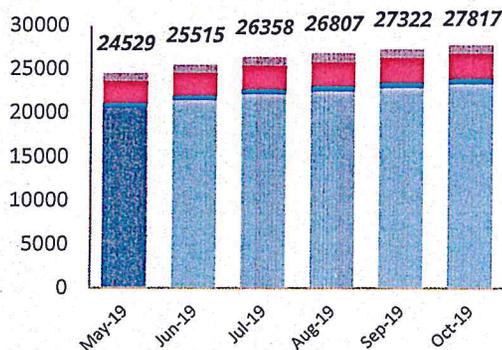
#### Top Pages

- 1 /Payment-Options
- 2 /Jobs
- 3 /Water-Sewer-Service
- 4 /Calendar
- 5 /Lenoir-Aquatic-Fitness-Center
- 6 /Police
- 7 /CANCELED - Downtown Trick-Or-Treating

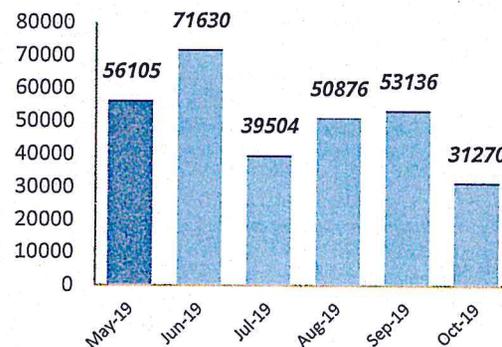


Mobile  
Desktop  
Tablet

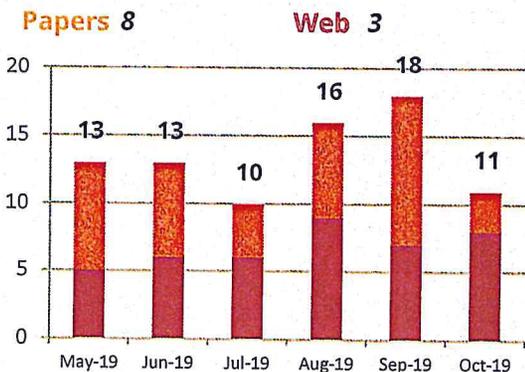
### Total Followers



### Social Engagement



### Media Coverage **11**



Minutes-Committee of the Whole Meeting  
Tuesday, November 26, 2019



# Top Facebook

Reach: The number of people who saw the post on their feed

Engagements: Reactions, comments, shares, photo/video views, and clicks

## Total Facebook Followers

# 23,280

Last Month 22,876

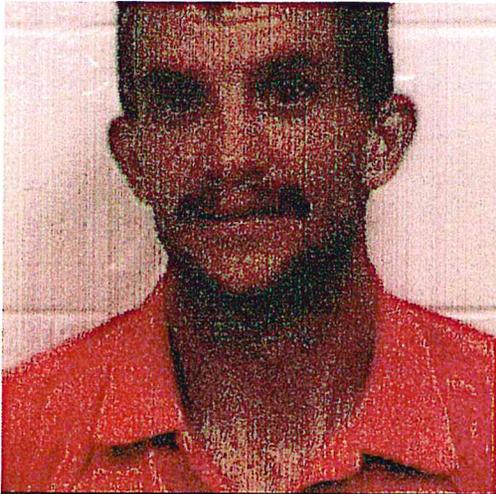
Gain **404**

Minutes-Committee of the Whole Meeting  
Tuesday, November 26, 2019

**Lenoir Police Department**  
Published by Police Dept [P] · October 8 ·

2ND UPDATE: SUSPECT IS IN CUSTODY (3:14 PM - 10/9/19)  
\*\*\*Updated Information\*\*\* (5:57 PM - 10/9/19)

Mr. Davis was taken into custody on 10/09/2019 at the Caldwell County Magistrate's Office at around 2:52 PM. He received a \$300,000.00 secured bond for the Felony Hit and Run Resulting in Serious Injury or Death warrant. He was served an additional Misdemeanor warrant for Unauthorized Use of a Motor Conveyance and received a \$10,000.00 secured bond on that charge. He is scheduled for a first appearance in court on 10/10/2019. Additional charges related to this case may be filed in the future.



**Kenneth Avery Davis - Ref: PR 10-8-19**

27,015 People Reached  
8,658 Engagements  
46 Comments 430 Shares

	Paid	Organic
Reach		<b>27,015</b>
Engagements		<b>8,658</b>
Comments		<b>46</b>
Shares		<b>430</b>

**Downtown Lenoir**  
Published by kyle case [V] · October 31 at 10:16 AM ·

Downtown Trick-or-Treating has been cancelled and will not be rescheduled. We apologize for the inconvenience but, unfortunately, the weather is beyond our control. Facepainting, balloon artists, and other activities will be moved to the Halloween Carnival at the Lenoir MLK Center which is indoors. That event is today from 5:30pm-8:30pm. Please come out and support that event.

15,127 People Reached  
1,978 Engagements  
30 Comments 220 Shares

	Paid	Organic
Reach		<b>15,127</b>
Engagements		<b>1,978</b>
Comments		<b>30</b>
Shares		<b>220</b>

**City of Lenoir, NC Government**  
Published by Joshua Harris [P] · October 1 ·

If you're looking for a seasonal job to make some extra money, we have a few openings here in the City of Lenoir. We're looking for drivers, master equipment operators, and laborers in the Sanitation Division to help collect leaves and other brush this fall. Check out the job descriptions online at [www.cityoflenoir.com/jobs](http://www.cityoflenoir.com/jobs).



5,401 People Reached  
1,121 Engagements  
29 Shares

	Paid	Organic
Reach		<b>5,401</b>
Engagements		<b>1,121</b>
Comments		
Shares		<b>57</b>



# Top Tweets

*Impressions: Times people saw this Tweet on Twitter*  
*Engagements: Times people interacted with this Tweet*

## Total Twitter Followers

# 610

Last Month 591 Gain 19

**City of Lenoir, NC** @CityofLenoir

Guess what? @DowntownLenoir's motto "Together We Create" was voted the best motto in the state by @BusinessNC! Read more at <https://mailchi.mp/businessnc/test-daily-digest-7302017-570065> ...



**Reach a bigger audience**

Get more engagements by promoting this Tweet!



**City of Lenoir, NC** @CityofLenoir

An old dilapidated house located at 610 Hospital Ave. is being demolished by new owners who are interested in redeveloping the property. City staff started enforcement on the property several years ago because the house was unsafe and uninhabitable. [pic.twitter.com/bHUVf943gD](http://pic.twitter.com/bHUVf943gD)



**Downtown Lenoir, NC** @DowntownLenoir

STREET CLOSURE UPDATES for BBQ Festival: Together We Create Newsletter - <https://mailchi.mp/e0f74216c85b/downtownchr istmas-739651> ... [pic.twitter.com/E6jkDKSuXi](http://pic.twitter.com/E6jkDKSuXi)

Impressions	624
Total engagements	15
Link clicks	6
Likes	4
Detail expands	4
Retweets	1

Impressions	496
Total engagements	31
Media engagements	24
Likes	5
Detail expands	2

Impressions	168
Total engagements	6
Link clicks	6



# Top Instagram

Likes: The number of people who liked the post on their feed

Total Instagram Followers

# 2,855

Last Month 2,788 Gain **67**

Likes **50**  
Comments



cityoflenoirnc Lenoir, North Carolina ...

cityoflenoirnc And lot of great barbeuce and other festival foots at @smokinginthefoothills today in @downtownlenoir!

50 likes  
October 18

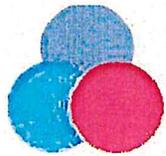


cityoflenoirnc ...

cityoflenoirnc Thank you to everyone who came out to the Lenoir Fire Department Station 3 Open House. We hope you had a good time!

