A G E N D A

LINCOLNTON CITY COUNCIL

August 7, 2014

7:00 p.m.

Council Chambers

City Hall

FOR YOUR CONVENIENCE A COPY OF TONIGHT'S AGENDA IS AVAILABLE, LOCATED TO THE RIGHT OF THE ENTRANCE TO THE COUNCIL CHAMBERS

ANYONE WISHING TO SPEAK DURING THE PUBLIC COMMENT PORTION OF THE AGENDA PLEASE SEE THE CITY CLERK PRIOR TO THE MEETING TO SIGN UP NON-AGENDA ITEMS WILL BE DISCUSSED AND SPEAKERS WILL BE LIMITED TO THREE (3) MINUTES

A COPY OF THE RULES FOR PUBLIC COMMENT ARE AVAILABLE AT THE CITY CLERK'S DESK

THANK YOU FOR ATTENDING OUR MEETING AND FOR YOUR INTEREST IN THE CITY OF LINCOLNTON

AGENDA

LINCOLNTON CITY COUNCIL

August 7, 2014

7:00 p.m.

CALL TO ORDER – Mayor John O. Gilleland, Jr.

PLEDGE OF ALLEGIANCE

1. Approval of Regular Agenda

2. Approval of ***CONSENT AGENDA:***
All items placed under the Consent Agenda are considered routine, to be enacted by one motion without discussion. If a member of the Governing Body requests discussion of an item, the item will be removed from the Consent Agenda and considered separately.

3. Approval of Minutes of the July 10th regular meeting

REGULAR AGENDA

PROCLAMATION

4. Presentation to Gaston College in honor and recognition of 50 years of serving Lincoln and Gaston county

Mayor Gilleland
Dr. John McHughs, Gaston College

CONTRACT
(C-12-14)

5. Consideration of renewal of contract for lease of property at 530 East Main Street for LPD Detectives Division *(Note: Contract total of $12,600 annually for a one year period, reflects no increase for this year)*

Rodney Jordan, Chief of Police

CONTRACT
(C-13-14)

6. Consideration of awarding contract for Installment Financing of Ten (10) fully equipped police vehicles 4 year term not to exceed $ 350,000

Steve Zickefoose, Finance Director

BUDGET AMENDMENT
(BA-03-14)

7. Consideration of a budget amendment including (1) Police Capital for lease of ten vehicles (2) Occupancy Tax Fund Transfer; separating the Occupancy Tax Fund from the City budget

Jeff Emory, City Manager

OTHER BUSINESS

8. Citizens for Smart Spending request endorsement from the City that Lincoln County Offices are kept downtown

Johnny Lineberger, Citizens for Smart Spending
David Boyles, Chamber of Commerce
Brooke Sherrill, DDA
Jacob Rhodes – Fausto Coffee
Osama Yousef – Court Street Grille

9. Update on the BOD Study results

Don Garbrick, Pease and Associates

10. Update on Water Sale negotiations with Lincoln County

Jeff Emory, City Manager

11. Monthly Financial Report/Overtime Report

(Please reference report provided in agenda packet)

PUBLIC COMMENT

Speakers will be limited to three (3) minutes to address Mayor and City Council Concerning Non-Agenda Items.
You must sign in with the City Clerk prior to the meeting to be eligible to speak.

NEWS MEDIA

ADJOURNMENT

ITEM

1

APPROVAL

OF

REGULAR

AGENDA

ITEM

2

APPROVAL

OF

CONSENT

AGENDA

ITEM

3

The Mayor and City Council met in regular session on Thursday, July 10, 2014 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor John Gilleland called the meeting to order thanking everyone for their attendance and inviting them to join him the Pledge of Allegiance. Council members in attendance were:

RHYNE CLONINGER EADDY HOVIS

Before voting on approval of the REGULAR AGENDA, Councilman Rhyne made a motion to add an agenda item to discuss the Business & Community Development department. Motion was unanimously approved and topic was added as item #12 at the end of the agenda.

Councilman Rhyne made the motion unanimously approved the ***CONSENT AGENDA.***

REGULAR AGENDA:

PUBLIC HEARING
(0-04-14)

ZTA-2-2014 – APPLICATION FROM CITY PLANNING DEPARTMENT REQUESTING AN AMENDMENT TO THE LINCOLNTON UNIFIED DEVELOPMENT ORDINANCE-SECTION 153.117 OF GENERAL MANUFACTURING & COMMERCIAL DISTRICT AND SECTION 153.258 SITE PLAN REVIEW REQUIREMENTS:

Mayor Gilleland opened the public hearing directing Planning Director Laura Simmons to speak to the item. Ms. Simmons spoke to the request, sharing the history of the ordinance and why it was put into place; then explained why staff feels this change is necessary. She explained that staff's recommendation is threefold, essentially changing the impact review and assessment from City Council to the Staff Review Committee. It will also lessen the review time involved and the cost of the review for the applicant. Recommended changes are as follows:

1. Amend the section of the UDO related to the GMC zoning district to eliminate the requirement for a conditional use permit for those specific land uses.

2. Amend the section of the UDO related to required information to be provided on site plans to add a requirement for information related to water usage, wastewater discharge and traffic impact.

3. Revise the section of the UDO related to the GMC zoning district to add a provision to the screening requirements so that additional screening can be required if necessary.

Ms. Simmons stated the Planning Board voted 3-1 to recommend approval of the text amendment. Some questions were asked and discussion generated regarding the changes this amendment would have on the overall process and how it impacts City residents. Ms. Simmons explained that this "by right" provision currently exists under other zoning classifications and any request would be subject to zoning requirements. She again, per Mayor Gilleland's request, explained the benefit of making this change.

