A G E N D A

LINCOLNTON CITY COUNCIL



February 5, 2026

6:30 p.m.

Council Chambers

City hall

LINCOLNTON
AGENDA
February 5, 2026
6:30 PM

CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

1. AGENDA APPROVALS

1a Approval of REGULAR AGENDA

1b Approval of CONSENT AGENDA

- **January 8, 2026 - Regular Meeting Minutes**
- **Approval of Request for Release - November 16, 2025 - December 15, 2025**
- **Resolution for Advertisement of Tax Liens for 2025**
- **Request for Approval of Recommendation from Chief Brian Greene**
- **Resolution Designating the Dates and Amending the Time of the Monthly Meeting for 2026**

PUBLIC COMMENT

Speakers will be limited to three (3) minutes to address Mayor and City Council. You must sign in with the City Clerk to be eligible to speak

2. REGULAR AGENDA

2a Apple Drop Event Highlights

Trent Mason

2b Presentation on the Rail Trail Connector Project

Jane Love

2c IT-01-2026 Approval of Data Center Contract- 36 Months

Chris Jones, Technology & Innovation Director

3. REGULAR AGENDA

3a IT-02-2026 AI Usage and Governance Policy

Chris Jones, Technology & Innovation Director

3b BA-02-26 Approval of Amendment to the Annual Budget Ordinance for the fiscal year ending June 30, 2026

Pamela McBryde, Finance Director

3c Approval of Recommendation for City Park Improvements

Nathan Eurey, Public Services Director

4. OTHER BUSINESS

4a Consideration of an Ordinance to approve the Amended and Restated Power Purchase Sales Agreement Between the City of Lincolnton and North Carolina Municipal Power Agency No. 1

4b Consideration of an Ordinance to approve the Amended and Restated Supplemental Power Sales Agreement between the City of Lincolnton and North Carolina Municipal Power Agency No. 1.

NEWS MEDIA

ADJOURNMENT

LINCOLNTON CITY COUNCIL
REGULAR MEETING – JANUARY 8, 2026

Mayor Hatley called the January 8, 2026, City Council meeting to order, beginning with the Pledge of Allegiance and a moment of silence. The Mayor requested to add two items to the agenda: item 5C to discuss starting City Council meetings at 6:30 PM instead of 7:00 PM, and item 5D to discuss lighting around the court square.

> **Council Member Jetton made a motion to approve the agenda as amended. Members voted 4-0 in favor of that motion.**
>
> .

Mayor Hatley noted that one of the consent agenda items was National Law Enforcement Day.

> **Council Member Jill Tipton made a motion to approve the consent agenda as presented. Members voted 4-0 in favor of that motion.**
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> .

PUBLIC COMMENT

Mr. Alan Hoyle addressed the Council regarding human trafficking awareness month, noting that North Carolina ranks high among states for trafficking. He connected this issue to abortion, stating that many cities and counties have passed resolutions or ordinances declaring themselves to be "no kill" zones regarding abortion. Mr. Hoyle expressed his belief that Council members have a responsibility to protect the most vulnerable and urged them to take action on this issue.

Mr. Jim Watson thanked the Mayor and Council for their service and shared his recent experience with a house fire at one of his rental properties. He praised the Lincolnton Fire Department for their professionalism and quick response, which saved the structure from being completely destroyed. He explained that the fire was caused by a squirrel that shorted out a transformer, sending a surge of electricity into the house that ignited the furnace. Mr. Watson particularly commended the firefighters who entered the crawl space with breathing apparatuses and even rescued one of the tenant's dogs. He expressed his pride in the level of service provided by the city's first responders.

SPECIAL RECOGNITION / ACKNOWLEDGEMENTS

Betty Flohr, Executive Director of the Downtown Development Association, thanked the Mayor and Council for the opportunity to speak. She introduced the DDA board members and highlighted the numerous community events organized by the association, including Live After 5, the Lincolnton Food Wine & Brew Fest, Summer Concert Series, and art crawls.

Ms. Flohr gave an extensive presentation about Santa's Village, describing the magical holiday experience that included a train ride, Santa's workshop, marshmallow roasting station, and thousands of lights along a trail. She emphasized that everything in the park was offered free of charge thanks to generous sponsors and dedicated volunteers. Ms. Flohr recognized numerous individuals who contributed to the success of the event, including board members, student volunteers, and city employees. She shared that some families waited over two hours for the train ride, demonstrating the event's popularity.

