A G E N D A

Lincolnton City Council

December 3, 2015

SWEARING IN CEREMONY
6:30 p.m.

REGULAR MEETING
7:00 p.m.

Council Chambers

City Hall

A G E N D A

LINCOLNTON CITY COUNCIL

December 3, 2015

6:30 p.m.

SWEARING IN CEREMONY / ORGANIZATIONAL MEETING

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

Pledge of Allegiance – Pack 75 Lincolnton – Joby Rhyne (five others)

<u>City Clerk to Administer Oath of Office</u>

a. Mayor – Ed Hatley
b. City Council Members – Ward II – Dr. John "Les" Cloninger
Ward IV – Roby D. Jetton

<u>Comments</u>

a. Mayor Hatley
b. City Council Members

<u>Presentation to Outgoing Elected Officials</u> – Mayor Ed Hatley

a. John O. Gilleland, Jr. – Six years of service as Mayor
b. Larry Mac Hovis – Twenty years of service as a Councilman

Mayor's Appointments

a. ABC Board – (1) appointment - Councilman *CLONINGER*
b. Lincolnton Housing Authority – (1) appointment –
Mayor *HATLEY*
c. Centralina Council of Governments (COG)
(2) appointments – a Delegate to the Executive Committee
Councilman *RHYNE*
Alternate: Mayor *HATLEY*
d. Historic Properties Commission - (1) appointment
Councilman *JETTON*
e. Lincolnton-Lincoln County Airport Authority -
(1) appointment
Councilman *EADDY*

e. Library Board – (1) appointment - Councilman *CLONINGER*
f. Lincoln Cultural Center – (1) appointment
Councilman *RHYNE*
g. Recreation Commission - (1) appointment
Councilman *RHYNE*

h. N.C. Municipal Power Agency (NCMPA 1) – (3) appointments
(1) One Delegate - Director of PW&U, Steve *PEELER*
(2) Two Alternate Delegates – Mayor *HATLEY*
- *CITY MANAGER*

i. DDA Appointment – (1) appointment - Councilman *JETTON*

j. LEDA – (Lincoln Economic Development Association) –
(1) appointment - MAYOR *HATLEY*
Ex-Officio - *CITY MANAGER*
k. Chamber of Commerce Board of Directors -
(1) appointment - MAYOR *HATLEY*

l. Transportation Advisory Committee - (1) appointment
Councilman *EADDY*

City Council's Appointments

a. Nominations for and Election of Mayor Pro Tempore
b. Appointment of City Attorney

Parliamentary Procedures

a. **Adoption of Rules – (*Currently Abbreviated Version of Roberts Rules of Order)***
b. **Resolution (R-13-15) to adopt the 2016 Calendar of Regular meetings of the Lincolnton City Council in accordance with the City Charter**

Motion to Recess until 7:00 p.m.

REGULAR MEETING

7:00 p.m.

CALL TO ORDER (*Reconvene*) – Mayor Hatley

1. **Approval of REGULAR AGENDA**

2. **Approval of CONSENT AGENDA**
   All items placed under 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 October 1, 2015 and November 5, 2015 Meeting**

4. **Approval of Banking Resolution (R-14-15)– Declaring Newly Elected City Officials**

5. **Call to Public Hearing for the January 7th, 2016 meeting: ZMA-2-2015 – Application from Shasta Steele requesting the rezoning of 0.45 acres of land from residential-Office (R-O) District to Central Business (CB) District. The subject property is located at the southwest corner of South Cedar Street and East Water Street (202 South Cedar Street, parcel ID 58825)**

REGULAR AGENDA

PRESENTATIONS

6. Presentation to Sergeant Dennis Harris recognizing the receipt of his Criminal Investigations Certificate from the North Carolina Justice Academy

   Chief of Police Rodney Jordan

7. Presentation to LPD Officer David Mocanu for receipt of his Advanced Law Enforcement Certification from the North Carolina Training and Standards Division

   Chief of Police Rodney Jordan

8. Presentation of the Audit Report for the 2015 fiscal year

   Phil Church, Lowdermilk Church & Company, L.L.P.

9. Consideration of Pay Adjustment Proposal for City Employees

   Jeff Emory, City Manager

RESOLUTION
(R-14-15)

10. Resolution of Support to allow the Lincolnton Police Department to apply for a technology grant through the NC Governor's Crime Commission for $ 200,000 to North Carolina Law Enforcement *(NOTE: No match is required but should the City receive the grant software maintenance could increase annually)*

    Chief of Police Rodney Jordan

CONTRACT
(C-21-15)

11. Consideration of contract between the City and Lowdermilk, Church & Co., L.L.P. to perform the 2015-16 audit *($35,300)*

    Jeff Emory, City Manager

APPOINTMENTS
(APPT-06-15)

12. ***RE-APPOINTMENTS:***

(To begin serving a first 3 year term in January 2016 – Dec 2018)
Note: They were appointed to fill an unexpired term and in accordance with City Policy they are eligible to begin their first three year term if Council so chooses)

PLANNING BOARD	- Jerry Hoffman
RECREATION COMMISSION	- Eric Radebaugh
TOURISM DEVELOPMENT AUTHORITY	- Cindy Koehler

(To begin serving a second 3 year term January 2016 – Dec 2018)

ABC BOARD	-	Mike Owen, Chair
AIRPORT AUTHORITY	-	Leon Harmon
PLANNING BOARD	-	Kathryn Yarbro
RECREATION	-	Chris Brogden

(One Motion required for the above re-appointments)

Donna Flowers, City Clerk

(APPT-07-15)

13. ***NEW APPOINTMENTS:***

- **ABC BOARD (1 vacancy)**
- **PLANNING BOARD (1 vacancy)**
- **RECREATION COMMISSION (1 vacancy)**

(Note: NO APPLICATIONS were received within the deadline I have re-advertised these vacancies and will have this item on the January 7th Agenda for consideration)

Donna Flowers, City Clerk

OTHER BUSINESS

14. **Consideration of amending the by-laws for the Lincolnton Tourism Development Authority – (The Hotel/Motel appointments would follow the position rather than the appointee, and amend language to add a third hotel representative)**

    Donna Flowers, City Clerk

15. **Monthly Financial Update / Overtime Report**

    Jeff Emory, City Manager

16. **Consideration of potential dates for the 2016 Planning Retreat**
    March 4 & 5 or March 11 & 12

    Jeff Emory, City Manager

17. **Information regarding Training for Newly Elected Officials and current Elected Officials**
    - **(a) Orientation for New Mayors – December 9th – Asheville**
    - ***(b)*** **Essentials of Municipal Government – 2 day program**
      (All elected officials are encouraged to attend)
      January 8 & 9, 2016 – Hickory - ***The required two clock hours of Ethics Training is included in this session for newly elected or re-elected officials***

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 to be eligible to speak

NEWS MEDIA

ADJOURNMENT

Mayor's

Appointments

(Items A – L)

City Council

Appointments

(a) Election of Mayor Pro Tem

(b)Appointment of City Attorney

Parliamentary Procedures

(a) Adoption of Rules –
(Roberts Rules of Order)

(b) Resolution – (R-13-15)
Calendar for 2016 Meetings

Roberts Rules Abbreviated

	LANGUAGE	INTERRUPT SPEAKER?	SECOND NEEDED?	MOTION DEBATABLE?	MOTION AMENDABLE?	VOTE NEEDED?
PRIVILEGED MOTIONS deal with the welfare of the group, rather than with any specific proposal. They must be disposed of before the group can consider any other motion.						
Adjourn the meeting	I move that we adjourn	no	yes	no	no	majority
Recess the meeting	I move we recess until	no	yes	no	yes	majority
Complain about noise, room temperature etc.	Point of privilege	yes	no	no	no	none, chair rules
SUBSIDIARY MOTIONS provide various ways of modifying or disposing of mail motions. They must be acted upon before all other motions except privileged motions.						
Suspend debate on a matter without calling for a vote	I move we table the matter	no	yes	no	no	majority
End debate	I move the previous question	no	yes	no	no	2/3 majority
Limit length of debate	I move debate on this matter be limited to	no	yes	no	yes	2/3 majority
Ask for a vote by actual count, to verify a voice vote	I call for a division of the house	no	no	no	no	none*
Postpone consideration of a matter to a specific time	I move we postpone the matter until	no	yes	yes	yes	majority
Have a matter studied further	I move we refer this matter to a committee	no	yes	yes	yes	majority
Consider a matter informally	I move the question be considered informally	no	yes	yes	no	majority
Amend a motion	I move that this motion be amended by	no	yes	yes	yes	majority
Reject a main motion without voting on the motion itself	I move the question be postponed indefinitely	no	yes	yes	no	majority
INCIDENTAL MOTIONS grow out of other business that the group is considering. They must be decided before the group can return to the question that brought them up.						
Correct an error in parliamentary procedure	Point of order	yes	no	no	no	none, chair rules
Object to a ruling by the chair	I appeal the chair's decision.	yes	yes	yes	no	majority
Consider a matter that violates normal procedure, but does not violate the constitution or bylaws	I move we suspend the rules	no	yes	no	no	2/3 majority
Object to considering some matter	I object to the consideration of this matter	yes	no	no	no	2/3 majority
Obtain advice on proper procedure	I raise a parliamentary inquiry	yes	no	no	no	none, chair rules
Request information	Point of information	yes	no	no	no	none
Withdraw a motion	I request leave to withdraw the motion	no	no	no	no	majority
MAIN MOTIONS are the tools used to introduce new business.						
Introduce business	I move that	no	yes	yes	yes	majority
Take up a matter previously tabled	I move we take from the table	no	yes	no	no	majority
Reconsider a matter already disposed of	I move we reconsider our action relative to	yes	yes	yes	no	majority
Strike out a motion previously passed	I move we rescind the motion calling for	no	yes	yes	yes	majority
Consider a matter out of its scheduled order	I move we suspend the rules and consider	no	yes	no	no	2/3 majority

*But majority vote if someone objects.

CITY OF LINCOLNTON

RULES FOR PUBLIC COMMENT AT MEETINGS OF THE LINCOLNTON CITY COUNCIL

THESE RULES, promulgated pursuant to North Carolina General Statues 160A-81.1, will hereafter remain in full force and effect until such time as they are amended, altered, or rescinded by the Lincolnton City Council.