Councilman Cloninger made the motion unanimously approved to close the Public Hearing.

Councilman Cloninger made the motion unanimously approved to approve the text amendment.

PROPOSED AMENDMENTS TO THE CITY'S CODE OF ORDINANCES – TITLE VII. TRAFFIC CODE – CHAPTER 74 – TRAFFIC SCHEDULES – SCHEDULE 1: STOP INTERSECTIONS; ADD LINWOOD DRIVE AT THE INTERSECTION OF LINWOOD DRIVE AND BATTLEGROUND ROAD. ALSO ADD "STOP AHEAD" SIGNAGE IN THE CURVE PRIOR TO THE INTERSECTION

(O-05-14)

Mayor Gilleland opened the public hearing and called on Rodney Jordan, Chief of Police to speak to the request. Chief Jordan stated this proposed change is in response to speeding complaint received several months ago from Ms. Pat Ballard who lives on Linwood Drive. After discussing the issue and meeting with Ms. Ballad, Chief Jordan feels these changes should be made in an effort to address the problem of the speeding traffic. Installing a stop sign will change the intersection from a two-way stop, to a three-way stop. Placing a "stop ahead" sign before the curve will alert drivers of the stop sign at the intersection. Chief Jordan is not recommending a four-way stop as it would impede the flow of traffic coming out of the high school.

Councilman Eaddy made the motion unanimously approved to close the Public Hearing.

Councilman Rhyne made the motion unanimously approved to approve the proposed amendment to the City's Code of Ordinances.

PROPOSED AMENDMENT TO THE CITY'S CODE OF ORDINANCES – CHAPTER 8 – MUNICIPAL UTILITIES AND SERVICES; ARTICLE III. SEWERS – SECTION 8.50 THROUGH SECTION 8.131, REVISIONS TO THE SEWER USE ORDINANCE *NOTE: THIS AMENDMENT IS TO COMPLY WITH NCDENR REQUIREMENTS*

(O-06-14)

Mayor Gilleland recognized City Manager Jeff Emory to speak to this item. Mr. Emory explained that proposed changes are required to bring the City's Sewer Use Ordinance in line with required EPA changes. Document has been revised and has been approved by NCDENR. Mr. Emory concluded by recommending adoption.

Councilman Eaddy made the motion unanimously approved to close the Public Hearing.

Councilman Rhyne made the motion unanimously approved to approve the proposed amendment in the City's Code of Ordinances Chapter 8 – Municipal Utilities and Services under Article III.

PRESENTATION FROM THE PLANNING & ZONING DEPARTMENT

Laura Simmons, Planning Director, gave an overview of what the Planning Department does, listing their major activities as Ordinance administration and enforcement, land development, code enforcement, regional planning and policy development & changes. Ms. Simmons briefly explained what each of these responsibilities involves and gave some examples of how they may affect city residents.

Mayor Gilleland thanked Ms. Simmons and her department for all of their work and the part they play in making Lincolnton beautiful. Councilman Cloninger also thanked Ms. Simmons and her staff for the time and work they have put into the construction of the Marcia H. Cloninger Rail/Trail. City Manager Jeff Emory reminded Mayor and Council of the tremendous amount of work the department has done on the intersection project to which Mayor Gilleland encouraged staff to continue to take advantage of the many opportunities to make Lincolnton more appealing.

At this point in the meeting, Mayor Gilleland took a minute to welcome Mr. Steve Zickefoose, the City's new Finance Director, to the staff.

CONSIDERATION OF PROPOSED CONTRACT BETWEEN THE CITY AND SYNAGRO, INC. FOR SLUDGE REMOVAL. ACTUAL CONTRACT DATES ARE MAY 1, 2014 THROUGH APRIL 30, 2017.

(C-11-14)

Mr. Emory explained sludge removal being one of the major expenses for the City in the Water/Sewer fund. Mr. Emory informed Council that after comparing prices, with the help of Pease Associates, Inc., he, as well as Mr. **Stever Peeler, is recommending**

Council execute the "Materials Management Agreement" with Synagro for the liquid land application of the Bio Solids from our Waste Water Treatment Plant and Water Treatment Plant.

Councilman Eaddy made the motion unanimously approved to approve the contract with Synagro.

CONSIDERATION OF A PROPOSED CONTRACT BETWEEN THE CITY AND NCMPA#1.

(C-12-14)

He explained the agreement is for the generator at Walmart that is used by NCMPA#1 to supplement energy on the grid during peak electrical demand periods. Agreement contains changes mandated by US EPA relating to air quality, and specifically relates to changes to the Reciprocating Combustion Engine (RICE), and the National Emission Standard of Air Pollutants (NESHAPs) requirements.

Mr. Emory expressed how well the agreement has worked for Walmart as well as for the City of Lincolnton and that other municipalities have entered into similar agreements with Walmart's in other areas. He recommends adoption of this agreement.

Councilman Eaddy made the motion unanimously approved to approve the contract between the City and NC Municipal Power Agency #1.

REPORT ON 2014 HOG HAPPENIN AND REQUEST TO SCHEDULE 2015 HOG HAPPENIN EVENT FOR JUNE 5TH AND 6TH

Brooke Sherrill came before Mayor and City Council on behalf of the Downtown Development Association. Ms. Sherrill began by thanking the Mayor and City Council for their support for the Hog Happenin event. She admitted the challenge they faced with the resignation of Mr. Brad Guth, however felt that Abby Cole and the committee members involved rose to the challenge. Some sponsorship was secured, at the suggestion of Council, which helped make the event a huge success. Ms. Sherrill stated that committee members are already meeting to address flawed items and concerns, as well as begin the planning for next year's event. Corporate sponsorship is a possibility for next year's event however approval to hold the event must be secured. With this approval, the necessary steps to solicit and secure this sponsorship can begin. June 5th and 6th are the requested dates to host the 2015 15th Annual Hog Happenin event. Some discussion was generated among staff and Council. Councilman Eaddy stated he did attend this years event and pointed out a number of positive aspects. It was confirmed that the event should not interfere with 2015 graduations across the county with June 9th being the last day of school.