Council Member Demeny, who serves as the Council representative to the DDA, commented on the tremendous amount of planning and work that goes into these events and stated that the city is better for it. Mayor Hatley expressed the city's appreciation for everything the DDA does.

PUBLIC HEARINGS

ZTA-6-2025
Zoning Text Amendments to Chapter 152 Flood Damage Prevention and Chapter 153 Unified Development Ordinance

Mayor Ed Hatley opened the Public Hearing and recognized Planning Director Jean Derby who presented three proposed zoning text amendments:

- Removing references to flood zones AO and AH in the Flood Damage Prevention ordinance, as these zones do not exist in the city's jurisdiction
- Modifying the "one principal building" section to allow staff approval for subdividing lots with existing multiple dwellings, eliminating the need for a lengthy variance procedure
- Removing the requirement for clear windows in the central business and transitional business districts, allowing tinted or mirrored windows

Ms. Derby explained that these changes would streamline processes, reduce unnecessary text in the ordinance, and accommodate existing business needs. She noted that Planning Board voted in favor of the amendments.

During the public hearing, Mr. Alan Hoyle spoke about flooding issues he had experienced on his property, noting that water from a nearby street floods underneath his building. He expressed concern about recurring flooding and wanted to address the issue while flood prevention was being discussed.

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

Council Member Demeny made a motion to approve the amendment and statement of consistency for approval. Members voted 4-0 in favor of that motion.

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REGULAR AGENDA

Facade Rehabilitation Grant Program — Updated Application

Planning Director Jean Derby presented updates to the Facade Rehabilitation Grant Program application. The updates included adding the city logo, language about meeting Secretary of Interior Standards for Rehabilitation "unless otherwise authorized by staff," and a requirement for two estimates from licensed contractors with the application. A new colored map of the program area was also added.

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Council Member Demeny made a motion to approve the changes. Members voted 4-0 in favor of that motion.

SB-1-2024
Consideration to Reduce Subdivision Infrastructure Contract and Surety Bond for Clark Creek LLC

Planning Director Jean Derby explained that Clark Creek LLC was requesting a reduction in their surety bonds for completed exterior sidewalks and buffer plantings at their development at the corner of Startown and Clark Creek. Ms. Derby confirmed that staff had inspected the completed work and verified it met requirements. The developer is also requesting an extension of 18 months to complete interior infrastructure, as they prefer to wait until construction is complete before installing the final layer of asphalt and interior sidewalks.

Council Member Demeny inquired about the progress of the development. Ms. Derby indicated they were approximately 34% complete, with 112 permits issued so far. She noted that DR Horton is building the homes, and the pool and clubhouse amenities are already completed.

Council Member Demeny made a motion to approve the reduction of the bond for Clark Creek LLC. Motion carried with a 3-1 vote. Council Member Demeny, Johnson and Tipton voted in favor. Council member Jetton voting against.

Presentation of the Fiscal Year 24/25 Financial Statements

Carol Avery presented highlights of the city's financial audit, which received an unqualified opinion. Key points included:

- General Fund assets of $16,996,269, an increase of $909,000 from the previous year
- Fund balance of $15,128,697, an increase of $1,047,000
- Total revenue of $19,266,542, which was $490,000 less than the prior year but higher than budgeted
- Total expenditures of $19,569,303, about $980,000 higher than the prior year but under budget
- An available fund balance of 72.51% with Powell Bill funds, well above the average of 49.13% for similar-sized municipalities

Ms. Avery also reviewed the Water and Sewer Fund and Electric Fund, noting both were financially healthy. She explained that a new accounting requirement mandated reporting sick leave as a liability, which required a restatement of the financial records. The total cash for the city was $36,262,635, with $977,757 restricted for specific purposes.

City Manager Haynes noted that while fund balances have increased, they will decline over the next few years as the city funds major projects like City Park and the Public Service Center without incurring debt.

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BA-01-26
Approval of Amendment to the Annual Budget Ordinance for the fiscal year ending June 30, 2026

Finance Director Pamela McBryde presented a budget amendment to add $618,964 to the budget from various sources, including:

- Additional revenues from police department fees
- Additional Powell Bill funds
- PFAS settlement payment of $168,000 for water treatment
- Clarifier loan funds
- Connection charges and investment interest

Council Member Demeny made a motion to approve the budget amendment as presented. Members voted 4-0 in favor of the motion.

