REGULAR MEETING – June 27, 2024

The Lincolnton City Council met in Regular Session on Thursday, June 27th , 2024 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton, NC.

Upon calling the meeting to order, Mayor Ed Hatley asked those in attendance to stand for a moment of silence and the pledge of allegiance. The following Council members were present and accounted for:

DEMENY TIPTON

Note: Both Councilmember Christine Poinsette and Councilmember Roby Jetton were absent.

Councilmember Jill Tipton made a motion to approve the Regular Agenda. Members voted 2-0 in favor of the motion.

Councilmember Kevin Demeny made a motion to approve items listed under the *CONSENT AGENDA* as follows:

- Minutes from the June 6, 2024 Regular Meeting
- Lincoln County Tax Department – Request for Releases May 16, 2024 – June 15, 2024

Members voted 2-0 in favor of the motion.

PUBLIC COMMENT

Mr. Trent Mason, 207 Mockingbird Lane, Lincolnton, spoke during the Public Comment portion of the meeting. Mr. Mason congratulated the Lincolnton Fire Dept. for winning Best In Show for "Hulley", and expressed his thanks to council for the various events that are hosted for the residents. He also acknowledged the passing of Mr. Wayne Howard and noted the display setup in Council Chambers. In conclusion, Mr. Mason spoke to the recent meeting of the Young Adult Steering Committee. He invited members to provide suggestions to the group as they enter the beginning stages of planning the next event.

REGULAR AGENDA:

O-07-24
Capital Project Budget Ordinance – Water AIA-W-ARP-0243

Pamela McBryde, Finance Director, presented the following capital project budget ordinance to council for consideration and approval. Ms. McBryde explained that having capital project budget ordinance documentation in place is a requirement for the AIA grant. The ordinance is as follows:

Capital Project Budget Ordinance

BE IT ORDAINED by the Councilmembers of the City of Lincolnton, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the Asset Inventory and Assessment (AIA) study **Water Project No. AIA-W-ARP-0243**, to be financed by a State Fiscal Recovery Funds (ARP) Grant.

Section 2. The officers of the City of Lincolnton are hereby directed to proceed with the capital project within the terms of the funding program requirements and the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Account Description	Account Code	Amount
Project Management/Admin	50-7100-50000	$15,000
Distribution Line Evaluation	50-7100-50000	55,000
CIP Update	50-7100-50000	15,000
Asset Management Plan	50-7100-50000	15,000
Total		**$100,000**

Section 4. The following revenues are anticipated to be available to complete this project:

Revenue Description	Account Code	Amount
State Fiscal Recovery Funds (ARP) Grant	50-3302-00505	$100,000
Total		**$100,000**

Section 5. The Treasurer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the funding agency, the funding agreements, and federal regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the funding agency in an orderly and timely manner.

Section 7. The Treasurer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8. The Treasurer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project budget ordinance shall be furnished to the Secretary to the Board, and to the Treasurer for direction in carrying out this project.

Adopted this _____ day of ___________, 2024 at Lincolnton, North Carolina.

With no questions from questions from members, Councilmember Kevin Demeny made a motion to approve the budget ordinance. Members voted 2-0 in favor of the motion.

O-08-24

Capital Project Budget Ordinance – Wastewater AIA-W-ARP-0242

Finance Director Pamela McBryde presented a capital project budget ordinance for the Wastewater AIA grant. Ms. McBryde explained that, just like for the water, this ordinance is required documentation and is needed to finalize the grant. The project budget ordinance is as follows:

Capital Project Budget Ordinance

BE IT ORDAINED by the Councilmembers of the City of Lincolnton, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the Asset Inventory and Assessment (AIA) study **Wastewater Project No. AIA-W-ARP-0242**, to be financed by a State Fiscal Recovery Funds (ARP) Grant.