Councilman Cloninger made the motion unanimously approved to approve June 5th & 6th, 2015 for the Hog Happenin event.

PRESENTATION OF MONTHLY FINANCIAL AND OVERTIME REPORT:
City Manager Jeff Emory presented his monthly financial and overtime report to Mayor and City Council. He explained report reflected numbers through the month of May comparing the present year with the previous year in several funds. Mr. Emory introduced Mr. Steve Zickefoose, the Citys new Finance Director, giving him an opportunity to address Council in his new role. Mr. Zickefoose gave a brief explanation of what is taking place and what to expect, as his department closes out the 2013-2014 fiscal year. He ended by expressing his appreciation for the opportunity he has been given to work for the City and stated he is looking forward to working with and being a part of the staff.

Item number 12, which was added at the beginning of the meeting, was discussed. Councilman Rhyne requested that the Business and Community Development department be discussed and he voiced his thoughts on the future of the department and how City Council, as a whole, wishes to see the department move forward. He expressed his desire to see the department more business development based before getting someone who can bring that to the downtown level. Discussion was generated among Council and staff regarding some of their expectations. In response to a question from Councilman Cloninger, City Manager Jeff Emory stressed that according to the job description, the Business & Community Development Director works for the entire city, not just the downtown area. He stated that unsuccessful attempts have been made to get community/citizen input in the past. Mr. Emory pointed out several of the requirements within the job description which are some of the same requirements Council has stated they would like to see in the successful candidate.

City Manager requested to address Council at this time, directing their attention to copies of the 2014-2015 budget and capital improvement plan at their respective places. He also pointed out recognition the City's water system received for surpassing federal and state drinking water standards.

PUBLIC COMMENT

No one signed to speak

NEWS MEDIA

No questions from the news media

Before adjourning, meeting date was set for a strategic planning session. Monday, August 27th at 5:30 pm.

The first meeting be held without a facilitator. Council will identify two or three goals, then start the process of finding a way to accomplish these goals. Councilman Cloninger commented on his desire to encourage Lincoln County to stay downtown. Discussion was generated regarding the topic with Mayor Gilleland stating that he, on behalf of City Council, has made it known that the City of Lincolnton encourages the County to find a way to stay downtown.

ADJOURNMENT:

Councilman Rhyne made the motion unanimously approved to adjourn the meeting.

NOTE: Daphne Ingram sat in on this meeting and transcribed the minutes in the absence of Mrs. Flowers.

DONNA C. FLOWERS, MMC
CITY CLERK

JOHN O. GILLELAND, Jr.
MAYOR

ITEM #

4

CITY OF LINCOLNTON

PROCLAMATION

WHEREAS, In 2014, Gaston College is celebrating 50 years of excellence as an institution of higher education in Dallas, North Carolina; and

WHEREAS, after being granted a chapter in 1963 by the State of North Carolina, Gaston College opened with a single campus and has since expanded to three campuses, including the Lincoln Campus and one regional training center serving approximately 30,000 students each year through more than 100 programs leading to degrees, diplomas, and certificates; and

WHEREAS, Gaston College is part of the North Carolina Community College System and is the 9th largest of 58 institutions in the system; and Gaston College is accredited by the Southern Association of Colleges and Schools; and

WHEREAS, Gaston College continues to be an open-door public community college that promotes student success and lifelong learning through high caliber, affordable, and comprehensive educational programs and services responding to economic and workforce development needs; and

WHEREAS, Gaston College continually adapts to the needs of its students by offering courses in four curriculum areas: Arts & Sciences; Health Education; Business & Information Technology; and Engineering & Industrial Technology. The college also serves Economic and Workforce Development service in six areas: Corporate Education; BioEd; Small Business; Life Skills; Community Education; and Public Safety; and

WHEREAS, through five decades of growth, Gaston College's reputation for academic excellence and comprehensive educational programs and services has empowered people to set and achieve high standards of quality, creating skilled lifelong learners, and supporting active learner-centered environments offering real-life educational experiences.

NOW, THEREFORE, BE IT RESOLVED THAT THE Mayor and Council of the City of Lincolnton, North Carolina, congratulate Gaston College on its Golden Anniversary and its contributions to the community and the surrounding area by providing tools to ensure excellence in education.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this seal to be affixed, this the 7th day of August, in the year of our Lord two thousand and fourteen.

Donna C. Flowers
DONNA C. FLOWERS, MMC, NCCMC
CITY CLERK

John O. Gilleland
JOHN O. GILLELAND, JR.
MAYOR

ITEM

5

REALTORS® Commercial Alliance
REALTOR® North Carolina Association of REALTORS®

COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between Ann Davis Ford, a(n) ______ ("Landlord"),
(individual *or* State of formation and type of entity)
whose address is ______, and
______,
a(n) City of Lincolnton ("Tenant").
(individual *or* State of formation and type of entity)
whose address is ______

☐ If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of ______ (name(s) of guarantor(s)) attached hereto and incorporated herein by reference.
(Note: Any guaranty should be prepared by an attorney at law.)

For and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PREMISES
1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, including any improvements located thereon (hereinafter called the "Premises"), to wit:

(Address): 530 East Main Street, Lincolnton, NC 28092

☒ All ☐ A portion of the property in Deed Reference: Book 2148, Page No. 531, ______ County; consisting of approximately .05 acres.