PURPOSE OF THE RULES: The Lincolnton City Council (hereafter referred to as Council) is committed to affording the members of the public an opportunity to offer comments and suggestions for the wise, efficient, and effective government of the City of Lincolnton. Council encourages and welcomes the input of citizens. In addition to public hearings, a special time will be set aside at each regular monthly meeting of Council for the purpose of receiving comments and suggestions from the public. In order to balance the need and desire for such citizen input with the necessity of disposing of its regular business in the course of said meeting, Council does hereby establish the Rules For Public Comments as hereinafter set forth.

THE RULES:

a. Unless posted otherwise as required by law, Council convenes its regular monthly meetings on the first Thursday of each calendar month at 7:00 p.m. in the Council Chambers at the Lincolnton City Hall. At each regular monthly meeting, the agenda will contain an item entitled "Public Comment."

b. Persons who wish to address Council during the time set aside for Public Comment must register on a sign-up sheet, which will be available at the desk of the City Clerk in the Council Chambers between 6:30 p.m. and 6:55 p.m. on the night of each regular meeting. All registrants for the Public Comments time will provide their names, addresses, and the subject matter of their proposed comments. Registration to speak must be in person during the time specified above. There will be no registration by telephone.

c. Should a registrant desire to provide Council with written material, all such items must be delivered to the City Clerk at the time of registration.

d. Each speaker must first be recognized by the Mayor or the presiding officer as having the exclusive right to be heard, and once so acknowledged, the speaker will approach the podium facing Council. Before beginning comments or remarks, each speaker will state

his/her name and address. Speakers will be acknowledged by the Mayor or presiding officer in the order in which their names appear on the sign-up sheet.

e. Comments will be limited to three (3) minutes per person. A speaker cannot yield any unused time to another speaker. The City Clerk will be the official time-keeper. When the three-minute period expires, the City Clerk will announce "Time." Upon said announcement, the speaker will make no further comments and will return to the public seating area.

f. Only two speakers will be allowed to comment on the same subject at each meeting; provided, however, if there are opposing viewpoints on the same subject, two speakers will be allowed for both the supporting and the opposing sides. It is recommended that large groups or delegations select their spokespersons in advance of the meeting.

g. Public Comment time is not set aside to require Council to answer any impromptu questions. Speakers will address all comments to the Council as a whole and not to one or more members as individuals. At the request of a Council Member, the City Manager, City Clerk, City Attorney, or other staff member present may respond to a concern raised by the speaker, once the speaker is finished.

h. Discussions or comments between speakers and the audience will not be allowed.

i. For clarification, Council Members may ask the speaker such questions as they might deem necessary and appropriate.

j. Any action on items or matters addressed during the Public Comment time will be in the sole discretion of Council.

k. Speakers will not comment ore remark on any of the following: matters which concern the candidacy of any person seeking public office; and matters which are closed session matters, including, but not limited to, anticipated or pending litigation, personnel, property acquisition, and all other items which are made confidential by law.

l. Speakers will address Council with respect and courtesy and will not do or say anything that will interfere with or disrupt the dignity and decorum of the meeting. Should the Mayor or presiding officer deem that the speaker is violating any of these rules, he may immediately end the comments or the speaker.

m. During the course of the Public Comment time, the audience will refrain from applause, cheers, boos, clapping, ovations, disruptive gestures, or outbursts of any kind.

n. These Rules are effective upon adoption.

ADOPTED this the 4th day of August, 2005 at the regular monthly meeting of the Lincolnton City Council.

REGULAR

AGENDA

ITEM

1

APPROVAL

OF

REGULAR

AGENDA

ITEM

2

ITEM

3

REGULAR MEETING - OCTOBER 1, 2015

The Mayor and City Council met in regular session on Thursday, October 1st 2015 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street.

Council members in attendance were:

RHYNE CLONINGER EADDY HOVIS

Mayor John O. Gilleland, Jr. called the meeting to order and led in the Pledge of Allegiance.

Councilman Eaddy made the motion unanimously approved the *REGULAR AGENDA.* Councilman Eaddy's motion included adding an update concerning possible severe weather conditions from Chief Jordan.

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

- Approved Minutes from the September 3, 2015 – Regular Meeting
- Approved a Proclamation for Industry Appreciation Month – October 2015

REGULAR AGENDA

APPLICATION FROM LINCOLNTON MAIN STREET, LLC REQUESTING A CONDITIONAL USE PERMIT TO CONSTRUCT A PHARMACY IN THE PLANNED BUSINESS (PB) AND SPECIAL HIGHWAY OVERLAY (SHO) DISTRICTS. THE SUBJECT PROPERTY IS LOCATED ON THE SOUTH SIDE OF EAST MAIN STREET APPROXIMATELY 250 FEET EAST OF THE INTERSECTION OF EAST MAIN STREET AND US HIGHWAY 321 (PARCEL ID 91738)

CUP-2-2015

Mayor Gilleland opened the Public Hearing and the City Clerk administered the oath to all those wishing to speak for or against the request. Laura Elam, Planning Director reviewed the request for a conditional use permit from Lincolnton Main Street, Mike Joyner applicant.

Laura said the above mentioned property is zoned Planned Business (PB) and Special Highway Overlay (SHO) districts. The property is bounded by East Main Street to the north, vacant property to the east, CSX Railroad to the south, and a new urgent care facility to the west.

The site plan proposes a new 4,000 square foot pharmacy building to be accessed off of a newly created access point to East Main Street that will be shared with the Urgent Care facility. The new building is proposed to be one story in height and will include a drive through window. Parking for 20 vehicles would be provided. The property has a natural gas line easement crossing the property from north to south and parking will be located on the easement.

Laura further reviewed the CUP application requirement noting that the current site plan submitted would need to be updated to show the following information: (1) Parking schedule and parking lot dimensions (2) Detailed landscaping plan (3) Utility information (4) Water supply watershed impervious surface amount (5) Signage plan.

The Staff Review Committee also had the following concerns: (1) Erosion control plans must be submitted to and approved by Lincoln County (2) Building plans must be approved by Lincoln County Inspections and the City Fire Marshal prior to development of the site (3) NCDOT driveway permit must be reviewed and approved by the NCDOT prior to development (4) Utility plans must be coordinated with and approved by the Public Works and Utilities Department prior to development (5) Sidewalk connection from the site to the sidewalk on East Main Street must be made meeting all City and ADA requirements (6) A parking agreement between Piedmont Natural Gas Company and the pharmacy must be completed and recorded allowing parking on the gas line easement (7) No City solid waste pick up will be available to the pharmacy.

Laura concluded recommending on behalf of Planning Board and Staff that, subject to all requirements of the UDO and the Staff Review Committee being meet, the conditional use permit be approved.

Mike Joyner, Urgent Care Developer, spoke in support of the request. He assured Council that all requirements would be met prior to the permit issuance. He said Dr. White purchased Keever Pharmacy, and plans are to

keep the drive thru, if developed. He said Mr. White would be paying taxes as this facility will not be a part of Carolina Medical Center. Councilman Cloninger was glad the City would receive tax income from this development.

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

Councilman Rhyne made the motion unanimously approved to consider the Conditional Use Permit.

Findings of Fact:

(1) Councilman Eaddy made the motion unanimously approved that the use would not materially endanger the public health or safety if located where proposed and developed according to plan.
(2) Councilman Hovis made the motion unanimously approved that the use meets all required conditions and specifications.
(3) Councilman Cloninger made the motion unanimously approved that the use would not substantially injure the value of adjoining or abutting property unless the use is a public necessity.
(4) Councilman Rhyne made the motion unanimously approved that the location and character, if developed according to plan as submitted and approved, would be in harmony with the area in which it is to be located and would be in general conformity with the Lincolnton Land Use Plan and other plans for the physical development of the City as officially adopted by the City Council.

Councilman Cloninger made the motion, unanimously approved the CUP, subject to the Staff Review Committee items and other items as stated above being met.

PUBLIC HEARING TO RECEIVE COMMENTS ON A PROPOSED AMENDMENT TO THE CITY'S CODE OF ORDINANCES - TITLE VII – TRAFFIC CODE CHAPTER 74 TRAFFIC SCHEDULES - SCHEDULE VII. MADISON STREET, *FROM CONGRESS STREET TO GROVE STREET* – REDUCE SPEED LIMIT FROM 35 MPH TO 25 MPH:

Mayor Gilleland opened the Public Hearing. Chief of Police Rodney Jordan requested that Council consider amending the City's Code of Ordinances as follows;

Amend TITLE VII – Traffic Code – Chapter 74 Traffic Schedules – Schedule VII. *ADD: Speed Limit 25 mph - Madison Street from Childs Street to South Grove Street.*

Chief Jordan said he had received a request from a Council member and from that had his officers conduct a study as to whether the speed limit should be reduced from 35 mph to 25 mph in this area. He said based on the length and width of the road as well as information speaking with Pastor McAbee and some of the neighbors in that area, he feels 35 mph is too fast for that area.

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

Councilman Hovis made the motion unanimously approved to amend the City's Code of Ordinances as stated above and as recommended by the Chief of Police. *This ordinance shall become effective upon adoption and once the signage is corrected.*

APPOINTMENT OF THE 2015-2016 LINCOLNTON STUDENT ADVISORY COUNCIL:

(APPT-05-15)

Mayor Gilleland told Council that nominations from the five area high schools have been submitted as well as several Council nominations for the 2015-16 Lincolnton Student Advsiory Council. He said this Council meets monthly from September through May and have had many accomplishments throughout the years.

The Mayor commended Mrs. Jill Eaddy, who has served as Advisor to this Council since its inception in 1990.. Mrs. Eaddy was on City Council and was instrumental in assisting former City Manager David Lowe to create this Council.

The following nominees were considered for appointment:

EAST	LINCOLNTON	WEST
Alyssa Atwell	Andi Parker	Jake Clary
Maddie Woodie	Raheem Moore	Zane Peterson
Kali Krehnbrink	Mallory Miller	Logan Scott
Jared VanHee	Esther Garcia	Keely Stempien
Autumn Koehler	Sarah Cate Parker	Logan Scronce

NORTH	CHARTER
Catherine Stegal	Rachel Sellers
Amanda Bentley	Lucas Haskins
Ben DeAngelis	
Ulibarri Jordan	
Gabi Burke	

Council nominees were:
Mayor Gilleland - Sara Crews (Lincoln Charter)
Devin Rhyne - Elizabeth Noles (Lincolnton)
Marty Eaddy - Katy Stevens (West Lincoln)

It was noted that Karleigh Morrison of North Lincoln, who was appointed by a Council member last year, was not included on her Principals list. The City Manager said he had talked with her and she does wish to serve again. Mayor & City Council said if she does attend the next meeting of the SAC, then they would consider amending the SAC by-laws and allow her to serve. This would bring the total to twenty-six members, one additional than the current by-laws allow.

