

REGULAR MEETING - February 2, 2023

The Mayor and City Council met in regular session on Thursday, February 2, 2023 at 7:00 PM. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton, North Carolina. The following members were in attendance:

DEMENY

POINSETTE

TIPTON

JETTON

CALL TO ORDER

Mayor Ed Hatley call the meeting to order

MOMENT OF SILENCE

A moment of silence was observed

PLEDGE OF ALLEGIANCE

Mayor Hatley asked those in attendance to stand as he led the pledge of allegiance

Approval of REGULAR AGENDA

Councilmember Poinsette made a motion to approve the Regular Agenda. Members voted 4-0 in favor of the motion.

Approval of CONSENT AGENDA

Councilmember Tipton made a motion to approve the Consent Agenda. Members voted 4-0 in favor of the motion. All items placed under the Consent Agenda were enacted by one motion without discussion. Items listed as follows: *A copy of the resolutions are attached to and made a part of these minutes.*

- **Approval of Minutes from the January 5, 2023 Regular Meeting**
- **R-03-23 - Resolution declaring Police Department K9 "Nash" as retired and surplus to the City**
- **R-04-23 - Resolution declaring Police Department K9 "Chase" as retired and surplus to the City**

PRESENTATION

Presentation of Advanced Law Enforcement Certificate - Sgt. Devane Rushing

Chief Rodney Jordan presented Sgt. Devane Rushing with the Advanced Law Enforcement Certificate she recently earned. Chief Jordan stated that the Advanced Law Enforcement Certificate is the highest award issued by North Carolina Training and Standards and he spoke to the hundreds of hours of training logged to earn the certificate. Chief Jordan congratulated Sgt. Rushing on her accomplishment and thanked her for her dedication and service.

Presentation of GFOA's Certificate of Achievement for Excellence in Financial Reporting

City Manager Ritchie Haynes recognized the City's finance department as they, once again, have earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting. Mrs. Pam McBryde, Finance Director, was in attendance.

PUBLIC COMMENT

No one requested to speak during this portion of the meeting

PUBLIC HEARINGS

ANX-3-2022

Consideration of Annexation of Property located on the east side of Startown Road approximately 950 feet from Clarks Creek Road (Parcel IDs 16937, 21509, 21507, 21508 and 21510)

Mayor Ed Hatley opened the Public Hearing, recognizing Planning Director Jean Derby, who addressed the Council regarding the request. Mrs. Derby reviewed the request to adopt an ordinance to extend the corporate limits of the city of Lincoln. She reminded members of the location (property located on the east side of Startown Road approximately 950 feet from Clarks Creek Road) and explained the request as being the last step needed for the proposed Carpenter Farms development. She also reminded councilmembers that the conditional zoning was approved, and that annexing the property will allow the city to collect tax revenue from the property owners. In response to a question from Councilmember Jetton, it was confirmed that once annexed, the same city services will be provided for the area. Mr. Freddie Carpenter, the former land owner, spoke in favor of the request. *A copy of the ordinance is attached to and made a part of these minutes.*

Councilmember Jetton made a motion to close the public hearing. Members 4-0 in favor of the motion.

Councilmember Poinsette made a motion to adopt the Ordinance to annex. The motion to approve passed 3-1 with Councilmembers Demeny, Poinsette and Tipton voting in favor of the motion and Councilmember Jetton voting no.

REGULAR AGENDA

Consideration to Accept Subdivision Infrastructure Contract and Surety Bond/Cash

Jean Derby, Planning Director, reviewed a request to consider accepting a subdivision infrastructure contract and surety bond/cash. Mrs. Derby explained the details of the request and why it is needed. She presented a copy of the proposed contract, along with several other supporting documents, stating that the developer has agreed to furnish cash, a letter of credit, a certificate of deposit or a surety bond in a form approved by the city in the amount of \$74,437.50.

Councilmember Tipton made a motion to approve and accept the contract. Members voted 4-0 in favor of the motion

2021-2022 - Audit Presentation

Ms. Carol Avery of Lowermilk Churdh & Co., L.L.P. formally presented the 2021-2022 Audit. Mrs. Avery distributed copies to each individual and briefly addressed the highlights of the report. She offered to answer any questions concerning the report. *A copy of the audit report highlights is attached to and made a part of these minutes.*

C-01-23

Consideration of Contract between the City of Lincolnton and Lowdermilk Church & Co., L.L.P. for the 2022 audit.

