

MINUTES

City Council Strategic Planning Meeting Blue Ridge Energy Corporate Office February 15, 2019 8:30 A.M.

Facilitator: Anthony Starr, Western Piedmont Council of Government.

Participants: Mayor Joseph Gibbons, Mayor Pro-Tem Ben Willis, David Stevens, Todd Perdue, Crissy Thomas, Jonathan Beal, and Ike Perkins.

City Staff: City Manager Scott Hildebran, City Clerk Shirley Cannon, Finance Director Donna Bean, Fire Chief Ken Hair, Police Chief Brent Phelps, Economic Development Director Kaylynn Horn, Public Information Officer Joshua Harris, Planning Director Jenny Wheelock, Public Utilities Director Radford Thomas, Public Works Director Jared Wright, Recreation Director Kenny Story. Customer Service Design Team Members in attendance were Zack Carter, Hannah Williams, and Anthony Harrison.

Others in Attendance: Virginia Annable, *News-Topic*.

Call to Order

Mayor Gibbons welcomed everyone and stated this is City Council's most important meeting due to Council establishing their upcoming priorities for 2019. Mayor Gibbons introduced Anthony Starr, Western Piedmont Council of Governments, Facilitator, of the Session. Mr. Starr reviewed the ground rules for the meeting and also reviewed the agenda.

In addition, Mr. Starr informed Council that, other than reviewing their current priorities, Council needs to establish its goals for the next three to five years in order to give good guidance to Staff. He also pointed out Staff has identified issues for discussion for Council's consideration.

Customer Service Update

Zack Carter and Hannah Williams, Customer Service Design Team Members, stated the City's Customer Service Program, which began in 2008, is an employee-driven program. They reviewed the City's eight customer service keys which are personable, pro-active, effective communication, professionalism, timely & efficient, teamwork, equitable service and successful service delivery. Mr. Carter reported the Team has regular monthly meetings and all new employees, including seasonal and part-time positions, should receive departmental-level customer service training. In addition, Mr. Carter related the Team hopes to collaborate with CCC&TI to develop additional training opportunities.

The team is also changing their program "Everyday Heroes" to "Take a Break on Us" as a way to recognize groups that may otherwise go unnoticed, but are important to the operations of the City. The Team provides refreshments as a way to say thank you for a job well done. Joshua Harris, Public Information Officer, has also re-launched "*Team Talk*", an employee newsletter, as a way to share information with all employees. Mr. Carter shared that twenty-seven employees received the Golden Ticket award for outstanding customer service in 2018 and these individuals attended a lunch in their honor and received a certificate.

Ms. Williams highlighted several events the Design Team hosted such as the Employee Appreciation Day held at Bo's Entertainment and the successful "Litter Sweep" Campaign.

Mayor Gibbons commended the Design Team for the tremendous job they are doing and stated Customer Service is the greatest program the City has ever implemented. On behalf of City Council, he thanked the team members for all that they do for the citizens of Lenoir.

Mr. Carter and Ms. Williams thanked City Council for all of their support.

Mission Statement & Vision Review

Mr. Starr requested City Council review the current Mission and Vision Statement for any changes and/or additions. Following their review, City Council was in consensus to not make any revisions to the Mission and Vision Statement at this time.

The mission of the City of Lenoir is:

- To serve our citizens and the community by providing a clean, safe, healthy, attractive living and business environment, through the efficient delivery of essential city services in a fiscally responsible manner.
- To identify, plan and act on opportunities for preserving and improving the quality of life of all of our citizens and co-workers.

The vision of the City of Lenoir is:

- We aspire to be the city of choice for ourselves and future generations- beautiful, clean and safe.

We will achieve our vision through:

- A healthy economy
- Strong businesses
- Vital neighborhoods
- A vibrant downtown
- Extensive recreational and cultural opportunities

We will preserve Lenoir's friendly, small town atmosphere and celebrate the diversity of our people.

We require a city government that is:

- Accessible and engaged with the public
- Accountable
- Efficient and effective responsive
- Employer of choice
- Future-oriented Forward thinking
- Inclusive, Innovative, Collaborative
- Transparent
- Fiscally responsible
- With funding that is fair, affordable, and stable

State of the City Presentation – Mayor Gibbons/City Manager Hildebran

Mayor Gibbons and City Manager Hildebran reviewed a power point presentation “City of Lenoir, 2018 in Review, New Businesses, New Developments, and New Improvements.