Section 2. The officers of the City of Lincolnton are hereby directed to proceed with the capital project within the terms of the funding program requirements and the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Account Description	Account Code	Amount
Project Management/Admin	50-7120-50000	$ 25,000
Mobilization/Demobilization	50-7120-50000	1,500
Manhole Inspections	50-7120-50000	33,500
CCTV Inspections	50-7120-50000	155,250
CCTV Inspections-COL	61-7120-59600	60,000
CIP Update	50-7120-50000	20,000
Asset Management Plan	50-7120-50000	20,000
WWTP Assessment	50-7120-50000	44,750
Total		**$360,000**

Section 4. The following revenues are anticipated to be available to complete this project:

Revenue Description	Account Code	Amount
City of Lincolnton for Additional CCTV	61-3832-00000	$ 60,000
State Fiscal Recovery Funds (ARP) Grant	50-3302-00504	300,000
Total		**$360,000**

Section 5. The Treasurer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the funding agency, the funding agreements, and federal regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the funding agency in an orderly and timely manner.

Section 7. The Treasurer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8. The Treasurer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Councilmember Jill Tipton made a motion to approve the budget ordinance as presented. Members voted 2-0 in favor of the motion.

BA-04-24
Budget Amendment – Fiscal Year End

Finance Director Pamela McBryde informed members that the budget amendment being presented will be the last amendment for fiscal year 23-24. The budget amendment was presented as follows:

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, 2024.

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

General Expense	$	1,702,126
Police		235
Fire		2,375
Solid Waste		675
Planning/Zoning		2,435
Bus & Comm. Dev		202
Recreation		9,773
	$	1,717,820

Section 2: To amend the General Fund, the revenues are to be changed as follows:

General: Ad Valorem Levy	$	82,541
General: Lease/Rental Vehicle Tax		2,129
General: Franchise Tax		70,218
SW: Rollout Fees		675
General: Cemetery Lot Sales		300
PD: Inspection Fees		200
PD: Sidewalk Café Permit		35
P&Z: Zoning Department Fees		2,435
FD: Inspection Fees		2,375
Rec: Admission & Concession		2,464
Rec: Registration & Entry Fees		6,874
Rec: Rental Fees		436
BC&D: Event Fees		202
General: Interest		56,567
General: Misc. Rev-Contributed Property		1,416,191
General: Sale of Capital Assets		2,342
General: Insurance Settlement		300
General: WEX-Fuel Rebates		497
General: Federal Equitable Deposits		0
Loan Proceeds		71,041

	$	1,717,820

General Fund: Various tax/fee revenues (recurring), Franchise tax, Interest income, Insurance settlement-S. Cedar/E Water Street, GASB 96-SBITAS, Asset sales @ PSC bldg, & Contributed Property - transfer of ownership with Lincoln County: Oaklawn, W Church St, W Water St.

Section 3: To amend the Boger City Fire District Fund, the expenditures are to be changes as follows:

Boger Ciy Fire Tax	$	1,270

Section 4: To amend the Boger City Fire District Fund, the revenues are to be changed as follows:

Investment Income	$	1,270
	$	1,270

Boger City Fire District: Record interest income earned.

Section 5: To amend the Powell Bill Fund, the expenditures are to be changes as follows:

Powell Bill Construction/Other	$	2,180

Section 6: To amend the Powell Bill Fund, the revenues are to be changed as follows:

Investment Income	$	2,180
	$	2,180

Powell Bill Fund: Record interest income earned.

Section 7: To amend the Water and Sewer Fund, the expenditures are to be changes as follows:

Distribution and Collection	$	225,764
Wastewater Treatment Plant		36,880
	$	262,644

Section 8: To amend the Water and Sewer Fund, the revenues are to be changed as follows:

Investment Income	$	35,613
Connection Charges		13,650
Other Operating Revenues		13,381
Fund Balance Appropriated		200,000
	$	262,644

Water and Sewer Fund: Record interest income earned, water and sewer connection charges, default fees, and Fund balance appropriation for PY Capital Projects completed in FY2324: Clarks Creek Rebuild Upgrade (2022-011); S Cedar Street Sewer Line (2023-027) & E Pine Street Sewer Line (2023-028).