Plat Reference: Lot(s) ______, Block or Section ______, as shown on Plat Book or Slide ______ at Page(s) ______, ______ County, consisting of ______ acres.

☐ If this box is checked, Premises shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference.

(For information purposes only, the tax parcel number of the Premises is: 15460)

TERM
2. The term of this Lease shall commence on September 1, 2014 ("Lease Commencement Date"), and shall end at 11:59pm (based upon the time at the locale of the Premises) on August 31, 2015, unless sooner terminated as herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

☐ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least ______ days prior to the end of the then expiring term of this Lease, for ______ additional term(s) of ______ years each.

☐ **Option to Lease-** If this box is checked, Tenant, upon the payment of the sum of $ ________________ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of __________ days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workmanlike manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. **IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.** Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on ____September 1, 2014____ ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of $ 12,600.00, payable in equal monthly installments of $ 1,050.00, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due, based upon a 30 day month.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by __________ % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by $ ________________ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed,

☒ If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:
Abernethy Realty, Inc.
PO Box 1650
Lincolnton, NC 28093

LATE CHARGES

4. If Landlord fails to receive full rental payment within ____five____ days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to ____Five Point Zero____ percent ____5.000____ (%) of the overdue amount or $ 52.50 whichever is greater, plus any actual bank fees incurred for dishonored payments. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of $ ______________ as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

☐ If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable Service Obligations prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

Service Obligation	Landlord	Tenant	Not Applicable
Sewer/Septic	☐	☒	☐
Water	☐	☒	☐
Electric	☐	☒	☐
Gas	☐	☒	☐
Telephone	☐	☒	☐
HVAC (maintenance/service contract)	☒	☐	☐
Elevator (including phone line)	☐	☐	☒
Security System	☐	☒	☐
Fiber Optic	☐	☒	☐
Janitor/Cleaning	☐	☒	☐
Trash/Dumpster	☐	☒	☐
Landscaping/Maintenance	☐	☒	☐
Sprinkler System (including phone line)	☐	☒	☐
Pest Control	☐	☒	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord makes no representations or warranties with respect to the heating, ventilation and air conditioning system(s) or utility installations existing as of the date hereof or in the future. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS

7. The rules and regulations, if any, attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with any Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided such Rules and Regulations are in writing and are not in conflict with the terms and conditions of the Lease.

PERMITTED USES

8. The permitted use of the Premises shall be: Police Department offices ("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE

9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

☐ The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year ___________ ; or

☐ All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

If the final Lease Year of the term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Premises for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease Year.

☐ If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.

Tenant Initials _______ _______ Landlord Initials AD F _______

Insurance

☐ the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or

☐ the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.

☐ If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid hereunder except as provided in this paragraph 9.

(Note: The following box should only be checked if there are no boxes checked above in this paragraph 9.)

☒ If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

Provided however, notwithstanding any provision of the foregoing, that in the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than 1,000,000.00 combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

REPAIRS BY LANDLORD
11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the Premises (exclusive of all glass and exclusive of all exterior doors), except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

REPAIRS BY TENANT
12. Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, including any building and other improvements located thereon, except those repairs expressly required to be made by Landlord hereunder. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping.

(a) Tenant, at its expense, also shall maintain in good order and repair the heating, ventilation and air conditioning equipment, including but not limited to replacement of parts, compressors, air handling units and heating units; provided that, as to repair or replacement expenses for heating, ventilation and air conditioning equipment in excess of $ ____________________ (per occurrence) or $ ____________________ (annually), Landlord shall reimburse Tenant for the amount in excess of the stated amount, provided that Tenant has obtained Landlord's prior written approval of the contractor and the repair or replacement.

(b) Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contractor as to any repairs in excess of $ ____________________ .

Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS
13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery, equipment or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery, equipment or trade fixtures.

DESTRUCTION OF OR DAMAGE TO PREMISES
14. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 14(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 14, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

15. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

16. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 16, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

17. Tenant shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

18. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

19. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

EXTERIOR SIGNS

20. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

21. Landlord may advertise the Premises "For Rent" or "For Sale" ____30____ days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT
22. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

HOLDING OVER
23. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be **twice** the monthly rental otherwise payable under Paragraph 3 above.

ENVIRONMENTAL LAWS
24. (a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove all Hazardous Materials from the Premises, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 24 shall survive the termination of this Lease.

SUBORDINATION; ATTORNMENT; ESTOPPEL
25. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

26. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises, at the option of Landlord, shall be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

NOTICES

27. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

BROKERS

28. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

Abernethy Realty, Inc. ("Listing Agency"),
David A. Abernethy ("Listing Agent" - License # 60132)
Acting as: ☒ Landlord's Agent; ☐ Dual Agent
and ______________________ ("Selling Agency"),
______________________ ("Selling Agent" - License # ______)
Acting as: ☐ Tenant's Agent; ☐ Landlord's (Sub)Agent; ☐ Dual Agent

GENERAL TERMS

29. (a) "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 3, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual

Ann D. Ford ____________ (SEAL)
Ann D. Ford

Date: ____________

____________ (SEAL)

Date: ____________

Business Entity

____
(Name of Firm)

By: ____________ (SEAL)

Title: ____________

Date: ____________

TENANT:

Individual

____________ (SEAL)

Date: ____________

____________ (SEAL)

Date: ____________

Business Entity

City of Lincolnton
(Name of Firm)

By: ____________ (SEAL)
Jeff Emory

Title: City Manager

Date: ____________

STANDARD FORM 592 - T
Revised 7/2013

ITEM

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CITY OF LINCOLNTON

FINANCE DIRECTOR
Steve Zickefoose
Finance Director
stevezickefoose@ci.lincolnton.nc.us
FAX (704) 736-8999

UTILITY BILLING DEPARTMENT
Myrl Peeler
Utility Customer Services Supervisor
myrlpeeler@ci.lincolnton.nc.us
FAX (704) 736-8955

MEMORANDUM

TO: Jeff Emory, City Manager

FROM: Steve Zickefoose, Finance Director

SUBJECT: Bids for Installment Financing Agreement- Police Vehicles

DATE: July 10, 2014

Three proposals were received as of 2:00 p.m. on July 7, 2014 regarding the RFP for Installment Financing Agreement for Ten (10) fully equipped police vehicles at a maximum of $350,000.