Mr. Hildebran began by reviewing a list of new & expanded businesses that have recently opened in Lenoir. (A copy of the power point presentation is on file in the City Clerk’s office). He pointed out that Blue Ridge Energy has begun an \$18 million expansion for a new corporate office complex and Exela is in the process of completing a \$25 million expansion into the Old Expo Building with 50 new proposed jobs at a salary of \$50,000. Mr. Hildebran further reported Caldwell County has seen a 3.5% increase in wages and ranks 25th in the state. Also, unemployment has decreased to 3.1% which is a dramatic change. Mayor Gibbons shared UNC Health Care has invested \$24 million to renovate facilities and add services. A groundbreaking ceremony was held recently for the Jonas Hill Hospital & Clinic which will bring psychiatric and behavioral services to Lenoir and Caldwell County. The City assisted the hospital in applying for a \$500,000 Hope Grant to help fund this project which is slated to be completed by May 2019. A surgery center is also planned for the Granite Falls Medical Park. Mr. Hildebran reported the new Hampton Inn will be opening in March 2019 and Comfort Inn is currently remodeling its facility.

Next, Mr. Hildebran shared the former Lowes Grocery Store will be renovated for medical offices and Southern Crossroads Restaurant will be opening in the former Bud’s Diner site. He reported a distillery company has purchased the former Williams Produce site. The Environmental Protection Agency (EPA) has approved Phase II of the City’s Brownfield Project at the former City Service Cleaners and it was also noted a buyer is interested in purchasing this property. In the spring of 2018, the City received a \$300,000 Brownfields Grant to promote redevelopment and economic growth.

Mr. Hildebran explained the City received three North Carolina Opportunity Designations, Census Tract 301, 303 and 311. Included in the federal tax cuts and Jobs Act, (H.R.1), the legislation creates a tax benefit for qualified investors who wish to reinvest realized capital gains into Opportunity Zones, avoiding standard capital gains tax obligations. The City’s three designated areas are Funky Town/Downtown; Whitnel/Southwest Lenoir; and Northeast Lenoir-Nuway Circle area and then out of the City limits according to Planning Director Wheelock.

Mr. Hildebran stated in March 2018, the North Carolina State Historic Preservation Office (SHPO) released its final report on its Comprehensive Architectural Survey of the City of Lenoir. Following an extensive planning phase and a systematic fieldwork effort, SHPO prepared survey files on more than 350 resources in the City. He also mentioned Council would consider establishing the Planning Board as the City’s Historic Preservation Commission at its February 19 Council meeting.

Mr. Hildebran emphasized the need for housing and reported that Caldwell County has 9,000 commuters daily that live in another County due to the housing shortage in Caldwell County. He reported that vacant housing also dropped to 16%, which is down 2% according to the U.S. Census Bureau’s 2017 American Community Survey. He pointed out that Council has adopted ordinances making it easier for individuals to place infill manufactured homes plus easier to renovate single-family homes. The Planning Board has also reviewed draft ordinances to accommodate by-right multi-family development.

In addition, Mr. Hildebran announced the Development Finance Initiative (DFI) at the UNC School of Government presented their preliminary report on housing in Caldwell County on

February 12. DFI should complete the market and demand study by February by May. Mr. Hildebran reminded Council they extended a Conditional Use Permit in March 2018 for the 60-unit multi-family senior living development known as Crescent Pointe for one year. He further reported that Habitat for Humanity has completed four houses at their Statement Court development with two additional homes under construction.

Next, Mr. Hildebran shared Staff completed improvements to the North Main Street area. The road was paved from North Main beginning from downtown to Creekway Drive and Staff also made improvements to the intersection there. The City will identify other areas that need to be cleaned up and improved.

Mr. Hildebran mentioned that Joshua Harris, Public Information Officer, designed a new logo for Public Utilities which was painted on the City's water tanks and several Public Utilities vehicles.

Mr. Hildebran reviewed the background information regarding the City's \$11 million investment to build two new filters and install an Active Flow System at the Water Plant which enabled the plant to deliver a guaranteed 12 Million Gallons Per Day (MGD). In addition, the City invested \$5 million to build a new chemical storage building along with piping and new control systems. The City's first improvements project only has four punch list items left before completion and the second project will be completed in June.

Police Chief Brent Phelps shared the Department completed a fencing project which has increased security at the facility and provided a safer, controlled area for Staff exiting the rear of the building.

Public Works Director Jared Wright stated the Hospital Avenue Sidewalk Project will connect downtown and the City's Greenway plus improve the appearance of the Hospital Avenue corridor. This new \$1 million project will further connect neighborhoods to jobs, medical facilities, pharmacies and shopping opportunities on US Hwy 321. Additionally, City Council approved a contract with Freese and Nichols for the purpose of evaluating the City's stormwater infrastructure and needs. He reported the project will be bid out in the winter of 2019 with a projected completion date of spring 2020.

Also, the City contracted with Ramey and Kemp to study and present a plan for converting several downtown streets to two-way traffic. Following evaluation and meetings with Council and Staff, they developed a three-phase approach to the proposed project. This item will be discussed at the February 26 Committee of the Whole meeting.

