

The Mayor and City Council met in regular session on Thursday, June 4, 2020 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor Ed Hatley called the meeting to order. He welcomed everyone to the meeting, after which he led the Pledge of Allegiance.

The following were in attendance:

WHITE WATSON EADDY JETTON

Councilwoman White made the motion, unanimously approved, to approve the **REGULAR AGENDA**.

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

- Approval of Minute for the May 7, 2020 meeting
- Retirement Resolution for Patti Lofland as follows:

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, *Patti W. Lofland*, began employment with the City of Lincolnton on October 13, 2015 as the Human Resources Benefits Administrator; and

WHEREAS, *Patti W. Lofland*, can be described as a behind the scenes person, who is dedicated, self-motivated, and displays a great work ethic in the performance of her duties; whereby earning the respect of her coworkers; and

WHEREAS, *Patti W. Lofland*, throughout her tenure has demonstrated such great commitment to her duties and responsibilities in the Human Resources Department, going above and beyond to ensure the employees' and City's best interests were first and protected through her activities.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Lincolnton, that appreciation be shown to *Patti W. Lofland*, honoring her on her upcoming retirement on July 1, 2020, and that we extend congratulations and best wishes to her as she begins the next chapter in her life.

Adopted this the 4th day of June, 2020.

**BUSINESS INCENTIVE GRANT
(BIG-2-2020)**

Application from Untapped Territory for a Business Incentive Grant for building renovation to accommodate an expansion of Untapped Territory into the adjacent building at 124 E. Water Street:

Mayor Ed Hatley opened the public hearing and recognized City Manager Steve Zickefoose who spoke to the item. Mr. Zickefoose gave a brief summary regarding the application from Untapped Territory for a Business Incentive Grant. The requested funds, up to \$15,000.00, will be used for building renovations to accommodate an expansion of Untapped Territory into the adjacent building. He also explained that the expansion will serve two purposes, an event space and also a brewery. Mr. Zickefoose reported that request was unanimously approved by the Steering Committee, and that staff also recommends approval.

Being no further discussion and no other requests to speak to the item, Councilman Watson made a motion, unanimously approved, to close the Public Hearing

MOTION: Councilman Eaddy made a motion, unanimously approved, to approve the Business Incentive Grant

**RESOLUTION
(R-09-20)**

Resolution creating the Lincolnton Small Business Emergency Loan Program under authority from Chapter 166A of the N.C. General Statues, the Emergency Management Act:

Mayor Ed Hatley opened the Public Hearing. City Manager Steve Zickefoose spoke to this item, stating council action being required to formalize the creation of the Lincolnton Small Business Emergency Loan Program that was put in place, at Councils direction, in response to the Shelter in Place order from Governor Cooper. Mr. Zickefoose informed that eighteen (18) applications have been approved, with approximately \$219,000.00 in

assistance being awarded to local businesses since program was implemented.

Councilman Watson clarified with the City Manager that funds will be repaid over a three (3) year period. Mr. Zickefoose noted that this is an interest bearing loan, at a rate that does not create competition with local banks. Mr. Zickefoose expressed his appreciation to Council for standing behind this program, which is a great help to the community. Councilman Eaddy expressed his appreciation to the city manager for his efforts and timely response to this crisis.

Being no further discussion, Councilman Jetton made a motion, unanimously approved, to close the Public Hearing.

MOTION: Councilman Watson made a motion, unanimously approved, to approve resolution as presented.