Proposals were received from:

- Peoples Bank
- BB&T
- Carter Bank & Trust

After evaluating the proposals, Carter Bank & Trust appears to be the lowest responsive bidder. Their bid meets all proposal requirements and offers the lowest overall cost to the City.

I am attaching a bid tabulation as well as copies of the actual proposals and the RFP for your review.

It will be necessary for the Council to approve the award of the bid. Additionally, a budget amendment will be needed to reflect the project cost of $350,000 in the General fund.

Please let me know if there are any questions.

CITY OF LINCOLNTON

CITY COUNCIL
John O. Gilleland, Jr., Mayor
Larry Mac Hovis, Mayor Pro-Tem
Devin Rhyne
Martin A. Eaddy
John L. Cloninger

CITY MANAGER
JEFF EMORY
jeffemory@ci.lincolnton.nc.us
CITY CLERK
DONNA C. FLOWERS, CMC
donnaflowers@ci.lincolnton.nc.us
CITY ATTORNEY
THOMAS J. WILSON, JR.

June 11, 2014

Mr. John Doe
ABC Bank
P.O. Box 123
Lincolnton, N.C. 28093

Re: Request for Proposal for Installment Financing Agreement

To Whom It May Concern:

The City of Lincolnton, North Carolina desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount not to exceed $350,000 for the purpose of financing the cost of the project described below. The City is soliciting your proposal to provide the necessary financing for this project, subject to the terms and conditions set forth in this Request for Proposal.

A. Pertinent Information

The Project consists of Ten (10) fully equipped police vehicles (the "Project").

The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986.

The City of Lincolnton is the title owner and is responsible for all insurance, taxes and registration fees.

B. Contract Specifications

1. The desired amount of the financing is not to exceed $350,000.

2. The desired term of the financing is 4 years. The City desires the debt service payment schedule to reflect amortization over a 4 year period.

3. Financing to be quoted as equal payments with annual, or semi-annual payments, and interest in arrears.

4. The interest rate(s) shall be fixed for the term.

5. The interest rate(s) proposed must be guaranteed for at least forty-five (45) days. The City desires to close the transaction by the end of August, 2014.

6. Prepayment terms will be negotiated between the City and the successful bidder. The City desires prepayment of principal at any time without penalty.

7. The City's obligations under the installment financing agreement will be secured by a security interest in all or a portion of the project being financed as negotiated between the City and the successful bidder. No deficiency judgment may be rendered against the City for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the City will not be pledged to secure repayment thereunder.

8. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the installment financing agreement.

C. Submission of Proposal

Two copies of your proposal must be received by 2:00 p.m. on July 7, 2014 at the office of Mr. Jeff Emory, City Manager, located at 114 W. Sycamore St., Lincolnton, NC 28092. You may also submit by mail to P.O. Box 617, Lincolnton, NC 28093.

Proposals must specify at a minimum the following information.

1. The term of the financing.

2. The interest rate.

3. The terms of repayment. Please attach a sample debt service schedule.

4. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment without penalty.

5. A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.

6. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.

7. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.

8. Bids should be based on gross funding of The Project (without consideration of investment earnings).

The City reserves the right to request additional information from the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the City reserves the right to select the bidder that best meet the needs of the City.

The City of Lincolnton's financial information (audits and budgets) are available on our website at http://www.ci.lincolnton.nc.us/finance.html for your convenience.

If further information is needed regarding this Request for Proposal, please feel free to contact me.

Thank you in advance for your consideration of this proposal.

Sincerely,

Jeff Emory
City Manager

1 MS. LENETA STALLINGS
BB & T
106 2nd ST NW
HICKORY NC 28601

2 MS. CHRISTINE FISHER
BANK OF AMERICA
213 S ASPEN STREET
LINCOLNTON NC 28092

3 MS. SCOTTIE HAMPTON
CARTER BANK AND TRUST
341 EAST MAIN STREET
LINCOLNTON NC 28092

4 MR. MORT WADSWORTH
CAROLINA TRUST BANK
PO BOX 308
LINCOLNTON NC 28093-0308

5 MR. JEFFREY ETCHISON
FIFTH THIRD BANK
2586 EAST MAIN STREET
LINCOLNTON NC 28092

6 MS. DEBORAH SIPE
FIRST CITIZENS BANK
PO BOX 309
LINCOLNTON NC 28093-0309

7 MR. TIM CARSWELL
FIRST FEDERAL SAVINGS BANK
320 EAST MAIN STREET
LINCOLNTON NC 28092

8 MR. ZACHARY DELLINGER
PEOPLES BANK
PO BOX 486
LINCOLNTON NC 28093-0486

9 MS. JOANNE CORNIER
MEARS MOTOR LEASING
3905 EL REY ROAD
ORLANDO FL 32808

10 MR. LOUIS MUSHER
SPARTA COMMERCIAL SERVICES
370 LEXINGTON AVE STE 1901
NEW YORK NY 10017

11 MR. BOB CROWE
ALLSTATE LEASING
3000 CLARCONA ROAD # 2908
APOPKA FL 32701

12 MR. SHERRON WARWICK
LOCAL GOVERNMENT FEDERAL CREDIT UNION
323 W. JONES STREET STE 600
RALEIGH NC 27603

13 MS. TRACY BARGER
BANK OF THE OZARKS
2317 EAST MAIN STREET
LINCOLNTON NC 28092

Bid Tabulation Sheet
Installment Financing Agreement 10 Police Vehicles
Bids Due: July 7, 2014 2:00PM