Councilman Eaddy made the motion unanimously approved to appoint the above names students.

ADDED Item at the beginning of this meeting **- UPDATE ON THE SEVERE WEATHER FORECAST:**

Chief of Police Rodney Jordan updated Council on the possibility of eight to twelve inches of rain that could fall over the next 24 to 48 hours. He attended a weather conference with Emergency Management this afternoon and all public safety officials are closely watching the updates and or potential changes. Should we receive the amount of rainfall expected this could cause damage to our storm drain system, as no system is designed to handle this large amount of rainfall. A State of Emergency for both Lincoln County and Lincolnton may occur in the event the storm hits. This is necessary to alert citizens and to also be eligible for FEMA monies should a disaster occur.

Mayor and City Council thanked Chief Jordan for the update and asked that they be kept abreast of any changes/alerts/notifications throughout the storm.

REPORT/ UPDATE ON STATUS OF FINANCIAL PLAN IN REFERENCE TO THE STRATEGIC PLANNING PROCESS:

City Manager Jeff Emory and Finance Director Steve Zickefoose spoke to this issue. The City Manager said as part of the City's ongoing effort to address the City's recent Strategic Planning Process, he and Mr. Zickefoose have been reviewing the information provided by Centralina Council of Governments regarding a financial plan.

Finance Director Steve Zickefoose and Jeff discussed this matter after receiving the information from COG and feel that much of the information that will go into the financial management plan can be performed in-house.

Mr. Zickefoose reviewed a sample spreadsheet which provided estimated numbers (not factual) that can be used in developing a 10 year financial plan so that Council can see how projects are tracked as defined as result of the Strategic Plan. This financial document would allow the City to utilize current and future budget projections to complete the plan. It would also define any tax and or rate increases that could be necessary based on the projected plan.

Mayor and Council felt good about the spreadsheet and the strategy to address the issued defined through the strategic plan. They commended Steve for his work on this and noted the savings to the City by doing this work in house.

MONTHLY FINANCIAL REPORT/OVERTIME REPORT:

Jeff Emory, City Manager reviewed the monthly financial report as follows:

December 2015 Council Meeting

Executive Summary

October 2015 Year-To-Date

Comparative for Budgetary Purposes - Prior to Closing 2015 Fiscal Year

				% of Budget		14-15	Difference	
General Fund		15-16						
Fund 10	Revenues	4,763,490.23	(1)	40.46%		4,384,803.64	378,686.59	(1)
	Expenses	3,768,723.42	(2)	37.49%		3,521,693.06	247,030.36	(2)
	Difference	994,766.81				863,110.58	131,656.23	
Water & Sewer Fund								
Fund 61	Revenues	3,063,428.18	(3)	33.24%		3,078,616.99	(15,188.81)	(3)
	Expenses	1,465,095.11	(4)	23.09%		1,550,459.88	(85,364.77)	(4)
	Difference	1,598,333.07				1,528,157.11	70,175.96	
Electric Fund								
Fund 63	Revenues	2,903,371.58	(5)	37.50%		2,806,439.25	96,932.33	(5)
	Expenses	2,193,215.61	(6)	33.78%		2,342,240.02	(149,024.41)	(6)
	Difference	710,155.97				464,199.23	245,956.74	
Overtime	80+ hours	93,443.63				114,032.66	(20,589.03)	

(1) Tax collections up $85,000. Sales tax up $19,000. Received bank loan for vehicles $175,000.

(2) Salaries and Benefits up $97,000 due to health insurance. Purchased police cars $150,000.

(3) Water & Sewer revenues up $180,000. Late Fees up $7,000. GovDeals sales up $5,000. Miscellaneous revenue down ($216,000). We had received FEMA and Insurance claim payments for $216,000 in 2014.

(4) Salaries and Benefits up $65,000 due to filling vacant positions and health insurance. Inventory transfer up $31,000. Capital expense down ($22,000). Debt Service down ($161,000).

(5) Electric sales up $270,000. Sales tax no longer a budget line ($179,000.)

(6) Sales tax due to State no longer a budget line. Taxes collected and given directly to State. ($99,000).

PUBLIC COMMENT:

No one spoke under the Public Comment portion of this meeting.

NEWS MEDIA:

There were no questions from the News Media.

ADJOURNMENT:

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

DONNA C. FLOWERS, MMC	**JOHN O. GILLELAND, JR.**
CITY CLERK	**MAYOR**

The Mayor and City Council met in regular session on Thursday, November 5, 2015 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Council members in attendance were:

RHYNE CLONINGER EADDY HOVIS

Mayor John O. Gilleland, Jr. called the meeting to order and led the Pledge of Allegiance.

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

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

Proclaimed November 2015 as "National Caregivers Month"

REGULAR AGENDA:

RESOLUTIONS

RESOLUTION HONORING SALVADOR SOSA ON HIS UPCOMING RETIREMENT:

(R-11-15)

Mayor Gilleland presented Salvador Sosa with a retirement resolution, a check as described by the policy, and congratulated him on his years of service with the City. The Mayor read the resolution aloud as follows:

WHEREAS, the City of Lincolnton does desire to recognize and honor employees of the City for dedicated and distinguished contributions to our City and its citizens; and

WHEREAS, Salvador Sosa, began employment with the City of Lincolnton on May 25, 1988 as a Solid Waste Collector I in the Public Works Division. In 2002 he was promoted to a Solid Waste Collector II, excelling again in 2004 to his current position of Equipment Operator; and

WHEREAS, Salvador Sosa, has over his tenure assisted the City through demanding changes, transitioning routes and solid waste debris collection, while always maintaining a superior level of service to our citizens; and

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Lincolnton, that appreciation be shown to **Salvador Sosa**, honoring him on his upcoming retirement on December 1, 2015 and that we extend congratulations and best wishes to him for continued success in all his future endeavors.

Adopted and presented this the 5th day of November 2015.

Mayor Gilleland thanked Mr. Sosa for his service.

RESOLUTION TO JOIN THE NORTH CAROLINA STATE HEALTH PLAN
(R-12-15)

City Manager Jeff Emory spoke to Council concerning this item giving some of the background of this latest opportunity for the City regarding health care coverage. Finance Director Steve Zickefoose, as well as Human Resources Director Tanya Osborne addressed Council on the topic, both recommending approval from Council. It was duly noted that the adoption of the resolution does not guarantee acceptance. It is the second step in a series steps that will need to be taken, with the final step being the adoption of a Memorandum of Understanding. Mr. Emory explained that although retirees cannot be covered under this plan, the City is obligated to find and offer retiree coverage that will mimic coverage offered to all other employees. The potential cost savings by going with this plan was also talked about.

Finance Director Steve Zickefoose explained the numbers side of the plan being considered. He also gave some insight regarding securing retiree coverage. Mr. Zickefoose informed Council that the City could see a cost savings of approximately one million dollars ($1,000,000) as well as spoke to the stability of the State Health Plan. One down side to the plan is once you are in, you cannot opt out. Mr. Zickefoose also informed that due to the current agreement with Municipal Insurance Trust, July 1, 2016 would be the potential start date of the plan unless other arrangements can be made.

Human Resources Director Tanya Osborne presented the Resolution, stressing again that adoption of the resolution is the second step in the process with the first step being a Letter of Intent. Mrs. Osborne stated she felt this change not only benefits the City, but the employees as well. She explained the proposed Resolution was drafted after consulting with staff from another city whose Resolution has been accepted by the State. In conclusion, Mrs. Osborne requested that Council adopt the proposed resolution which will allow staff to continue in the process required to become a member of the North Carolina State Health Plan.

Some discussion was generated among both Council and staff regarding the multiple reasons to move forward.

Councilman Rhyne made the motion unanimously approved to adopt Resolution to join the North Carolina Health Plan

CONSIDERATION OF AWARDING CONTRACT BETWEEN THE CITY AND GSP FOR THE PURCHASE OF SANITATION TRUCKS IN THE AMOUNT OF $241,256.55 PER UNIT:
(C-19-15)

City Manager Jeff Emory spoke to this item requesting Council award contract to GSP for the purchase of two sanitation trucks. Mr. Emory reminded Council that $275,000.00 has been budgeted for each truck in the current year's budget as a part of the City's plan to go to an automated system effective July 1, 2016. Bids were received

on October 26, 2015 with GSP submitting the lowest bid. Mr. Emory informed purchase will be paid through a bank loan. In conclusion, Mr. Emory recommended bid be awarded.

Assistant Public Works Director Rob Buff also spoke to this item. Mr. Buff gave some insight into the purpose for this purchase and how it will aid in moving forward. He reported that staff with the City of Charlotte have offered to help with training our employees on the equipment at no cost to the City. Mr. Buff has also received offers to help with routing. He continued speaking to the design of the trucks and in response to a question from Councilman Eaddy, Mr. Buff stated youtube videos are available online that can possibly be linked to the City's website to help during this transition.

Councilman Eaddy made the motion unanimously approved to accept the low bid from GSP Marketing for the purchase of two solid waste pick-up trucks.

CONSIDERATION OF CONTRACT BETWEEN THE CITY OF LINCOLNTON AND LINCOLN COUNTY FOR FIRE SERVICE:

(C-20-15)

City Manager Jeff Emory presented a proposed fire service contract between the City Of Lincolnton and Lincoln County that involves covering areas that are not currently in the Lincolnton fire district. Mr. Emory stated this agreement is actually the result of Lincoln County agreeing to assist the City with its Route 90 customers. He reported the area should generate minimal call volume and recommended adoption of the contract.

Chief Ryan Heaver was in attendance and available for questions. He confirmed he and others have reviewed the terms and conditions several times and feel comfortable with what is presented. Mr. Heaver informed the State would be onsite to conduct an inspection the following week. He expressed no concerns regarding the contracts approval.

Councilman Eaddy stated that although he was unable to recuse himself from voting on this topic, he does have an adult family member that lives in one of the areas who could possibly benefit from this action.