Section 9: To amend the Electric Fund, the expenditures are to be changes as follows:

Electric Operations	$	64,565

Section 10: To amend the Electric Fund, the revenues are to be changed as follows:

Investment Income	$	26,175
Other Operating Revenue		16,774
Loan Proceeds-Interest		21,616
	$	64,565

Electric Fund: Record interest income earned, Default fees, Security light charges, Rental fees, "Due to Other Funds" interest [GF to Electric] and Insurance settlement-S. Cedar/E Water Street.

Section 11: To amend the Special Revenue Fund, the expenditures are to be changed as follows:

AIA Grants-Water-D-ARP-0243	$	11,902
	$	11,902

Section 12: To amend the Special Revenue Fund, the revenues are to be changed as follows:

AIA Grants-Water-D-ARP-0243	$	11,902
	$	11,902

Special Revenue Fund: Record NCDEQ-AIA Grant Reimbursements for Water.

Section 16: Appropriations are authorized by fund totals. The City Manager is authorized to reallocate fund appropriations among line item objects of expenditures and revenues as necessary during the budget year.

Section 17: Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

Section 18: 2023-2024 Year-end budget adjustments and authorization to make amendments that may result from adjustments made by auditors to entries, with a report being made to Council at the next scheduled meeting.

TOTAL AMENDMENT	$	2,060,381

Adopted this 27h day of June, 2024

Finance Director Pamela McBryde she reviewed the amendment by fund and spoke to the reason for the request in each fund. Ms. McBryde also reported and updated council on the surplus currently in the General Fund, Powell Bill Fund and the Electric Fund.

Councilmember Kevin Demeny made a motion to approve the budget amendment as presented. Members voted 2-0 in favor of the motion.

C-14-24
Consideration and Approval of Contract and Fee for Preconstruction Scope of Services from Edifice Const. for New Public Service Center

Mr. David Ramsey, Business Services Director, appeared before council to request approval of the contract with Edifice to be the Construction Manager at Risk. Mr. Ramsey stated that the contract will include everything up to the construction phase of the project. City Manager Ritchie Haynes commented and expressed his opinion on how this relationship has already benefited and will continue to benefit the city, as well as, save money on this project.

With there being no questions, Councilmember Jill Tipton made a motion to approve the contract. Members voted 2-0 in favor of the motion.

C-15-24
Placer AI Order Form

City Manager Ritchie Haynes presented a contract with Placer AI for approval. Mr. Haynes explained that Placer AI is a company that was previously approved to conduce the Geo fencing for the City. He explained and spoke to the various other services they offer and provide. He also informed of his wishes to have the upcoming July 4th event geo fenced.

Councilmember Kevin Demeny made a motion to approve the contract presented. Members voted 2-0 in favor of the motion.

OTHER BUSINESS

Under other business, City Manager Ritchie Hayne presented an agreement for professional services regarding a class action lawsuit in reference to the forever chemical PFAS. Mr. Haynes gave some background information on this case and provided council with information on what the next steps would be. He explained his recommendation for Council to direct the City Attorney to review the contract, and if comfortable with it, direct the City Manager to proceed with entering into the contract. City Attorney explained the organizations involved and how the contracts are set up. He also spoke to the terms and conditions of the contract, and voiced his recommendations regarding this agreement. Some discussion was generated around the topic and how things actually came about. City Attorney John Friguglietti confirmed his recommendation that the City proceed to the next steps in being a part of the lawsuit, stressing that nothing is paid up front as this is contingency based. City Manager Ritchie Haynes further educated members on what this class action suit came about and what it entails.

Councilmember Kevin Demeny made a motion to proceed with the possible litigation as outlined. Members voted 2-0 in favor of the motion
(Councilmember Demeny recommended that Attorney be tasked with checking it out and if it's good send it to the City Manager and go ahead and sign on)

NEWS MEDIA:

None present

ADJOURNMENT:
With no further business, Councilmember Demeny made a motion to adjourn the meeting. Members voted 2-0 in favor of the motion.

_________________________ _____________________
DAPHNE INGRAM, CMC **ED HATLEY**
CITY CLERK **MAYOR**