Finance Director Pam McBryde appeared before the Council to request the approval of a contract with Lowdermilk Church & Company, L.L.P. to audit accounts for the upcoming fiscal year 2022-2023. Mrs. McBryde informed of a proposed audit fee of \$35,700.00.

Councilmember Jetton made a motion to approve. Members voted 4-0 in favor of the motion.

BA-02-23

Budget Amendment to record adjustments to the General Fund, Boger City Fire District, Powell Bill Fund, Water & Sewer Fund, and Electric Fund

Councilmember Christine Poinsette made a motion to approve the proposed budget amendment as presented. Finance Director Pamela McBryde briefly addressed and explained the needed adjustments to the General Fund, Boger City Fire District, Powell Bill Fund, Water and Sewer Fund, and Electric Fund.

Managers Report/Update

City Manager Ritchie Haynes reported on several things, beginning with dates to remember. He also reminded members of the scheduled budget retreat on March 17th and encouraged them to submit any items they would like to discuss during that time. Mr. Haynes informed councilmembers that a Request For Qualifications (RFQ) for the new Public Service Center is forthcoming, and he invited anyone wishing to tour the facility to contact him.

Continuing, he stated that the Steering Committee is in the process of developing a Request for Proposals (RFP) for the Welcome Center, as well as a Request for Qualifications (RFQ) for the Streetscape Project. Mr. Haynes reported on successfully obtaining a contact at Norfolk Southern regarding purchasing the abandoned railroad corridor and what this could potentially mean for the city in terms of expanding the rail-trail. He also gave an update on the homeless task force.

Police, Fire and Distribution and Collections employees were commended for outstanding performance in recent weeks. Mr. Haynes brought attention to the custom display cabinets recently installed and thanked both the Utility Billing and Finance Departments heading up this project. Mr. Haynes thanked Public Works employees for their dedication and the excellent job they are doing as well. In conclusion, Mr. Haynes informed council of the decision to move forward with only allowing city-issued rollouts to be used beginning on January 1st, 2024. A campaign will take place in March, June and September to inform citizens of the change.

NEWS MEDIA

In response to one question from Mr. Wayne Howard, Chief Rodney Jordan informed that he would forward information regarding the homeless count when received.

ADJOURNMENT

Being no other business, Councilmember Roby Jetton made a motion to adjourn. Members voted 4-0 in favor of the motion.

DAPHNE INGRAM, CMC
CITY CLERK

ED HATLEY
MAYOR

R-03-23

**A RESOLUTION OF THE CITY OF LINCOLNTON ACKNOWLEDGING
THE SERVICE OF POLICE DOG “NASH”, DECLARING HIM AS
SURPLUS, AND AUTHORIZING HIS DISPOSITION TO HIS HANDLER**

WHEREAS, the City of Lincolnton has been well served by its police dog “Nash”, who has served the Lincolnton Police Department and its citizens for many years; and

WHEREAS, it is time for “Nash” to retire as a police dog; and

WHEREAS, although he has been a valuable member of the police department, he is considered personal property, and as such, the City must declare him as “surplus” for purposes of disposing of him; and

WHEREAS, the Lincolnton City Council finds that the City is unlikely to receive significant value through a sale of “Nash”, and the City wishes to make sure that he spends the rest of his life with his beloved handler; Sgt. Randy Carroll;

NOW, THEREFORE, the City of Lincolnton, acting by and through the Lincolnton City Council, does hereby resolve as follows:

1. The Lincolnton City Council recognizes the valuable contributions Made by “Nash”, its eight year old K-9, to the citizens of Lincolnton.
2. “Nash” is hereby declared surplus to the needs of the City and should be permitted to retire.
3. City staff is authorized and directed to transfer “Nash” to his handler Sgt. Randy Carroll, per the Bill of Sale attached hereto as Exhibit “A”

Adopted this 2nd day of February, 2023

ATTEST:

Ed Hatley, Mayor

Daphne Ingram, City Clerk

R-04-23

**A RESOLUTION OF THE CITY OF LINCOLNTON ACKNOWLEDGING
THE SERVICE OF POLICE DOG “Chase”, DECLARING HIM AS
SURPLUS, AND AUTHORIZING HIS DISPOSITION TO HIS HANDLER**

WHEREAS, the City of Lincolnton has been well served by its police dog “Chase”, who has served the Police Department and its citizens for many years; and

