

REGULAR MEETING - AUGUST 7, 2014

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

RHYNE CLONINGER EADDY HOVIS

Mayor Gilleland called the meeting to order and led in the Pledge of Allegiance.

Councilman Cloninger made the motion unanimously approved the ***REGULAR AGENDA***.

Councilman Eaddy made the motion unanimously approved the ***CONSENT AGENDA*** as follows:

- Approved Minutes of the July 10th regular meeting

REGULAR AGENDA:

PRESENTATION TO GASTON COLLEGE IN HONOR AND RECOGNITION OF 50 YEARS OF SERVING LINCOLN AND GASTON COUNTY:

Mayor Gilleland presented the following proclamation to Dr. John McHugh, of Gaston College:

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

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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.

Upon conclusion of the presentation, Dr. McHugh gave a brief history of the services provided by Gaston College. He thanked the City for working with the college and being a good neighbor in the community. Mayor Gilleland said he hopes to continue to partner with Gaston College in the future.

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)*

(C-12-14)

Rodney Jordan, Chief of Police, recommended that Council consider renewing the lease between the City and Ann Davis Ford for property located at 530 East Main Street, Lincolnton to house the Lincolnton Police Department Detectives Division. He said this location has worked well for our detectives and allows them adequate space to handle investigations.

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Chief Jordan said the lease if approved would be for a term on one year, \$ 12,600 annually, beginning September 1, 2014 through August 31, 2015.

Councilman Rhyne made the motion unanimously approved to enter into the lease as recommended for the above said amount.

CONSIDERATION OF AWARDING CONTRACT FOR INSTALLMENT FINANCING OF TEN (10) FULLY EQUIPPED POLICE VEHICLES 4 YEAR TERM NOT TO EXCEED \$ 350,000:

(C-13-14)

Finance Director Steve Zickefoose told Council that on June 11th the City sent out RFP for financing police vehicles. Three (3) bids were received for the installment financing of the above stated police vehicles.

Mr. Zickefoose said People Bank, BB&T and Carter Bank & Trust all submitted proposals and upon review, Carter Bank & Trust appears to be the lowest responsive bidder. Carter Bank & Trust bid was a \$1321 cost savings from the second lowest bidder, BB&T.

Dr. Eaddy noted from memory that the overall cost savings of installment financing would save the City over \$ 100,000 in the long term and he commended the a Police Chief for this proposal. "It improves response time and reduces maintenance cost on vehicles. It is a lot cheaper than the replacement cycle would have been on buying vehicles."

Mayor Gilleland concurred and felt this effort would also help the overall morale within the Police Department by having take home vehicles. He commended Mr. Zickefoose for asking all local financial institutions when seeking the request for proposals.

Councilman Eaddy made the motion unanimously approved to enter into the contract with Carter Bank & Trust for installment financing of the ten (10) Police vehicles. *(NOTE: A copy of the bid tabulation sheet will appear at the end of this document becoming a permanent part of these official minutes)*

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**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:**

(BA-03-14)

Jeff Emory, City Manager recommended approval of a budget amendment to first increase the Police Department Capital by \$ 350,000, adding the issuance of debt account for the financing of ten (10) police vehicles.

The second portion of the budget amendment if approved would eliminate the Occupancy Tax Fund from the City's budget, which decreases the City's overall budget by \$ 78,660.00. This change to the Occupancy Tax Fund stems from a recent letter the City received from the state, requiring that the City separate the Occupancy Tax Funds from the City's budget. The Occupancy Tax Fund will be managed by the Lincolnton Tourism Development Authority (LTDA). The City Finance Department will handle disbursement of funds from this account as appropriated by the LTDA. The total amount currently available in the Occupancy Tax Fund is \$ 383,387.00.

Councilman Rhyne questioned the process for agencies currently requesting funding to the City for Occupancy Tax Funds. The City Manager confirmed requests for funding would now be considered solely by the LTDA and the agency must meet the required criteria as described in the state statute to be eligible for funding.

