

REGULAR MEETING - MAY 5, 2016

The Mayor and City Council met in regular session on Thursday, May 5, 2016 at 7:00 p.m. in the Council Chambers of City Hall, located at 114 West Sycamore Street, Lincolnton, NC. The following Council members were in attendance:

RHYNE BLACK EADDY JETTON

Mayor Ed Hatley called the meeting to order and led the Pledge of Allegiance.

Mayor Hatley, from a request from Interim City Manager Steve Zickefoose, ask that item 10 – Presentation of the GFOA Award to the Finance Department be moved ahead of item 9 – A public hearing to officially present the budget to City Council, as some staff attending needed to leave to get home.

Councilman Black made the motion to approve the REGULAR AGENDA with the above stated amendment, moving agenda item 10 to be heard before item number 9. The motion was unanimously approved.

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

- Approved the following minutes of 2015:
 - March 18th - Planning Retreat
 - April 7th Regular Meeting
 - April 14th Recessed Meeting from April 7th
 - April 26th – Joint City/County Meeting
- Acknowledged the following PROCLAMATIONS that will be presented as requested by Mayor Hatley:
 - Older Americans Month – May 2016
 - National Nursing Home Week – May 8 – 13, 2016
- Approved the Destruction of City Records in accordance with Records Retention as submitted to the City Clerk for the following departments:
 - City Manager/City Clerk's Office
 - Finance/Utility Billing
 - Fire Department
 - Recreation Department
 - Water Treatment Plant
 - Waste Water Treatment Plant
- Approved the following Calls to Public Hearing for the June 2nd regular meeting:
 - ZTA-2-2016- Application from City of Lincolnton Planning Department requesting an amendment to Section 153.315 (I) of the Lincolnton Unified Development Ordinance in regards to rezoning protest petitions in accordance with House Bill 201.

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ZTA-3-2016- Application from City of Lincoln Planning Department requesting an amendment to the Lincoln Unified Development Ordinance regarding lot size requirements in the Residential-8 (R-8) district. The lot size requirement would be changed from 8,000 square feet to 6,000 square feet for single family dwellings.

ZMA-3-2016-Application from Goodsonville Properties LLC requesting the rezoning of approximately 2.42 acres of land from Residential-8 (R-8) to General Business (GB) District. The subject property is made up of two parcels of land located behind 2464, 2480 and 2490 East Main Street (Parcel ID 90928 & 90929).

REGULAR AGENDA:

APPLICATION FROM CHARLES R. BEECH REQUESTING THE REZONING OF 1.08 ACRES OF LAND FROM NEIGHBORHOOD BUSINESS (NB) TO GENERAL BUSINESS (GB). THE SUBJECT PROPERTY IS LOCATED AT THE SOUTHWEST CORNER OF NORTH ASPEN STREET AND INDUSTRIAL PARK ROAD (PARCEL ID 17359).

ZMA-1-2016

Mayor Hatley opened the Public Hearing. Laura Elam, Planning Director reviewed the above stated request. Laura said the front of the property is developed with a single family dwelling and the rear portion of the property includes a 3,000 square foot warehouse building and several accessory buildings. The site is bordered by an industrial use to the west, single family to the north, and single family commercial to the south and east.

The General Business District provides an array of retail, wholesale and service uses to serve the entire community, with access to the uses being primarily by automobile. The Neighborhood Business district is primarily for local business centers for retailing of merchandise such as groceries, drugs, and household items and for furnishing certain personal, business and professional services. Laura said unlike some of the other commercial zones, this district is established to serve local neighborhoods and other relatively small trading areas.

Upon review Laura said the request at hand is not in compliance with the land use plan but if the area were rezoned to GB, any use allowed in the GB District could potentially be allowed. One option for the property owner to consider, according to Laura, would be to secure a use for the property and then seek conditional use rezoning. She concluded recommending on behalf of Planning Board and staff that the rezoning request be denied due to its inconsistency with the Land Use Plan.

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Councilman Rhyne made the motion unanimously approved to close the public hearing.

Councilman Eaddy made the motion unanimously approved to accept the Planning Board and staff's recommendation, denying the rezoning.

APPLICATION FROM TRIANGLE REAL ESTATE FOR SATELLITE ANNEXATION OF APPROXIMATELY 15.5 ACRES OF LAND LOCATED ON BUFFALO SHOALS ROAD NORTH OF HIGHLAND DRIVE.