Consideration of Police Department Position Reclassifications

Police Chief Brian Greene began by recognizing Captain Tony Pops for graduating from the FBI Academy and earning a master's certificate from the University of Virginia.

Chief Greene then requested approval to restructure positions within the department following the retirement of Captain Painter and the department's evidence technician. He proposed reducing the number of captain positions by one, changing the evidence position to part-time, and adding two police lieutenant positions. This restructuring would not change the total number of positions (46) but would add another badge on the street.

The chief proposed implementing the police lieutenant at grade 59 and moving police captains to grade 61 (a 5% increase) to maintain appropriate pay scale relationships. He demonstrated that the restructuring would stay within the current salary budget.

Motion by Council Member Jetton to approve Chief Greene's recommendation. Members voted 4-0 in favor of that motion.

Human Resources Director Tanya Osborne explained that the changes would require Council approval of a revised position classification schedule. She requested the changes be effective at the beginning of the next pay period (January 13).

Council Member Jill Tipton made a motion to approve the salary reclassification. Members voted 4-0 in favor of the motion .

Update on Tow Rotation Procedures

Police Chief Brian Greene provided an update on the tow rotation policy discussed at the October budget retreat. He explained that the department adopted the Concord Police

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Department's policy as a draft, made minor changes, and submitted it to the city attorney for approval. The draft was then delivered to towing companies before Christmas. Chief Greene reported he had already met with six companies and was taking their suggested changes under advisement for a new draft. After attorney review, the revised policy will be presented to towing companies again before final adoption, with a target implementation date of February 16.

C-02-26
Consideration of Ladder Truck Purchase for Fire Department

Fire Chief Ryan Heavner thanked the Council for their support and introduced Battalion Chief Brent McConnell, who had researched the ladder truck opportunity.

Battalion Chief McConnell explained that their dealer had presented an opportunity to purchase an aerial apparatus that was already set to begin production, with expected completion at the end of 2026. He noted that the current aerial apparatus would be 20 years old next year and was experiencing regular maintenance issues and downtime, with parts becoming difficult to find.

Council Member Demeny asked how the city was able to get a $1 million discount. Chief McConnell explained that manufacturers currently have extended lead times of 4+ years for custom trucks, with costs increasing at least 10% annually. By taking advantage of this production opportunity, the city could save approximately $1 million compared to waiting and ordering later.

Chief Heavner added that the department is currently spending about $40,000 per year on repairs to the existing truck, with about 67% of their maintenance budget going toward that single vehicle. City Manager Haynes noted that the truck purchase would have been a major budget request in the upcoming fiscal year.

> **Council Member Jetton made a motion to approve the request for a new ladder truck, Members voted 4-0 in favor of that motion.**

C-03-26
Request to Consider Spectrum Contract

City Manager Haynes explained that the city has had a long-standing contract with Spectrum for equipment on the Lee Avenue water tank. Spectrum requested to add a cabinet to the site, offering to pay an additional $250 per month with a 2% annual escalator. The staff recommended approving the request as it would utilize existing space and generate additional revenue.

> **Council Member Jill Tipton made a motion to approve City Manager's Ritchie Haynes request to negotiate with Spectrum for a new contract. Members voted 4-0 in favor of that motion.**

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LINCOLNTON CITY COUNCIL
REGULAR MEETING – JANUARY 8, 2026

Discussion of Changing City Council Meeting Start Time

Mayor Hatley presented a request to change the starting time for City Council meetings from 7:00 PM to 6:30 PM. Council members discussed that this would allow meetings to end at a more reasonable hour, as some recent meetings had run late. City Clerk Daphne Ingram explained that the Council would need to approve an amended resolution and post it for a specified time before implementation.

Motion by Council Member Demeny to approve the change in the resolution for starting time for City Council meetings to 6:30 PM. Members voted 4-0 in favor of that motion.

Discussion of Lighting Around Court Square

City Manager Haynes shared that the city had received an email from a pedestrian who was nearly hit in a crosswalk at the intersection of North Aspen and Court Square. After investigating, he identified that parked vehicles at that corner block drivers' visibility of pedestrians entering the crosswalk.