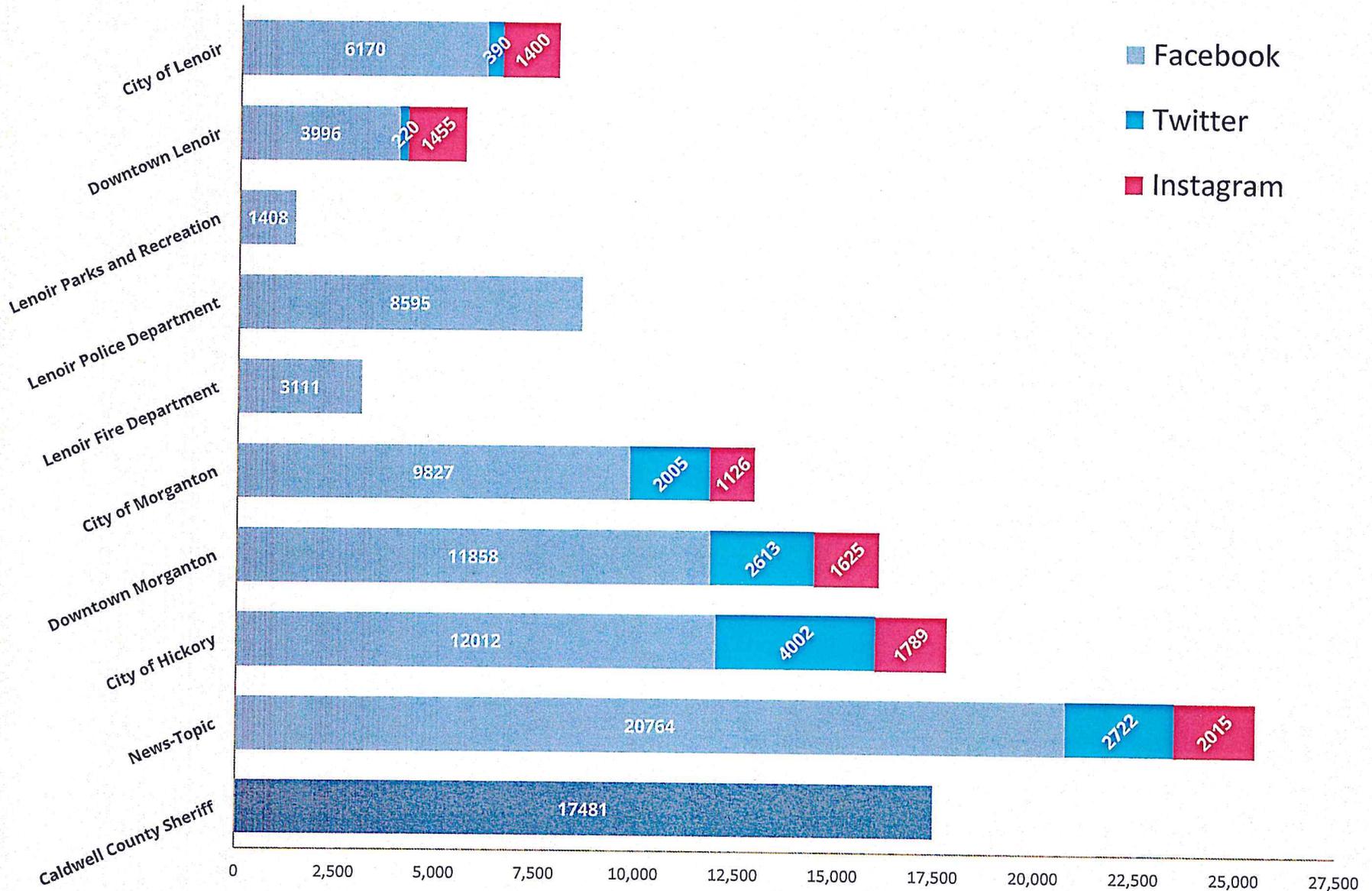
43 likes  
October 18

Likes **43**  
Comments



# Social Comparison

The chart below compares Lenoir's social accounts with surrounding organizations.





# Questions from the public

# 16

Phone call scam this morning (Oct. 4). Male called me with the "Grandma" approach.

Is it too late to get Deacon Black to play at Smoking in the Foothills?

I'm trying to find out if the Lenoir PD participates in the "shop with a cop" program.

Do you know the date the luminaries will be lit this year? Thanks!

Who can I contact to help pick up trash along my road? It needs attention. I will help. Let me know. Thanks.

Can you tell me if the Biosolids Facility Improvement project has been awarded?

I called about 2 weeks ago to get our gravel street scrapped . Its getting so bad that our cars are starting to bottom out just trying to drive down

Garbage Collection Request

I live on Plantation Drive 1001 and would like to get rid of Duke Power and have Blue Ridge for my power. Is this possible?

Our street light has been out for four days. Very dark and unsafe.

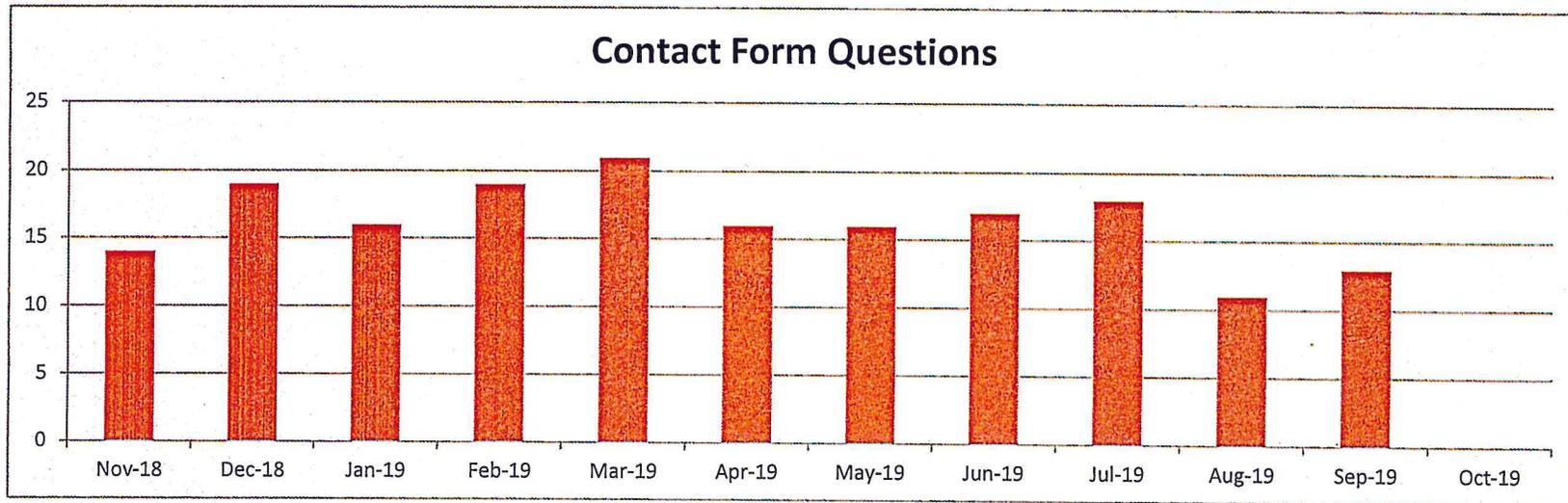
I am trying to contact human resources to see if they are interested in having a booth during Hibriten High School's Career Fair

My mother's family lived in Lenoir on Scruggs street. I have been trying to find with Google map but it does not recognize scruggs street.

I am the SRO at Gamewell Middle School. I was told by Dr. Church at the Education Center to contact the City of Lenoir for signage.

The street light in front of our house is out. It is the one located across from our house-when you turn left onto Chesterfield,

Can you clarify when the City Council will meet in November? The website list Nov. 12 as the evening meeting date



**LENOIR CITY COUNCIL  
TUESDAY, DECEMBER 3, 2019  
6:00 P.M.**

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

**I. CALL TO ORDER**

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

**OATH OF OFFICE:**

B. The Honorable District Court Judge Robert Brady, Retired, administered the Oath of Office to Joseph L. Gibbons, Mayor, Todd H. Perdue, Councilmember, Ralph S. Prestwood, Councilmember and Ben K. Willis, Councilmember.

Copies of the Oath of Office are hereby incorporated into these minutes by reference. (Refer to pages 611-614).

On behalf of City Council, Mayor Gibbons congratulated each one upon their re-election to City Council and thanked them for their service to the citizens of Lenoir. He stated he was proud of City Council and looked forward to continuing to work with everyone. Mayor Gibbons also thanked Judge Brady for administering the oaths of office to Council.