Councilman Larry Mac Hovis made the motion unanimously approved to approve the contract.

CONSIDERATION OF INDUSTRIAL INCENTIVE POLICY:

(P-01-15)

Before the presentation, City Manager Jeff Emory explained the intent of this appearance being to make Council aware of suggested changes to the current policy. Council will actually consider and adopt the amended policy at a later date.

Mr. Cliff Brumfield, Director of the Lincoln Economic Development Association, came before Council to discuss proposed revisions to the City's Industrial Incentive Policy.

Mr. Brumfield provided Mayor and Council with a draft copy of the proposed changes to the current policy explaining why changes are needed. He pointed out how the current policy compares to the proposed changes and how it fits into the City's intentions to become more aggressive in recruiting industry.

City Manager Jeff verified that action will be needed on this item at next month's regular meeting and assured that the newly elected officials will receive copies of the information.

DISCUSSION OF WATER ISSUES ON THE CORNER OF ELIZABETH AVENUE AND CARPENTER STREET:

Mrs. Martha Finger of 2219 Tin Mine Road, Lincolnton spoke to Council regarding ongoing drainage issues in a mobile home park that she owns at the corner of Elizabeth Ave. and Carpenter Street. Mrs. Finger claims water was diverted to her property when the area was annexed by the City and as a result her mobile park is constantly being flooded. Mrs. Finger acknowledges she has met with the Mayor, City Manager, Steve Peeler and Rob Buff several times regarding this issue however she stressed her displeasure and frustration with how the City has handled this problem. She request the City do something to correct the problem once and for all.

In discussion, Mayor Gilleland noted the City has taken several steps to help with this issue. City Attorney T.J. Wilson suggested she contact United States Geological Service to help maintain the water ways in the creek behind the property. At the conclusion of discussion on this issue, staff was directed to again assess the situation to see if there is any additional things the City can do. Mrs. Finger requested to be notified before staff's arrival.

MONTHLY FINANCIAL UPDATE/OVERTIME REPORT:

City Manager Jeff Emory presented a Executive Summary for September 2015. Mr. Emory directed Councils attention to the various funds comparing this year's activity to last year's at this same time. He also pointed out preliminary numbers are showing no Fund Balance funds being spent.

PUBLIC COMMENT:

Mr. Robert Tomlinson of 501 South Grove Street, Lincolnton. Mr. Tomlinson began by thanking Mayor Gilleland and Councilman Hovis for their years of service then addressed Council regarding the upcoming December meeting recommending that the December 3rd meeting be held at the Citizens Center. This due to the maximum occupancy of the Council Chambers being 100. Mayor Gilleland thanked Mr. Tomlinson for his recommendation.

CLOSED SESSION:
Councilman Eaddy made the motion unanimously approved to enter into closed session in accordance with NCGS 143-318.11(a)(1)(4)(5)(6) to discuss property and personnel.

Commissioner Oates was asked to remain for a portion of the Closed Session. Mr. Joe Tate was also allowed to remain.

Returning to open session Mayor Gilleland explaining discussion regarding an opportunity that has presented itself at the Lincolnton/Lincoln County Airport. With no further discussion Councilman Eaddy made the motion unanimously approved concerning property at the airport, being two parts.

First, that the Lincolnton City Council transfer its fifty percent (50%) ownership of approximately 8.5 acres located behind the hangers, between the hangers and Jack Dellinger Road to Lincoln County. Second part being that the Lincolnton City Council approve the airport property release agreement and authorize the Mayor and City Manager to execute the agreement once the survey is received and the attorneys finish their agreements on the protective organ in that contract.

NEWS MEDIA:
Mayor Gilleland opened the floor up to questions from the news media. Mr. Wayne Howard thanked both Mayor Gilleland and Councilman Hovis for their service to the City. Mayor Gilleland responded expressing his pleasure serving in his respective capacities. Councilman Hovis made comments and expressed his disappointment with this being his last meeting stating "it is like losing a family member." He ended by saying his service to the City has been an honor.

Councilman Rhyne reminded Council of the upcoming open house/public input meeting on November 18th at the Lentz Gym from 5pm – 7pm. City Manager Jeff Emory informed the Architects request to be on the December agenda.

ADJOURNMENT:
Councilman Hovis made the motion unanimously approved to adjourn the meeting.

Note: Ms. Daphne Ingram filled in for the absence of the City Clerk who was on FMLA during the time of this meeting. Minutes were taken and drafted by Ms. Ingram.

DONNA C. FLOWERS, MMC
CITY CLERK

JOHN O. GILLELAND, Jr.
MAYOR

ITEM

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CITY OF LINCOLNTON

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

RESOLUTION
AUTHORIZING SIGNATURES
ON BEHALF OF
CITY OF LINCOLNTON
(R-15-15)

WHEREAS, the City of Lincolnton holds municipal elections every two years in accordance with North Carolina Elections Law and the City Charter, and;

WHEREAS, the most recent election for the City of Lincolnton was held on November 3, 2015;

NOW, THEREFORE, BE IT RESOLVED the following names are a current listing of City Officials and are authorized representatives in their capacity as an elected or appointed officials for the City of Lincolnton:

EDWARD "ED" HATLEY - Mayor
DEVIN RHYNE – Councilman (Ward I)
JOHN LESTER CLONINGER Councilman (Ward II)
MARTIN A. EADDY – Councilman (Ward III)
ROBY D. JETTON – Councilman (Ward IV)
THOMAS J. WILSON, JR. - City Attorney

Adopted this the 3rd day of December, 2015.

_____
ED HATLEY
MAYOR

ATTEST:

_____
DONNA C. FLOWERS, MMC
CITY CLERK

ITEM

5

MEMO TO: Jeff Emory
Donna Flowers

FROM: Laura Elam

SUBJECT: Agenda Packet for the December 3, 2015 City Council Meeting

DATE: November 24, 2015

CALLS TO PUBLIC HEARING

There is one call to hearing for the December meeting as follows.

- ZMA-2-2015-Application from Shasta Steele requesting the rezoning of 0.45 acres of land from Residential-Office (R-O) District to Central Business (CB) District. The subject property is located at the southwest corner of South Cedar Street and East Water Street (202 South Cedar Street, Parcel ID 58825).

ITEM

6

NO BACKUP

NECESSARY

FOR THIS ITEM

ITEM

7

NO BACKUP

NECESSARY

FOR THIS ITEM

ITEM

8

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

SUBJECT: 2015 Audit Report

DATE: November 25, 2015

Representatives from Lowdermilk Church & Company will present the 2015 fiscal year audit report for the City of Lincolnton. As in years past, also provided to Council will be a spreadsheet which will breakdown the highlights of the audit.

I am extremely pleased with the preliminary findings of the audit. General Fund fund balance has increased approximately $182,000.00 including Powell Bill. I think it is quite an accomplishment to actually increase the fund balance amount when we had actually budgeted an amount of over $1,500,000.00 of fund balance to balance the budget. I am extremely pleased with the performance of the General Fund for fiscal year 2015, and I commend our staff for their efforts in seeing that we had a positive financial year.

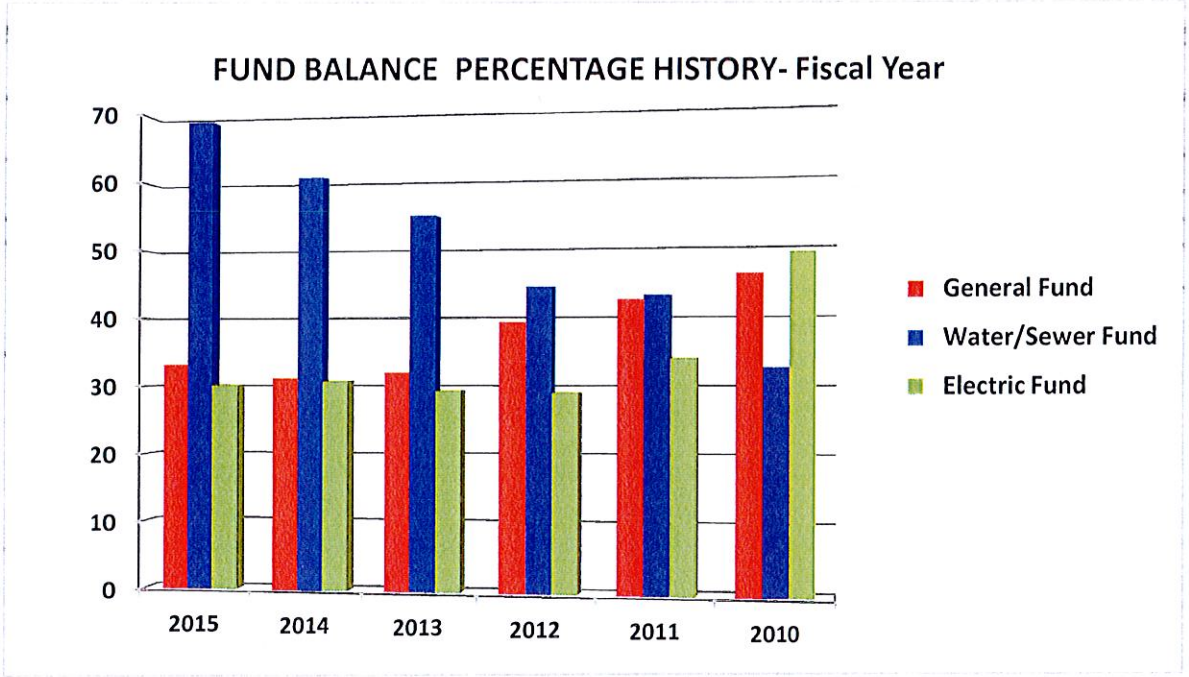
The Water and Sewer Fund shows a net position increase of $487,000.00. The Electric Fund is showing a net position decrease of $144,000.00.

During tough economic times I consider this audit report to be fantastic news. Without any tax increase or increase in fees and other charges, the City had an excellent fiscal year ending June 30, 2015.

I am sure representatives of the audit firm will be happy to come back and answer any specific questions at any time Council may have. The action to be taken at the meeting will be the acceptance of the report from Lowdermilk Church & Company. If you have any questions feel free to call me or Steve Zickefoose. Thank you.