Haynes recommended eliminating the parking spot near JT's restaurant to improve safety. He also noted that lighting had been temporarily reduced due to construction, and council members expressed concern about pedestrian safety until full lighting is restored. The City Manager indicated he would take this issue to the Traffic Safety Committee, which meets the third week of the month, and would respond to the citizen who raised the concern.

OTHER BUSINESS

No other business was discussed.

NEWS MEDIA

Mayor Ed Hatley opened the floor for questions from the news media. Question from media was asked and answered by City Manager Ritchie Haynes.

CLOSED SESSION

Mayor Ed Hatley announced the need for the governing board to go into Closed Session.
Motion by Council Member Jetton to go into closed session to discuss property. Members voted 4-0 in favor of that motion.

Upon returning to open session, Council Member Jetton made a motion to return to open session. Members voted 4-0 in favor of that motion.

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LINCOLN COUNTY
TAX DEPARTMENT

REQUEST FOR RELEASES

PERIOD COVERED
December 16, 2025 through January 15, 2026

CITY RELEASES LESS THAN $100

NAME	YEAR	DIST	A/C NO	AMOUNT	REASON
Carpenter Christi Leah	2025	22	0311900	$46.63	Catawba County Resident
Clifton Donnie Lee	2025	22	0314540	$17.64	Error Corrected
Denver Air LLC	2025	22	0314613	$38.13	Corrected fire district
Eava Inc. (DBA: Counsel of Hope)	2025	22	0273345	$6.17	Dissolved 7/2024
Scoops by the square LLC	2025	22	0284955	$26.49	New Acct for 2025
GAP Bills	2025	22	Multiple	$94.24	Less Than 1 Month GAP
			Total	$229.30	

SUBMITTED BY:

Susan Sain DATE: 1/20/26

SUSAN SAIN , TAX ADMINISTRATOR

APPROVED BY:

_____ DATE: _____

RICHARD HAYNES , CITY MANAGER

LINCOLN COUNTY
TAX DEPARTMENT

REQUEST FOR RELEASES

PERIOD COVERED

CITY RELEASES $100 AND OVER

December 16, 2025 through January 15, 2026

NAME	YEAR	DIST	A/C NO	AMOUNT	REASON
Bake Me Happy Inc.	2025	22	0274457	$156.43	Closed 12/2024
Carolina Auto Direct, LLC	2025	22	0259430	$1,382.69	Registered per DMV
Midtown Flooring LLC	2025	22	0301252	$672.69	Dissolved 2024
Watts Ladonna Tillman	2025	22	0314643	$546.17	Registered in Florida
Watts Richard Eugene	2025	22	0314553	$534.96	Registered in Florida
Wild Child Boutique LLC	2025	22	0300342	$329.52	Dissolved 2024
Willis James Robert Jr.	2025	22	0158894	$834.08	B.E.R Approved Late App.
			Total	$4,456.54	

SUBMITTED BY:

Susan Sain DATE: 1/20/26

SUSAN SAIN , TAX ADMINISTRATOR

APPROVED BY:

_____ DATE:_____

RICHARD HAYNES , CITY MANAGER

A RESOLUTION ORDERING THE LINCOLN COUNTY TAX ADMINISTRATOR TO ADVERTISE TAX LIENS FOR 2025

WHEREAS, pursuant to N.C.G.S. §105-369 (a), in February of each year, the tax collector must report to the governing body the total amount of unpaid taxes for the current fiscal year that are liens on real property; and

WHEREAS, the County tax collector's report is due the first Monday in February, and a municipal tax collector's report is due the second Monday in February, and upon receipt of that report, the governing body must order the tax collector to advertise the tax liens; and

WHEREAS, pursuant to N.C.G.S. §105-369(b), after the governing body orders the tax collector to advertise the tax liens, the tax collector must send a notice to the record owner of each affected parcel of property, as determined as of the date the taxes became delinquent and said notice must be sent to the owner's last known address by first-class mail at least 30 days before the date the advertisement is to be published; and

WHEREAS, Lincoln County and the City of Lincolnton have entered into an Interlocal Agreement for Tax Collection wherein the City of Lincolnton is required to appoint the Lincoln County Tax Administrator as the Tax Administrator for the City of Lincolnton; and

