

The Mayor and City Council met in regular session on Thursday, January 9, 2020 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor Hatley opened the meeting and led the Pledge of Allegiance. The following Council Members were in attendance:

**WHITE**

**WATSON**

**EADDY**

**JETTON**

Prior to approval of the Regular Agenda, Mayor Hatley recognized City Manager Steve Zickefoose who presented three items to be added to the agenda. These items were as follows:

- **Item #17** - Consideration of application for appointment to the Recreation Advisory Board to fill a current vacancy
- **Item #18** - Consideration of application for appointment to the Lincolnton Tourism Development Authority to fill a vacancy due to the resignation of one of the hotel industry representatives
- **Item #19** - Consideration of request from Lincoln County regarding the naming of a street

**Councilwoman WHITE made a motion unanimously approve to approve the Regular Agenda as amended.**

**Councilman JETTON made the motion unanimously approved to approve the *CONSENT AGENDA* as follow:**

**Calls to Public Hearing for the February 6<sup>th</sup>, 2020 City Council meeting:**

CUP-1-2020 - Application from Brian and Marie Kenyon requesting conditional use permit approval to operate a Brewery, Distillery, Taproom and live event space in the Central Business (CB) District. The subject property is located at 124 East Water Street (Parcel ID 100157)

CU-ZMA-1-2020 - Application from Dama and Kevin Chopelas requesting the rezoning of 1.04 acres of land from Residential-8 (R-8) to Conditional Use General Business (CU-GB) to construct a shop and operate a sign/design business. The subject property is located at 1361 South Aspen Street (Parcel ID 22141).

CU-ZMA-2-2020 - Application from Ronald Barger requesting the rezoning of 1.9 acres of land from Neighborhood Business (NB) to Conditional Use General Business (CU-GB) to construct and operate an Automobile Repair Shop. The subject property is located at 1169 W. NC Highway 150 (Parcel ID 15675).

**REGULAR AGENDA:**

**PUBLIC HEARING**

**SIGI-01-2020**

**Application for Smart Growth Incentive Grant to upfit the former Eureka Mill for new brewery at 414 E. Water Street**

Mayor Hatley opened the public hearing. Jean Derby, Planning Assistant, presented the application for a Smart Growth Incentive Grant to upfit the former Eureka Mill for a new brewery at 414 East Water Street. Mrs. Derby explained that the estimated cost of the project is \$1,312,054. The current tax value is \$162,136.00 with current city taxes being \$907.96. Mrs. Derby continued stating that the rough estimate of post construction tax value will be \$1,000,000 with estimated City taxes post construction being \$5600, an estimated net gain of \$4692.04. Mrs. Derby confirmed that the project is underway and has an anticipated completion date of March 2020. She concluded stating that because of the proposed estimated investment cost of \$1,600,000.00, this project would be eligible to receive 100% of the \$4692.04 grant for the five year grant period for a total of \$23,460.00.

The applicant addressed Council stating that he would like to be considered for this grant as he sees the project as a win, win for both Brick Tree and the City of Lincoln.

**Councilmember WATSON made the motion unanimously approved to close the Public Hearing.**

**Councilmember EADDY made the motion unanimously approved to approve the Smart Growth Incentive Grant.**

**BIG-04-2019**

**Application for Business Incentive Grant for building renovations to accommodate a general store at 317 East Main Street**

Mayor Hatley opened the public hearing. Jean Derby, Planning Assistant, presented an application from Jonathan Burton for a Business Incentive Grant for building renovations to accommodate a general store space at 317 East Main Street. Mrs. Derby explained that the applicant currently has a location in Conover, NC. Plans for this location would be to update the electrical, flooring and restrooms. Replace lighting with LED's, paint walls and ceiling and check for and replace rotten wood. Applicant has an anticipated start date of February 2020 with hopes of completing the project by April 2020. Mrs. Derby explained that applicant is from Lincolnton and has a local farm. Plans are to sell fresh produce, local farm meat and different local items.

The estimated project cost is \$41,460.00 which will be eligible for the full \$15,000.00 reimbursement.