ANX-1-16

Mayor Hatley opened the Public Hearing. Laura Elam, Planning Director, reviewed the request for satellite annexation. She noted that the requested annexation does meet the requirements of the NC General Statute 160A-58, outlining five areas of compliance.

Laura said if the annexation is approved the City would provide fire and police protection. The developer would contract with a private hauler for refuse collection. Street construction and maintenance would be privately maintained by the developer/property owner and not by the City. The developer would be responsible for getting water and sewer to the site, with no additional cost to the City for this service. The portion of the Boger City Fire District debt the City would be responsible for would be \$ 81 per year through 2019.

The voting district would be added to Ward I, with the property being developed for up to 200 apartment units. If the annexation is approved the primary tax revenue source would most likely be from property taxes. The current property value, according to Lincoln County tax records, is \$ 523,272.00, which equates to about \$ 2,930 annually at the existing tax rate. Upon full build out of the property, with the planned apartment community, the value would increase significantly.

Laura reviewed the projected costs to the City with this annexation, noting costs would be minimal. She concluded recommending on behalf of the Planning Board and staff that the property be annexed as requested by the applicant.

Mr. Wayne Ratchford, the applicant, spoke explaining to Council the primary reasons for the annexation request was to be able to get City water and sewer rates for apartment residents, once built.

Mr. Edward Zioskowski, an adjoining property owner to the site requesting annexation, spoke to Council questioning if the water run-off situation from the proposed site had been addressed. Council felt this was not pertinent to the actual request for annexation and did not have information to provide regarding this question.

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With no further questions or comments regarding the actual annexation request, Councilman Eaddy made the motion unanimously approved to close the public hearing.

Councilman Black made the motion unanimously approved to grant the annex the property as requested and submitted with the effective date of the annexation beginning June 30, 2016, as requested by the Lincoln County Tax office.

PRESENTATION TO THE FINANCE DEPARTMENT FOR RECEIPT OF THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICER'S ASSOCIATION: NOTE: Action was taken to move this item ahead of the Budget Public Hearing when the regular meeting agenda was adopted.

Mayor Hatley called on Mr. Steve Zickefoose, Interim City Manager/Finance Director to come forward to be presented the Certificate of Excellence in Financial Reporting from the Government Finance Officer's Association. Mr. Zickefoose called on Mary Huffman and Rebecca Huntsinger to come forward and stand with him to accept this presentation.

The Mayor and Council congratulated Steve and the Finance department on this accomplishment noting this achievement is the highest form of recognition in governmental accounting and financial reporting and its attainment represents a significant accomplishment by a government and its management. Steve said, "It is a team effort. I want to thank my staff for their continued efforts in obtaining this award. I give them all the credit because without them receipt of this award would not be possible."

OFFICIAL PRESENTATION OF THE CITY OF LINCOLNTON 2016-2017 PROPOSED BUDGET - ITEMS PROPOSED IN THE BUDGET WILL INCLUDE; A ONE CENT REDUCTION OF THE PROPERTY TAX RATE, A ONE PERCENT REDUCTION IN WATER AND SEWER RATE ONE CENT REDUCTION IN PROPERTY TAX RATE IMPLEMENTATION OF A \$ 30.00 PER MOTOR VEHICLE TAX. THE PURPOSE OF THE HEARING IS TO RECEIVE PUBLIC COMMENT CONCERNING THE PROPOSED BUDGET FOR FISCAL YEAR 2016-2017. THE PROPOSED BUDGET ONCE PRESENTED WILL REMAIN ON FILE IN THE OFFICE OF THE CITY CLERK, SECOND FLOOR OF CITY HALL, AVAILABLE FOR PUBLIC INSPECTION. (THIS INCLUDES THE BUDGET ORDINANCE WHICH ADOPTS THE FEE SCHEDULE AS WELL)

(O-03-16)

Mayor Hatley opened the Public Hearing. Interim City Manager Steve Zickefoose, reviewed the proposed budget. Steve said the total proposed budget for fiscal year 2016-17 is \$ 27,236,047.00, and includes four major funds.

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He began by reviewing the budget highlights, noting that the proposed budget does include a one percent decrease in the current property tax rate; it includes a \$ 30 per vehicle/trailer motor vehicle tax which would generate approximately \$ 240,000 additional dollars. A one cent decrease in the water and sewer rate, which would be an annual average savings of \$ 11 dollars per year per household. No increase in the electric rate was recommended. A median business service level in Electric rate structure was included.