**ELECTION OF  
MAYOR PRO-TEMPORE:**

C. Mayor Gibbons explained the duties of the Mayor Pro-Tem position which includes presiding over the monthly Committee of the Whole meeting, representing the City at City and County functions and attending functions in the absence of the Mayor. He stated Council's goal is to continue to strive to make Lenoir a great City and remarked he is looking forward to the City accomplishing many great things over the next four years.

Councilmember Ben Willis stated it has been an honor to serve as Mayor Pro-Tem for the past four years and commended Mayor Gibbons and City Council for being such a great team. He stated he is proud of all Council has accomplished during his term as Mayor Pro-Tem, but noted it is time for someone else to have the opportunity to serve in this position.

Mayor Gibbons then opened the floor for nominations from City Council for the position of Mayor Pro-Tem.

Councilmember Willis nominated Crissy Thomas to serve as Mayor Pro-

Tempore.

Councilmember Todd Perdue moved to close the nominations which carried unanimously.

Councilmember Crissy Thomas was elected unanimously by City Council to serve a two-year term as Mayor Pro-Tem.

Mayor Pro-Tem Thomas thanked City Council for their confidence and support and stated it was an honor to serve. She stated she appreciates the opportunity and also thanked everyone for being a great example and mentor to her.

On behalf of City Council, Mayor Gibbons congratulated Mayor Pro-Tem Thomas and remarked everyone looks forward to working with you in this position.

#### **SPECIAL RECOGNITION; CORPORAL JOE HAMRICK AND DEPUTY PAUL EXON:**

C. Fire Chief Ken Hair presented a plaque to Corporal Joe Hamrick, Lenoir Police Department, and Caldwell County Sheriff's Deputy Paul Exon in recognition of their acts of heroism during a structure fire that occurred on November 15, 2019.

Chief Hair stated it was an honor to recognize these officers for their bravery and valor in going above and beyond the call of duty. He stated while heavy flames were coming from the roof of a home located at 1116 Bradford Mountain Road, Deputy Exon entered the house and alerted the Clark family about the fire. He was able to get all of the family members out safely. Also, upon arriving on the scene, Corporal Joe Hamrick entered the burning structure and saved several of the family's pets.

Chief Hair stated that Corporal Hamrick and Deputy Exon's actions displayed the character of true public servants.

On behalf of City Council, Mayor Gibbons thanked Corporal Hamrick and Deputy Exon for their life saving efforts and stated their quick actions was a testament to all they do daily for the citizens of Lenoir and Caldwell County.

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

#### **REZONING REQUEST; 103 VIRGINIA STREET:**

A. A public hearing was held to consider rezoning 103 Virginia Street SW from R-9 (Mixed Density Residential) to B-6 Transitional Business) as submitted by Kathleen Kaminski, Unitarian Universalists of Caldwell County. Staff recommended approval based on the following consistency statement:

The proposed zoning map amendment is consistent with the adopted Comprehensive Plan because it facilitates straightforward zoning standards

consistent with the adopted future land use map. The proposed amendment is reasonable and in the public interest because it will allow one development site in common ownership to follow the zoning requirements of a single zoning district and simplify development review for the site in the future.

Mayor Gibbons opened the public hearing to receive public comments regarding the rezoning request.

Director Wheelock explained this property was partly rezoned during Staff's overhaul of the Lenoir Zoning Code in March 2019 and currently needs to be rezoned from residential to transitional. She clarified this rezoning is appropriate for businesses adjacent to residential property, but no development is planned at this time.

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

Upon a motion by Councilmember Willis, Council voted 7 to 0 to approve the rezoning request for property located at 103 Virginia Street SW as described above and as recommended by City Staff.

### 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 the minutes of the City Council Meeting of Tuesday, November 12, 2019, as submitted.
  2. Minutes: Approval of the closed session minutes of Tuesday, November 12, 2019 as submitted.

Mayor Gibbons asked for a motion to postpone action regarding the November 12 Closed Session minutes until the City Council meeting of Tuesday, January 7 due to the minutes inadvertently not being available for Council's review.

#### **First Motion**

Upon a motion by Councilmember Perkins, Council voted 7 to 0 to postpone taking action on the November 12 Closed Session Minutes until Tuesday, January 7, 2020 as recommended by Mayor Gibbons.

#### **Second Motion**

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve Item No. 1, November 12 City Council Minutes on the Consent Agenda, as recommended by City Manager Hildebran.

### IV. REQUESTS AND PETITIONS OF CITIZENS

## V. REPORTS OF BOARDS AND COMMISSIONS

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

#### A. Items of Information

##### ANNUAL CHRISTMAS

**PARADE:** 1. The annual Christmas Parade will be held on Friday, December 6 at 6:30 p.m. in downtown Lenoir.

##### ANNUAL LUMINARY

**DISPLAY:** 2. The annual Luminary Display is scheduled for Friday December 13 from 6:00 p.m. – 10:00 p.m. at Blue Ridge Memorial Park.

##### FABULOUS FILM

**NIGHT:** 3. Fabulous Film Night is scheduled for Saturday, December 14 with the movie “Dr. Seuss the Grinch” being shown at the LHS Auditorium at 7:00 p.m. Santa is scheduled to greet everyone from 6:00 p.m. – 7:00 p.m.

##### MEETING CANCELLATION; CITY COUNCIL:

4. City Council will not meet on Tuesday, December 17. The next Council meeting is scheduled for Tuesday, January 7, 2020 at 6:00 p.m. in the city/County Chambers.

##### HOLIDAY

**CLOSING:** 5. City offices will be closed on December 24, 25 & 26 for the Christmas holidays and also on Wednesday, January 1 in observance of New Year’s Day.

#### B. ITEMS FOR COUNCIL ACTION

##### MINIMUM HOUSING

##### ORDINANCE; 114 PALMER STREET:

1. City Staff recommended that Council approve a Minimum Housing Ordinance directing Staff to abate the minimum housing violations by demolishing and removing the structure on the property of 114 Palmer Street, Parcel ID#09-32-2-19 and NCPIN#275917277.

A copy of the minimum housing ordinance is hereby incorporated into these minutes by reference. (Refer to pages 615-616).

Planning Director Wheelock reported the Police Department has responded to numerous calls at this residence due to neighbors’ complaints plus Staff has made every effort for owner abatement. She verified the owner understands the property will be demolished and he has vacated the premises. Director Wheelock also clarified the owner does have an advocate and he has found a place to rent in Hudson.

In addition, Director Wheelock explained funding was available for these two abatements listed on the agenda due to Zack Clark, Code Enforcement Officer, being

successful in having previous properties abated by the owners.

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to adopt the Minimum Housing Ordinance for property located at 114 Palmer Street as described above and as recommended by City Staff.

#### **MINIMUM HOUSING ORDINANCE; 1208 DELWOOD DRIVE:**

2. City Staff recommended that Council approve a Minimum Housing Ordinance directing Staff to abate the minimum housing violations by demolishing and removing the structure on the property of 1208 Delwood Drive, Parcel ID#06155-1-1 and NCPIN#2748892019.

A copy of the minimum housing ordinance is hereby incorporated into these minutes by reference. (Refer to pages 617-618).

Planning Director Wheelock stated the owner of this property is deceased, but Staff was successful in contacting a family member. She reported Staff has dealt with ongoing issues regarding this property and explained the family does not have the financial means to abate the property. It was noted the Police Department has received numerous calls for service at this location as well.

Director Wheelock stated that Staff has exhausted all of their options and pointed out there is an immediate need for public safety due to the condition of this property. She further related that notices were also filed. In addition, Director Wheelock mentioned a neighbor was in the audience this evening in support of the minimum housing ordinance.

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to adopt the Minimum Housing Ordinance for property located at 1208 Delwood Drive as described above and as recommended by City Staff.

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

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

#### **IX. REPORT AND RECOMMENDATIONS OF COUNCIL MEMBERS**

#### **COMMENDED; CITY**

**STAFF:** A. Mayor Pro-Tem Crissy Thomas thanked everyone for all of their hard work and assistance during the recent Turkey Tuesday event held at the Martin Luther King, Jr. Center. A total of 275 turkeys were given out to families in need during this event.