Bidder	Maximum Loan	Term	Payments	Interest Rate	Total Interest	Maximum Payments	Guarantee Period	Pre-Pay	Loan Fee	Collateral	Non-appropriation Clause	Notes
Peoples Bank	$350,000	4 YR	8	2.85%	$ 22,443.76	$ 372,443.76	60 days	Yes	None	Lien	Yes	Must maintain primary banking services
	$350,000	4 YR	4	2.85%	$ 24,937.50	$ 374,937.50	60 days	Yes	None	Lien	Yes	Must maintain primary banking services
BB&T	$350,000	4 YR	4	1.49%	$ 13,133.92	$ 363,133.92	45 days	Yes- 1%	None	Lien	Not Listed	Begin payments 7-3-2015
												BB&T Requiring City Resolution
Carter Bank & Trust	$350,000	4 YR	4	1.50%	$ 11,812.50	$ 361,812.50	45 days	Yes	None	Lien	Yes	Interest payment 12-1-2014 ($1,312.50)
												Principal/Interest payment 6-1-2015
	$350,000	4 YR	4	1.50%	$ 11,812.50	$ 361,812.50	45 days	Yes	None	Lien	Yes	Begin payments 6-1-2015
	$350,000	4 YR	4	1.50%	$ 13,222.70	$ 363,222.70	45 days	Yes	None	Lien	Yes	Begin payments 8-1-2015

ITEM

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CITY OF LINCOLNTON

CITY COUNCIL
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Larry Mac Hovis, Mayor Pro-Tem
Devin Rhyne
Martin A. Eaddy
John L. Cloninger

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jeffemory@ci.lincolnton.nc.us
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donnaflowers@ci.lincolnton.nc.us
CITY ATTORNEY
THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager JE

SUBJECT: Proposed Budget Amendments

DATE: August 1, 2014

Two budget amendments are proposed on the agenda. The first amendment will allocate funds for the actual purchase of the ten police cars that were approved in the budget. This will be offset by the revenue received from the loan. When the budget was adopted we only included the debt service amount for paying off the loan. The budget amendment will actually establish the related expenditures for purchase of the vehicles and the loan proceeds. This will be a total wash as far as expenses versus revenues. This budget amendment will add $350,000.00 to police department capital, and $350,000.00 to a revenue line item.

The second budget amendment is a little more complicated. For years the City has included the Occupancy Tax Fund as part of the City budget. Steve Zickefoose recently received information from the state, which is attached to this memorandum, which states that the occupancy tax must be its own separate entity. I do not know why it took the state this many years to notice this in the city's audit report. It is also something I would say the auditors should have picked up.

What this means is the Occupancy Tax Fund will be totally removed from the City's budget, and will be administered by the Lincolnton Tourism Development Authority. The City will still manage the accounts of the fund. One significant item I see is some of the expenditures that we have been making out of the occupancy tax related to funding of other agencies, will now be adopted by the Lincolnton Tourism Development Authority through a separate budget, rather than the City budget. Steve will be at the meeting to answer any more questions you may have. What this means is by adopting the enclosed budget amendment the $78,660.00 now included in the City's operating budget for the Occupancy Tax Fund, will be removed from the City budget.

If you have any questions regarding either of these proposed amendments prior to the council meeting please contact me or Steve Zickefoose.

CITY OF LINCOLNTON

FINANCE DIRECTOR
Steve Zickefoose
Finance Director
stevezickefoose@ci.lincolnton.nc.us
FAX (704) 736-8999

UTILITY BILLING DEPARTMENT
Myrl Peeler
Utility Customer Services Supervisor
myrlpeeler@ci.lincolnton.nc.us
FAX (704) 736-8955

MEMORANDUM

TO: Jeff Emory, City Manager

FROM: Steve Zickefoose, Finance Director

SUBJECT: Lincolnton Tourism Development Authority

DATE: July 29, 2014

The City received notification from the State Treasurer's Office that the Lincolnton Tourist Development Authority is considered a *Public Authority* and is subject to the Local Government Budget and Fiscal Control Act. *Therefore, the TDA must be presented as a discretely presented component unit of Lincolnton rather than as part of the unit's financial structure.*

This is not a new requirement, but it was just recently noticed by the State auditor while examining our most current audit.

In order to be in compliance, the City must remove the Occupancy Tax Fund from the budget ordinance. The LTDA will have to "stand alone" from an operational point of view. This requires the LTDA governing board to adopt an annual budget and to execute a contract for an annual audit of the financial statements. (The cost will be paid from LTDA funds).

I have attached a copy of the State Treasurer notification regarding the LTDA.

The City has supplied the State Treasurer all requested information regarding the LTDA and is in the process of making the necessary corrections to be in compliance with Session Law 2001-439.

Please let me know if you have any questions.