FUND BALANCE PERCENTAGE HISTORY BY FISCAL YEAR

	2015	2014	2013	2012	2011	2010
General Fund	33.15	31.16	31.98	39.32	42.41	46.05
Water/Sewer Fund	68.92	60.61	54.73	44.44	43.08	32.73
Electric Fund	30.17	30.82	29.42	29.04	34.04	49.09



FUND BALANCE - GENERAL FUND

FY	Fund Balance Appropriation	Spent	Percent of Allocation
2009-10	$ 1,176,000	$ 309,000	26.3%
2010-11	$ 1,791,000	$ 991,000	55.3%
2011-12	$ 1,496,000	$ 225,000	15.0%
2012-13	$ 1,719,000	$ 490,000	28.5%
2013-14	$ 1,443,000	$ 178,000	12.3%
2014-15	$ 1,547,057	$ -	0.0%

ITEM

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CITY OF LINCOLNTON

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THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager JE

SUBJECT: Recommended Salary Adjustment Effective January 1, 2016

DATE: November 25, 2015

On Friday November 13th, I sent an email to all Council members regarding a request I received relating to available funds for a potential salary adjustment.

In that email I laid out the savings the City has identified for the current fiscal year, which totals at least $450,000.00. I also pointed out that should the City be able to become a member of the State Health Plan on February 1st, we stand to save another approximate $460,000.00. The City has entered into the Memorandum of Understanding with the State, and things are looking very positive for a potential February or March startup date for the State Health Plan.

Because of budget concerns during last year's budget process, no salary increase was given to our employees. I am making a recommendation to City Council that we implement a January 1, 2016 salary increase in the form of a 1.5% cost of living increase for all employees, and that we add a five year adjustment to our longevity plan. My recommendation is that for each five your interval of employment an employee would receive an additional 2.5% salary increase.

We have studied these numbers extensively and we are certain that the 1.5% cost of living increase and step adjustment can be done for right at $120,000.00. As I said in my email this would be a tremendous morale booster for our current employees, and also would be critical in our ability to retain employees by adding the additional step increase. Right now an employee has to be here ten years before they get an increase based on longevity. Under this plan that employee will get an increase at five years.

I greatly appreciate your consideration in reviewing my proposal. I think it is critical that we do something for our employees considering the lack of raises we have been able to implement due to the economy, and adjustments we have made to health benefits. I feel strongly about the implementation of a cost of living, and the step adjustment as I have proposed. Many of you have mentioned to me the desire to do something to benefit our employees, and this is a way we can do something with what I consider to be a minimal financial impact on our budget. Thank you so much for your consideration. I will be happy to address any questions you may have.

Jeff Emory

From: Jeff Emory
Sent: Friday, November 13, 2015 12:30 PM
To: 'John O Gilleland Jr'; 'Les Cloninger'; Larry Mac Hovis; Devin Rhyne Home; Martin Eaddy
Cc: 'edandcindyhatley@gmail.com'
Subject: information requested regarding salary adjustments

At the last council meeting Councilman Eaddy asked that I provide information regarding the cost of implementing a mid year salary adjustment for our employees. The purpose of this email to provide this information. I am also sending this to Mayor elect Hatley and Councilmember elect Jetton.

I am pleased to report that the city had a positive fiscal year ending June 30 2015. We budgeted to spend almost 1.4 million dollars of fund balance in the general fund, and early audit numbers show we spent none of that. I compliment our department heads and employees in general for conservative spending habits in making this happen. For the current fiscal year, we have already identified $340,000 of savings in the general fund, $105,000 in the water and sewer fund, and $32,000 in the electric fund. These savings have primarily come from salaries and benefits, fuel, building maintenance, and positive bids for our two garbage packers. Part of the water and sewer fund savings is due to additional revenue from Route 90 sewer collections. Total estimated savings for all three funds four months into the fiscal year is $448,500.

If the city is able to become a member of the state health plan in February, this is another total savings of $460,000. This is obviously not a given considering we have not been officially approved for membership, and we do not know the exact month we would join. Right now we are doing everything in our power to join as soon as possible, considering the good news we got this week that there will not be a penalty if we leave the League of Municipalities plan early.

Since what I call the great recession around 2008-2009, the city has been forced to make major spending cuts, including the elimination of employees, reduction in health benefits and salary adjustments. In 2009 we provided no cost of living adjustment to our employees, in 2010 we gave nothing. In 2011 we gave 2.5%, 2012 nothing, 2013 we gave 2.5, in 2014 we gave 1% and in 2015 we gave nothing. For the past seven years our employees received no cost of living adjustment in four of those years, in the three other years they received 2.5% twice, and 1% once.

Due to the lack of salary increases and changes in health benefits, we have seen employees leaving for other careers, especially in the police department where six employees have left this year. One of those has requested to come back. During exit interviews all of the officers that left the police department cited lack of salary as a primary reason for seeking other employment.

We have ran numbers and the city can implement a mid year 1.5% cost of living increase for $53,000 for all three funds. We can implement a five year step adjustment for $66,000, for a total of slightly over $118,000. I believe this would be an incredible morale booster for our employees, and based on the numbers I have shared with you above, I am convinced the city can afford it. I would suggest all employees receive the 1.5% cost of living, and all employees with at least five years service receive a 2.5% adjustment. Remember we spoke last year about the need to implement a five year longevity step so that an employee does not have to wait 10 years for a longevity increase. Right now we provide longevity at years 10, 15, 20, and 25. I would recommend we implement a plan where employees receive an adjustment at all five year increments. This would also reward an employee with 30 or 35 years.

I know it has not been common practice for the city to implement mid year adjustments, but other agencies do it all the time. I believe the county did this last year or the year before for their employees. We always say our employees are our greatest asset. I believe it is time to show them we mean that by providing an increase we can afford, effective January 1, 2016. I look so forward to your comments. Thank you for the serious thought I know you will put into this. I see no issue facing the city any more important than this one.

ITEM

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Donna Flowers

To: Rodney Jordan
Subject: RE: Agenda

Thank you Chief, I will add them. Also I will draft a resolution of intent for the grant as that is the normal process for Council when a department is applying for funding. I will forward to you for your review when complete.

Donna C. Flowers, MMC, NCCMC
Assistant to City Manager/City Clerk
City of Lincolnton
P.O Box 617
Lincolnton, NC 28093-0617
(704)736-8980
(704)736-8995 (fax)
donnaflowers@ci.lincolnton.nc.us

From: Rodney Jordan
Sent: Monday, November 23, 2015 10:42 AM
To: Donna Flowers
Cc: Daphne Ingram; Jeff Emory
Subject: Agenda

Hi Donna,

I have spoken with Mr. Emory about the following three items and would like to get them added to the December agenda.

First is a presentation to Sergeant Dennis Harris, who is receiving his Criminal Investigations Certificate from the North Carolina Justice Academy.

The second is a presentation to David Mocanu for receiving his Advanced Law Enforcement Certification from the North Carolina Training and Standards Division.

Thirdly, we would be requesting permission from Council to apply for a grant with the North Carolina Governor's Crime Commission. The grant is a $200,000 technology grant at **no match** to North Carolina Law Enforcement.. We would utilize the money to upgrade our records management system to the Sungaurd OSSI software, which is used by the County and the communications center. This would allow us to easily share information and to have communication to car dispatch and log sheets. This upgrade would cost about $130,000 to $150,000 for the software upgrade, maintenance and training. The maintenance cost is around $10,800. The grant would pay for the first two years of maintenance and the communications center's 911 funds could pay up to 2,000 or 2,500 of the maintenance for all remaining years leaving us to pay about $8,500 per year at year three and beyond. We currently pay $3,000 a year for maintenance on our existing service, so after year two it would increase that budget by a little more than $5,000 per year. We can do so much more with this software than what we currently have in place.

Thank you very much for helping me with this and I am sorry it is sort of last minute.

Please let me know if you have any questions or concerns,

Rodney

CITY OF LINCOLNTON

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Devin Rhyne
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CITY ATTORNEY
THOMAS J. WILSON, JR.

RESOLUTION OF INTENT
TO PROVIDE MATCHING FUNDS
FOR A POTENTIAL GRANT FROM THE
N C GOVERNOR'S CRIME COMMISSION
(R-14-15)

WHEREAS, the Lincolnton Police Department continually strives to find opportunities to upgrade equipment within their department to keep the department current and compatible with surrounding agencies at minimal or no cost to the City; and

WHEREAS, the Lincolnton Police Department has researched various opportunities that may provide financial assistance towards the purchase of an upgrade to their records management system to the Sunguard OSSI software, which is currently used through the Lincoln County Communications Center; and

NOW, THERFORE BE IT RESOLVED, the Mayor and City Council, through this resolution, endorse submittal of a grant application to the North Carolina Governor's Crime Commission. Which allows the department to be eligible as a North Carolina Law Enforcement Agency, to be considered for the grant which requires no matching funds, in the amount of $ 200,000 towards technology within the department if awarded;

Adopted this the 3rd day of December 2015.

Attest:

DONNA C. FLOWERS, MMC
CITY CLERK

ED HATLEY
MAYOR

ITEM

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CITY OF LINCOLNTON

CITY COUNCIL
John O. Gilleland, Jr., Mayor
Larry Mac Hovis, Mayor Pro-Tem
Devin Rhyne
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CITY ATTORNEY
THOMAS J. WILSON, JR.

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager

SUBJECT: 2015-2016 Audit Contract

DATE: November 25, 2015

Based on the recommendation of Finance Director Steve Zickefoose, I am recommending that the City award the 2015-2016 Audit Contract to Lowdermilk Church & Company. The contract amount is $35,300 which is lower than the amount the City was paying in 2005 to the previous audit firm we were utilizing.

City staff has been extremely pleased with the cooperation we have received from Mr. Phil Church and his staff during these last several years in preparing the annual financial report. I would also point out that Lowdermilk Church & Company also performs the audit for the Lincolnton ABC Board. The Lincolnton Tourism Development Authority will also be added as a component unit of the audit.

We have a strong working relationship with Lowdermilk Church & Company, and I am happy to recommend that we award the 2015-2016 Audit to them. Should you have any questions 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 Steve

SUBJECT: Audit Contract 2015-16

DATE: November 24, 2015

Please see the attached letter and a copy of the proposed contract for fiscal year 2016 from Mr. Phil Church of Lowdermilk Church and Company.

The contract amount is for $ $35,300, which is still lower than the 2005 contract with Cherry, Bekaert and Holland of $36,700. The fee also includes the printing of 50 audits, which was an additional cost paid separately to a printing company in 2005 and prior years.

