

REGULAR MEETING – JUNE 7, 2018

The Mayor and City Council met in regular session on Thursday, June 7th 2018 at 7:00 p.m. in the Council Chambers of City Hall, located at 114 West Sycamore Street, Lincolnton NC.

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

Mayor Hatley thanked everyone for attending, he said, “It is good to see everyone have this much interest in City government”. Council members in attendance were:

SMITH BLACK EADDY JETTON

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

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

- Approved the following meeting minutes:
 - March 23, 2018 Budget Retreat
 - May 3, 2018 – Regular Meeting
 - May 22, 2018 – Special Meeting
- Approved the following Calls to Public Hearing for the June 28th Meeting:
 - (BIG-03-2018) Consideration of a Business Incentive Grant to John Anderson to expand his building, located at 235 East Main Street, currently housing Southern Charm Winery
 - (O-07-2018) Revisions to the City’s Code – Regarding the Nuisance Ordinance
- Approved a contract (C-09)-18) between the City and Mark Knuckles Associates, Inc. for Annual Compliance Watch Consultation Services
- Approved a service contract (C-10-18) between the City and the Lincolnton Housing Authority for Community Policing

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REGULAR AGENDA

PRESENTATION TO LPD OFFICER TERRY POSEY - “LIFE SAVING MEDAL” FOR HIS MERITORIOUS SERVICE ON DECEMBER 13, 2017:

Mayor Hatley called on Chief Rodney Jordan for the presentation of a Life Saving Medal. Chief Jordan said, “On December 13th, 2017 Officer Posey was driving to work when he heard a call on the radio of a male who had accidentally shot himself in the leg. Officer Posey responded to the scene and found the subject with a self inflicted gunshot wound to the leg and bleeding profusely. The bullet had severed three arterial arteries in the right leg. The subject’s friend had tried to help by applying a belt around the leg but Officer Posey realized it was not tight enough and broke while trying to tighten further. Officer Posey ran out to a vehicle and retrieved a tourniquet and applied it properly to the leg within two minutes of the receiving the call. The actions of Officer Posey saved the victim’s leg and most likely his life.”

Chief Jordan concluded noting the command staff of the department felt it appropriate, as did he, to present Officer Posey this medal at a Council meeting.

PRESENTATIONS TO OFFICERS TERRY POSEY AND TONY POTTS FOR RECEIPT OF THEIR ADVANCED LAW ENFORCEMENT CERTIFICATES AND OFFICERS RANDY CARROLL AND ROBERT (TREY) HAYES FOR RECEIPT OF THEIR INTERMEDIATE LAW ENFORCEMENT CERTIFICATIONS:

Mayor Hatley called on Rodney Jordan, Chief of Police, to present Randy Carroll, K-9 Officer, with his Advanced Law Enforcement Certificate, noting this is the second highest award issued by hundreds of hours of continuing education and worked several years to obtain these certifications. He then called on both officers Terry Posey and Tony Potts for presentation of their Advanced Law Enforcement Certificates, which is the highest award issued by the North Carolina Training and Standards Commission.

Mayor Hatley thanked Chief Jordan for including he and City Council on these presentations.

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QUARTERLY UPDATE FROM THE LINCOLNTON STEERING COMMITTEE:

Fred Jarrett, Chair of the Steering Committee, presented the following quarterly report to Council:

1. Performed due diligence on two BIG applications:
 - BIG-2-2018 - building renovations for a new restaurant serving craft beer, fine wine, coffee, etc at the 411-B E. Main Street building.
 - BIG-3-2018 - building renovations/expansion of Southern Charm Winery at the Anderson Building at 117 N. Poplar Street.Committee recommended both be submitted to Council for approval.
2. Action Item - Additional pet waste stations in downtown area
DDA funded and worked with City to locate and install.
3. Action Item - Evaluate the Appalachian Mural Trail on-line application
DDA submitted as an agenda item. Committee discussed and Lincolnton Tourism and Development Association took action to evaluate. LTDA reported would help Lincolnton gain focus, Committee agreed and LTDA funded. Now three of Lincolnton's beautiful murals are part of the Appalachian Mural Trail. Threshing Grain, The Rail Trail Train and the Madison-Derr Iron Furnace murals beautifully depict Lincolnton's history and our community's heritage. The advantage for becoming part of the Appalachian Mural Trail is to draw high quality visitors from the Blue Ridge Parkway into the mural communities where the visitors will eat, sleep and purchase from local businesses.
LTN Article - May 2, 2018
4. Action Item - Dogs at Special Events
Formed subcommittee to review ordinances for dogs at special events. Currently working with County. County reviewing and revising their Code of Ordinances. Committee wants to have congruent ordinances.
5. Action Item - Historical Building Walking Tour Plaque Project
DDA, LTDA and City looking into possibilities for funding and installation.
6. Action Item - Established subcommittee (Cultural Center, DDA, and LEDA) to clarify roles and responsibilities for the Main Street Face Jugs/Pots on Parade.
7. Action Item - Central Business District Strategic Plan (CBDSP) Update
 - Refocused on CBDSP last meeting in April.
 - Gave membership homework assignments.

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- Held two 4 hr meetings in May and getting closer to having the plan developed.
- Unfinished part tasks to accomplished the plan objectives.
- Step through plan which follows:

Fred concluded offering to answer any questions from Council regarding his report. Dr. Eaddy and Councilman Jetton thanked Roby for his continued efforts on working with the Steering Committee for the betterment of Lincolnnton.

CONSIDERATION OF REVISIONS TO THE CITY'S BUSINESS INCENTIVE GRANT PROGRAM GUIDELINES:

Mayor Hatley opened the Public Hearing. Laura Elam, Planning Director, reviewed the following request for revisions to the Business Incentive Grant guidelines:

Background

The City's business incentive grant program has been in place for a couple years and City staff has identified the need for some relatively minor revisions to the program guidelines and application along with a couple of minor clarifications. The proposed changes are intended to provide for a more clear and simple application process while also adding in some needed design standards for downtown properties.

Recommended Revisions and Clarifications

Staff's recommended revisions and clarifications are outlined below:

	Current Application	Proposed Application
Application Requirements	Complete business plan	Brief summary of business plan
Number of criteria considered for approval	5	2

Clarification Needed	One grant per business per year	One grant per business
Ineligible Properties Specifically Identified		• Tax delinquent • Not in good standing with City utilities • National franchises • Retail chains • Primarily residential • Tax exempt
Application Form	One application for entire city	Separate applications for Downtown vs. Non-Downtown properties
Design Standards	Not addressed	Secretary of Interior Standards for Downtown

NOTE: The proposed revised business incentive grant application is attached with the edits shown through track changes. Attachment A is the proposed application for property located in the downtown area and Attachment B is the proposed application for property located within the City and outside of downtown.

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Recommendation from Steering Committee & Action requested:

Laura concluded recommending on behalf of the Planning Staff and the Downtown Steering Committee approval of the revisions as presented.

After some discussion, Councilman Black made the motion unanimously approved to close the Public Hearing.

Councilman Eaddy made the motion unanimously approved to adopt the revisions to the Business Incentive Grant Guidelines as recommended. He thanked both the Planning Department and the Steering Committee for the

CONSIDERATION OF A BUSINESS INCENTIVE GRANT APPLICATION FROM ERIKA THOMPSON FOR BUILDING RENOVATIONS FOR A NEW RESTAURANT AT 411-B EAST MAIN STREET

(BIG-2-2018)

Mayor Hatley opened the Public Hearing. Laura Elam, Planning Director, reviewed the request as follows:

Project Information

- Location: 411-B East Main Street
- Use: Building renovations for new restaurant to include the following:
 - Open up two walls and add moldings
 - Repair floors
 - Add closet
 - Install new doors
 - Add second bathroom
 - Paint walls
 - Install new window in kitchen
 - Relocate and replace electrical and add outlets throughout
 - Install new lighting
 - Restore entry doorways
 - Relocate and update ductwork
 - Install insulation in attic
 - Relocate and replace water heater
 - Install custom built, built-in bar in front room

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- Total project cost estimate: \$19,440.78
- Anticipated start: June 2018
- Anticipated completion: August 2018

Request

- \$9721 for building renovations

Laura concluded recommending on behalf of the Planning Board, and endorsement of the Steering Committee, approval of the incentive grant.

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

Councilman Eaddy made the motion unanimously approved to award the grant, in the amount of \$ 9,721.00 for building renovations as recommended.

CONSIDERATION OF APPROVAL THE PROPOSED 2018-19 FISCAL YEAR BUDGET FOR THE LINCOLNTON-LINCOLN COUNTY REGIONAL AIRPORT:

Mayor Hatley opened the Public Hearing. Steve Zickefoose, City Manager, explained the recent changes due to FAA regulations to the Lincolnton-Lincoln County Airport Authority. It was determined that both the City and Lincoln County would be the requesting sponsors for any grant funding for the airport. Steve said that both the City and Lincoln County, as sponsors, are now required to approve a budget for the airport and this requires holding a public hearing, to allow any public input for the Airport's proposed budget.

Steve told Council that \$ 918,000.00 was the total budget presented. The City's contribution would be based on the agreement that the City and County entered into several months ago, based on the sales tax distribution, which is 87% County and 13% City, which would cap our contribution to \$ 15,600.00.

After some discussion Councilman Black made the motion unanimously approved to close the Public Hearing.

Councilman Black then made the motion unanimously approved to approve the budget contingent upon no matching grant funds included and City funding would be based on proportionate share of sales tax distribution.

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PUBLIC HEARING TO RECEIVE COMMENT ON THE PROPOSED 2018 – 2019 FISCAL YEAR BUDGET FOR THE CITY OF LINCOLNTON – TOTAL PROPOSED BUDGET IS \$ 27,735,740.00:

(O-05-18)

Mayor Hatley opened the Public Hearing. Steve Zickefoose, City Manager, reviewed the budget highlights as follows:

General Fund 11,271,936

- No tax rate increase
- Reduced fund balance appropriation by \$150,000 (\$785,301 vs 635,770)
- Health Insurance additional costs: Retirees- \$67,000 ; Active- \$55,000
- Continue K-9 program by adding a third team
- RMS program for Police Department
- Fire Department Grant for 3 firefighters- City cost \$32,000
- Purchase automated garbage truck
- Implement Building Inspections program
- Providing year three funding for DDA administrative position
- \$150,000 from NCMVT for street paving
- Year Two of Program for Fleet Management with Enterprise to replace 13 vehicles
- Continue restructuring solid waste program to improve efficiencies and cost savings
- Budgeted \$183,000 for capital projects
- Budgeted \$66,100 for equipment needs
- Budgeted \$103,000 for building improvements
- Budgeted \$285,000 for vehicles
- A 2% Cost of Living Adjustment to employees

Water and Sewer Fund 8,378,540

- No rate increase
- Water Plant repairs
- Health Insurance additional costs: Retirees- \$94,000 ; Active- \$19,000
- Wastewater Plant repairs
- Decrease Distribution and Collection funds \$60,000 for system maintenance

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- Purchase Vac Truck to maintain sewer lines: Using system maintenance savings for payments
- Meter replacements for efficiency
- Replacing 1 vehicle as part of Fleet Management program
- Budgeted \$341 ,450 for capital projects
- Budgeted \$41,0 0 0 for equipment needs
- Budgeted \$20,0 0 0 for building improvements
- Budgeted \$398,50 0 for vehicles
- A 2% Cost of Living Adjustment to employees

He concluded recommending Council approve the \$ 27,735,740.00 budget for the 2018-19 fiscal year. *NOTE: Action on this item, after closing the Public Hearing, includes adopting the Budget Ordinance (O-05-18)) and 2018-19 schedule of fees*

Fred Jarrett spoke commending the City for all the good things with no tax increase or increase in utility rates. He thanked them for being good stewards of the tax payer's money.