**Councilwoman WHITE made the motion unanimously approved to close the Public Hearing.**

**Councilman WATSON made the motion unanimously approved to approve the Business Incentive Grant.**

**CUP-05-2019**

**Application from Townhomes at Lincoln Country Club, LLC requesting a conditional use permit to increase the approved number of townhomes from 33 units to 39 units on the 5.25 acre parcel located in the CU-RMF District. The property is located on Lincoln Country Club property approximately 650 feet north of Country Club Road and approximately 450 feet east of Lithia Inn Road north of the driving Range facility (Parcel ID 866788)**

Mayor Hatley opened the Public Hearing. Those wishing to speak were directed to come forward to be sworn-in prior to speaking. Both Laura Elam and Mr. Miles Wright came forward.

Laura Elam, Planning Director spoke to this item informing Council that a request to amend the previously approved conditional use permit for a 5.25

acre site located on the Lincoln Country Club property approximately 650 north of Country Club Road and approximately 450 feet east of Lithia Inn Road north of the driving range has been received. The site is zoned RMF-CU (Conditional Use Residential Multi Family) and a conditional use rezoning was approved in 2006 to allow 33 condominiums. Surrounding properties are zoned R-15.

Mrs. Elam reported details of the location and the requirements of the approved conditional use permit, carefully calling attention to the difference between the approved permit and the current proposal. Plans are no longer for condominiums but Townhomes, and the number of units has increased from 33 to 39. Staff Review Committee submitted multiple comments regarding this request and also listed additional requirements that will need to be met. Planning Board recommended approval of the conditional use permit subject to the applicant satisfactorily proving the findings of fact and subject to the Staff Review Committee comments

There was much discussion regarding this item, with a number of question being raised by Councilmembers. Councilman Eaddy expressed his concern with the proposed units not being in keeping with the area. He stated he is not interested in surrendering the kind of quality standards the City currently has.

Due to the level of concern expressed by the Mayor and Councilmembers, Planning Director Laura Elam requested that Council allow time for her to speak with the developer, with the City Attorney present, and come back with a plan of action. Council unanimously agreed to allow time for this dialogue to take place.

(resumed)

Upon returning to the meeting, Mayor Hatley acknowledged Laura Elan, Planning Director, allowing her give an update. Mrs. Elam reported that the developer, Mr. Wright, agreed to submit a more detailed site plan for Councils consideration at the February meeting.

**Councilman EADDY made the motion unanimously approved to table proposed request until the February meeting.**

**RESOLUTIONS**  
**(R-31-19)**

Mayor Hatley acknowledged Charles “Chuck” McGinley, asking him to come forwarded as he read the following Resolution:

**R E S O L U T I O N**  
**Of Appreciation For**  
**CHARLES A. MCGINLEY**  
**(R-31-19)**

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

**WHEREAS**, *Chuck McGinley*, began his employment with the City of Lincolnton on September 1, 1999 as a Police Officer with the Lincolnton Police Department; and

**WHEREAS**, *Chuck McGinley*, has proven his leadership qualities, rising through the ranks in 2007 when he was promoted to a Investigator in the Detectives Division. Chuck was also awarded Police Officer of the Year through the VFW for providing excellent Public Safety, serving the citizens of Lincolnton; and

**WHEREAS**, *Chuck McGinley*, transferred to the Police-Community Services Division in 2018 where he has served as patrol for our Downtown, assisting with enforcement of our Alarm and Golf Cart Ordinances and the City’s RUOK Program. Chuck plans to retire effective December 1, 2019; and

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

**PRESENTATIONS**

Mayor Hatley recognized Police Chief Rodney Jordan who requested permission to present Sergeant Tiffany Cline and Officer Randy Carroll with their Advanced Law Enforcement Certificate, and Officer Ray Fulbright with his Intermediate Law Enforcement Certificate. Chief Jordan asked Lt. McConnell to join him upfront.

Upon calling each officer forward, Chief Jordan stated that officers have logged hundreds of hours of training and worked several years to earn these

certifications noting that the Intermediate Certificate is the second highest and the Advanced Certificate is the highest award issued by the training and standards commission. Officers were presented a framed copy of their respective certificate.

**2018-2019 AUDIT PRESENTATION**

Mayor Hatley recognized Ms. Carol Avery with Lowdermilk Church and Company for the audit presentation. City Manager Steve Zickefoose gave brief comments before directing attention to Ms. Avery for the report.