The proposed budget has a reserve of \$ 250,000 ,to plan for the future, set aside for salaries, to hopefully begin implementation of the Pay and Classification Study findings this will of course depend upon the study results. Steve also has \$ 150,000 set aside in fund balance for special projects. Also the budget allows for reinstitution of the certification program for Police, Fire, Water and Wastewater and will provide funding to start a K-9 program. There is one fulltime position for the Fire Department funded and two part-time positions for Recreation. There is funding for eight service vehicles and 1 skid steer bobcat that will be equipped with a snow plow. The proposed budget also restores funding to the Lincoln Cultural Center. There is funding for technology needs as well. Upon review of all funds Steve concluded saying he tried to address the needs defined and goals identified through the recent Strategic Plan. Steve thanked all department heads for their understanding of the budget and circumstances for available funding. He told Council that he appreciates their continued support especially through the budget process. He offered to entertain any questions that Council may have regarding the proposed budget.

Councilman Rhyne asked Mr. Zickefoose the amount the City is expected to receive from revenue due to the new legislation, requiring tax on services through barber shops, dog grooming, etc. Steve was unsure of the amount of revenue this new legislation would generate for Lincolnton but will keep them updates as revenues increase.

Councilman Rhyne asked for clarification on the proposed vehicle tax. The City Clerk explained that this tax is permissible for anything registered that is driven or pulled along the highway. It could include untagged vehicles which are registered to property owners but not necessarily renewed annually if Council so chooses. Gabbe Rudisill, of the Lincolnton County Tax Department was also in attendance for the meeting at the request of Mrs. Flowers, to answer any questions Council may have.

Councilman Jetton questioned if this tax would not be paying taxes on vehicles three times ? Steve Zickefoose confirmed it would. Rhyne said the reduction in the property tax rate, of one cent, would help offset this fee/tax. He felt this would be a way of having a revenue stream in place to assist with maintenance of city streets.

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Councilman Eaddy wanted clarification that \$ 25 of this money would be spent on infrastructure improvements and that future Councils could not change how that money would be spent.

Dr Eaddy said, "We went through a very sustained process to identify what our goals ought to be. I've always believed that if you don't know where you are headed, you don't how to get there." He said, " No one has walked up to me and told me everything is fine and we don't need to do anything. People have been clamoring to improve the infrastructure, business recruitment, commercial development, and those things are not going to happen unless we can sustain it. This not only sustains it, it secures it for the future. I think it is a step in the right direction."

Councilman Rhyne wanted to make sure that people know why this option is there. The state provided this opportunity to municipalities as a way to increase revenues, in lieu of previous methods offered.

Councilman Jetton felt this tax is a way to charge renters that don't pay property taxes, and he is not in favor if this.

Councilman Black said he would like to have some of the following information at our budget work session; How many miles of City streets do we have? How often should a City street be paved? Is it every seven years every ten years? These type questions can assist with determining a plan for the City to utilize for street improvements and maintenance. We would then know what stream of revenue we would need to support such schedule.

Mayor Hatley questioned how solid the Powell Bill Fund is statewide as it is funded through federal monies. Steve said he would have this information as well.

This item generated much discussion. Mayor Hatley suggested that Council take this information back, along with the public input received tonight and come back at a budget work session for discussions. He suggested May 12th or 19th as dates for a budget work session. The consensus was Thursday, May 19th at 6:00 p.m. The City Clerk will advertise the meeting accordingly as this meeting will include discussions of the recruitment of the City Manager.

Once discussions concluded from Council the Mayor opened the hearing up for discussion from residents. Mr. Dale Punch spoke first, thanking Council for their efforts toward putting together a budget that reduces tax payer's expenses toward the Hoh Happenin' event. Dale spoke against the vehicle tax. He suggested not imposing a \$ 30 fee but maybe starting with a lower amount and going up in future years if necessary.

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Mr. Robert Tomlinson spoke against the tax expressing concerns that some residents may circumvent the tax by using a different address. He was also concerned about citizens who are on a fixed income, and how they would pay the \$ 30 vehicle fee.

Mr. Tommy Huskey spoke thanking Council for giving residents time to speak to Council about issues. He expressed concerns about lowering the property tax rate one cent when there are so many infrastructure needs. He felt taxes should be raised by two cents, which would be a minimal increase to property owners. He said he would like to see a plan for Lincoln and our downtown to see the proposed improvements. He asked Council to please consider putting money in the budget for a building inspector for the City.