114 WEST SYCAMORE STREET· P.O. BOX 617 · LINCOLNTON, NORTH CAROLINA 28093-0617
PHONE (704) 736-8980

Steven Zickefoose

From:	Becky Dzingeleski [Becky.Dzingeleski@nctreasurer.com]
Sent:	Friday, July 11, 2014 11:57 AM
To:	Georgetta Williams
Cc:	Jones Norris; Steven Holmberg; pechurch@bellsouth.net
Subject:	Lincolnton Occupancy Tax - please respond
Attachments:	Lincolnton TDA SL2001-439.pdf

Ms. Williams:
It has come to our attention through review of Lincolnton's most current audit report or Annual Financial Information Report (AFIR) that the Town is currently collecting occupancy taxes. Based on our review of Session Law 2001-439, it appears the Lincolnton Tourism Development Authority (TDA) was authorized to begin collecting occupancy taxes when your Town Board adopted a resolution creating the Lincolnton TDA. According to your Session Law, *the TDA became a Public Authority* subject to the Local Government Budget and Fiscal Control Act (§159) (LGBFCA) upon creation. Because of the legal structure dictated by Session Law 2001-439 the financial report of the TDA must be presented as a discretely presented component unit of Lincolnton rather than as part of the unit's financial structure.

Please read *Memorandum #2014-08 on our website - Operation of and Accounting for Discretely Presented Component Units, Including Tourism Development Authorities* which can be found at https://www.nctreasurer.com/slg/Memos/2014-08.pdf. The memo summarizes the reporting and other financial requirements for the TDA, the details of which are found in the LGBFCA. These include but are not limited to the following:

- TDA governing board must adopt an annual budget
- TDA governing board must execute a contract for an annual audit of the TDA's financial statements
- A separate individual bond is required (§159-29) for the TDA's finance officer to protect the TDA. This Bond must name the TDA as obligee or beneficiary of the bond.
- Per §159-33, TDA's must send a separate Annual INV 91 (due July 25) and Semi-Annual LGC-203 (due July 25 and January 25) Deposit & Investment report. See Memo #2014-22 for current instructions: LGC-203 and INV 91 report forms on the Department of State Treasurer Website: https://www.nctreasurer.com/slg/Pages/Deposit-and-Investment-Information.aspx

Please respond to this email providing the following information so that we can set Lincolnton TDA up as a Public Authority in our database and begin monitoring its compliance with the LGBFCA.

1. a copy of the Town board resolution that created the TDA
2. a list of TDA board members indicating the Board Chairperson
3. name, email, phone # for the TDA (Ex-Officio) Finance Officer
4. mailing Address / phone / fax /email for the TDA

For questions or clarification on financial reporting for Tourism Development Authorities please contact Jones Norris: 919-807-2386 Jones.Norris@nctreasurer.com

Thank You,
Becky Dzingeleski
Accountant, Financial Management Advisor
State and Local Government Finance Division
Phone: (919) 807-2396
Fax: (919) 807-2398
www.nctreasurer.com
Find us on Facebook

CITY OF LINCOLNTON

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(BA-03-14)

BE IT ORDAINED by the Governing Board of the City of Lincolnton, North Carolina, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2015.

Section 1: To amend the General Fund, the expenditures are to be changed as follows:

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	INCREASE	DECREASE
	POLICE		
10-10-4310-500	Capital- Vehicles	350,000.00	0.00

This will result in a net increase of $ 350,000 expenditures of the General Fund. To balance the adjustments to the budget, the following revenues have also been changed with a corresponding net effect.

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	INCREASE	DECREASE
	ISSUANCE OF DEBT		
10-00-3910-900	Financing- Police Vehicles	350,000.00	0.00

Section 2: To amend the Occupancy Tax Fund, the expenditures are to be changed as follows:

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	INCREASE	DECREASE
	OCCUPANCY TAX FUND		
23-80-6000-499	Historical Association		10,800.00
23-80-6000-612	Arts Council		5,265.00
23-80-6000-614	Chamber of Commerce		15,390.00
23-80-6000-615	Historical Association		15,390.00
23-80-6000-614	UDC Building		1,215.00
23-80-6000-618	Lincoln Cultural Development		30,600.00
		0.00	78,660.00

This will result in a net decrease of $ 78,660 in the expenditures of the Occupancy Tax Fund. To balance the adjustments to the budget, the following revenues have also been changed with a corresponding net effect.

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	INCREASE	DECREASE
	OCCUPANCY TAX FUND		
23-80-3270-100	Local Occupancy Tax		78,000.00
23-80-3831-300	Interest on Checking		400.00
23-80-3991-000	Appropriation From Fund Balance		260.00
		0.00	78,660.00

Section 3: Copies of these budget amendments shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and the Finance Director for their direction.

Adopted this 7th day of August, 2014

Donna C. Flowers
City Clerk

John O. Gilleland, Jr.
Mayor

ITEM

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City of Lincolnton

AGENDA REQUEST FORM

Please Print

Name Ken Kindley - Chamber of Commerce

Address PO Box 1617 Phone (704)735-3096

Lincolnton, NC 28093

Name of Firm or Corporation (if applicable) Citizens for Smart Spending

Other Persons Accompanying Speaker Johnny Lineberger, David Boyles, Brooke Sherrill, Jacob Rhodes and Osama Yousef

Purpose of Request to Appear Delegation to address support from the City

A delegation seeking support from the City to keep Lincoln County Offices in downtown (not moving to the former Lincoln County hospital site.