Ms. Carol began by informing Council that the report has been submitted to the LGC. She stated that although approval has not been received, she does not foresee any problems. Continuing Ms. Avery reported that the City received an unqualified opinion on the audit, which is what is required by the LGC.

A copy of the audit was given to the Mayor and each Council Member. Using the Financial Highlights handout that was also distributed, Ms. Avery addressed the activity of each fund. The Lincolnnton Tourism Development Authority fund was included in the report.

<b><u>General Fund (Include Powell Bill Funds)</u></b>	<b>2019 Summarized Budget</b>	<b>2019</b>	<b>2018</b>
Total Assest		\$6,707,017	\$6,325,140
Fund Balance		\$5,200,341	\$4,795,984
Fund Balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 440,115	\$ 676,199
Total revenue	\$11,055,873	\$11,162,766	\$10,334,241
Total Expenditures	\$12,926,639	\$11,174,683	\$11,381,430
Revenues over (under) expenditures before other financing sources (uses)	\$1,870,766	\$ (11,916) \$ 420,071	\$(1,047,189) \$ 682,535
Increase (decrease) in fund balance		\$ 408,155	\$ (364,654)
Increase (decrease) in inventory		\$ (3,798)	\$ 8,568
Ad Valorem taxes collected		\$4,879,429	\$ 4,800,673
Percent of taxes collected - current year levy		98.37%	98.12%
Investment income		\$ 95,717	\$48,932
<b>Fund Balance Available - without Powell Bill</b>			
Available Balance		<u>\$3,693,082</u>	<u>\$3,027,125</u>
Expenditures and other financing sources and uses		10,620,531	10,758,270
Available Fund Balance - without Powell Bill		34.77%	28.14%

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**Fund Balance Available**

Available Balance	<u>4,132,749</u>	<u>3,703,324</u>
<u>Expenditures and other financing sources and uses</u>	11,174,683	11,105,841

Available Fund Balance	36.98%	33.35%
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State average for a municipality with an  
Electric system and with a population grouping  
Of 10,000 to 49,999

44.34%	42.11%
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\*Local Government Commission minimum recommended general fund balance should be at least 8% of general fund expenditures at the end of the fiscal year.

**Water and Sewer Fund**

**2019**                      **2018**

Total Assets	\$38,577,558	\$37,100,478
Net Position	\$27,021,449	\$25,703,851
Operating revenue	\$ 7,660,499	\$ 8,056,185
Operating expenses	\$ 5,995,286	\$ 6,158,426
Operating income (loss)	\$ 1,665,213	\$ 1,897,758
Non-operating revenue (expenses)	\$ 31,481	\$ (96,079)
Transfers (to) from	\$ (379,096)	\$ (379,096)
Change in net position	\$ 1,317,599	\$ 1,422,583
Accounts receivable - customers	\$ 736,825	\$ 550,687
Investment income	\$ 176,636	\$ 98,133
Days sales in accounts receivable	36.04	26.66

Fund Balance Available

Available Balance	<u>\$7,337,582</u>	<u>\$ 5,933,436</u>
Expenditures and other financing sources and uses	5,457,395	5,578,365

Available Fund Balance	134.45%	106.37%
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**Electric Fund**

Total Assets	\$7,280,738	\$6,400,774
Net Position	\$5,878,274	\$5,065,659
Operating revenue	\$8,162,947	\$7,913,749
Operating expenses	\$7,403,339	\$7,561,454
Operating income (loss)	\$ 759,608	\$ 352,295
Non-operating revenue	\$ 78,981	\$ 19,745
Transfers (to) from	\$ (25,975)	\$ (25,975)
Change in net position	\$ 812,615	\$ 346,065
Accounts receivable - customers	\$ 664,046	\$ 716,344
Investment income	\$ 78,981	\$ 38,631
Days sales in accounts receivable	34.58	37.76

Fund Balance Available

Available Balance	<u>\$2,725,958</u>	<u>\$2,219,317</u>
Expenditures and other	\$ 7,429,314	\$ 7,587,429

Available Fund Balance	36.69%	29.25%
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**Component Unit:**

Lincolnton Tourism Development Authority  
Fund Balance

<b><u>2019</u></b>	<b><u>2018</u></b>
\$440,785	\$389,838

**Cash and Investments**

Cash	\$18,772,639	\$15,995,413
Restricted cash	<u>\$ 829,166</u>	<u>\$ 1,048,962</u>
<b>Total cash</b>	<b>\$19,601,805</b>	<b>\$17,044,375</b>

Councilman EADDY made a motion, unanimously approved to accept the audit presentation.