Mr. Edward Ziokowski spoke against the vehicle tax. He asked if this were approved when the monies would be collected. He said, "Are they due when you pay your property taxes?" Mayor Hatley confirmed they would be due when you renewed your tag and paid your car taxes, then the money would go to Lincoln County who would then send monies collected to the City.

In conclusion of the speakers, Councilman Rhyne made the motion unanimously approved to close the public hearing. *(Note: A second public hearing will be held at the June 2nd City Council meeting for the proposed budget)*

CONSIDERATION OF AWARDING CHEMICAL BIDS FOR THE WATER AND WASTEWATER TREATMENT PLANT:

(C-07-16)

Steve Peeler, Director of PW&U, requested Council award chemical bids to the following vendors:

Water Treatment Chemicals:

Liquid Alum 8.23% - Chemtrade Chemicals US LLC @ \$ 223.00 per dry ton
Caustic Soda 50% - Brenntag Mid South, Inc. @ \$ 417.54 per dry ton
Chlorine – JCI Jones Chemicals @ \$ 500.00 per cylinder
Orthophosphate 33% - Sterling Water Technologies, LLC @ \$ 3.035 per liquid gallon
Earth Tec – univar USA, Inc. @ \$ 886.00 per drum
Liquid Sodium Bisulfite – Brenntag Mid South, Inc. @ \$ 108.50 per drum
Activated Carbon – Univar USA, Inc. @ \$ 31.80 per 50 lb. bag

Wastewater Treatment Chemicals:

Liquid Sodium Hypochlorite 10% - Brenntag Mid South, Inc. @ 0.569 per liquid gallon
Liquid Sodium Bisulfite 38% - Univar USA, Inc @ \$ 1.40 per liquid gallon

NOTE: Brenntag Mid-South, Inc. EarthTec bid of \$ 880.00 per drum is rejected due to a substitution. EarthTec is a specific algicide/bactericide chemical the

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water plant uses in the reservoir. Documentation I the bid package proved the bid was based on a similar chemical and not EarthTec.

Steve concluded recommending awarding the above said bids to these low bidders as listed. He said contracts are on an annual basis guaranteed for several months.

Councilman Jetton questioned if these are the same vendors that are awarded contracts each year or if they were different vendors with low bid. Steve confirmed these are the low bidders, and sometimes bid awards change from year to year depending upon the low bid.

Councilman Eaddy made the motion unanimously approved to award the bids to the above said vendors as recommended by the Public Works & Utilities Director.

CONSIDERATION OF CONTRACT BETWEEN THE CITY AND LINCOLN COUNTY FOR THE SALE OF PROPERTY JOINTLY OWNED AT THE LINCOLNTON-LINCOLN COUNTY AIRPORT:

(C-08-16)

Mayor Hatley told Council that the contract before them was prepared by Attorney Wesley Deaton and reviewed by City Attorney TJ Wilson and would address the sale of the land as discussed at a recent joint meeting between the City and Lincoln County.

Councilman Black questioned the contract language. City Attorney Wilson said the contract is a standard agreement, including a 40 year agreement with two payments to the City. He noted the County would pay for the survey of the land, which would be a substantial amount. The next course of action would be a long term funding agreement and development of a long term plan.

After some discussion, Councilman Eaddy said that in the long term the Airport Authority would own the airport but no the industrial park. The current agreement on the table tonight is contingent upon FAA approval. The Airport Authority is currently trying to contact the FAA to make them aware of the agreement between the City and County hoping to get their approval to proceed.

Councilman Eaddy made the motion unanimously approved to enter into the agreement between the City and Lincoln County as presented.

UPDATE FROM STAFF REGARDING REQUEST TO AMEND THE CITY'S CODE TO ALLOW CHICKENS "LAYING HENS" WITHIN THE CITY LIMITS:

Mayor Hatley called on Laura Elam, Planning Director, to come forward and present information that she had found pertaining to other units of governments

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allowing chickens “laying hens” inside the City Limits. Laura provided Council with sample ordinances from several other cities for their review.

This item generated much discussion. In conclusion Council directed Laura to bring back a draft ordinance, similar to Durham’s, at the June 2nd regular meeting for their consideration.