WHEREAS, the City of Lincolnton has duly appointed the Lincoln County Tax Administrator as the Tax Administrator, serving as the tax collector, for the City of Lincolnton; and

WHEREAS, the Lincoln County Tax Administrator has submitted to the Lincolnton City Council the total amount of unpaid taxes for the 2025 year in the amount of $511,414.19; and

WHEREAS, the Lincolnton City Council, following receipt of the above-mentioned report, must order the Lincoln County Tax Administrator to advertise the tax liens; and

NOW THEREFORE, BE IT RESOLVED by the Lincolnton City Council that that Lincoln County Tax Administrator shall advertise the tax liens for 2025 and shall further comply with the requirements of N.C.G.S. §105-369.

This the ___ day of February 2026.

ATTEST:

_____
Daphne Ingram
Clerk to the Council

_____
Ed Hatley, Mayor
City of Lincolnton

Lincolnton Year To Date Collections Report
January 22, 2026

City of Lincolnton

Description	Levy Collectible	Discounts	Releases	Over/ Writeoffs	Taxes Collected	Accounts Receivable	Collection Percent	Interest Collected	Refunds
Real /Personal	CL 2225A								
2025									
Tax	7,559,545.61	(107,619.66)	(19,387.34)		7,093,410.66	446,747.61	94.09%	2,210.76	
Penalty	15,286.67		(681.83)		9,471.19	5,133.65	66.42%		
Total	7,574,832.28	(107,619.66)	(20,069.17)		7,102,881.85	451,881.26	94.03%	2,210.76	
2024									
Tax	55,394.33		(1,567.92)		26,339.66	27,486.75	50.38%	2,091.38	
Penalty	1,246.02		(156.82)		65.95	1,023.25	17.88%		
Total	56,640.35		(1,724.74)		26,405.61	28,510.00	49.66%	2,091.38	
2023									
Tax	17,121.53		(107.94)		2,974.00	14,039.59	18.00%	724.06	
Penalty	944.24		(10.83)		15.56	917.85	2.79%		
Total	18,065.77		(118.77)		2,989.56	14,957.44	17.21%	724.06	
2022									
Tax	7,030.86		(34.08)		383.92	6,612.86	5.95%	100.49	
Penalty	645.96		(3.41)		6.72	635.83	1.57%		
Total	7,676.82		(37.49)		390.64	7,248.69	5.58%	100.49	
2021									
Tax	4,783.47				448.52	4,334.95	9.38%	34.25	
Penalty	376.27				.10	376.17	0.03%		
Total	5,159.74				448.62	4,711.12	8.69%	34.25	
2020									
Tax	3,169.75				.96	3,168.79	0.03%	.45	
Penalty	255.97				.10	255.87	0.04%		
Total	3,425.72				1.06	3,424.66	0.03%	.45	
2019									
Tax	2,292.90				.96	2,291.94	0.04%	.54	
Penalty	196.44				.10	196.34	0.05%		
Total	2,489.34				1.06	2,488.28	0.04%	.54	
2018									
Tax	2,445.41				.96	2,444.45	0.04%	.64	
Penalty	190.63				.10	190.53	0.05%		
Total	2,636.04				1.06	2,634.98	0.04%	.64	
2017									
Tax	2,047.22				.96	2,046.26	0.05%	33.07	
Penalty	169.46				.96	168.50	0.57%		
Total	2,216.68				1.92	2,214.76	0.09%	33.07	
2016									
Tax	2,240.99					2,240.99			
Penalty	217.64					217.64			
Total	2,458.63					2,458.63			
Total Tax	**7,656,072.07**	**(107,619.66)**	**(21,097.28)**		**7,123,560.60**	**511,414.19**	**93.32%**	**5,195.64**	
Total Penalty	**19,529.30**		**(852.89)**		**9,560.78**	**9,115.63**	**53.32%**		