Next, Mr. Hildebran stated the City completed Phase I of the renovations at J.E. Broyhill Park which included new picnic shelters & grills, new restrooms, new basketball court plus new sidewalks. The City also previously received a U.S. Environmental Protection Agency grant in the amount of \$240,000 and a partnership with North Carolina State University which will assist the City with stormwater improvements at the J. E. Broyhill Park.

In 2015, the Lenoir Optimist Club donated the 12 acre Optimist Park to the City of Lenoir. The City was awarded a \$327,000 Parks & Recreation Trust Fund Grant with a City match of \$100,000 for improvements to Optimist Park & the Mulberry Recreation Center. Several improvements include new fencing plus repairs of some old fencing, new lighting for the ball field, minor repairs to the Optimist Park Club House & renovation of the maintenance building. Future improvements will include two new picnic shelters, playground equipment, restrooms, lighting and a new parking

lot. This project is slated to be completed by October 2019. In addition, new tennis courts were installed at Mulberry Recreation Center.

Mr. Hildebran reported in 2018 the City paved approximately 5.28 miles on 28 streets. The Public Works Department also purchased an asphalt recycle and hotbox which can reheat asphalt and be used in small-scale paving and repair. Director Wright stated the City would save \$400 per use of the equipment and pointed out they have the option to pave when needed.

It was also noted Code Enforcement demolished four structures at 315 Beall Street, 337 Arlington Circle, 340 & 342 Finley Avenue and 1340 Fairview Drive.

Greenway

The City also invested \$150,000 in the Lenoir Greenway by purchasing two properties at the intersection of Morganton Boulevard and Harrisburg Drive to serve as a trailhead for a Greenway extension from Harrisburg Drive to the Rail Trail. City Staff demolished the car wash on this property and Google is funding the Greenway extension from Harrisburg Drive to the Rail Trail. In 2019, Public Works Staff will begin paving the Rail Trail through Lenoir starting at North Main Street and on to Morganton Boulevard. Also, Parks & Recreation will install a sign on the Big Loop portion of the Greenway in honor of Merlin and Judy Perry for their support of the Greenway.

Fire Station No. 3

Mr. Hildebran stated that in October 2018, City Council approved a land swap and purchase of property at 1015 Wilkesboro Boulevard to house the new Fire Station No. 3 which is a great addition for the City. This station will allow Firefighters to provide faster responses to calls in the Lower Creek area. A tentative date of March 4 is slated for the renovations to begin with a timeline of four months.

MeterSys/Biosolids Project

The MeterSys Radio Read Meter Project continues to move forward and the system will provide remote cut off/cut on abilities as well as an online portal where customer can manage their utility account. In addition, Council approved the purchase of a Gryphon Dryer system to handle biosolid waste produced at the Wastewater Treatment Plant. The City received a low-interest State Reserve loan in the amount of \$6,600,000 to fund this project.

General Comments

The goal for the City's new website is July 1.

Would like to see a way the City could address code enforcement and give property owners a deadline to fix & repair their property or have it demolished. Inner City properties need to be addressed.

Best ideas come from Staff-not City Council. Proud of ownership of Staff-it's not just a job to them.

Mr. Hildebran thanked City Council for not micro-managing and letting Staff perform their job. Proud of what the City has accomplished over the past 16 years. City has built customer service into a great program. The City "plugs the right people in positions."

Public Information Officer's position is a great investment for the City.

Housing is the City's number one need.

Culture of City is solid and Lenoir is well known across the state.

Next, Mr. Hildebran reviewed the FY2018-2019 Strategic Priorities. He reminded Council that

employee compensation remains their number one priority and reported that Caldwell County recently adopted a new pay plan which is greatly affecting several City Departments. Finance Director Bean stated she will be presenting some job reclassifications at the February 26 Committee of the Whole meeting to address the Police Department's issues.

It was noted that a number of City facilities need critical improvements and the goal is to plan ahead to address these issues.

Finance Director Bean reported Burl Sprouse, IT Technician, has completed a major overhaul of the City's firewall thereby making it more secure plus he has installed new cameras at several City facilities. Mr. Sprouse is also currently upgrading the City's e-mail server. Director Bean mentioned the City has an offsite backup for its servers, but is seeking to have three additional layers of backup. She commended City Staff for doing a great job.

Next, Mr. Starr asked Council to identify and rank their budget priorities. Following much discussion, Council compiled the list below and also their future budget priorities for a three to five year timeframe).