REQUEST FOR CONSIDERATION OF FINANCIAL SUPPORT FOR LINCOLN COUNTY COALITION AGAINST CHILD ABUSE IN THE AMOUNT OF \$ 1,860.00:

Sherry Reinhardt, Executive Director for the Coalition Against Child Abuse submitted a letter to City Council requesting the above said funding amount. While she could not be in attendance to formally present she ask that Council please give consideration to her request to assist them with their continued efforts to protect Lincolnton and Lincoln County’s smallest victims. This funding if approved would assist to defer cost to investigate child abuse cases. The Coalition of Child Abuse and Child Advocacy provides medical care, advocacy, and counseling related to abuse to victims and this agency served 197 victims in 2015.

Councilman Eaddy made the motion unanimously approved to provide funds in the amount of \$ 1860.00 as requested from the 2015-16 fiscal year budget.

CONSIDERATION OF A \$ 500 GRANT MATCH FOR THE LINCOLNTON STUDENT ADVISORY COUNCIL FOR A GRANT RECEIVED FROM SCOTT’S MIRACLE GROW IN THE AMOUNT OF \$ 500:

Jill Eaddy, Advisor for the Lincolnton Student Advisory Council, submitted a letter requesting that Council consider matching grant funds recently received from Scott’s Miracle Grow. The grant amount received was \$ 500.00 to assist the Lincolnton Student Advisory Council with funding for a garden along the Marcia H. Cloninger Rail-Trail. This is the second year a grant application has been submitted by the SAC, and this year the application was successful.

Councilman Black made the motion unanimously approved to match the \$ 500 grant as requested to be used at a designated area along the Rail Trail for a garden for beautification of the trail as recommended by the SAC and the Rail Trail Advisory Committee.

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UPDATE ON INTERSECTION PROJECT AT EAST MAIN AND GENERALS BLVD.:

Laura Elam, Planning Director, told Council, told Council that TGS Engineers along with the City is working with Southeastern Consulting Engineers for burial of the City's electrical lines. Once this is complete the plans will be submitted to TGS for their approval and then forwarded tot NCDOT for their consideration.

Councilman Eaddy said, "I heard last month that the electrical was the hold up and now I am hearing again this month that electrical is still the hold up." Steve Peeler offered some explanation of the delay. Right now the plan is to put additional conduit in the ground for AT&T and other utilities besides the City. The final plans would not include telecommunications.

Mayor Hatley said there have also been additional questions from NCDOT as to who's responsibility would be what as far as sidewalks and other issues and we are still trying to work that out as well.

Councilman Eaddy questioned if the business owners along East Main Street that would be affected by the median, had been contacted. Laura said they have not. She is tentatively looking at a public information meeting that could be held in late June.

INFORMATION REGARDING A POTENTIAL RE-DEVELOPMENT GRANT FOR DOWNTOWN – CITY WOULD BE REQUIRED TO COMPLETE A PRE-APPLICATION FOR A GRANT THAT IF AWARDED COULD BE BETWEEN \$ 300,000 TO \$ 500,000:

Steve Zickefoose, Interim City Manager, told Council that the Business and Community Development department recently received notification that additional State grant funds for a Downtown Redevelopment Project have become available on a very limited basis. With potential funds available for only one additional project. The grant could range from \$ 300,000 to \$ 500,000 for a vacant or underutilized downtown commercial building. Steve said there is a potential property that would meet the criteria.

In an effort to see if the City would qualify, a pre-application form requiring the Mayor's signature had to be submitted as soon as possible. The form was sent on April 26th. If the City is approved, a formal application process would be required along with two public hearings. The property owner would be responsible for a 25% match. If successful, this would be upfront funding in the form of a forgiven loan with a four year term for the owner, Steve said. He provided this update; no official action was taken prior to the pre-application or at this meeting regarding this item.

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MONTHLY FINANCIAL REPORT & OVERTIME REPORT:

Steve Zickefoose, Interim City Manager, gave the following report to City Council:

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PUBLIC COMMENT:

Mr. Jeremy Cooper, 2998 Chestnut Road, Lincolnton said he has opened a new business in downtown, a gun store. He is hoping to get involved and plans to attend more of the City Council meetings.

Mayor Hatley thanked him for attending and choosing Lincolnton to locate his business.

NEWS MEDIA:

There were no questions from the News Media.

ADJOURNMENT:

Councilman Rhyne made the motion unanimously approved to adjourn.

DONNA C. FLOWERS, MMC
CITY CLERK

ED HATLEY
MAYOR