**ORDINANCE
(O-09-20)**

Public hearing to receive comment on the proposed 2020-2021 Fiscal Year Budget for the City of Lincoln - total proposed budget \$30,500,391:

Mayor Ed Hatley opened the Public Hearing. City Manager Steve Zickefoose addressed Council requesting approval of the proposed 2020-2021 Fiscal Year Budget. Mr. Zickefoose explained this item would require three separate actions as the Budget Ordinance, the 2020-2021 Schedule of Fees and the 2020-2021 Salary Schedule/Schedule of Budgeted Positions, all require separate council action. Mr. Zickefoose explained that the Budget Ordinance is a summary of the proposed budget presented at the May 7th Council Meeting. He noted that no tax increase or utility rate changes are proposed. He is suggesting that proposed pay increases and/or salary changes not be implemented until January 2021 or until it is economically feasible. Proposed capital projects within the budget are also frozen with the exception of things related to the new Police Department building or a potential Water Plant or Wastewater Plant project that may be necessary for operational purposes. Mr. Zickefoose also made Council aware of changes made to Fund Balance due to the impact of COVID-19, informing that the budget includes approximately \$750,000 out of fund balance to operate without making any utility rate changes. The Budget Ordinance as presented totals \$30,500,391.00.

Mr. Zickefoose concluded saying that budget is still an overall good budget and any cutbacks or changes implemented will not affect the level of service to our customers. He informed that no changes were made to the Schedule of Fees since presented at the budget retreat and any questions regarding the Salary Schedule /Schedule of Budgeted Position will be directed to Tanya Osborne, Human Resources Director.

With no further discussion or question for Mr. Zickefoose and no one wishing to make comments for or against the proposed budget ordinance, Councilman Eaddy made a motion, unanimously approved, to close the Public Hearing.

MOTION: Councilman Jetton made a motion, unanimously approved, to adopt the Budget Ordinance as presented.

MOTION: Councilwoman White made a motion, unanimously approved, to approve the Schedule of Fees

City Manager Steve Zickefoose presented the following resolution for approval:

R E S O L U T I O N

**Adopting Salary Schedule and Schedule of Budgeted Positions
(R-10-20)**

WHEREAS, the proposed 2020-2021 fiscal year budget has been prepared by the City Manager and presented to the Mayor and City Council; and

WHEREAS, the proposed 2020-2021 fiscal year budget includes a recommended salary schedule and schedule of budgeted positions;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lincolnnton adopts the "Salary Schedule", and "Schedule of Budget Positions:", as attached to this resolution, for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Adopted this the 4th day of June 2020.

Mr. Zickefoose stated that he would come back before Council before implementing salary increases or changes, but again stressed that no pay adjustment will be made at this time. There has been no increase in

positions except the fire department positions due to the merger with Boger City which will all be 100% funded by the Boger City tax district funding.

MOTION: Councilman Watson made a motion, unanimously approved, to approve the Salary Schedule/ Schedule of Budgeted Positions as presented.

**BUDGET AMENDMENT
(BA-02-20)**

APPROVAL OF BUDGET AMENDMENT - YEAR END BALANCING:

City Manager Steve Zickefoose presented a proposed budget amendment 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, 2020.

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

<u>DEPARTMENT NUMBER</u>	<u>DEPARTMENT DESCRIPTION</u>	<u>INCREASE</u>	<u>DECREASE</u>
4110	CITY MANAGER/CLERK		55,000.00
4120	HUMAN RESOURCES	19,700.00	-
4130	FINANCE		20,000.00
4280	GENERAL EXPENSE	-	5,000.00
4285	DEBT SERVICE	1,000.00	-
4310	POLICE	-	11,000.00
4340	FIRE	86,300.00	
4510	PUBLIC WORKS ADMIN		1,000.00
4520	STREET		1,000.00
4530	EQUIPMENT SERVICES		-
4710	SOLID WASTE		1,000.00
4740	GENERAL SERVICES		
4910	PLANNING & ZONING		
4930	BUSINESS & COMM DEVEL		
6100	PARKS & RECREATION		13,000.00
		<u>107,000.00</u>	<u>107,000.00</u>

This will result in a net change of \$ 0.00 expenditures of the General Fund.