In addition, Ms. Thomas stated the Committee would work on trying to make the process run more smoothly and effectively for next year's event.

#### **X. ADJOURNMENT**

- A. There being no further business, the meeting was adjourned at 5:38 p.m.

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Shirley M. Cannon, City Clerk

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Joseph L. Gibbons, Mayor

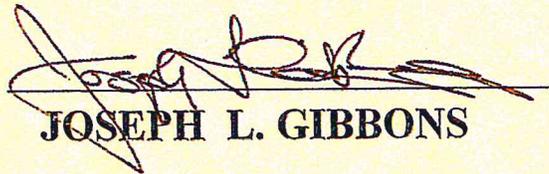
**CITY OF LENOIR, NORTH CAROLINA**

**OATH OF MAYOR**

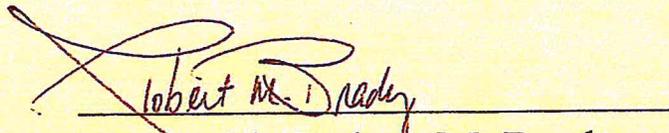
❧❧ **JOSEPH L. GIBBONS** ❧❧

I, *JOSEPH L. GIBBONS*, solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; and, that I will endeavor to support, maintain, and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

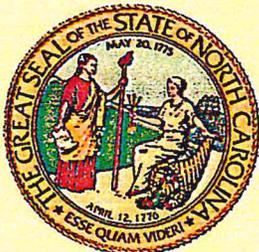
I, *JOSEPH L. GIBBONS*, further swear that I will execute the duties of the office of MAYOR for the City of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.

  
**JOSEPH L. GIBBONS**

*Sworn to and subscribed before me this 3<sup>rd</sup> day of December, 2019.*



**Honorable Robert M. Brady  
Chief District Court Judge, Retired**



**CITY OF LENOIR, NORTH CAROLINA****OATH OF COUNCIL MEMBER**

❧ **TODD H. PERDUE** ❧

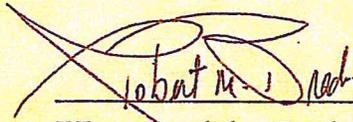
I, **TODD H. PERDUE**, solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; and, that I will endeavor to support, maintain, and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **TODD H. PERDUE**, further swear that I will execute the duties of the office of **COUNCIL MEMBER** for the City of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.



**TODD H. PERDUE**

Sworn to and subscribed before me this 3<sup>rd</sup> day of December, 2019.

**Honorable Robert M. Brady**  
**Chief District Court Judge, Retired**

**CITY OF LENOIR, NORTH CAROLINA**

**OATH OF COUNCIL MEMBER**

**❧ RALPH S. PRESTWOOD ❧**

I, **RALPH S. PRESTWOOD**, solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; and, that I will endeavor to support, maintain, and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **RALPH S. PRESTWOOD**, further swear that I will execute the duties of the office of **COUNCIL MEMBER**, for the City of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.

*Ralph S. Prestwood*  
**RALPH S. PRESTWOOD**

*Sworn to and subscribed before me this 3<sup>rd</sup> day of December, 2019.*



*Robert M. Brady*  
**Honorable Robert M. Brady**  
**Chief District Court Judge, Retired**

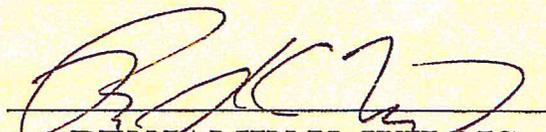
**CITY OF LENOIR, NORTH CAROLINA**

**OATH OF COUNCIL MEMBER**

*❧* **BENJAMIN K. WILLIS** *❧*

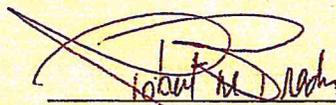
I, **BENJAMIN K. WILLIS**, solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; and, that I will endeavor to support, maintain, and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **BENJAMIN K. WILLIS**, further swear that I will execute the duties of the office of **COUNCIL MEMBER**, for the City of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.

  
BENJAMIN K. WILLIS

Sworn to and subscribed before me this 3<sup>rd</sup> day of December, 2019.



  
Honorable Robert M. Brady  
Chief District Court Judge, Retired

Fee \$26.00



Caldwell County North Carolina  
 Wayne L. Rash, Register of Deeds

✓ City of lenoir

**AN ORDINANCE DIRECTING THE MINIMUM HOUSING INSPECTOR TO REMOVE OR DEMOLISH THE PROPERTY HEREIN DESCRIBED AS UNFIT FOR HUMAN HABITATION AND DIRECTING THAT A NOTICE BE PLACED THEREON THAT THE SAME MAY NOT BE OCCUPIED.**

**WHEREAS**, the City Council of the City of Lenoir finds that the dwelling described herein is unfit for human habitation under the City Housing Standards, and that all of the procedures of the Minimum Housing Standards have been complied with; and

**WHEREAS**, this dwelling should be removed or demolished, as directed by the Minimum Housing Inspector, and should be placard thereon the notice prohibiting use for human habitation; and

**WHEREAS**, the owner of this dwelling, Mitchell Hampton, has been given a reasonable opportunity to bring the dwelling into compliance with the Minimum Housing Standards accordance with G.S. 160A-443 (5) pursuant to an order issued by the Minimum Housing Inspector on September 12, 2019, and the owner has failed to comply with the order;

**NOW THEREFORE BE IT ORDAINED BY the City Council of the City of Lenoir that:**

**Section 1.** The Minimum Housing Inspector is hereby authorized and directed to place a placard containing the following:

**"This building is unfit for human habitation: the use or occupation of this building for human habitation is prohibited and unlawful."**

on the building located at the following address: **114 Palmer St**  
**Lenoir, North Carolina.**  
**Parcel-ID 09 32 2 19**  
**NCPIN 2759172776**

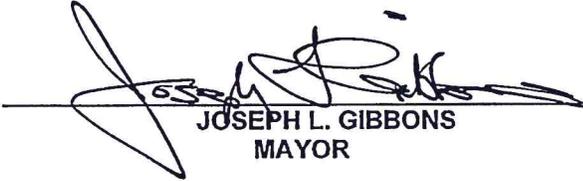
**Section 2.** The Minimum Housing Inspector is hereby authorized and directed to proceed to remove or demolish the described above dwelling in accordance with this Order, and in accordance with the City of Lenoir Minimum Housing Code, and NCGS Chapter 160A, Article 19, Part 6.

**Section 3.** The cost of demolition and improvement of the lot shall be a tax lien on the real property as provided by G.S. 160A-443 (6).

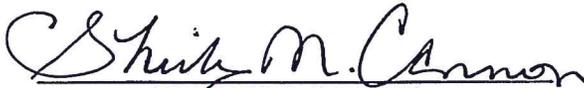
**Section 4.** It shall be unlawful for any person to remove or cause to be removed the placard from any building to which it is affixed. It shall be likewise unlawful for any person to occupy or to permit the occupancy of any building therein declared to be unfit for human habitation.

**Section 5.** A copy of this ordinance shall be recorded in the Register of Deeds of Caldwell County, North Carolina, and indexed in the name of the property owner or owners in the grantor index.