**CONTRACT**  
**(C-01-20)**

Steve Zickefoose, City Manager, recommended approval of a proposed audit contract for fiscal year 2020 from Mr. Phil Church of Lowdermilk Church and Company. Mr. Zickefoose noted there being no increase in the contract amount of \$35,800. He also noted this amount is less than the 2005 contract with Cherry, Bekaert and Holland. Mr. Zickefoose spoke highly of their quality of work and to the overall good relationship the City has with the company. He reminded Council that this contract includes auditing services for the Lincolnnton Tourism Development Authority, saving the City several thousand dollars.

**Councilman JETTON made a motion unanimously approved to award the audit contract to Lowdermilk Church and Company for the next fiscal year.**

**CONSIDERATION OF DATES FOR THE CITY'S ANNUAL PLANNING RETREAT SUGGESTED DATES MARCH 13<sup>TH</sup> AND MARCH 20<sup>TH</sup>, 2020**

Steve Zickefoose, City Manager, presented two dates as options for the City's annual planning retreat, March 13<sup>th</sup> and March 20<sup>th</sup>. Mr. Zickefoose informed councilmembers that, just as last year, one day will be set aside, as he feels that everything can be covered in that one meeting. Mainly due to most of the preliminary work being done before the meeting.

**Councilman WATSON made a motion unanimously approved to hold the City's annual planning retreat on Friday, March 13<sup>th</sup>, 2020**

**UPDATE ON LOCAL ROOTS**

Steve Zickefoose, City Manager, gave a brief update on the Local Roots project. Mr. Zickefoose reported that the lease arrangement should be finalized within the next week or two. Mr. Zickefoose also informed Council that Gilleland Realty has been contacted and has agreed to be the leasing



agent/property manager for the property as the City is not equipped to function in this capacity. T.J. Wilson, City Attorney, is currently working on the lease agreement to insure that all parties are protected.

In response to a question from Councilman Jetton, Mr. Zickefoose explained that as the leasing agent, Gilleland Realty will collect the rent and take care of any building maintenance issues that may arise.

**MONTHLY FINANCIAL / OVERTIME REPORT**

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

January 2020 Council Meeting							
Executive Summary							
November 2019 Year-To-Date							
		Budget 19-20	Actual 19-20	% of Budget	Budget 18-19	Actual 18-19	Difference
<b>General Fund</b>							
Fund 10	Revenues	11,818,700	5,714,597	48%	11,271,936	4,751,285	963,312
	Fund Balance	-	-	-	964,361	-	-
		11,818,700	5,714,597		12,236,297	4,751,285	963,312
	City Manager/Clerk	277,495	128,984		320,960	168,768	(39,784)
	Human Resources	243,020	117,269		239,060	110,426	6,843
	Finance	149,630	224,408		242,790	310,020	(85,612)
	General Expense	1,108,160	712,810		1,001,620	596,366	116,443
	General Debt Service	424,632	11,666		513,524	26,666	(15,000)
	Police	3,218,020	1,331,343		3,115,970	1,322,800	8,543
	Fire	2,255,800	951,102		2,041,650	1,086,738	(135,636)
	Public Works	44,010	73,568		79,616	36,048	37,520
	Street	1,164,325	545,764		1,257,668	356,107	189,657
	Equipment Services	115,970	70,248		133,270	63,222	7,026
	Solid Waste	823,855	557,310		854,228	208,634	348,676
	General Services	-	-		-	-	-
	Plannin/Zoning	575,420	140,018		379,060	114,668	25,350
	Bus & Comm. Dev	133,200	22,225		135,000	48,903	(26,678)
	Recreation	1,285,163	638,998		957,520	460,709	178,289
	Expenses	11,818,700	5,525,713	47%	11,271,936	4,910,076	615,638
	Difference		188,884			(158,790)	347,674
<b>Water &amp; Sewer Fund</b>							
Fund 61	Revenues	8,616,949	3,383,915	39%	8,378,540	3,373,388	10,527
	Fund Balance	-	-	-	526,653	-	-
		8,616,949	3,383,915		8,905,193	3,373,388	10,527
	Water Treatment	1,506,850	544,586		1,508,450	509,686	34,901
	Dist & Collection	1,847,150	1,866,576		1,748,000	853,413	1,013,163
	Wastewater	1,567,500	500,168		1,544,600	425,546	74,622
	W & S Intangibles	3,695,449	338,058		3,577,490	303,853	34,206
	Expenses	8,616,949	3,249,388	38%	8,378,540	2,092,497	1,156,891
	Difference		134,527			1,280,891	(1,146,364)
<b>Electric Fund</b>							
Fund 63	Revenues	8,056,350	3,981,918	49%	7,669,264	3,598,811	383,108
	Fund Balance	-	-	-	1,224,483	-	-
		8,056,350	3,981,918		8,893,747	3,598,811	383,108
	Electric Dept.	8,056,350	2,884,254		7,669,264	2,507,543	376,711
	Expenses	8,056,350	2,884,254	36%	7,669,264	2,507,543	376,711
	Difference		1,097,665			1,091,268	6,397
Overtime 80+ hours			177,110			180,136	(3,026)