After some discussion Councilman Cloninger made the motion unanimously approved to adopt the budget amendment as presented.

**CITIZENS FOR SMART SPENDING REQUEST ENDORSEMENT
FROM THE CITY THAT LINCOLN COUNTY OFFICES ARE
KEPT DOWNTOWN:**

Mr. Johnny Lineberger, representing "Citizens for Smart Spending", told Council a small group of citizens and business owners got together to discuss the potential impact of moving the County governmental offices out of downtown Lincolnton. The closer they looked at all variables, the timeframe and cost involved, the more excited we got because it is a very scary thought. He said, "Lincolnton is the County seat and we have forever had County government downtown and when you step back and look at County government and the footprint that they have you stop and look at the

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economic impact they have on downtown. We really are concerned that this move may happen and it would be detrimental to our downtown.” Mr. Lineberger presented a petition with over 600 signatures, obtained in just in a one week’s time, requesting the City’s help with keeping the County offices in downtown. He said, “We understand the County has needs and we don’t have all the answers we don’t claim to, we are asking for your help to see if there are viable options to keep the County downtown.”

Mr. David Boyles, Chamber Chair, spoke to Council on behalf of the Lincolnton-Lincoln County Chamber of Commerce expressing concerns from the Chamber about losing county jobs and the county moving from downtown to the old hospital. He said, “Its future, the cost and the impact of this move on downtown businesses would be devastating. We would like for City Council to support any alternative plans for this move. We ask that you ask yourselves, How will this will affect our grandchildren and what impact will it have on us over the next twenty years?”

Brooke Sherrill, spoke to Council on behalf of Downtown Development Association, also encouraging City Council to support the efforts of the Citizens for Smart Spending. She provided information from other downtowns noting the affects that a county government moving out of town has had on other cities. She said, “Foot traffic in our downtown is critical many efforts have been put into downtown to recruit businesses, and restaurants and we must do everything we can to keep our county government located in or downtown.”

Jacob Rhodes, owner of Fausto Coffee located in downtown also, was named on the agenda to speak but was unable to attend due to a last minute conflict.

Osama Yousef, owner of Court Street Grille, also spoke in favor of “Citizens for Smart Spending” saying he was attracted to Lincolnton because of our beautiful downtown and he opposes the County offices moving. He asked the City to help and endorse keeping County offices in downtown to keep our City growing. He said he currently employs 20 to 30 people and if there is anything the City Council can do help retain Lincoln County, please do it.

Councilman Eaddy said he looks forward to the City Council having dialogue with the County to discuss initiatives that could make it feasible for them to stay downtown.

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Mayor Gilleland said he has had discussions with Lincoln County Chair Alex Patton. Mayor Gilleland asked Chairman Patton in conversation if the City was too late in requesting that the County consider staying downtown. He used the phrase that "The train has left the station but it is not too late to stop the train."

Councilman Hovis thanked those who spoke saying, "You all are tax payers and you speak louder than we do, so I thank you all for being here tonight and giving your support, and for supporting us on the decisions we make."

Councilman Rhyne made the motion unanimously approved directing staff to send a letter to Lincoln County Commissioners and tell them we want to keep them here and we want to work with them to keep them here and that we need them here.

The City Manager said he would draft the letter, noting that City Council unanimously supports retaining the County office in downtown, for the Mayors review and signature.

UPDATE ON THE BOD STUDY RESULTS:

Mr. Don Garbrick, Pease and Associates, presented City Council results from a recent Biological Oxygen Demand (BOD) Study. He told Council that the study evaluated the existing plants ability to accommodate increases in biological loading as a result of growth in the water shed. He said the purpose of the report is to develop a maximum biological oxygen demand (BOD) loading for the plant, recommend modifications to increase BOD loading of the influent wastewater with a cost estimate, and possible improvements to the existing process that will improve removal efficiencies.