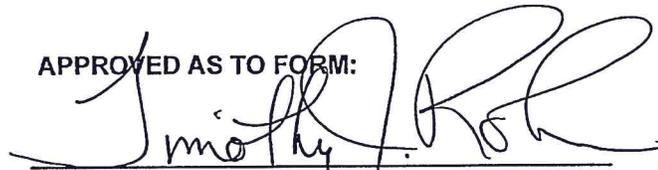
**Adopted this the 3rd day of December, 2019.**

  
JOSEPH L. GIBBONS  
MAYOR

ATTEST:

  
SHIRLEY M. CANNON  
CITY CLERK

CITY OF LENOIR, NC  
CHARTERED  
JANUARY 28, 1851

APPROVED AS TO FORM:  
  
TIMOTHY J. ROHR  
CITY ATTORNEY

SEAL

Fee \$26.00



Caldwell County North Carolina  
 Wayne L. Rash, Register of Deeds

✓✓ City of Lenoir

**AN ORDINANCE DIRECTING THE MINIMUM HOUSING INSPECTOR TO REMOVE OR DEMOLISH THE PROPERTY HEREIN DESCRIBED AS UNFIT FOR HUMAN HABITATION AND DIRECTING THAT A NOTICE BE PLACED THEREON THAT THE SAME MAY NOT BE OCCUPIED.**

**WHEREAS**, the City Council of the City of Lenoir finds that the dwelling described herein is unfit for human habitation under the City Housing Standards, and that all of the procedures of the Minimum Housing Standards have been complied with; and

**WHEREAS**, this dwelling should be removed or demolished, as directed by the Minimum Housing Inspector, and should be placard thereon the notice prohibiting use for human habitation; and

**WHEREAS**, the owner of this dwelling, Robert Alandth Hamby, has been given a reasonable opportunity to bring the dwelling into compliance with the Minimum Housing Standards accordance with G.S. 160A-443 (5) pursuant to an order issued by the Minimum Housing Inspector on November 12, 2019, and the owner has failed to comply with the order;

**NOW THEREFORE BE IT ORDAINED BY the City Council of the City of Lenoir that:**

**Section 1.** The Minimum Housing Inspector is hereby authorized and directed to place a placard containing the following:

**"This building is unfit for human habitation: the use or occupation of this building for human habitation is prohibited and unlawful."**

on the building located at the following address: **1208 Delwood Dr**  
**Lenoir, North Carolina.**  
**Parcel-ID 06155 1 1**  
**NCPIN 2748892019**

**Section 2.** The Minimum Housing Inspector is hereby authorized and directed to proceed to remove or demolish the described above dwelling in accordance with this Order, and in accordance with the City of Lenoir Minimum Housing Code, and NCGS Chapter 160A, Article 19, Part 6.

**Section 3.** The cost of demolition and improvement of the lot shall be a tax lien on the real property as provided by G.S. 160A-443 (6).

**Section 4.** It shall be unlawful for any person to remove or cause to be removed the placard from any building to which it is affixed. It shall be likewise unlawful for any person to occupy or to permit the occupancy of any building therein declared to be unfit for human habitation.

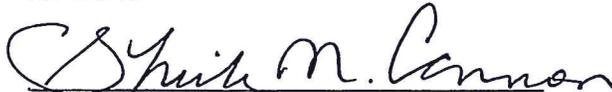
**Section 5.** A copy of this ordinance shall be recorded in the Register of Deeds of Caldwell County, North Carolina, and indexed in the name of the property owner or owners in the grantor index.

**Section 6.** This ordinance shall become effective on Friday, December 13, 2019.

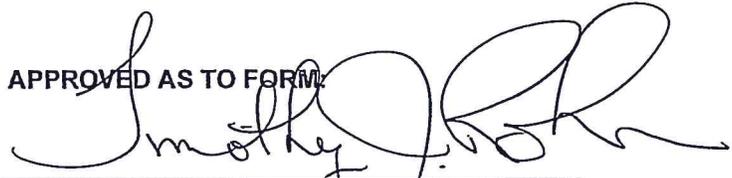
**Adopted this the 3rd day of December, 2019.**

  
JOSEPH L. GIBBONS  
MAYOR

ATTEST:

  
SHIRLEY M. CANNON  
CITY CLERK

CITY OF LENOIR, NC  
CHARTERED  
JANUARY 28, 1851

APPROVED AS TO FORM:  
  
Timothy J. Rohr  
CITY ATTORNEY

SEAL

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

**I. Agenda Item:**

**Background:**

The City of Lenoir periodically establishes capital project ordinances for endeavors that involve construction/infrastructure activities or grant funding for a particular purpose covering more than one year. In most cases, the duration of a project will extend from one fiscal year into another. Consequently, the adoption of a capital project ordinance allows the governmental entity to appropriate funds for the life of the project without the governing board having to reallocate funding on a fiscal year basis.

The City adopted the Revised Capital Project Budget Ordinance for the Fire Station III on the 19th day of June, 2019 with a total project budget of \$1,575,615. This project was complete as of December, 2019 with total expenditures of \$1,575,615. There were no excess funds.

Staff would like to close out the capital project noted above. A Capital Project Budget Ordinance To Close Capital Project has been prepared and is attached for your review and approval.

**II. Staff Recommendation:**

Approve as requested

**III. Reviewed by:**

**City Attorney:**

**Finance Director:** Donna Bean

**Public Works/Public Utilities Director:**

**Planning Director:**

**Recreation Director:**

**ORDINANCE #2020-1**

**CAPITAL PROJECT BUDGET ORDINANCE TO CLOSE CAPITAL PROJECT  
FOR THE CITY OF LENOIR**

**WHEREAS**, the City Council of the City of Lenoir has adopted a Budget Ordinance for fiscal year beginning July 1, 2019, and ending June 30, 2020, in accordance with the General Statutes of the State of North Carolina, and

**WHEREAS**, the City Council desires to recognize the completion of the following Capital Project(s), and

**WHEREAS**, The City adopted the Revised Capital Project Budget Ordinance for the Fire Station III on the 19th day of June, 2019 with a total project budget of \$1,575,615. This project was complete as of December, 2019 with total expenditures of \$1,575,615. There were no excess funds and,

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LENOIR, NORTH CAROLINA, THAT:**

The Capital Project Budget Ordinance for the Fire Station III be closed.

Adopted this 7th day of January, 2020.

---

Joseph L. Gibbons, Mayor

Attest:

---

, Shirley M. Cannon,  
City Clerk

**CITY OF LENOIR  
COUNCIL ACTION FORM**

- I. Agenda Item:** Consideration of a Capital Project Budget Ordinance for the Crossroads Sewer Project.
- II. Background Information:** Attached for your consideration is a Capital Project Budget Ordinance to authorize activities for the Crossroads Sewer Project which involves the replacement and upsizing of approximately 3,800 linear feet of existing 12 inch diameter gravity sewer line to 20 inch diameter gravity sewer line on a positive grade. The project will begin within the Crossroads Shopping Center and extend approximately 3,800 linear feet towards the main trunk sewer near the Golf Course Clubhouse.
- III.**
- IV. Staff Recommendation:** Staff requests that City Council adopt the Capital Project Budget Ordinance for the Crossroads Sewer Capital Project in the amount of \$2,830,500.00.

**V. Reviewed By:**

City Attorney:

Finance Director: *Donna Bear*

Public Works/Public Utilities Director:

Planning Director:

Recreation Director:

# Capital Project Ordinance for the City of Lenoir

## CROSSROADS SEWER CAPITAL PROJECT

BE IT ORDAINED by the City Council Members of the City of Lenoir, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

**Section 1:** The project to authorize activities for Crossroads Sewer Capital Project to include the expenditure of loan funds and local funds for the design, construction, and project administration for the Crossroads Sewer Capital Project. The project is to be funded by a loan from the Clean Water State Revolving Fund at an interest rate of 2.16% and local funds for closing costs.