**CONSIDERATION OF APPLICATION FOR APPOINTMENT TO THE  
RECREATION ADVISORY BOARD TO FILL CURRENT VACANCY  
(APPT-01-20)**

Steve Zickefoose, City Manager, informed that one application was received for the Recreation Advisory Board. *This appointment will fill the un-expired term of Daphne Ingram which expires December 2020. After which, if appointed, applicant will be eligible to serve a first three-year term.*

**Councilman EADDY made a motion, unanimously approved to appoint Nathaniel Ingram to the Recreation Advisory Board.**

**CONSIDERATION OF APPLICATION FOR APPOINTMENT TO THE  
LINCOLNTON TOURISM DEVELOPMENT AUTHORITY DUE TO  
RESIGNATION OF HOTEL INDUSTRY REPRESENTATIVE  
(APPT-02-20)**

City Manager Steve Zickefoose explained vacancy was due to the resignation of Amy Grant Thomas, the Quality Inn General Manager, who was one of the two hotel/motel industry representatives required in accordance with the organizations by-laws. Application was received from Allison Gahrman, owner of the White Rose Manor B&B. This appointment will satisfy the requirement, therefore Mr. Zickefoose recommended Ms. Gahrman for this appointment.

**Councilman JETTON made a motion, unanimously approved to appoint Allison Gahrman to the Lincolnnton Tourism Development Authority.**

**Consideration of request from Lincoln County  
regarding the naming of a street**

City Manager Steve Zickefoose distributed a copy of a letter received from Lincoln County Manager, Kelly Atkins, requesting that City Council approve the following list of names they will use to select a name for the drive to the new courthouse. City Council action on this item will allow them to continue forward with addressing the property appropriately. The names listed are as follows:

- Justitia Boulevard
- Justice Drive
- Courthouse Drive

**After some discussion and clarification, Councilman JETTON made a motion, unanimously approved the request to approve the list of names from Lincoln County**

**OTHER BUSINESS**

**PUBLIC COMMENT:**

Mrs. Ola May Foster, 4190 Hwy, 27 E., addressed Mayor Hatley and City Council on behalf of Dennis Poston and the Coalition of Churches. Mrs. Foster thanked Mayor Hatley, City Council, the Lincolnton Police Department, Laura Morris and Ritchie Haynes for the support in connection with the celebration of the Martin Luther King event in Lincoln County however Mrs. Foster is requesting more support and publicity about Martin Luther King and the impact he made.

Mrs. Foster also announced the weekend events that are planned, which include the MLK Banquet, a ticketed event, on Saturday January 18<sup>th</sup> at the Lincolnton Cultural Center, the MLK breakfast on Monday, January 20<sup>th</sup> at Emmanuel Lutheran Church at 8:30 a.m., a youth program at 11:00 a.m. at the Lincolnton Cultural Center, and the MLK Walk and Ceremony at 2:00 p.m. She concluded inviting everyone to come out and attend.

**NEWS MEDIA:**

**There were no questions from the news media**

**ADJOURNMENT:**

**Councilman Watson made the motion unanimously approved to adjourn the meeting.**

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**DAPHNE A. INGRAM  
CITY CLERK**

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**ED HATLEY  
MAYOR**