Having no others speak during the Budget Public Hearing, Councilman Black made the motion unanimously approved to close the Public Hearing.

Councilman Eaddy made the motion unanimously approved to adopt the 2018-19 proposed budget as presented.

PUBLIC HEARING TO CONSIDER THE FOLLOWING AMENDMENT TO THE CITY'S CODE OF ORDINANCES, REGARDING TRAFFIC:

(O-06-18)

Mayor Hatley opened the Public Hearing. City Manager Steve Zickefoose reviewed the following proposed revisions to the City's Code:

Chapter 74 TRAFFIC SCHEDULES -

Schedule I: – STOP INTERSECTIONS –

ADD: S. Academy/East Rhodes St
East Park Drive/East Rhodes
West Park Drive/East Rhodes

REMOVE: East Rhodes/South Poplar

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Schedule II: – TRAFFIC CONTROL SIGNAL LIGHT LOCATIONS

ADD: South Poplar/East Rhodes

REMOVE: South Academy/East Park Drive and East Rhodes
(gymnasium intersection)

Schedule VII: - SPEED LIMITS ON CITY MAINTAINED STREETS

REDUCE SPEED: Forney Avenue from 35 mph to 25 mph (Victor
St to Bonview Avenue)

Green Street from 35 mph to 25 mph (East Main to Huss St)

Schedule IX: NO RIGHT TURN ON RED –

ADD: East Rhodes and South Poplar Street

Chapter 75 - PARKING SCHEDULES

Schedule I: - PARKING PROHIBITED AT ALL TIMES –

ADD: East Pine Street from Aspen St to Oak Street (South Side)
South Poplar Street/East Rhodes Street – from intersection
curb edges extending thirty five feet – ALL sides

The City Manager further reviewed several changes since the above revisions were documented. Chief Jordan spoke to several proposed changes in Chapter 74, telling Council some were a result of citizens requesting reducing the speed limit on two City streets.

After some discussion, Councilman Black made the motion unanimously approved to close the Public Hearing.

Councilman Jetton made the motion unanimously approved to adopt the changes with the revisions reviewed by the City Manager. The City Manager is to get the City Clerk a copy of the correct revisions so she can submit to American Legal to update the City's online version of the Code of Ordinances and the hard copy version.

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**CITY OF LINCOLNTON – 2018– 2019 SALARY SCHEDULE /
SCHEDULE OF BUDGETED POSITIONS**

(R-06-18)

Tanya Osborne, HR Director, requested Council consider adopting the following resolution:

WHEREAS, the proposed 2018-19 fiscal year budget has been prepared by the City Manager and presented to the Mayor and City Council; and

WHEREAS, the proposed 2018-19 fiscal year budget includes a recommended salary schedule and schedule of budgeted positions;

NOW, THEREFORE, BE IT RESOLVED, that the City of Lincolnton adopts the “Salary Schedule”, and “Schedule of Budgeted Positions”, as attached to this resolution, for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

Adopted this the 7th day of June 2018.

Councilman Eaddy made the motion unanimously approved to adopt the resolution as presented, setting the salary schedule and list of budgeted positions for 2018-19 fiscal year.