**Section 2:** The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

**Section 3:** The following amounts are appropriated for the project:

Engineering	\$ 371,000.00
Construction	\$ 2,186,000.00
Contingency	\$ 218,000.00
Closing Costs	<u>\$ 55,500.00</u>
Total Expenditures	\$ 2,830,500.00

**Section 4:** The following revenues are anticipated to be available to complete this project:

Clean Water State Revolving Fund (2.16% Interest)	\$ 2,775,000.00
Local funding	<u>\$ 55,500.00</u>
Total Revenue	\$ 2,830,500.00

**Section 5:** The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the Project Ordinance.

**Section 6:** The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

**Section 7:** The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

**Section 8:** Copies of this capital project ordinance shall be furnished to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this \_\_\_\_\_ day of January 2020.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk



# North Carolina Department of Environmental Quality

## Division of Water Infrastructure

### Application for Funding



(Last updated: June 2018)

**1. General Information**

<b>Applicant Name</b>	<b>County</b>	<b>DUNS Number</b>
City of Lenoir	Caldwell	074513557
<b>Project Name</b>	<b>Total Project Cost</b>	<b>Total Funding Requested</b>
Crossroads Sewer Replacement Project	\$2,775,000	\$2,775,000
<b>Applicant Type</b>		
<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Sanitary District	
<input type="checkbox"/> County	<input type="checkbox"/> Non-Profit Water Corporation	
<input type="checkbox"/> Water and Sewer District	<input type="checkbox"/> Other (Specify: )	
<input type="checkbox"/> Water and Sewer Authority		

**Funding Type(s) Requested**

<input type="checkbox"/> Asset Inventory and Assessment Grant	<input type="checkbox"/> Community Development Block Grant for Infrastructure <sup>†</sup>
<input type="checkbox"/> Merger/Regionalization Feasibility Grant	<sup>†</sup> All CDBG-I grants are 100% grants.
<input checked="" type="checkbox"/> Construction Project	LMI determination method:
<input type="checkbox"/> Drinking Water (all funding except CDBG-I)	<input type="checkbox"/> Survey <input type="checkbox"/> ACS
<input checked="" type="checkbox"/> Wastewater (all funding except CDBG-I)	LMI Percentage: _____
<input type="checkbox"/> Stormwater, stream restoration	

**2. Affordability (applies to all but CDBG-I only applicants)**

<b>Residential Sewer Connections</b>	<b>Residential Water Connections</b>
8,039	10,012
<b>Non-Residential Sewer Connections</b>	<b>Non-Residential Water Connections</b>
912	968
<b>Sewer Bill per 5,000 gallons</b>	<b>Water Bill per 5,000 gallons</b>
\$24.30	\$23.62

1. I am willing to accept funding that includes federal conditions.  Yes  No
  2. Estimated grant percentage as calculated by  hand  calculator:  
 0%  25%  50%  75%  100%
  3. If grant funding is not available at the percentage provided above, I am willing to accept a minimal grant amount of\*:  
 0% (100% Loan)  25%  50%  75%  100%
- \*If available grant amount is below the percentage listed above, project will not be funded.

**Percentage of Utility Bills and Rate Increase Percentages**

Year	Percentage of Utility Bills Collected	Rate Increase Percentage
2018	95	1.5% (water), 0% (sewer)
2017	95	2.5% (water), 1.0% (sewer)
2016	95	0% (water), 3.0% (sewer)
2015	95	0% (water), 3.0% (sewer)
2014	95	1.2% (water), 2.0% (sewer)

(OVER)

**3. Applicant Contact Information****Authorized Representative Name:** Scott Hildebran**Authorized Representative Title:** City Manager**Mailing Address Line 1:** 801 West Ave NW**Mailing Address Line 2:** -----**City:** Lenoir**State:** NC**Zip Code:** 28645**Phone Number:** 828-757-2200**E-Mail Address:** [shildebran@ci.lenoir.nc.us](mailto:shildebran@ci.lenoir.nc.us)**4. Application Preparer Contact Information****Firm Name:** McGill Associates, PA**Contact Name:** Joel Whitford, PE**Mailing Address Line 1:** 1240 19<sup>th</sup> Street Lane NW**Mailing Address Line 2:** -----**City:** Hickory**State:** NC**Zip Code:** 28601**Phone Number:** 828-328-2024**E-Mail Address:** [joel.whitford@mcgillengineers.com](mailto:joel.whitford@mcgillengineers.com)**5. Engineer Contact Information**Is the engineering firm different from the application preparer?  Yes  No**Engineering Firm Name:****Contact Name:****Mailing Address 1:****Mailing Address 2:****City:****State:****Zip Code:****Phone Number:****E-Mail Address:**

**6. Project Description**

**Number of New Connections Served by Project (if applicable):** N/A

The City of Lenoir owns and maintains a wastewater collection system and two (2) wastewater treatment facilities. The Lower Creek basin flows to the Lower Creek Wastewater Treatment Plant (WWTP) and serves the majority of the City and areas to the north and west of the City. Collection system lines range in size from 6 inches to 30 inches in diameter. Older sewer lines are constructed primarily of vitrified clay or concrete, while newer lines are installed using ductile iron or PVC materials.

The sewer collection system in the Crossroads area is a major contributor of inflow and infiltration. Many of the manholes are in low-lying areas and are in need of replacement due to root intrusion. Excessive I/I in this sewer basin contributes to high wet weather flows received at the downstream Lower Creek WWTP.

The area is also susceptible to sanitary sewer overflows during wet weather events, which can discharge into Zacks Fork or Lower Creek. Based on the frequent sewer overflows over the years, the existing gravity sewer line is in need of upsizing and installation at a positive grade. Replacement of this sewer with a larger sewer line is anticipated to greatly reduce the number of sewer overflows in this area. The reduction of I/I in these collection lines will have a direct and beneficial effect in reducing wet weather flows to the Lower Creek WWTP, and reducing overflows.

Adjacent to the gravity sewer, Zacks Fork Creek is listed on the Integrated Report for Impairment due to Fecal Coliform. Downstream of the gravity sewer, Lower Creek is a WS-IV stream and is listed on the Integrated Report for Impairment of ecological/biological integrity benthos for aquatic life. These sewer system improvements will positively impact the efforts to reduce contamination and protect these water resources in the future.

The Crossroads Sewer Replacement project involves the replacement and upsizing of approximately 3,800 linear feet of existing 12-inch diameter gravity sewer line to 20-inch diameter gravity sewer line on a positive grade. Additionally, the project shall include the replacement of approximately twenty (20) manholes and all sewer lateral services will be reconnected. The project shall begin within the Crossroads Shopping Center and extend approximately 3,800 linear feet towards the main trunk sewer near the Golf Course Clubhouse.

The City would like to include the relocation of an existing 8-inch gravity sewer underneath US 321 that currently connects to the existing 12-inch gravity sewer. The existing 8-inch gravity sewer segment is an aged, vitrified clay sewer line that could be eliminated from underneath the major highway by relocating this sewer. NCDOT also has plans for major roadway improvements to US 321 in the near future. The sewer would be re-routed using 600 LF of proposed 8-inch gravity sewer to the larger 18-inch gravity sewer on the east side of US 321.

**7. Additional Information for Consideration**

(OVER)

## Lenoir Crossroads Sewer Project

8. Project Budget (for Construction Projects Only)			
	Division Funding Requested	Other Secured Funding Source(s)	Total Cost Amount
Indicate construction costs by line item (e.g., linear feet of different-sized lines)			
<b>Construction Costs</b>			
Mobilization (3%)	\$ 58,000	\$ -	\$ 58,000
12-Inch Gravity Sewer Lines Abandonment w/ Flowable Fill	\$ 114,000	\$ -	\$ 114,000
20-Inch Gravity Sewer Line Installation	\$ 912,000	\$ -	\$ 912,000
20-Inch Aerial Sewer Line & Supports	\$ 147,000	\$ -	\$ 147,000
36-Inch Bore w/ Encasement	\$ 325,000	\$ -	\$ 325,000
5-Foot Diameter Sewer Manhole Abandonment	\$ 30,000	\$ -	\$ 30,000
5-Foot Diameter Sewer Manhole (depth varies)	\$ 78,000	\$ -	\$ 78,000
Downstream Manhole Replacement	\$ 19,000	\$ -	\$ 19,000
Connect to Existing Sewer Lines	\$ 21,000	\$ -	\$ 21,000
Temporary Sewer Service and Bypass Pumping	\$ 36,000	\$ -	\$ 36,000
4-Inch Service Connection Bore	\$ 10,000	\$ -	\$ 10,000
4-Inch Aerial Service Line	\$ 15,000	\$ -	\$ 15,000
4-Inch Connection to Existing Sewer Service Lines	\$ 21,000	\$ -	\$ 21,000
Asphalt Cut & Patch	\$ 112,000	\$ -	\$ 112,000
Seeding, Grassing, and Restoration	\$ 24,000	\$ -	\$ 24,000
Silt Fence	\$ 21,000	\$ -	\$ 21,000
Temporary Construction Entrance	\$ 12,000	\$ -	\$ 12,000
8-inch Gravity Sewer Line Relocation, Manholes, Sewer Reconnections, Line Abandonments	\$ 231,000	\$ -	\$ 231,000
Contingency (10% of construction costs):	\$ 218,000	\$ -	\$ 218,000
<b>Construction Subtotal:</b>	<b>\$ 2,404,000</b>	<b>\$ -</b>	<b>\$ 2,404,000</b>
<b>Engineering Costs</b>			
Engineering Design and Land Surveying	\$ 182,000	\$ -	\$ 182,000
Permitting	\$ 6,000	\$ -	\$ 6,000
Bidding & Award	\$ 8,000	\$ -	\$ 8,000
<b>Engineering Subtotal:</b>	<b>\$ 196,000</b>	<b>\$ -</b>	<b>\$ 196,000</b>
<b>Administration Costs</b>			
Planning	\$ -	\$ -	\$ -
Easement Preparation	\$ 9,000	\$ -	\$ 9,000
Grant Administration (if applicable)	\$ 9,000	\$ -	\$ 9,000
Loan Administration (if applicable)	\$ -	\$ -	\$ -
ER Preparation	\$ 18,000	\$ -	\$ 18,000
Environmental Documentation Preparation	\$ -	\$ -	\$ -
Legal Costs	\$ 5,000	\$ -	\$ 5,000
Construction Administration/Observation	\$ 134,000	\$ -	\$ 134,000
<b>Administration Subtotal:</b>	<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ 175,000</b>
<b>TOTAL PROJECT COST:</b>	<b>\$ 2,775,000</b>	<b>\$ -</b>	<b>\$ 2,775,000</b>
<p>A PE Seal for the estimate <u>must be provided</u> in the space to the right for the application to be considered complete.</p>			