WHEREAS, it is time for “Chase” to retire as a police dog; and

WHEREAS, although he has been a valuable member of the police department, he is considered personal property, and as such, the City must declare him as “surplus” for purposes of disposing of him; and

WHEREAS, the Lincolnton City Council finds that the City is unlikely to receive significant value through a sale of “Chase”, and the City wishes to make sure that he spends the rest of his life with his beloved handler; Sgt. Devane Rushing;

NOW, THEREFORE, the City of Lincolnton, acting by and through the Lincolnton City Council, does hereby resolve as follows:

1. The Lincolnton City Council recognizes the valuable contributions Made by “Chase”, to the citizens of Lincolnton.
2. “Chase” is hereby declared surplus to the needs of the City and should be permitted to retire.
3. City staff is authorized and directed to transfer “Chase” to his handler Sgt. Devane Rushing, per the Bill of Sale attached hereto as Exhibit “A”

Adopted this 2nd day of February, 2023

ATTEST:

Ed Hatley, Mayor

Daphne Ingram, City Clerk

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF LINCOLNTON, NC

WHEREAS, the Lincolnton City Council has been petitioned under G.S. 160A-58.1 to annex the area described below; and

WHEREAS, the Lincolnton City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, the City Clerk has certified the sufficiency of the petition and a public hearing on the question of this annexation was held in the Council Chambers of the Lincolnton City Hall at 7:00 p.m. on February 2, 2023, after due notice by publication and posting on January 18, 2023; and

WHEREAS, the Lincolnton City Council finds that the area described therein meets the standards of G.S. 160A-58.1(b), to wit:

- a. The nearest point on the proposed satellite corporate limits is not more than three (3) miles from the corporate limits of the City;
- b. No point on the proposed satellite corporate limits is closer to another municipality than to the City;
- c. The area described is so situated that the City will be able to provide the same services within the proposed satellite corporate limits that it provides within the primary corporate limits;
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation;
- e. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, does not exceed ten percent (10%) of the area within the primary corporate limits of the City; and

WHEREAS, the Lincolnton City Council further finds that the petition has been signed by all the owners of real property in the area who are required by law to sign; and

WHEREAS, the Lincolnton City Council further finds that the petition is otherwise valid, and that the public health, safety and welfare of the City of Lincolnton and of the area proposed for annexation will be best served by annexing the area described;

NOW, THEREFORE, BE IT ORDAINED by the Lincolnton City Council of the City of Lincolnton, North Carolina that:

Section 1. By virtue of the authority granted by G.S. 160A-58.2, the following described non-contiguous territory is hereby annexed and made part of the City of Lincolnton, as of February 2, 2023:

ANNEXATION DESCRIPTION COMMENCING AT NCGS MONUMENT WHITENER, HAVING GRID COORDINATES OF N: 657,394.84 E: 1,326,513.98, FROM SAID POINT OF COMMENCEMENT S 01°04'58" E - 4034.91' TO NCGS MONUMENT CHAPMAN, HAVING NCGS COORDINATES OF N: 653,361.12 E: 1,326,590.22, FROM SAID NCGS MONUMENT S 10°54'48" E - 5, 111.34' TO AND EXISTING #4 REBAR, SAID REBAR BEING THE POINT OF BEGINNING, SAID POINT OF BEGINNING ALSO BEING A COMMON CORNER WITH SUSAN P. HARRIS ETAL. (14E-96), FROM SAID POINT OF BEGINNING AND FOLLOWING WITH THE COMMON PROPERTY OF SUSAN P. HARRIS ETAL. S 89°56'23" E - 841.50' TO AN EXISTING #4 REBAR, THENCE CONTINUING WITH SUSAN P. HARRIS ETAL. S 47°56'23" E - 2,095.00' TO AN EXISTING #4 REBAR, THENCE CONTINUING WITH SUSAN P. HARRIS ETAL. S 47°56'23" E - 50.00' TO A POINT IN THE CENTER OF CLARK'S CREEK, ALSO BEING A COMMON CORNER WITH TROY A. MOTZ (3082/001), THENCE CONTINUING WITH THE CENTERLINE OF CLARK'S CREEK AND THE COMMON LINE WITH TROY A. MOTZ THE FOLLOWING TEN CALLS:

- 1) S 21°04'57" W - 92.18' TO A POINT
- 2) S 23°17'36" W - 185.78' TO A POINT
- 3) S 28°19'10" W - 96.27' TO A POINT
- 4) S 24°05'34" W - 156.04' TO A POINT
- 5) S 18°29'44" W - 185.15' TO A POINT
- 6) S 30°04'06" W - 249.67' TO A POINT
- 7) S 11°17'12" W - 171.00' TO A POINT
- 8) S 23°02'24" W - 172.73' TO A POINT
- 9) S 12°33'44" W - 238.87' TO A POINT
- 10) S 15°00'47" W - 100.43' TO A POINT, ALSO BEING A COMMON CORNER WITH BHR LAND HOLDINGS LLC (2872/832),

THENCE LEAVING THE CENTERLINE OF CLARK'S CREEK AND FOLLOWING WITH THE COMMON LINE OF BHR LAND HOLDINGS LLC N 22°36'36" W - 50.00' TO AN EXISTING #4 REBAR, THENCE CONTINUING WITH BHR LAND HOLDINGS N 22°36'36" W - 181.00' TO AN EXISTING #4 REBAR, THENCE CONTINUING WITH BHR LAND HOLDINGS N 38°06'36" W - 1,411.00' TO AN EXISTING AXLE, THENCE CONTINUING WITH BHR LAND HOLDINGS N 73°07'45" W - 1,222.08' TO AN EXISTING #4 REBAR, SAID REBAR ALSO BEING A COMMON CORNER WITH ROBERT CRAIG KAY (1623/636), THENCE WITH A COMMON LINE WITH ROBERT CRAIG KAY N 73°07'48" W - 189.95' TO AN EXISTING #4 REBAR, SAID REBAR ALSO BEING A COMMON CORNER WITH MICHAEL D. ISSACS (1055/507), THENCE WITH A COMMON LINE WITH MICHAEL D. ISAACS N 72°48'47" W - 90.72' TO AN EXISTING #4 REBAR, SAID REBAR ALSO BEING ON THE EASTERN MARGIN OF THE 60' RIGHT OF WAY OF STARTOWN ROAD (SR#1005), THENCE CONTINUING WITHIN THE RIGHT OF WAY OF STARTOWN ROAD N 72°48'47" W - 29.86' TO A POINT IN THE CENTERLINE OF STARTOWN ROAD, THENCE CONTINUING WITH THE CENTERLINE OF STARTOWN ROAD THE FOLLOWING SIX CALLS:

- 1) N 03°25'50" E - 49.84' TO A POINT
- 2) N 02°11'41" E - 50.00' TO A POINT
- 3) N 01°03'13" E - 50.00' TO A POINT
- 4) N 00°20'14" E - 365.46' TO A POINT
- 5) N 00°24'35" E - 100.00' TO A POINT
- 6) N 00°25'38" E - 20.50' TO A POINT 7) N 00°20'53" E - 241.59' TO A POINT IN CENTERLINE OF STARTOWN ROAD, SAID POINT ALSO BEING A COMMON CORNER WITH SUSAN P. HARRIS ETAL. (14E-96)

THENCE LEAVING THE CENTERLINE OF THE ROAD N 68°57'47" E - 32.47' TO AN EXISTING CONCRETE MONUMENT, SAID MONUMENT ALSO BEING LOCATED ON THE EASTERN MARGIN OF THE 60' PUBLIC RIGHT

OF WAY OF STARTOWN ROAD (SR#1005), THENCE CONTINUING WITH SUSAN P. HARRIS ETAL N 68°57'47" E - 214.12' TO AND EXISTING #4 REBAR, THENCE CONTINUING WITH SUSAN P. HARRIS ETAL N 68°57'47" E - 262.66' TO AN EXISTING #4 REBAR, THENCE CONTINUING WITH SUSAN P. HARRIS ETAL N 31°07'56" E - 165.00' TO THE POINT AND PLACE OF BEGINNING CONTAINING 96.856 AC±.