Council Meeting date you wish to appear August 7, 2014

Amount of time required for Presentation

Date form submitted to the City Clerk July 1st by phone / Ken Kindley

Taken by phone / DCA

Signature of Requesting Party

Return forms to: City Clerk's Office
City of Lincolnton
P.O. Box 617
Lincolnton, NC 28093

Revised 12-18-09

CITY OF LINCOLNTON

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CITY ATTORNEY
THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager J E

SUBJECT: Citizens for Smart Spending

DATE: August 1, 2014

A group calling themselves Citizens for Smart Spending will appear before City Council to discuss efforts to keep Lincoln County offices downtown. I am not clear on exactly what type of endorsement they plan to ask for. I have attended one meeting of this group, which has been organized by the Chamber of Commerce.

I have discussed this matter with the Mayor and I believe we are in complete agreement on how this should be handled. I think the City needs to be real careful not to say anything derogatory toward the County, particularly when trying to finalize this water deal. The Mayor's opinion is if someone can present a better offer to the County that will keep County offices downtown, we should support this.

I do not think anyone wants to lose any of the County offices and if there is a better option that will keep them here, I certainly support that. But I personally do not want the County to think that the City is publicly criticizing or opposing whatever move they make. At this meeting hopefully the committee will share some ideas as to the plans they have that will allow the County to keep its offices downtown just as economically as to renovate the old hospital.

At the only meeting I attended of this group there were comments made regarding the City making a cash incentive to help encourage the County to stay downtown. It is my opinion the City is certainly not in a financial position to make any type of cash payment to the County, and I would not advise doing this.

If you have any questions or comments prior to the meeting please feel free to contact me or the Mayor.

ITEM

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Donna Flowers

From:	Jeff Emory
Sent:	Wednesday, July 30, 2014 11:29 AM
To:	Stephen H. Peeler
Cc:	Donna Flowers
Subject:	RE: BOD Study

I would suggest we just have the final copy for council at the meeting Thursday. Jeff

---

From: Stephen H. Peeler
Sent: Wednesday, July 30, 2014 10:43 AM
To: Jeff Emory
Cc: Don Garbrick (garbrick@pease-ae.com)
Subject: BOD Study

Talk with Don Garbrick this morning about providing copies of the BOD Report to Donna for inclusion to the Council Agenda.

He has been out of town, and was on the road today thru Friday.

He said he could get electronic copies, with corrections, to Donna by Monday.

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CITY ATTORNEY
THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager JE

SUBJECT: B.O.D Study

DATE: August 1, 2014

A few months ago the City contracted with Pease Associates to conduct a study on B.O.D. at the Waste Water Treatment Plant. Mr. Garbrick will be at the August meeting to discuss the findings of the report. I have seen a preliminary draft of the study and believe it clearly defines courses of action for the City to consider.

If you have any questions, please contact me or Steve Peeler. Thank you.

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ITEM

10

CITY OF LINCOLNTON

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CITY ATTORNEY
THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager JE

SUBJECT: Water Agreement

DATE: August 1, 2014

I sent to each council member an email I received on July 23rd from County Manager Tracy Jackson, regarding the proposed water agreement. I have attached another copy of Mr. Jackson's email.

I have scheduled a meeting to meet with Tracy this Friday regarding finalizing a proposed contract that meets these conditions. If acceptable by Council, hopefully a final contract can be submitted for consideration at our September meeting.

I am pleased with the offer, and believe the parameters the County have offered should be acceptable to the City in finalizing an agreement. If you have any questions or comments please contact me.

Jeff Emory

To: Stephen H. Peeler
Subject: FW: Water Agreement

From: Tracy Jackson [mailto:tjackson@lincolncounty.org]
Sent: Wednesday, July 23, 2014 8:22 AM
To: Jeff Emory
Subject: RE: Water Agreement

Thanks Jeff. We look forward to hearing from you soon.

Tracy

From: Jeff Emory [mailto:jeffemory@ci.lincolnton.nc.us]
Sent: Tuesday, July 22, 2014 9:02 PM
To: Tracy Jackson
Subject: Re: Water Agreement

I spoke to the mayor today, and I think the city is very interested in moving forward . I will definitely be in touch. Jeff

Sent from my Verizon Wireless 4G LTE DROID

Tracy Jackson <tjackson@lincolncounty.org> wrote:

Jeff,

The Board of Commissioners is interested in discussing the water agreement as a separate and distinct agreement. Would the City of Lincolnton be inclined to consider the following?

- Rate: $1.15 per thousand gallons of water
- Term: Ten years + rolling five-year notice
- Minimum purchase amount: 0.3 mgd
- Maximum purchase amount: 2.5 mgd

I think we are very close to having a resolution to our ongoing negotiations. I appreciate your work and any consideration that can be given to this request.

Please let me know if you have any questions.

Respectfully,

Tracy Jackson, County Manager
Lincoln County
704-736-8471

ITEM

11

August 2014 Council Meeting

Executive Summary

June 2014 Year-To-Date

Comparative for Budgetary Purposes - Prior to Closing 2014 Fiscal Year - Prior to Finance AJE's

General Fund		13-14	% of Budget	12-13	Difference
Fund 10	Revenues	8,819,276.85	84.71%	8,660,425.28	158,851.57
	Expenses	9,516,926.40	91.41%	9,692,026.03	(175,099.63)
	Difference	(697,649.55)		(1,031,600.75)	333,951.20
Water & Sewer Fund					
Fund 61	Revenues	9,935,064.02	94.15%	8,381,418.98	1,553,645.04
	Expenses	9,455,361.44	89.61%	7,599,867.21	1,855,494.23
	Difference	479,702.58		781,551.77	(301,849.19)
Electric Fund					
Fund 63	Revenues	7,720,070.17	98.62%	7,299,191.49	420,878.68
	Expenses	7,500,146.26	95.81%	7,239,325.02	260,821.24
	Difference	219,923.91		59,866.47	160,057.44
Overtime		304,770.48		298,416.29	6,354.19