Section 5: To amend the Water & Sewer Fund, the expenditures are to be changed as follows:

<u>DEPARTMENT NUMBER</u>	<u>DEPARTMENT DESCRIPTION</u>	<u>INCREASE</u>	<u>DECREASE</u>
7110	WATER PLANT	-	30,000.00
7100	DISTRIBUTION AND COLLECTION	60,000.00	-
7120	WASTEWATER PLANT	-	30,000.00
7130	INTANGIBLES	-	-
		<u>60,000.00</u>	<u>60,000.00</u>

Section 6: This will result in a net change of \$ 0.00 in the revenues of the Water & Sewer Fund.

Section 13: Copies of these budget amendments shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and the Finance Director for their direction.

Adopted this 4th day of June, 2020.

Daphne Ingram
City Clerk

Ed L. Hatley
Mayor

City Manager Steve Zickefoose spoke to this item, stating this being a part of year end balancing. He informed that funds within departments needed to be moved to prevent deficient spending. He assured that this causes no increase or decrease in the budget as funds are only being moved within the departments in the fund. Mr. Zickefoose notified that an additional budget amendment would most likely be needed due to decreased utility and sales tax revenue.

MOTION: Councilman Eaddy made a motion, unanimously approved, to approve the budget amendment.

**PERSONNEL POLICY REVISION
(P-03-20)**

PROPOSED REVISION TO THE PERSONNEL POLICY REGARDING RETIREE INSURANCE:

Tanya Osborne, Human Resources Director spoke to this item as a follow-up to discussions that took place at the work session held in March regarding amending the City's retiree health insurance benefit. The proposed changes were presented as follows:

Proposed Effective 07-01-2020

SECTION 1. INSURANCE BENEFITS:

A. For employees hired prior to July 1, 2012: An employee who retires from the City with 20 or more years of service shall receive the same health insurance coverage provided to full time employees. The employee is responsible for paying the City in advance for any family members' health coverage. The employee is also responsible for paying the City in advance for any dental insurance coverage on themselves or family members. The health insurance coverage on the retired employee will continue until his or her 65th birthday, or until they become eligible for Medicare benefits, whichever is sooner, at which time the City will delete the employee from the group coverage.

An employee who retires from the City with a disability status, and has 10 or more years of service with the City, shall receive insurance benefits in the same manner as employees who retire with 20 or more years of service. The employee must be classified as disabled by the Local Government Employees Retirement System, or the Social Security Commission. The employee will receive coverage until his or her 65th

birthday, or until they become eligible for Medicare benefits, whichever is sooner.

B. For employee hired on or after July 1, 2012: An employee who retires from the City with 25 or more years of service shall receive the same health insurance coverage provided to full time employees. The employee is responsible for paying the City in advance for any family members' health coverage. The employee is also responsible for paying the City in advance for any dental insurance coverage on themselves or family members. The health insurance coverage on the retired employee will continue until his or her 65th birthday, or until they become eligible for Medicare benefits, whichever is sooner, at which time the City will delete the employee from the group coverage.

An employee who retires from the City with a disability status, and has 15 or more years of service with the City, shall receive insurance benefits in the same manner as employees who retire with 25 or more years of service. The employee must be classified as disabled by the Local Government Employees Retirement System, or the Social Security Commission. The employee will receive coverage until his or her 65th birthday, or until they become eligible for Medicare benefits, whichever is sooner.

C. For employees hired on or after July 1, 2020: Employees hired on or after July 1, 2020 are not eligible to continue the City's health or dental insurance benefit upon retirement.

For employees hired prior to July 1, 2020:

1. For employees who fall under A or B above, benefits remain as outlined.
2. Employees who fall under A or B above, but leave employment with the City of Lincoln for reasons other than retirement, lose eligibility for retiree health and dental insurance benefits if rehired or reinstated at a later date.

As stated in the Personnel Policy Preface: "These personnel policies are not a binding contract, but merely a set of guidelines for the implementation of personnel policies. The City explicitly reserves the right to modify any of the provisions of these policies at any time and without any notice to employees." As such, the Council has reserved the right to review all city benefits as necessary, and may delete, modify, enhance or otherwise make changes to this policy as in accordance with local, state and federal law.