2019 Council Budget Priorities

1. Employee Compensation:

- Continue efforts to offer competitive compensation and benefits for employee recruitment and retention
- Incentives/Rewards for savings
- Satisfaction Surveys

2. Housing:

- Minimum Housing Enforcement
- Pursue Market Rate Housing (UNCSOG-DFI Study)
- Market City-owned Properties to Sell
- Encourage Downtown Living (Moving Lenoir to the 2nd Floor)
- Highlight shovel-ready areas such as Hibriten Mountain, Stonecroft, Huntington Woods, Summerhill, Parkview, Heritage Hills (Woodbine/Williamsburg) & Georgetown Estates
- Work with WPCOG Vacant & Substandard Housing Task Force

3. Healthy Infrastructure:

- Street Paving
- Downtown Traffic Study
- Bike Plan (Pennton Avenue)
- Maintain City Facilities
- Water/Sewer Improvements
- Stormwater
- City Hall
- Fire Station #3
- Sidewalks/Greenway/OVT (also downtown sidewalks)
- Optimist Park/Mulberry Improvements/JE Broyhill Park Improvements
- Information Technology

4. Economic Development:

- Explore what other local governments are doing with public/private partnerships
- Maintain Healthy Infrastructure

- Continue Work with EDC
 - Market Quality of Life Amenities (Greenway, OVT, Bike Plan, etc.)
- 5. US 321 & Community Beautification**
- Neighborhood Branding Signage
 - City Wayfinding
 - Work on Commercial Blight (city-wide & downtown)
 - Address Major Visibility Issues (Smith Crossroad, Old Mall, etc.)
 - Implement North Main Area Plan & Fairfield South Plan
- 6. Public Engagement**
- Neighborhood Meetings
 - Walk-through's
 - State of the City Presentations
 - Social Media/Website Redesign

Future Issues/Items (3-5 Year Timeframe) Priorities

- 1. City Facilities**
- 2. Employee Compensation
Street Maintenance
Wayfinding Signage**
- 5. Pedestrian Access – Wilkesboro Boulevard Corridor**

Additional general discussion centered on the City having a Community Meeting before doing a neighborhood walk through. It was also noted that the City needs to change citizen's perception of the downtown area plus re-name the main corridor coming into downtown. Also, Council touched on 5G/Wireless Technology and its effect on local government. Council further discussed the need to become more competitive in order to retain employees in addition to compensation.

Council further talked about the proposed increase to municipalities' retirement rate and how these increases from the Board of Trustees of the Local Government Retirement System (LGRS) will greatly affect the City's budget over the next several years. Effective July 1, 2019, the "base" employer contribution rate with respect to law enforcement officers (LEOs) will increase from 8.5 to 9.70 percent of reported compensation. With respect to all other employees, it will increase from 7.75 to 8.95 percent of reported compensation. These increases were proposed in order to address a significant system funding shortfall expected in future years.

Council also discussed the possibility of establishing bonds or fees as a creative way to fund future capital improvements needs of the City. It was noted the revenue from bonds has to be for specific capital items. Mr. Starr explained how bonds work and pointed out their benefits but noted it takes a big effort to gear up for a bond issue.

Next, Council discussed the issue of the City's aging infrastructure and how to address it. Public Utilities Director Thomas stated Staff has a good inventory of the City's lines along with what types of lines have been installed over the years and the dates they were installed.

City Manager Hildebran asked Council to review the list of issues that were submitted by the Department Directors and mentioned that some of these items may change due to feasibility and/or funding. He explained the City would try to address these items as funding allows.

General Comments by Council

- Likes how the City is moving forward, its focus, doing a good job of preparing for future issues.
- Staff is very informative and does a great job. We rely on Mr. Hildebran and Department Directors to do their jobs which makes the Council's job a whole lot better.
- Likes how Council is looking at the budget to address issues.
- Employees are our most important assets and Council's priorities reflect that.
- Council can see the fruit of its handiwork, but there is so much more to do.
- Change and promotions keep Departments moving forward, great to be a part of the City of Lenoir. The City has sustainability-projects are coming together.

General Comments by Department Directors

- Recreation Director Story thanked City Council for the Recreation facilities, but stated the City needs to keep up its facilities in order not to have future problems and have a good environment for employees to work. He stated the Department is having issues with retaining lifeguards due to the salary and also mentioned the number of officials for games is declining.
- Fire Chief Hair expressed appreciation to City Council for their support and how it shows in the City's Team Lenoir Customer Service Program.
- Public Utilities Director Thomas thanked City Council for their commitment to Staff.
- Public Works Director Wright remarked the City is a great place to work and he doesn't regret his decision to return to the City.
- Police Chief Phelps stated he agrees with Council's priorities and also appreciates their support along with City Manager Hildebran's.

Adjourn

Mr. Starr thanked City Council for the opportunity to preside over the meeting and also commended them for their great working relationship and comradery.

Mayor Gibbons thanked Mr. Starr for the great partnership between the City and the WPCOG and commented it was great to have such an outstanding organization the City can call on.

There being no further business, the meeting was adjourned at 1:35 p.m.