**RESOLUTION AUTHORIZING THE LINCOLNTON FIRE
DEPARTMENT TO APPLY FOR A FEMA (SAFER) GRANT THAT
WOULD ALLOW THE CITY TO EMPLOY THREE (3) GRANT
FUNDED FIREFIGHTER POSITIONS -**

(R-07-18)

Ryan Heavner, Fire Chief, requested that Council consider adopting the following resolution:

RESOLUTION OF INTENT
TO PROVIDE MATCHING FUNDS
FOR A POTENTIAL GRANT FROM THROUGH
FEMA (SAFER GRANT) TO PROVIDE ADDITIONAL STAFFING
FOR ADEQUATE FIRE & EMERGENCY RESPONSE

(R-07-18)

WHEREAS, the Lincolnton Fire Department desires to improve staffing levels to be more aligned with nationwide standards of safe staffing for the fire service; and

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WHEREAS, the Lincolnton Fire Department has researched various opportunities that may provide financial assistance and or additional personnel to the department; and

WHEREAS, the Mayor and City Council, through this resolution, approve submittal of a grant application to the SAFER program operated and managed through the Federal Emergency Management Association (FEMA) for three (3) grant funded firefighter positions;

NOW, THEREFORE BE IT RESOLVED by the Mayor and City Council, that should the grant be awarded, the City would provide matching funds over a three (3) year time frame, with the first and second year requiring a 25 % match or \$ 33,100.00 per year. The third year would require a 35% match or \$ 85,890.00. After the three (3) year period the City would be responsible for 100% of the employees' salaries and benefits.

Adopted this the 7th day of June, 2018.

Councilman Jetton made the motion unanimously approved to adopt the resolution, endorsing the grant application submittal for the three new firefighter positions, as recommended.

RESOLUTION AUTHORIZING THE CITY TO ENGAGE IN ELECTRONIC PAYMENTS-(BOTH THE USE OF AND RECEIPT OF FUNDS FOR PAYMENTS WITH CREDITS CARDS)

(R-08-18)

Steve Zickefoose, City Manager, recommended City Council adopt the following resolution:

A RESOLUTION OF THE CITY OF LINCOLNTON, NORTH
CAROLINA

AUTHORIZING TO ENGAGE IN ELECTRONIC PAYMENTS AS
DEFINED BY G.S. 159-28 OR G.S. 115C-441

(R-08-18)

WHEREAS, it is the desire of the City Council that the City of Lincolnton is authorized to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441;

WHEREAS, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the City Manager, to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;

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WHEREAS, it is the responsibility of the Finance Officer, who is appointed by and serves at the pleasure of the City Manager, to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLNTON, NORTH CAROLINA, AS FOLLOWS:

Section 1. Authorizes the City of Lincolnton to engage in electronic payments as defined by G.S. 159-28 or G.S. 115C-441;

Section 2. Authorizes the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409;

Section 3. Authorizes the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410; and

Section 4. This resolution shall take effect upon adoption.

Councilman Smith made the motion unanimously approved to adopt the resolution as recommended by the City Manager.

CONSIDERATION OF ADDITION TO THE ADMINISTRATIVE POLICY MANUAL – UNIFORM GUIDANCE PROCUREMENT; AS IT RELATES TO THE USE OF FEDERAL FUNDS UTILIZING FEDERAL GUIDELINES:

(P-02-18)

Steve Zickefoose, City Manager, recommended that Council adopt the following policy as outlined in Section three of the above resolution approved by City Council: **Uniform Guidance Procurement Policy**

For North Carolina Local Governments

Comment: When spending federal grant and loan award funds, local governments are required to adopt written procurement policies that confirm to applicable federal law and the Uniform Guidance. (2 C.F.R. § 200.318(a)) This sample policy contains language found in the relevant sections of the Uniform Guidance, 2 C.F.R. Part 200, relating to procurement requirements. Local governments should review their own local policies and consult with their attorneys to make modification as needed to conform to local purchasing practices (such as approval processes and use of purchasing cards and purchase orders) when adopting this policy. For individual contracts, local governments also should consult their

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grant award documents and with their federal grantor agency to determine whether additional procurement requirements apply.

I. Purpose

The purpose of this Policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract.