Mrs. Osborne also directed Councils attention to the word “same” on line two (2) in both section A and B. and recommended that word be changed to “similar” for it to be in line with what is actually in process.

MOTION: Councilman Jetton made a motion, unanimously approved, to approve the proposed revision to retiree insurance as presented.

**RESOLUTION
(R-11-20)**

PRESENTATION OF RECREATION MASTER PLAN / RESOLUTION TO REQUEST APPROVAL OF CONSULTING FIRM & COST SHARING WITH LINCOLN COUNTY:

Nathan Eurey, Parks and Recreation Director, addressed Council regarding the joint work being done with Lincoln County to update the current Recreation Master Plan this upcoming fiscal year. Mr. Eurey explained that updating the plan allows both entities to prepare for future park projects, future park improvements, and new and continued recreation programming. He stated that it will also enhance eligibility for grants. Mr. Eurey concluded, requesting Councils approval of the selection of McGill and Associates of Hickory, NC as the consulting firm and approval of the cost share of 70% County and 30% City in the final negotiated cost. The following resolution was presented:

**RESOLUTION AUTHORIZING APPROVAL OF CONSULTING FIRM SELECTION
AND COST SHARING WITH LINCOLN COUNTY FOR THE UPDATED
2020- 2021
RECREATION MASTER PLAN**

WHEREAS, the Parks and Recreation departments of Lincoln County and the City of Lincolnton are working jointly to update Recreation Master Plans in 2020-2021; and

WHEREAS, updating both entities’ plans allows for the City and County to prepare for future park projects, future park improvements, new and continued recreation programming and also enhance eligibility for grants; and

WHEREAS, following a request for qualifications, staff from both jurisdictions conducted interviews and have jointly selected McGill and Associates of Hickory, NC to conduct the updates to the plans; and

WHEREAS, additionally, a cost share percentage recommendation of 70/30 between the county and city respectively is proposed for this planning effort, \$62,650 from the county and \$26,850 from the city; and

WHEREAS, McGill and Associates will develop plans for each jurisdiction separately, producing a recreation master plan update document for the City of Lincolnton and a separate recreation master plan update document for Lincoln County, this requiring two separate contracts; and

WHEREAS, action is needed by both the Lincolnton City Council and Lincoln County Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lincolnton approves the selection of the consulting firm McGill and Associates of Hickory, NC for a joint recreation master plan update and approves of the cost share of 70% County and 30% City in the final negotiated costs.

Adopted this the 4th day of June 2020.

Mr. Eurey informed that this joint effort with the County does result in a cost savings for both entities. There were a few questions generated regarding the number of years the plans are designed to incorporate and if there will be any coordination of shared facilities and/or shared programming. Council also expressed their appreciation for the work done by staff in this joint effort.

MOTION: Councilwoman White made a motion, unanimously approved, to approve Recreation Master Plan with McGill and Associates as the consulting firm and the cost sharing as presented between the City and the County.

**RESOLUTION
(R-12-20)**

RESOLUTION ADOPTING PAYMENT PLAN FOR WATER AND/ OR WASTEWATER SERVICES SUBJECT TO EXECUTIVE ORDER 142 ISSUED BY GOVERNOR COOPER IN RESPONSE TO COVID-19 PANDEMIC ON MARCH 31, 2020:

City Manager Steve Zickefoose presented a revised resolution to City Council, establishing a payment plan for utility services for customers with unpaid utility bills for services received between March 31st through July 29th, 2020. This payment plan will become effective after Executive Order 142 ends on July 29th unless another extension is granted. This action is being taken to comply with Executive Order 142 that requires providers to suspend disconnections and to suspend assessment of all penalties for late payments of residential service for nonpayment during this time. Mr. Zickefoose explained that this resolution will allow the city to resume collections as usual after July 29th however customers will be offered the opportunity to set up a six month payment plan to pay delinquencies incurred between March 31, 2020 through July 29, 2020. Resolution reads as follows:

**ADOPTING PAYMENT PLAN FOR WATER AND/OR WASTEWATER SERVICES
SUBJECT TO EXECUTIVE ORDER 142 ISSUED BY GOVERNOR COOPER IN
RESPONSE TO COVID-19 PANDEMIC ON MARCH 31, 2020**

WHEREAS, Governor Cooper's Executive Order 142 (EO 142) requires providers of end-user, residential water, wastewater, electric, and natural gas service to, among other things, suspend disconnections of residential service for nonpayment through July 29, 2020, and suspend assessment of all penalties for late payments of monthly service charges incurred from March 31, 2020 through July 29, 2020; and

WHEREAS, EO 142 does not extinguish or waive account balances as customers remain legally responsible to pay all amounts due on your account; and

WHEREAS, EO 142 is currently effective until July 29, 2020. Unless extended by the Governor, normal disconnections and late fee policies will resume after that day; and

WHEREAS, Utility Customers will, however, have at least 6 months to pay any delinquencies they incurred from March 31, 2020 through July 29, 2020.

NOW, THEREFORE, BE IT RESOLVED, in recognition of the financial hardship many now face, the City of Lincolnnton authorizes an approved payment plan to our residential customers who are unable to pay their current account balance and/or who will be unable to pay their account balances between now and July 29, 2020.

Adopted this the 4th day of June 2020

Mr. Zickefoose shared with council members some of the impact this is having, not only on the City of Lincolnnton, but on local governments across the state as a whole. He informed that for the month of April and May, 480 customers did not pay their utility bill, which equates to about \$178,000.00 for each of those months. Additionally, another \$77,000 in default and/or late fees could not and cannot be enforced and collected.

Councilmembers again stressed the need to communicate to citizens that debt is not being forgiven and that they are still responsible for paying their account balance in full. Mr. Zickefoose assured that staff is doing an excellent job making sure this information is being communicated in multiple ways. There was some discussion generated regarding this topic and what is and can be done to assist cities during this time.

MOTION: Councilman Watson made a motion, unanimously approved, to approve the resolution as presented by Mr. Zickefoose.

MONTHLY FINANCIAL / OVERTIME REPORT

City Manager Steve Zickefoose, presented the Executive Summary to Council Members. Mr. Zickefoose briefly spoke to each of the funds, pointing out that next year is when the impact of the decreased sales tax revenue will be reflected. He also acknowledged Water and Sewer Fund revenues being down, as well as a decrease in the Electric Fund. Complete report was submitted as follows:

REGULAR MEETING - June 4, 2020

June 2020 Council Meeting
Executive Summary
May 2020 Year-To-Date

General Fund	<u>Budget 19-20</u>	<u>Actual 19-20</u>	<u>% of Budget</u>	<u>Budget 18-19</u>	<u>Actual 18-19</u>	<u>Difference</u>
Fund Revenues	11,818,700	10,207,143	86%	11,271,936	10,328,474	(121,331)
Fund Balance	-	-	-	1,138,703	-	-
	<u>11,818,700</u>	<u>10,207,143</u>		<u>12,410,639</u>	<u>10,328,474</u>	<u>(121,331)</u>
City Manager/Clerk	277,495	150,408		308,790	239,871	(89,463)
Human Resources	243,020	204,702		252,890	208,262	(3,560)
Finance	149,630	20,875		278,090	199,642	(178,767)
General Expense	1,108,160	926,445		961,740	821,735	104,710
General Debt Service	424,632	394,832		450,954	379,488	15,344
Police	3,218,020	2,817,669		3,257,980	2,876,045	(58,376)
Fire	2,255,800	2,082,398		2,351,553	2,107,515	(25,117)
Public Works	44,010	(6,529)		40,116	(48,367)	41,838
Street	1,376,325	738,745		1,245,808	749,548	(10,803)
Equipment Services	115,970	95,915		128,670	103,830	(7,915)
Solid Waste	900,855	823,946		854,018	521,395	302,551
General Services	-	-		-	-	-
Plannin/Zoning	557,420	293,414		610,410	246,723	46,691
Bus & Comm. Dev	423,200	183,563		135,000	111,419	72,144
Recreation	1,274,163	1,039,021		1,534,620	1,022,170	16,851
Expenses	<u>12,368,700</u>	<u>9,765,404</u>	79%	<u>12,410,639</u>	<u>9,539,276</u>	<u>226,128</u>
Difference		441,739			789,198	(347,459)