Single audits are completed for grant fund spending that exceeds the $500K threshold, such as Powell Bill funds and CMAQ (Rail-Trail) at no additional cost. In the past, other auditing firms charged extra for the completion of any single audits.

The Local Government Commission provides audit oversight and must approve all audit contracts and invoicing.

Lowdermilk, Church and Company performs the audit for the City's component unit, City of Lincolnton ABC Board; this information must be included in our audit. The Lincolnton Tourism Development Association will be added as a component unit as well. By utilizing the same auditing firm, this facilitates the completion of our audit on a timely basis, whereas in the past the City has experienced delays waiting for the information from another firm.

The staff and I are very pleased with the expertise and professionalism of their staff. They have always been available to address any questions that may arise throughout the year.

I am recommending that the City of Lincolnton accept the proposed auditing contract from Lowdermilk, Church and Company. Thank you for your consideration.

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
Phone: (828) 433-1226
Fax: (828) 433-1230

To Honorable Mayor and Members of City Council
City of Lincolnton
Lincolnton, North Carolina

November 18, 2015

We are pleased to confirm our understanding of the services we are to provide City of Lincolnton for the year ended June 30, 2016. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit (Lincolnton Tourism Development Authority), each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of City of Lincolnton as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Lincolnton's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Lincolnton's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Comparison Information
3) Law Enforcement Officers Special Separation Allowance and Other Postemployment Benefits Schedule of Funding Progress and Schedules of Employer Contributions
4) Local Government Employees' Retirement System Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Contributions
5) Schedule of the Proportionate Share of the Net Pension Liability-Firefighters' and Rescue Squad Workers' Pension

We have also been engaged to report on supplementary information other than RSI that accompanies City of Lincolnton's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Individual Fund Financial Statements
2) Budgetary Schedules
3) Other Schedules

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

1) Introductory Information
2) Statistical Information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of City of Lincolnton and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of City of Lincolnton's financial statements. Our report will be addressed to management and the City Council of City of Lincolnton. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Lincolnton is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

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

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards; an overview of the type of work to be performed on the financial information of components, including the basis for a decision to make reference to a component auditor in the auditor's report; an overview of the engagement team's planned involvement in the work of component auditors on the financial information of significant components.

Audit Procedures—Internal Control

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures—Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes of City of Lincolnton in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also prepare the following based on information provided by you: AFIR, Data Collection Form and Unit Data Input Worksheet. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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

Engagement Administration, Fees, and Other

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

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

The audit documentation for this engagement is the property of Lowdermilk Church & Co., L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Lowdermilk Church & Co, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately August 22, 2016 and to issue our reports no later than October 31, 2016. Phillip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Lowdermilk Church & Co., L.L.P.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $35,300. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We are required to inform you that we charge interest at rate of 18% per annum on all invoices over 30 days old.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We are providing you with a copy of our 2012 external peer review report which accompanies this letter.

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

Very truly yours,

Phillip E. Church
Partner

RESPONSE:

This letter correctly sets forth the understanding of City of Lincolnton.

Management signature:_____
Title:_____
Date:_____

Governance signature:_____
Title:_____
Date:_____

LGC-205 (Rev. 2016)

CONTRACT TO AUDIT ACCOUNTS

Of City of Lincolnton
Primary Governmental Unit

Lincolnton Tourism Development Authority
Discretely Presented Component Unit (DPCU) if applicable

On this 17 day of November, 2015,

Auditor: Lowdermilk Church & Co., LLP Auditor Mailing Address: 121 North Sterling Street, Morganton, NC 28655 Hereinafter referred to as The Auditor

and City Council (Governing Board(s)) of City of Lincolnton (Primary Government)

and Lincolnton Tourism Development Authority (Discretely Presented Component Unit) : hereinafter referred to as the Governmental Unit(s), agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2015, and ending June 30, 2016. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).

   County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Circular A-133 for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass,** the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2016. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.

7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC**. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: http://nctreasurer.slgfd.leapfile.net Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (**Note: Fees listed on signature pages.**)

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

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

12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.

13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

    If the OSA designates certain programs to be audited as major programs, as discussed in item #2, agreed-upon procedures report, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

    The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor

15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is http://nctreasurer.slgfd.leapfile.net. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of

this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #22 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

17. Special provisions should be limited. Please list any special provisions in an attachment. See attached engagement letter.

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

19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is http://nctreasurer.slgfd.leapfile.net Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of October 2015. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.

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

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

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

23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification). #22

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.) City of Lincolnton
Governmental Unit
Lincolnton Tourism Development Authority
Discretely Presented Component Units (DPCU) if applicable

City of Lincolnton **- FEES**

Year-end bookkeeping assistance – [*For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards*] $-0-

Audit 29,400

Preparation of the annual financial Statements 5,900

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ 26,475
**** NA if there is to be no interim billing**

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Lowdermilk Church & Co., LLP
Name of Audit Firm

By Phillip E. Church
Authorized audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 11-18-15

pechurch@bellsouth.net
Email Address of Audit Firm

Governmental Unit Signatures:

City of Lincolnton
Name of Primary Government

By Edward L. Hatley
Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A
Chair of Audit Committee - Type or print name

**
Signature of Audit Committee Chairperson

Date
*** If Governmental Unit has no audit committee, mark this section "N/A"*

City of Lincolnton

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By Steven B. Zickefoose
Primary Governmental Unit Finance Officer:
Type or print name

Primary Government Finance Officer Signature

Date
(Pre-audit Certificate must be dated.)

stevezickefoose@ci.lincolnton.nc.us
Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

Contract to Audit Accounts (cont.) City of Lincolnton
Governmental Unit
Lincolnton Tourism Development Authority
Discretely Presented Component Units (DPCU) if applicable

** This page to only be completed by Discretely Presented Component Units **

Lincolnton Tourism Development Authority **FEES**

Year-end bookkeeping assistance – [*For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards*]

Audit fees included in the City of Lincolnton fees on prior page

Preparation of the annual financial Statements

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $

** NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

Lincolnton Tourism Development Authority
Name of Discreetly Presented Component Unit

By Carol King
DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date

By N/A
Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date

** *If Governmental Unit has no audit committee, mark this section "N/A"*

Lincolnton Tourism Development Authority

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By Steven B. Zickefoose
DPCU Finance Officer:
Type or print name

DPCU Finance Officer Signature

Date
(Pre-audit Certificate must be dated.)

stevezickefoose@ci.lincolnton.nc.us
Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

Steps to Completing the Audit Contract

1. Complete the Header Information – NEW: If a DPCU is subject to the audit requirements as detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not issued for the DPCU and is to be included in the Primary Government's audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.

2. Item No. 1 – Complete the period covered by the audit

3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.

4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

5. Item No. 9 – NEW: Please note that the fee section has been moved to the signature pages, Pages 5 & 6.

6. Item No. 16 – If there is a reference to an engagement letter or other document (ex: Addendum), has the engagement letter or other document been acknowledged by the Governmental Unit and attached to the contract submitted to the SLGFD?

    a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *"In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control."*

    b. Does the engagement letter contain an indemnification clause? **The audit contract will not be approved if there is an indemnification clause – refer to LGC Memo # 986.**

7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the signature pages, please note:

    - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we will compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/Pages/Non-Audit-Services-and-Audit-Fees.aspx - Auditors and Audit Fees.
      Please call or email Steven Holmberg of our office at 919-807-2394 steven.holmberg@nctreasurer.com if you have any questions about the fees on this list.

    - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)

- If there is to be no interim billing, please indicate N/A instead of leaving the line blank.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Send the page(s) that are applicable to your Unit of Government. Make sure all signatures have been obtained, and properly dated. **The contract must be approved by Governing Boards pursuant to G.S. 159-34(a).** NEW - If this contract includes auditing a DPCU that is a Public Authority under the Local Government Budget and Fiscal Control Act it must be named in this Audit contract and the Board chairperson of the DPCU **must also sign** the Audit contract in the area indicated. If the DPCU has a separate Audit, a separate Audit contract is required for the DPCU.

9. Please place the date the Unit's Governing Board and the DPCU's governing Board (if applicable) approved the audit contract in the space provided.

   a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.

   b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?

   c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?

10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the applicable signature page(s) of the contract.

11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.

12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF file. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the most current submission process which can be obtained at the NC Treasurer's web site – https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

13. NEW: If an audit is unable to be completed by the due date, an Amended Contract should be completed and signed by the unit and auditor, using the new "Amended LGC-205" form (Rev. 2015). The written explanation for the delay is now included on the contract itself to complete, and must be signed by the original parties to the contract.

Directory of Governmental Unit and Audit Firm Officials

City of Lincolnton
Governmental Unit

Lowdermilk Church & Co., L.L.P.
Auditor for the 2015-2016 Fiscal Year

GOVERNMENTAL UNIT

1. ELECTED OFFICIAL:
(Mayor for Municipalities and chairperson of governing board for all other units)

Edward L Hatley
Name

Mayor
Title

2. MANAGER:
(Or person who serves in this capacity e.g. Administrator, Executive Director, etc.)

Jeff B. Emory
Name

City Manager
Title

3. FINANCE OFFICER:

Steven B. Zickefoose
Name

Finance Director
Title

(704) 736-8980
Phone No.

(704) 736-8999
Fax No.

stevezickefoose@ci.lincolnton.nc.us
E-Mail Address

AUDITOR

1. CONTACT PERSON:
Partner or other person with legal authority to contract for the firm)

Phillip E. Church
Name

Partner
Title

(828) 433-1226
Phone No.

(828) 433-1230
Fax No.

ceavery@bellsouth.net
E-Mail Address

2. AUDITOR ANTICIPATES PREPARING THE FOLLOWING TYPE OF REPORT:

(Check the appropriate box)

___ General Purpose Financial Statements with combining, individual fund, and account group financial statements, and schedules required by the LGC

_X_ Comprehensive Annual Financial Report (CAFR) including schedules required by the LGC

Notes:

1. Please type all information on this questionnaire.
2. The audit firm representative, the elected official, and the finance officer reported on this questionnaire should agree with the persons reported on the Contract to Audit Accounts.
3. The information on this questionnaire will be used in official correspondence from the Local Government Commission, and the Commission must be notified of any changes in the persons holding these positions.