**Certification by Authorized Representative**

The attached statements and exhibits are hereby made part of this application, and the undersigned representatives of the Applicant certifies that the information in this application and the attached statements and exhibits is true, correct, and complete to the best of his/her knowledge and belief. By initialing each item and signature at the end of this application, he/she further certifies that:

- \_\_\_\_\_ 1. as Authorized Representative, he/she has been authorized to file this application by formal action of the governing body;
- \_\_\_\_\_ 2. the governing body agrees to provide for proper maintenance and operation of the approved project after its completion;
- \_\_\_\_\_ 3. the Applicant has substantially complied with or will comply with all federal, state, and local laws, rules, and regulations and ordinances as applicable to this project;
- \_\_\_\_\_ 4. the Applicant will adopt and place into effect on or before the completion of the project a schedule of fees and charges which will provide for the adequate and proper operation, maintenance, and administration and repayment of all principle and interest on loans (if applicable) of the project;
- \_\_\_\_\_ 5. the Applicant has followed proper accounting and fiscal reporting procedures, as evidenced by the Applicant's most recent audit report, and that the Applicant is in substantial compliance with provision of the general fiscal control laws of the State;
- \_\_\_\_\_ 6. the project budget provided on Page 5 of this application form includes all funding requested from all sources of funding proposed for this project; and
- \_\_\_\_\_ 7. the (Town or County), North Carolina is organized and chartered under the laws of North Carolina. All officials and employees are aware of, and in full compliance with NCGS 14-234, "Director of public trust contracting for his own benefit, participation in business transaction involving public funds; exemptions." (For units of local government only. All others should initial "N/A.")
- \_\_\_\_\_ 8. the Applicant acknowledges that all loans are subject to approval by the Local Government Commission.
- \_\_\_\_\_ 9. in accordance with G.S. 120-157.1 through 157.9, for local government debt to be issued greater than \$1,000,000, the local government must submit a letter to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission.

(OVER)

**Completeness Checklist\***

*In addition to this application, the following items must be included for a complete application package; please initial that each item is included in this submittal.*

KAK	Resolution by Governing Body of Applicant with Certification by Recording Officer
KAK	Division Financial Information and Fund Transfer Certification
KAK	Applicable Priority Rating System Form with supporting narratives and documentation
KAK	Current Rate Sheets
KAK	PE Seal on project budget (construction projects only)

\*All forms are available separately on the DWI website.

**\*\*For each application, please provide copies that are bound (e.g., report cover with fasteners, plastic report combs, spiral or 3-ring binders.) No paper clips, staples or binder clasps, for each application. \*\***

**Submittal Information**

- For CDBG-I (Fall only), send one (1) original and two (2) copies of the Application.
- For all other programs, send one (1) original and one (1) copy of the Application.
- If submitting for both CDBG-I and construction projects, send (1) original and (3) copies of the Application.

Send complete Application package to:

**Mailing Address<sup>†</sup> (US Postal Service only)**

Division of Water Infrastructure  
1633 Mail Service Center  
Raleigh, NC 27699-1633

**Physical Address (FedEx, UPS)<sup>‡</sup>**

Division of Water Infrastructure – 8<sup>th</sup> Floor, Archdale Building  
512 North Salisbury Street  
Raleigh, NC 27604  
919.707.9160

<sup>†</sup>Please allow a week for delivery if mailing via the US Postal Service.

<sup>‡</sup>For all courier services, please use the physical address, as having a courier deliver to the mailing address will delay package delivery.

**Application Signature**

**Please note: Original signatures are required for each application.**



SIGNATURE OF AUTHORIZED REPRESENTATIVE

Scott Hildebran  
TYPED NAME

City Manager  
TYPED TITLE

1/2/2020  
DATE

**CITY OF LENOIR  
COUNCIL ACTION FORM**

**I. Agenda Item:**

**Approve the Contract To Audit Accounts as submitted by S. Eric Bowman, PA**

**II. Background Information:**

**S. Eric Bowman, PA has submitted the Contract To Audit Accounts agreement to the City of Lenoir. The agreed upon cost for the audit is \$98.00 per hour with a 75% cap for interim invoice approval of \$ 35,268, which is 75% of the prior year's audit fee.**

**Staff Recommendation:**

**Approve as requested**

**III. Reviewed by:**

**City Attorney:**

**Finance Director:** *Donna Bean*

**Public Works/Public Utilities Director:**

**Planning Director:**

**Recreation Director:**

The of and	Governing Board City Council
	Primary Government Unit (or charter holder) City of Lenoir
	Discretely Presented Component Unit (DPCU) (if applicable) NA

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name S. Eric Bowman, PA
	Auditor Address PO Box 1476 Morganton, NC 28680

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by *OMB Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.  
  
If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/sgl/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

**FEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
David Stevens	Board Member/Smith, Stevens, I	dfstevens@ssfcpa.net

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

**PRIMARY GOVERNMENT FEES**

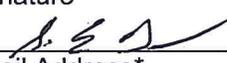
Primary Government Unit	City of Lenoir
Audit Fee	\$ 98 per hour per person
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 98 per hour per person
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$ 35,268.00

**DPCU FEES (if applicable)**

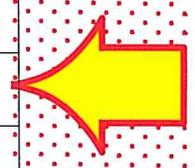
Discretely Presented Component Unit	
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* S. Eric Bowman, PA	
Authorized Firm Representative (typed or printed)* S. Eric Bowman	Signature* 
Date* 12/10/19	Email Address* sericbowmanpa@bellsouth.net

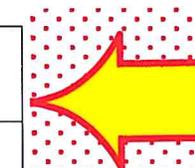
**GOVERNMENTAL UNIT**

Governmental Unit* City of Lenoir	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Joe L. Gibbons - Mayor	Signature* 
Date	Email Address @lenoir.com 
Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

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

Primary Governmental Unit Finance Officer* (typed or printed) Donna Bean	Signature* 
Date of Pre-Audit Certificate*	Email Address* @ci.lenoir.nc.us 

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
NA	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

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

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**

# S. Eric Bowman, P.A.

CERTIFIED PUBLIC ACCOUNTANT

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403 South Green Street  
P.O. Box 1476  
Morganton, NC 28680-1476  
Telephone (828) 438-1065  
Fax (828) 438-9117

December 10, 2019

City Council  
City of Lenoir  
Lenoir, North Carolina

We are pleased to confirm our understanding of the services we are to provide City of Lenoir for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of City of Lenoir as of and for the year ended June 30, 2020. Accounting standards, generally accepted in the United States, provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement City of Lenoir's basic financial statements. Such information, although not a 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. As part of our engagement, we will apply certain limited procedures to City of Lenoir's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Law Enforcement Officer's Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll
- 3) Changes in Total OPEB Liability and Related Ratios
- 4) Proportionate Share of Net Pension Liability and Contributions to Retirement System

We have also been engaged to report on supplementary information other than RSI that accompanies City of Lenoir's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America and will provide an opinion on it in relation to the financial statements as a whole.