Water & Sewer Fund	<u>Budget 19-20</u>	<u>Actual 19-20</u>	<u>% of Budget</u>	<u>Budget 18-19</u>	<u>Actual 18-19</u>	<u>Difference</u>
Fund Revenues	8,616,949	7,190,516	83%	8,378,540	7,677,256	(486,740)
Fund Balance	-	-		2,418,977	-	-
	<u>8,616,949</u>	<u>7,190,516</u>		<u>10,797,517</u>	<u>7,677,256</u>	<u>(486,740)</u>
Water Treatment	1,526,850	1,041,364		1,552,250	1,287,472	(246,108)
Dist & Collection	3,592,160	2,952,883		4,124,227	1,495,427	1,457,456
Wastewater	1,577,000	1,068,145		1,543,550	1,193,133	(124,988)
W & S Intangibles	4,175,949	4,028,868		3,577,490	3,475,086	553,782
Expenses	<u>10,871,959</u>	<u>9,091,260</u>	84%	<u>10,797,517</u>	<u>7,451,118</u>	<u>1,640,142</u>
Difference		(1,900,744)			226,138	(2,126,882)

Electric Fund	<u>Budget 19-20</u>	<u>Actual 19-20</u>	<u>% of Budget</u>	<u>Budget 18-19</u>	<u>Actual 18-19</u>	<u>Difference</u>
Fund Revenues	8,056,350	6,972,239	87%	7,669,264	7,027,346	(55,107)
Fund Balance	-	-		131,724	-	-
	<u>8,056,350</u>	<u>6,972,239</u>		<u>7,800,988</u>	<u>7,027,346</u>	<u>(55,107)</u>
Electric Dept.	<u>10,267,102</u>	<u>7,208,563</u>		<u>8,510,264</u>	<u>7,451,119</u>	<u>(242,556)</u>
Expenses	<u>10,267,102</u>	<u>7,208,563</u>	70%	<u>8,510,264</u>	<u>7,451,119</u>	<u>(242,556)</u>
Difference		(236,324)			(423,773)	187,449
Over 80+ hours		436,924			441,894	(4,970)

PUBLIC COMMENT: No one requested to speak under public comment

Mayor Ed Hatley announced a prayer vigil to be held on Wednesday, June 10, 2020 at 7:00 p.m. on the east side of the Court square, welcoming anyone wishing to attend. Mayor Hatley explained the event is being organized by Jamael Farley, who was in attendance. Following direction from the Mayor, Mr. Farley stood and from the audience briefly addressed Council, thanking them for allowing him the opportunity and encouraging everyone to participate and come together and pray for change. Mr. Farley stated that social distancing will be practiced, hand sanitizer will be available. He also requested that everyone wear their mask.

NEWS MEDIA: No comments or question from new media

CLOSED SESSION

After citing of appropriate statute by City Attorney T.J. Wilson, Councilman Jetton made a motion to enter Closed Session to discuss Personnel in accordance with NCGS 143-318.11(1)(6)

Upon returning to Regular Session, Mayor Ed Hatley announced that the City Manager evaluation was completed and was very positive. A new form of evaluation will be used beginning July 1, 2020 which will be more comprehensive. Mayor continued, stating that Council wanted to publicly thank and express appreciation to Mr. Zickefoose for all of the excellent work he has done for the City.

ADJOURNMENT:

Being no further business, Councilman Jetton made the motion, unanimously approved, to adjourn the meeting.
Meeting adjourned at 9:15 p.m.

DAPHNE INGRAM
CITY CLERK

ED HATLEY
MAYOR