ITEM

12

"See Agenda"

for names of board members

to be re-appointed

ITEM

13

CITY OF LINCOLNTON

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

TO: Mayor & City Council

FROM: Donna C. Flowers, City Clerk/Assistant to City Manager

DATE: November 25, 2015

SUBJECT: Appointments to Boards & Commissions

The City currently has the following vacancies:

One (1) Vacancy on the ABC BOARD
One (1) Vacancy on the PLANNING BOARD
One (1) Vacancy on the RECREATION COMMISSION

The vacancy to the ABC Board is due to the resignation of Ed Hatley, and once applications are received this appointment would be to fill an unexpired term. The Planning Board vacancy is a result of Worth Roberts completing two three year terms. The Recreation Commission appointment is due to the resignation of George Brookins, as he no longer resides in the corporate limits of Lincolnton. The appointment would also be to fill an unexpired term.

When I originally advertised for vacant positions I was only aware of the Planning Board vacancy, and no applications were received. The deadline for applications to be submitted was 5:00 pm November 20th.

I have re-advertised the above vacancies and upon receipt of applications, plan to have this item on your January 7th agenda for your consideration. Should you have any questions please feel free to contact me. Thank you.

ITEM

14

CITY OF LINCOLNTON

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

CITY MANAGER
JEFF EMORY
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CITY CLERK
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donnaflowers@ci.lincolnton.nc.us
CITY ATTORNEY
THOMAS J. WILSON, JR.

TO: Mayor & City Council

FROM: Donna C. Flowers, City Clerk/Assistant to City Manager

DATE: November 25, 2015

SUBJECT: Proposed Amendment to the Lincolnton Tourism Development By-Laws and amended resolution

The Lincolnton Tourism Development Authority was restructured in late 2014 changing the budget process, separating the Occupancy Tax fund from the City's budget. This change occurred as a result of notification from the State Treasurer's Office, that original legislation to levy the tax requires separate accounting practices.

From the restructuring, you appointed five new LTDA members which are doing an excellent job serving as good stewards of Occupancy Tax Funds. Two of the five members are to be from the Hotel/Motel industry and three members are City residents as specified in the resolution and by-laws. The concern is with the existing language which allows a Hotel/Motel industry representative, who seem to be constantly changing as currently a "person" is appointed. We would like to propose amending the language where the appointment follows the "position" rather than the "person". Therefore alleviating vacancies throughout the year, maintaining consistency, and ensuring the LTDA has a quorum for their meetings.

During a recent meeting I attended with Mayor-Elect Hatley, the City Manager and City Attorney, Mr. Hatley suggested possibly adding a third member from the Hotel/Motel Industry which would provide equal representation for the three area hotels in the City. If approved LTDA Chair Carol King would notify the three area hotels letting them know that a Hotel/Motel Manager or Assistant Manager would be eligible to serve representing each hotel.

I have attached a copy of the by-laws and resolution with proposed changes highlighted in red. Please feel free to contact me should you have any questions. Thank you.

RESOLUTION CREATING THE LINCOLNTON TOURISM DEVELOPMENT AUTHORITY

THAT WHEREAS, the City of Lincolnton, North Carolina, is a Municipal Corporation organized and existing under the laws of the State of North Carolina and is authorized by Session Law 2001-439, Senate Bill 92, and more particularly in "Part III. CITY OF LINCOLNTON. Section 3.2" of the aforementioned law, to create a tourism development authority.

THAT WHEREAS FURTHER, it is desired by the City of Lincolnton, North Carolina, to modify the previous resolution to fulfill those purposes and perform those duties as are set out in the aforementioned laws.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lincolnton, North Carolina, assembled in Regular Session on this the 3rd day of December, 2015, as follows;

a. **The composition of the Lincolnton Tourism Development Authority is modified as follows; the Authority will consist of six (6) members. Of whom at least three (3) of the members must be individuals who are affiliated with Hotels/Motels that will collect the room occupancy tax, and the appointment shall follow the position of Manager or Assistant Manager, at least three (3) of the members must be individuals who are currently active in the promotion of travel and tourism in the City. Members who are affiliated with businesses (Hotel/Motel Manager or Assistant Managers) that will collect the room occupancy tax are not required to reside within the city limits. The Lincolnton City Council will appoint the Chairman of the Authority, and may appoint a member of Council to serve as an ex-officio member of the authority. The terms of membership will be staggered. The initial members of the Authority will be appointed by the City Council to such terms so that such may be staggering. As the terms of the initial members expire, new appointments will be made for the terms of three (3) years. A member of the Authority may only serve two (2) consecutive terms. The Finance Officer of the City of Lincolnton will be the Ex-Officio Finance Officer of the Authority.**

b. **Vacancies. Vacancies occurring for reasons other than expiration of term will be filled as they occur by the City Council for the period of the unexpired term.**

c. **Organization. Within thirty (30) days after appointment, the Authority must meet. It will adopt rules for the transaction of business and will keep a record of the attendance of members and discussions at meetings.**

d. **Meetings. The Authority will meet at the call of the Chairperson**

e. **Duties. The Authority will expend the net proceeds of the Room Occupancy Tax as set forth in the Ordinance establishing the Room Occupancy Tax. The Authority will promote travel, tourism, and conventions in the City of Lincolnton, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects.**

The Authority will report quarterly and at the close of the fiscal year to the Lincolnton City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the City Council might require.

PASSED AND ADOPTED, this the 3rd day of December, 2015

CITY OF LINCOLNTON, NORTH CAROLINA

BY: _____
ED HATLEY, MAYOR

Attest:

_____
DONNA C. FLOWERS, CITY CLERK

(Municipal Seal)

BY-LAWS OF THE LINCOLNTON TOURSIM DEVELOPMENT AUTHORITY

ARTICLE I

AUTHORIZATION

Section 1. Name. The name of the Authority shall be the Lincolnton Tourism Development Authority, such having been established by Ordinance May 2, 2002 and amended on December 3, 2015. Such Authority granted the City Council for the City of Lincolnton, North Carolina pursuant to Session Law 2001-439, Senate Bill 92.

Section 2. Public Body. The Authority shall be a "public authority", and shall operate as such public authorities do operate under the Local Government Budget and Fiscal Control Act, and also pursuant to those Laws which govern bodies conducting meetings pursuant to the Open Meetings Law for the State of North Carolina.

Section 3. Powers and Duties. The Authority shall have the duty to promote travel and tourism within the City of Lincolnton, North Carolina, and may act as an agent to advise and assist any promotion of travel, tourism and conventions.

Section 4. Objectives and Mission. The Authority's objectives shall be to promote, solicit and encourage tourism in the City of Lincolnton, North Carolina, and to provide such services as are related to tourism. The Authority shall represent the City of Lincolnton, North Carolina, in promoting the Lincolnton area through state, national and international advertising and promotion of the City of Lincolnton for business and pleasure.

Section 5. Principle Office. The principle office of the Authority shall be located within the City of Lincolnton, North Carolina, at such place or places as members of the Authority shall so designate.

ARTICLE II

GOVERNING BODY

Section 1. That those appointments being made to the Authority, terms of office and compensation, are as set out in the Resolution adopted by the City Council for the City of Lincolnton, North on December 3, 2015, again such authority being granted to City Council under Session Law 2001-439, Senate Bill 92.

ARTICLE III

MEETINGS

Section 1. Regular and Special Meetings. The Authority shall meet as deemed necessary by the Chairman, at such place and time as determined by the members of the Authority. Special Meetings of the Authority may be called by the Chairperson or the Vice-Chairperson, at such time and place as may be designated by the Chairperson or the Vice-Chairperson.

Section 2. Open Meetings. All meetings of the Authority shall be conducted pursuant to the Open Meetings Law for the State of North Carolina.

Section 3. Quorum. That it shall be necessary for action to be taken by the Board and for a meeting to be conducted, that at least a quorum of the Authority be present.

Section 4. Voting and Rules of Procedure. All actions to be taken by the Authority shall be taken after there has been a majority vote of the voting members of the Authority present at the meeting at which there is a quorum. No voting member shall be excused from voting, except upon matters involving the consideration of his or her own financial interest or official conduct. Ownership of or in a tourism related business shall not constitute a sufficient reason to be excused, if an equal degree of general financial interest applies to other members. If, in all other cases, a failure to vote by a member who is physically present, who has withdrawn without being excused by a majority vote of the remaining members present, shall be recorded as an affirmative vote. The Authority may adopt its own rules of procedure, or in the absence thereof, "Robert's Rules of Order" shall apply. The Chairperson of the Authority shall also be a voting member.

Section 5. Minutes. Minutes of all meetings of the Authority shall be kept and maintained as a permanent record and copies of the Minutes shall be furnished to each member as soon as practical subsequent to such meeting. The minutes of the meetings shall be available for public inspection.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, Vice-Chairperson, Secretary and Treasurer. The Chairperson shall be appointed by the Lincolnton City Council.

Section 2. Chairperson. The Chairperson shall call and preside at all regular and special meetings of the Authority and make certain that lawful notices are provided to the members, to the public and to the media. The Chairperson shall be responsible for preparation of the agendas for the meetings of the Authority. That additionally, the Chairperson shall also perform such additional duties as may from time to time be designated by the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall act in the absence or disability of the Chairperson to perform the duties and exercise the office that would be performed by the Chairperson. That also, the Vice-Chairperson shall perform such other duties as from time to time may be designated to the Vice-Chairperson by the Authority.

Section 4. Secretary. The secretary shall be responsible for keeping accurate records of all acts, proceedings and minutes of all meetings of the Authority. The Secretary shall further assist the Chairperson in causing all appropriate notices to be given as are required to the public, the media and as otherwise by law required. That additionally, the Secretary shall perform all other duties as may from time to time be delegated to the Secretary by the Authority.

Section 5. Treasurer. The Treasurer shall have custody of all funds belonging to the Authority, shall receive, deposit and disburse the same under the direction for the Authority. The Treasurer shall further keep full and accurate accounts for the finances of the Authority in books especially for that purpose and shall further report to the members of the Authority and the City Council for the City of Lincolnton, North Carolina, as is required pursuant to the Ordinance and amended Resolution adopted December 3, 2015, by the City Council for the City of Lincolnton, North Carolina.

That the Treasurer of the Authority shall be the Finance Officer for the City of Lincolnton, North Carolina, and shall act in an EX Officio Finance Officer role for the Authority.