II. Policy

A. Application of Policy. This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any sub recipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

B. Compliance with Federal Law. All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200.326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. City of Lincoln] will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should the City of Lincoln have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

C. Contract Award. All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.

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- D. **No Evasion.** No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.
- E. **Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R. § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
- F. **Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
- G. **Approval and Modification.** The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

III. General Procurement Standards and Procedures:

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Purchasing Department and/or the Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.
- B. **Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.

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- C. Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a “Not to Exceed” amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.
- F. Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.
- G. Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- H. Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.

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- I. Documentation.** Documentation must be maintained by the Purchasing Department and/or the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor's responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.
- J. Cost Estimate.** For all procurements costing \$150,000 or more, the Purchasing Department and/or Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.
- K. Contract Requirements.** The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this Policy.
- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder's list.
- M. Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.

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O. Geographic Preference. No contract shall be awarded on the basis of a geographic preference.

IV. Specific Procurement Procedures

Either the Purchasing Department or the Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

A. Service Contracts (except for A/E professional services) and **Purchase Contracts costing less than \$3,500** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, purchases must be distributed among qualified suppliers.

B. Service Contracts (except for A/E professional services) and **Purchase Contracts costing \$3,500 up to \$90,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids.
4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
5. Award the contract to the lowest responsive, responsible bidder.

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C. Service Contracts (except for A/E professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

D. Service Contracts (except for A/E professional services) **costing \$150,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.

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3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

E. Construction and repair contracts costing less than \$3,500 shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, contracts must be distributed among qualified suppliers.

F. Construction and repair contracts costing \$3,500 up to \$150,000 shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:

1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
4. Award the contract on a fixed-price or not-to-exceed basis.
5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

G. Construction and repair contracts costing \$150,000 up to \$500,000 shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

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1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

H. Construction and repair contracts costing \$500,000 and above shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”

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4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”

I. Construction or repair contracts involving a building costing \$300,000 and above must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

J. Contracts for Architectural and Engineering Services costing under \$150,000 shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.

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3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

K. Contracts for Architectural and Engineering Services costing \$150,000 or more shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publically advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.

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9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

V. Exceptions

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Purchasing Department and/or Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.
- B. Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.
- C. Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.
- D. Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.
- E. Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

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MONTHLY FINANCIAL & OVERTIME REPORT:

Steve Zickefoose, City Manager, reviewed the following financial report:

June 2018 Council Meeting Executive Summary April 2018 Year-To-Date

General Fund		Budget 17-18	Actual 17-18	% of Budget	Budget 16-17	Actual 16-17	Difference
Fund 10	Revenues	10,252,739	8,717,708	79%	10,662,262	8,433,542	284,166
	Fund Balance	785,301	-	-	1,366,107	-	-
		11,038,040	8,717,708		12,028,369	8,433,542	284,166
	City Manager/Clerk	333,365	242,792		309,730	183,732	59,060
	Human Resources	235,030	171,964		215,848	155,562	16,402
	Finance	279,012	139,270		273,609	64,914	74,356
	General Expense	809,520	746,871		878,154	611,503	135,368
	General Debt Service	463,524	371,363		425,535	313,861	57,502
	Police	3,344,770	2,674,227		3,153,942	2,496,023	178,204
	Fire	2,030,690	1,695,281		2,206,450	1,651,614	43,666
	Public Works	181,356	61,878		246,538	44,943	16,934
	Street	1,229,141	579,112		1,534,891	703,973	(124,861)
	Equipment Services	132,120	102,732		157,819	121,464	(18,731)
	Solid Waste	718,328	474,865		820,485	579,959	(105,094)
	General Services	-	-		212,559	161,063	(161,063)
	Plannin/Zoning	277,060	210,592		276,258	183,338	27,253
	Bus & Comm. Dev	132,454	140,826		160,693	72,930	67,896
	Recreation	871,670	822,902		1,155,858	667,437	155,466
	Expenses	11,038,040	8,434,674	76%	12,028,369	8,012,316	422,358
	Difference		283,034			421,226	(138,192)
Water & Sewer Fund		Budget 17-18	Actual 17-18	% of Budget	Budget 16-17	Actual 16-17	Difference
Fund 61	Revenues	7,449,995	6,894,169	88%	7,867,135	6,767,559	126,611
	Fund Balance	390,000	-		1,265,399	-	-
		7,839,995	6,894,169		9,132,534	6,767,559	126,611
	Water Treatment	1,501,500	1,163,446		1,476,528	1,091,972	71,474
	Dist & Collection	1,356,250	1,079,232		2,390,175	1,944,160	(864,928)
	Wastewater	1,537,900	1,085,562		1,648,076	1,112,298	(26,736)
	W & S Intangibles	3,444,345	3,374,033		3,617,755	3,508,814	(134,781)
	Expenses	7,839,995	6,702,273	85%	9,132,534	7,657,244	(954,971)
	Difference		191,896			(889,685)	1,081,581
Electric Fund		Budget 17-18	Actual 17-18	% of Budget	Budget 16-17	Actual 16-17	Difference
Fund 63	Revenues	7,791,714	6,885,798	88%	8,000,000	6,843,269	42,529
	Fund Balance	-	-		79,000	-	-
		7,791,714	6,885,798		8,079,000	6,843,269	42,529
	Electric Dept.	7,791,714	6,003,950		8,079,000	5,757,623	246,328
	Expenses	7,791,714	6,003,950	77%	8,079,000	5,757,623	246,328
	Difference		881,848			1,085,647	(203,799)

Overtime	80+ hours	301,131	*	267,676	33,455
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- * 3 January Paydays
- * Snow Removal
- * Frozen Water Lines

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DISCUSSION OF TERM LIMITS:

Mayor Hatley called on Councilman Jetton to discuss his proposal for the City to consider term limits for municipal elected officials. The draft proposal was as follows:

WHEREAS, term limits improve citizen access to office; and

WHEREAS, term limits broaden the level of experience in a political body; and

WHEREAS, term limits assure that elected officials are responsive to the citizens; and

WHEREAS, term limits allow council members to focus on issues instead of re-election;

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Lincolnton are proponents of term limits in Municipal offices:

BE IT FURTHER RESOLVED that a copy of this Resolution be recorded in the official meeting minutes of the City of Lincolnton and a copy be provided to the State and Local Government II, House Standing Committee Members:

Councilman Jetton said this is something he has believed in all his life and he asked that Council consider placing this item on the June 28th meeting for consideration. Councilman Smith said the General Assembly would have to request a change to the constitution before this could be considered for approval. After some discussion Mayor Hatley suggested placing this item on the June 28th agenda for public input and consideration of adoption.

CLOSED SESSION –

Councilman Black made the motion unanimously approved to enter into Closed Session to discuss Personnel in accordance with NCGS 143.318.11(a)(1)(5) and to discuss Property.

Councilman Eaddy made the motion unanimously approved to return to Regular Session.

During the closed session property acquisition was discussed and consensus was taken on approving the following resolution (R-09-18) authorizing the City Manager to negotiate on behalf of the City, the purchase of real property located at 701 East main Street:

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RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND PURCHASE CERTAIN PROPERTY (R-09-18)

WHEREAS, the Mayor and City Council of the City of Lincolnton desires to allow the City Manager to negotiate and or purchase real property, located at 701 East Main Street, Lincolnton North Carolina on behalf of the Lincolnton City Council;

1. The Lincolnton City Council, on May 22nd, 2018, by unanimous vote authorized the Lincolnton City Manager to bid electronically place a bid on said property described below in accordance with NCGS 143-318.11(a)(1)(5).