- 1) Individual fund financial statements
- 2) Budgeting Schedules
- 3) Other Schedules
- 4) Schedule of expenditures of federal and state awards

The statistical section accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

#### Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of The Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of The Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the City Council of City of Lenoir. We cannot provide assurance that unmodified

opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

#### Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements, schedule of federal and state awards; compliance with laws, regulations, contracts, and grant agreements, and other responsibilities required by generally accepted auditing standards.

### Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by The Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope that would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to The Uniform Guidance and the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and The Uniform Guidance and the State Single Audit Implementation Act.

### Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Lenoir's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement and the Audit Manuals for Government Auditing in North Carolina for the types of compliance requirements that could have a direct and material effect on each of City of Lenoir's major programs. The purpose of these procedures will be to express an opinion on City of Lenoir's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to The Uniform Guidance and the State Single Audit Implementation Act.

### Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of City of Lenoir in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. We will also prepare conversion entries and a cash to accrual entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes and various journal entries previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### Management Responsibilities

Management is responsible for;

- (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met;
- (2) following laws and regulations;
- (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and
- (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with:

- (1) Access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements
- (2) Access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and State Single Audit Implementation Act
- (3) Additional information that we may request for the purpose of the audit, and
- (4) Unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving:

- 1) Management
- 2) Employees who have significant roles in internal control
- 3) Others where the fraud or illegal acts could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, contracts, and grant agreements, or abuse that we report. Additionally, as required by The Uniform Guidance and the State Single Audit Implementation Act, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on July 15, 2020.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for assisting us in preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the State Single Audit Implementation Act. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that;

- (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and State Single Audit Implementation Act;
- (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and State Single Audit Implementation Act;

- (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and
- (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that;

- (1) you are responsible for presentation of the supplementary information in accordance with GAAP;
- (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP;
- (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and
- (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### Engagement Administration, Fees and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to City of Lenoir; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of S. Eric Bowman, P.A. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to any federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of S. Eric Bowman, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

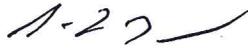
The workpapers for this engagement will be retained for a minimum of five years after the date the auditors' report is issued or for any additional period requested by oversight agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

We expect to begin our audit on approximately June 1, 2020 and to issue our reports no later than October 31, 2020. Our fee for these services will be \$98 per hour per person. Our invoices for these fees will be rendered each month as work progresses.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Lenoir and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed audit contract and return it to us.

Very truly yours,



S. Eric Bowman, P.A.  
Certified Public Accountant

\_\_\_\_\_  
Donna Bean

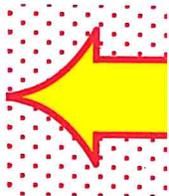
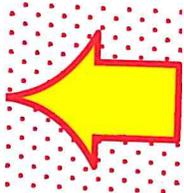
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joe Gibbons

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



## Report on the Firm's System of Quality Control

August 7, 2017

*To the Shareholder of S. Eric Bowman, P.A. and the Peer Review Executive Committee of the North Carolina Association of Certified Public Accountants*

We have reviewed the system of quality control for the accounting and auditing practice of **S. Eric Bowman, P.A.** in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in the System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

An engagement selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of **S. Eric Bowman, P.A.** in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or fail. **S. Eric Bowman, P.A.** has received a peer review rating of *pass*.

*Ray, Bumgarner, Kingshill & Assoc., P.A.*



# January 2020



Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 New Year's Day! City Offices Closed!	2 *Curbside Christmas Tree Pickup Begins	3	4
5	6	7 6:00 p.m. City Council	8 9:00 a.m. Staff Mtg.	9 2:00 p.m. ABC Board 6:00 p.m. Lenoir Business Adv. Board	10 *Curbside Christmas Tree Pickup Ends	11
12	13 11:45 a.m. City/Cnty Services Committee	14 Noon - EDC Celebration Luncheon (J.E. Broyhill Civic Ctr.)	15	16 4:00 p.m. Lenoir Tourism Development Authority (City Hall, Third Floor)	17	18
19	20 City Offices Closed! Martin Luther King, Jr. Holiday	21 6:00 p.m. City Council	22 9:00 a.m. Staff Mtg.	23	24	25
26	27 5:30 p.m. Planning Board	28 8:30 a.m. Committee of the Whole (City Hall, 3rd Floor)	29 Noon - Foothills Regional Airport Authority	30	31 Curbside Leaf Collection Ends	
		<b>Notes for February</b>				

City of Lenoir  
P.O. Box 958  
Lenoir, N.C. 28645  
www.cityoflenoir.com  
757-2200 / 757-2162 fax

Joseph L. Gibbons, Mayor  
Scott E. Hildebran, City Manager  
Shirley M. Cannon, City Clerk

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

I. **Agenda Item:** Authorizing Resolution for NC Department of Commerce One North Carolina Fund Grant and Building Reuse Grant Requests for “Project Buckeye”.

II. **Background Information:** The One North Carolina Fund (OneNC) is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The North Carolina Department of Commerce administers OneNC on behalf of the Governor. Awards are based on:

- The number of jobs created
- The level of investment
- The location of the project
- The economic impact of the project

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 Economic Development Commission to assist in the development and implementation of “Project Buckeye”.

The proposed project would assist in the recruitment of and expansion of an existing company in Lenoir and entails approximately \$20 million in company investment for renovations, machinery, and equipment as well as the creation of up to 126 new jobs.

The Caldwell County Board of Commissioners will officially consider the project on January 6, 2020 for local financial incentives representing the required local government grant match.

III. **Staff Recommendation:** If Council wishes to proceed with the grants submittal, City Council should adopt the enclosed Authorizing Resolution for NC Department of Commerce One NC Fund Grant and Building Reuse Grant Submission for “Project Buckeye”.

IV. **Reviewed by:**

**City Attorney:**

**Finance Director:**

**Public Works/Public Utilities Director:**

**Planning Director:**

**Recreation Director:**



CITY MANAGER  
SCOTT E. HILDEBRAN

CITY OF LENOIR  
NORTH CAROLINA

MAYOR  
JOSEPH L. GIBBONS

CITY COUNCIL  
J. T. BEAL  
T. H. PERDUE  
J. I. PERKINS  
R. S. PRESTWOOD  
D. F. STEVENS  
C. D. THOMAS  
B. K. WILLIS

## Project Buckeye One North Carolina and Building Reuse Authorizing Resolution

**Whereas,** Deborah Murray, Executive Director of the Caldwell County Economic Development Commission, has been working with an existing local company involving an expansion to their Lenoir operations and;

**Whereas,** the Lenoir site is in competition for this expansion with sites in other states and;

**Whereas,** the Building Reuse grant requires a local government to serve as the formal applicant for these incentive grant dollars on behalf of the company, and

**Whereas,** the North Carolina Department of Commerce is assisting in the recruitment of this expansion in Lenoir which would entail approximately \$20 million in company funding for renovations, machinery, and equipment as well as the creation of up to 126 new jobs and;

**Whereas,** Both the One North Carolina Incentive and Building Reuse Programs require a local government to serve as the official project applicant and;

**Whereas,** The Lenoir City Council understands the project must maintain confidentiality until a formal announcement is made by the Governor and;

**Whereas,** The City Council of Lenoir wishes to assist in the recruitment of this expansion by serving as the local government applicant for a One North Carolina Fund Grant and a Rural Building Reuse Grant for the project

### **Now Therefore Be It Resolved, By The Lenoir City Council:**

That the City Council of Lenoir supports the Project Buckeye expansion project in Lenoir.

That the City of Lenoir will serve as the official project applicant for the One North Carolina Fund Grant and the Building Reuse Grant requests.



That Caldwell County has approved a Local Jobs Incentive for the project to provide the local matching funds as required by the respective programs.

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

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 there to.

Adopted this the 7<sup>th</sup> day of January 2020, at Lenoir, North Carolina.

SEAL:

ATTEST:

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Shirley M. Cannon, City Clerk

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Joseph L. Gibbons, Mayor