Section 2. Upon and after February 2, 2023, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Lincolnton and shall be entitled to the same privileges and benefits as other parts of the City of Lincolnton. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Lincolnton shall cause to be recorded in the office of the Register of Deeds of Lincoln County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

Adopted this ____ day of _____, 2023

Mayor

ATTEST:

APPROVED AS TO FORM:

Clerk

City Attorney

CITY OF LINCOLNTON

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Financial Highlights
Years Ended June 30, 2022 and 2021

General Fund (Includes Powell Bill Funds)	2022		
	Summarized Budget	2022	2021
Total assets		\$ 9,668,593	\$ 8,405,933
Fund balance		\$ 6,985,895	\$ 5,708,206
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 314,798	\$ 278,229
Total revenue	\$ 12,533,106	\$ 13,836,542	\$ 12,971,770
Total expenditures	\$ 13,930,630	\$ 13,712,897	\$ 14,197,999
Revenues over (under) expenditures before other financing sources (uses)		\$ 123,645	\$ (1,226,229)
Other income (expense)	\$ 1,397,527	\$ 1,157,027	\$ 1,640,378
Increase (decrease) in fund balance		\$ 1,280,675	\$ 414,149
Increase (decrease) in inventory		\$ (2,985)	\$ 3,240
Ad valorem taxes collected		\$ 5,638,718	\$ 5,605,996
Percent of taxes collected - current year levy		99.14%	99.10%
Investment income		\$ 35,267	\$ 57,750
Fund Balance Available - without Powell Bill			
Available Fund Balance		\$ 5,413,848	\$ 4,251,362
Expenditures and other financing sources and uses		13,440,911	14,671,925
Available Fund Balance % - without Powell Bill		40.28%	28.98%
Fund Balance Available			
Available Fund Balance		\$ 5,728,646	\$ 4,529,320
Expenditures and other financing sources and uses		13,712,897	15,017,538
Available Fund Balance %		41.78%	30.16%
State average for a municipality with an electric system and with a population grouping of 10,000 to 49,999		44.06%	44.06%

* Local Government Commission minimum recommended general fund balance should be at least 25% of general fund expenditures at the end of the fiscal year.

CITY OF LINCOLNTON

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**Financial Highlights
Years Ended June 30, 2022 and 2021**

Water and Sewer Fund

	<u>2022</u>	<u>2021</u>
Total assets	\$ 34,492,772	\$ 34,322,869
Net position	\$ 28,907,508	\$ 27,993,770
Operating revenue	\$ 8,284,548	\$ 7,624,106
Operating expenses	\$ 6,959,879	\$ 6,861,419
Operating income (loss)	\$ 1,324,669	\$ 762,687
Nonoperating revenue (expenses)	\$ (21,709)	\$ (69,469)
Transfers (to) from	\$ (389,222)	\$ (389,222)
Change in net position	\$ 913,738	\$ 303,996
Accounts receivable - customers	\$ 670,213	\$ 718,035
Investment income	\$ 23,154	\$ 39,807
Days sales in accounts receivable	31.85%	36.33%

Funds Balance Available

Available Fund Balance	<u>\$ 6,487,543</u>	<u>\$ 5,592,029</u>
Expenditures and other financing sources and uses	7,434,848	7,382,684
Available Fund Balance %	87.26%	75.75%

Electric Fund

Total assets	\$ 10,159,509	\$ 9,988,620
Net position	\$ 8,547,892	\$ 8,544,997
Operating revenue	\$ 7,497,646	\$ 8,897,302
Operating expenses	\$ 7,514,098	\$ 7,336,762
Operating income (loss)	\$ (16,452)	\$ 1,560,540
Nonoperating revenue	\$ 49,811	\$ 29,622
Transfers (to) from	\$ (30,465)	\$ (30,465)
Change in net position	\$ 2,894	\$ 1,559,697
Accounts receivable - customers	\$ 559,574	\$ 688,748
Investment income	\$ 49,983	\$ 29,622
Days sales in accounts receivable	31.03%	37.80%

Funds Balance Available

Available Fund Balance	<u>\$ 4,175,179</u>	<u>\$ 3,489,651</u>
Expenditures and other financing sources and uses	7,544,735	7,367,227
Available Fund Balance %	55.34%	47.37%

CITY OF LINCOLNTON**Page 3 of 3****Financial Highlights
Years Ended June 30, 2022 and 2021**

Component Unit:	2022	2021
Lincolnton Tourism Development Authority		
Total assets	\$ 573,958	\$ 572,825
Net position	\$ 556,588	\$ 572,377
Cash and Investments		
Cash	\$ 20,697,485	\$ 17,771,298
Restricted Cash	2,095,945	698,861
Total cash	<u>\$ 22,793,430</u>	<u>\$ 18,470,159</u>
Total cash includes:		
Special Revenue Fund/Federal - ARPA	\$ 1,000,000	\$ -
Special Revenue Fund/State - SCIF	\$ 356,360	\$ -