Mr. Garbrick said the plant is currently permitted to treat 6 MGD, and is designed for a wastewater BOD concentration of 250 ppm. The treatment process includes primary, secondary, and tertiary treatment. These processes include bar screens, filters, grit removal, an oxidation ditch, an aeration basin, secondary clarifiers, and disinfection. The plant currently allows flow and BOD loading to four significant industrial users (SIU), which use a majority of the plant's capacity. The report concentrates on modifications to the primary and secondary treatment as well as modifications to the SIU BOD allocation.

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A wastewater treatment plant is evaluated on two criteria; the quantity of wastewater and the strength or BOD concentration of the wastewater. The former is referred to as hydraulic loading and the later is referred to as biological loading. The WWTP currently experiences hydraulic loading that is less than 50 percent of the plant's capacity, the report said. Based on historical data provided by the plant staff and a review of the current structures, modifications in two phases can be implemented to increase the design concentration from 250 ppm to 390 ppm.

Mr. Garbrick said, "In addition, an analysis of the SIU allocation determined that two of the SIU's allocations could be optimized to allow for an increase in the BOD allocation to existing or future users. Reallocating and increasing the plant's ability to treat higher concentrations of BOD, should be considered. A surcharge program could be enacted to seek to reduce the quantity of high concentration waste entering the plant. A surcharge program would establish a cost and reimbursement schedule associated with higher concentrations of BOD."

In conclusion, he suggested the City consider proceeding in a three step approach;

Step 1. Implement Phase I by modifying existing pretreatment permits to allocate wastewater discharges from industry based on actual usage. This process could recapture up to 6 percent of capacity from the existing permit and make it available to new or existing users. This process is estimated to take 3-4 months.

Step 2. Implement Phase 2 of the plant modifications. This would allow additional distribution of approximately 2,500 lb/day of BOD loading. The estimated cost of Phase I was \$ 568,682 and could be completed within 12 months.

Step 3. Implement Phase 3 of the plant modifications. This would allow additional distribution of approximately 2,160 lb/day of BOD loading. The estimated cost of Phase 3 is \$ 3,101,067.50 and could be completed within 16 months. The added advantage to constructing Phase 2 is additional treatment would be provided to remove fats, oils and grease. The City has an issue with this type of constituent and by constructing this system it would improve the removal efficiency.

Upon review of the report given there was some discussion by Council. Mayor Gilleland thanked Mr. Garbrick for the report and felt that Council should take

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the report and study it. Dr. Eaddy was glad we now know the options available should the City need to take action.

UPDATE ON WATER SALE NEGOTIATIONS WITH LINCOLN COUNTY:

City Manager Jeff Emory told Council that he has talked with Lincoln County Manager Tracy Jackson regarding finalizing a proposed contract between the City and Lincoln for the sale of water. The proposed contract details include the sale of water at a \$1.15 per thousand gallons for a term of ten years (with a rolling five-year notice. The minimum purchase amount would be 0.3 mgd with the maximum being 2.5 mgd.

A finalized draft should be available and ready for consideration by City Council at their Wednesday August 27th special called meeting to discuss strategic planning.

MONTHLY FINANCIAL REPORT/OVERTIME REPORT:

The City Manager reviewed the following executive summary for the month ending June 30th 2014 (totals are prior to closing the fiscal year and prior to adjusting journal entries):

August 2014 Council Meeting

Executive Summary

June 2014 Year-To-Date

Comparative for Budgetary Purposes - Prior to Closing 2014 Fiscal Year - Prior to Finance A/E's

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

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PUBLIC COMMENT:

No one spoke under the public comment portion of the agenda.

NEWS MEDIA:

Lincoln Herald reporter Wayne Howard gave a personal opinion that the City should consider proceeding with Phase II of the BOD study presented by Mr. Don Garbrick of Pease and Associates at tonight's meeting. It was his feeling that this option would better position the City for future growth.

ADJOURNMENT:

Councilman Cloninger made the motion unanimously approved to ADJOURN the meeting.

DONNA C. FLOWERS, MMC
CITY CLERK

JOHN O. GILLELAND, JR.
MAYOR