Section 6. Vacancies. Vacancies of the Authority shall be filled by the City Council for the City of Lincolnton, North Carolina.

ARTICLE V

COMMITTEES

Section 1. Committee. Committees may be established by the Authority from time to time and may be assigned such duties and responsibilities as are deemed appropriate by the Authority.

Section 2. Committee Authority. Committees shall have the duty to make recommendations as are deemed appropriate to the Authority, but shall not undertake any activity or encumber or spend any funds without the approval of the Authority.

ARTICLE VI

FISCAL AFFAIRS

Section 1. Annual Budget. The Authority shall have a fiscal year which shall begin on July 1st and end on the following June 30th. That all efforts shall be made by the Authority to create annual budgets and submit copies of the same to the Lincolnton City Council.

Section 2. Use of Occupancy Tax Proceeds. That the Authority shall use the proceeds as collected by them as a Room Occupancy Tax, as is set out in that Ordinance adopted by the City of Lincolnton, North Carolina on May 2, 2002, or as may be amended.

Section 3. Audits. The Authority shall be subject to audit by the City of Lincolnton's auditors upon reasonable notice to the Authority.

Section 4. Contract and Instruments. The Authority may authorize the Officers of the Authority to enter into contract or execute and deliver instruments, provided such have been approved by the Authority, and that the required expenditures, if any, have been provided by the Authority.

Section 5. Indemnity. The Authority shall indemnify and hold harmless any member, officer, or employee of the Authority for any loss, including reasonable expense, incurred in defense of any action or claim, resulting to such member, officer or employee as a result of serving in such capacity, except to the extent such loss might be occasioned by intentional wrongdoing.

Section 6. Reports to Lincolnton City Council. The Authority shall report quarterly and at the close of the fiscal year to the Lincolnton City Council, as to its receipts and expenditures for the preceding quarter and for the year, in such detail as the City Council shall require.

Section 7. Gifts. The Authority may accept any contribution gift, bequest or devise, for any purpose consistent with the objectives and missions of the Authority, and as may otherwise be subject to law. Authority members are subject to the Code of Ethics adopted by the City of Lincolnton as it pertains to gifts and favors.

ARTICLE VII

ADOPTION

Section 1. Adoption. These by-laws shall become the by-laws of the Lincolnton Tourism Development Authority, by adoption at a regular or special meeting of the Authority.

ADOPTED, this the **3rd** day of **December,** 2015

_____
CHAIRPERSON
Lincolnton Tourism Development Authority

_____
Secretary to the
Lincolnton Tourism Development Authority

ITEM

15

December 2015 Council Meeting

Executive Summary

October 2015 Year-To-Date

Comparative for Budgetary Purposes - Prior to Closing 2015 Fiscal Year

				% of Budget		14-15	Difference	
General Fund		15-16						
Fund 10	Revenues	4,763,490.23	(1)	40.46%		4,384,803.64	378,686.59	(1)
	Expenses	3,768,723.42	(2)	37.49%		3,521,693.06	247,030.36	(2)
	Difference	994,766.81				863,110.58	131,656.23	
Water & Sewer Fund								
Fund 61	Revenues	3,063,428.18	(3)	33.24%		3,078,616.99	(15,188.81)	(3)
	Expenses	1,465,095.11	(4)	23.09%		1,550,459.88	(85,364.77)	(4)
	Difference	1,598,333.07				1,528,157.11	70,175.96	
Electric Fund								
Fund 63	Revenues	2,903,371.58	(5)	37.50%		2,806,439.25	96,932.33	(5)
	Expenses	2,193,215.61	(6)	33.78%		2,342,240.02	(149,024.41)	(6)
	Difference	710,155.97				464,199.23	245,956.74	
Overtime	80+ hours	93,443.63				114,032.66	(20,589.03)	

(1) Tax collections up $85,000. Sales tax up $19,000. Received bank loan for vehicles $175,000.

(2) Salaries and Benefits up $97,000 due to health insurance. Purchased police cars $150,000.

(3) Water & Sewer revenues up $180,000. Late Fees up $7,000. GovDeals sales up $5,000. Miscellaneous revenue down ($216,000). We had received FEMA and Insurance claim payments for $216,000 in 2014.

(4) Salaries and Benefits up $65,000 due to filling vacant positions and health insurance. Inventory transfer up $31,000. Capital expense down ($22,000). Debt Service down ($161,000).

(5) Electric sales up $270,000. Sales tax no longer a budget line ($179,000.)

(6) Sales tax due to State no longer a budget line. Taxes collected and given directly to State. ($99,000).

ITEM

16

CITY OF LINCOLNTON

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

MEMORANDUM

TO: Mayor and City Council Members

FROM: Jeff Emory, City Manager JE

SUBJECT: Annual Budget Retreat

DATE: November 25, 2015

The City has traditionally held a budget retreat around the first of March to begin preparing the upcoming fiscal year budget. Department Heads attend this meeting and are allowed to present their budget proposals before Mayor and City Council.

I believe this process is useful as I draft the proposed budget for City Council's consideration. For the past few years we have been having our retreat all day on Friday and part of the day on Saturday. I would recommend a similar timeframe this year. A couple of dates I would like to propose are Friday, March 4th and Saturday March 5, 2016, or March 11th and March 12, 2016. Please bring your calendar so we can determine a date for the annual retreat. If you have any questions about the process of the retreat or would like to make any suggestions please do not hesitate to contact me. Thank you.

ITEM

17

Donna Flowers

From: NC League of Municipalities Event Staff [events@nclm.org]
Sent: Thursday, October 22, 2015 2:02 PM
To: Donna Flowers
Subject: Orientation for New Mayors

NC LEAGUE OF MUNICIPALITIES
Good government. Great hometowns.

UNC SCHOOL OF GOVERNMENT

Leading Your Municipal Governing Board: An Orientation for New Mayors

Managers, Administrators and Clerks: If you have a newly elected Mayor, please share this information with them as soon as possible.

This one-day orientation session is designed to help first-time mayors understand the nature of their role before they walk into that first challenging meeting as the presiding officer. It is not a substitute for the more comprehensive Essentials of Municipal Government sessions sponsored by the School of Government and the League. It will supplement those programs by giving mayors immediate help as they prepare to assume office and meet new challenges. The discussions will draw attention to the unique potential and need for leadership by the mayor as he or she works with the entire council. It will stress the importance of a strong working relationship with the city manager or other administrative staff as an integral part of his or her leadership.

Registration fee of $40 for participants will help to cover the cost of publications from the UNC School of Government and the costs of providing morning refreshments, lunch and afternoon refreshments.

Locations

Raleigh - December 3, 2015
LGFCU Quorum Conference Center
323 West Jones Street | Raleigh, NC 27603

Greenville - December 4, 2015
City Hall - 3rd Floor Gallery
200 West Fifth Street| Greenville, NC 27834

Asheville - December 9, 2015
Western Carolina University Room 346
28 Schenck Parkway | Asheville, NC 28803

Cornelius - December 10, 2015
Town Hall Room 204
21445 Catawba Avenue | Cornelius, NC 28301

Kernersville - December 11, 2015
Piedmont Triad Council Of Government
1398 Carrollton Crossing Drive | Kernersville, NC 27284

Click here to view more information or Register Today!

Having trouble with the link? Simply copy and paste the entire address listed below into your web browser:
http://www.cvent.com/d/p8FC0hgMSEulR17TFfeeSw/172d/P1/1Q?

Donna Flowers

From: UNC School of Government [announcements@sog.unc.edu]
Sent: Monday, November 16, 2015 6:10 AM
To: Donna Flowers
Subject: Upcoming Courses for Municipal Elected Officials

UNC SCHOOL OF GOVERNMENT

Courses for Municipal Elected Officials

Essentials of Municipal Government

January 8-9, 2016	Hickory
January 20-21, 2016	Chapel Hill
February 9-10, 2016	Sunset Beach
February 17-18, 2016	Asheville
March 4-5, 2016	New Bern

This two-day course is designed to help newly elected officials understand the basics of municipal government. Entire boards and managers are encouraged to attend together.

Program Topics:

- What cities and towns do and how they do it
- Governing board roles and responsibilities
- Financing municipal government
- State-mandated ethics training

To register, visit bit.ly/EMG2016.

Leading Change: A LeaderShop for Veteran Elected Officials

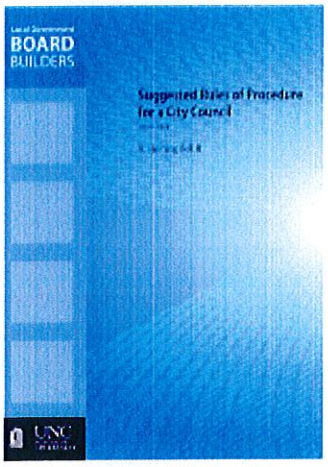
January 8, 2016	Hickory
January 20, 2016	Chapel Hill
February 9, 2016	Sunset Beach
February 17, 2016	Asheville

REGISTER NOW

For best viewing results, use the following browsers: Internet Explorer 10 or later, Safari, Mozilla Firefox, or Google Chrome.

ALSO AVAILABLE

Suggested Rules of Procedure for a City Council



This handbook in the Local Government Board Builders series covers the general principles of parliamentary procedure specifically designed for city councils

Big changes are coming for local government in North Carolina, and successful leaders should look ahead, build the right conditions for success in their communities, and create a shared vision of the future.

This interactive session will explore what the School of Government has learned from city/county elected officials, state legislators, and other opinion leaders about the issues and trends shaping North Carolina's future. Participants will have an opportunity to discuss local trends, consider ways to propel their regions toward positive prospects, and practice crafting a compelling vision statement with their peers.

This program includes a two-hour ethics training that meets the statutory requirements for local elected officials.

To register, visit bit.ly/EMG2016.

For more information: Contact Carolyn Boggs, program manager, at 919.966.4157 or boggs@sog.unc.edu.

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UNC School of Government | Knapp-Sanders Building | Campus Box 3330 | Chapel Hill | NC | 27599-3330

Courses (/courses/) | Webinars (/courses/#!/webinars)

Ethics for Local Elected Officials Live and On Demand Webinars

Norma R. Houston (/about/faculty-and-staff/norma-r-houston)

Wednesday, May 18, 2016 - 10:00am

Price: $125.00

View Cancellation Policy

FACULTY COORDINATOR

Norma R. Houston (/about/faculty-and-staff/norma-r-houston)
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