BEGINNING at a point located N 02 59'18" E 49.30' from the center of a sanitary sewer manhole located in the centerline intersection of East Main Street and North Flint Street, being the point and place of beginning; running thence with the easterly margin of North Flint Street, N 20 30'00" W 204.57' to a point on the southerly margin of East Sycamore Street; then with the southerly margin of East Sycamore Street N 70 24'36" E 250. 19' to a point; thence with the property of Neills Music Center (Deed Book 503, Page 808) S 19 52'51" E 207.36' to a point on the northerly margin of East Main Street; thence with the northerly margin of East Main Street S 71 02'36" W 248.01" to the point and place of beginning. Said parcel containing 1.178 acres +/-.
(see attached map)

2. The City Manager, at the direction of the Lincolnton City Council, submitted a successful bid through the live auction process, held on Thursday, May 24th, acquiring the above said real property. The Lincolnton City Council hereby authorizes the City Manager to transfer funds in the amount of \$ 690,000.00, plus the Purchaser's Premium for a total amount equal to \$ 759,000.00, to SPIRIT EK Lincolnton, LLC f/k/a Cole EK Lincolnton NC, LLC, a Delaware limited liability company.

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3. The Lincolnton City Council further resolves that the City Manager be authorized to conclude this transaction and any other paperwork necessary to finalize the sale.

Councilman Eaddy made the motion unanimously approved to adopt the above resolution as recommended.

CONSIDERATION OF BUDGET AMENDMENT – ELECTRIC FUND:

(BA-03-2018)

Steve Zickefoose, City Manager, reviewed the following budget amendment as a result of the closed session discussion:

BE IT ORDAINED by the Governing Board of the City of Lincolnton, North Carolina, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2018.

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

<u>ACCOUNT NUMBER</u>	<u>DEPARTMENT/ACCOUNT DESCRIPTION</u>	<u>INCREASE</u>	<u>DECREASE</u>
	<u>GENERAL EXPENSE</u>		
10-00-4280-991	Contingency		30,000.00
<u>ACCOUNT NUMBER</u>	<u>DEPARTMENT/ACCOUNT DESCRIPTION</u>	<u>INCREASE</u>	<u>DECREASE</u>
	<u>POLICE</u>		
10-10-4310-505	Police Building	1,000,000.00	0.00
	<u>PARKS AND RECREATION</u>		
10-80-6100-121	Salaries	22,000.00	-
10-80-6100-126	Part Time Salaries	8,000.00	-
		<u>1,030,000.00</u>	<u>30,000.00</u>

This will result in a net increase of \$ 1,000,000.00 expenditures of the General Fund. To balance the adjustments to the budget, the following revenues have also been changed with a corresponding net effect.

<u>ACCOUNT NUMBER</u>	<u>DEPARTMENT/ACCOUNT DESCRIPTION</u>	<u>INCREASE</u>	<u>DECREASE</u>
	<u>MISCELLANEOUS</u>		
10-00-3911-900	Loan Proceeds	1,000,000.00	0.00
		<u>1,000,000.00</u>	<u>0.00</u>

Councilman Black made the motion unanimously approved to adopt the budget amendment, allocating a loan from the electric fund to the general fund to purchase and renovate the property discussed above for the Lincolnton Police Department.

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PUBLIC COMMENT:

Chief Jordan, on behalf of the police officers, thanked City Council for the action taken to purchase property and allow for a new location for the Lincoln Police Department.

NEWS MEDIA:

Wayne Howard of the Lincoln Herald asked Council when they felt the Police Department would be able to move into the new building, and a timeframe for renovations.

Mayor Hatley and Councilman Eaddy said there should be a design team appointed, of management and Police Personnel, and hopefully after a design is complete maybe within one year. Wayne also asked about the savings to the City with no longer renting a separate building for the detectives division. Steve Zickefoose said there would be a substantial monthly savings once the department is combined again into the renovated facility.

ADJOURNMENT:

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

DONNA C. FLOWERS, MMC
CITY CLERK

ED HATLEY
MAYOR