Lincolnton Year To Date Collections Report
January 22, 2026

Description	Levy Collectible	Discounts	Releases	Writeoffs	Taxes Collected	Accounts Receivable	Collection Percent	Interest Collected	Refunds
Public Service									
2025	159,806.92				159,806.92		100.00%		
2024									
2023									
2022									
2021									
2020									
2019									
2018									
2017									
2016									
Total	**159,806.92**				**159,806.92**		**100.00%**		
Current Year (Excluding Vehicle and Penalty)									
Total	**7,719,352.53**	**(107,619.66)**	**(19,387.34)**		**7,253,217.58**	**446,747.61**	**94.21%**	**2,210.76**	
Current Year (Including Vehicle)									
Total	**7,739,199.12**	**(107,619.66)**	**(20,855.89)**		**7,255,827.18**	**462,516.05**	**94.02%**	**2,211.14**	
Totals are for month only and discounts are not included in tax collected									

Lincolnton Year To Date Collections Report
January 22, 2026

Description	Levy Collectible	Levy Adj	Releases	Writeoffs	Taxes Collected	Accounts Receivable	Collection Percent	Interest Collected	Refunds
	CL 2225A								
Vehicles									
2025									
2024									
2023									
2022									
2021									
2020									
2019									
2018									
2017									
2016	62.01					62.01			
Total	**62.01**					**62.01**			
(Levy adjustment included in levy collectible.)									
Vehicle									
Gap Bills									
2025	19,846.59				2,609.60	15,768.44	20.55%		
2024	11,728.35				794.43	10,933.92	6.77%		
2023	4,311.75				73.44	4,234.85	1.78%		
2022	2,816.46				27.04	2,789.42	0.96%		
2021	1,448.69					1,448.69			
2020	1,948.86				10.13	1,938.73	0.52%		
2019	1,515.26				18.71	1,496.55	1.23%		
2018	647.54				10.02	637.52	1.55%		
2017	176.26					176.26			
Total	**44,439.76**				**3,543.37**	**39,424.38**	**11.29%**		

LINCOLNTON POLICE DEPARTMENT
BRIAN R. GREENE, CHIEF OF POLICE

Dear Council,

1. On June 29th, 2025, Officer Noah Watson responded to a domestic disturbance involving a firearm at Betty G. Ross Park. Officer Watson arrived on scene and was attempting to locate the disturbance when he heard a gunshot at the lower parking lot of the park. Officer Watson stops and exits his vehicle at the top of the parking lot and advises communications shots were fired and retrieves his patrol rifle from the back of his vehicle. It is at this point Officer Watson notices a subject slumped on the ground behind a pickup truck occupied by another driver. With the current information officer safety training would dictate that Officer Watson remains behind the cover of his vehicle and wait for backup to arrive so they can make a coordinated approach. However, believing the subject on the ground had been shot, Officer Watson decided to place himself in extreme danger to help the victim. As Officer Watson approached the pickup, he noticed a male in the front seat with a firearm in which the subject pointed at Officer Watson. Officer Watson warned the subject numerous times before he was forced to neutralize the suspect which allowed Officers to assist the victim who had been shot in the chest. Officer Watson's quick actions and his courageous decision to place the safety of an injured victim before his own is the reason the victim is still alive today.

   For these reasons we are asking Council to approve the Department's highest award, the Medal of Honor for Officer Watson. This medal is awarded for an act of heroism above and beyond the call of duty and when placed in imminent threat of death or serious physical injury to personal self or others

2. As Officer Watson warned the subject Officer Steven Roper arrived on the scene to back up Officer Watson. While Officer Watson kept the subject covered, Officer Roper made his way to the victim, putting himself in danger. Officer Roper dragged the victim to safety behind cover. Officer Roper along with another officer provided life-saving care to the victim.

   For these reasons we are asking Council to approve the Department's second highest award, the Metal of Valor for Officer Roper. This medal is awarded for an act of heroism within the performance of normal duties when placed in imminent threat of death or serious physical injury to personal self or others.

According to Department Policy these two awards require Council approval. We are requesting this on the consent agenda. They will be awarded at our Police Banquet.

Thank you,

Brian R. Greene
Chief of Police

701 EAST MAIN STREET ~ LINCOLNTON, NORTH CAROLINA 28092
PHONE: 704-736-8900 ~ FAX: 704-736-8904

CITY COUNCIL

Ed L. Hatley, Mayor
Kevin Demeny, Mayor Pro-Tem
Mark Johnson
Jill Tipton
Roby Jetton

Lincolnton NC
Near the City. Near the Mountains. Near Perfect.

CITY MANAGER

Ritchie Haynes
rhaynes@lincolntonnc.org
CITY CLERK
Daphne Ingram
dingram@lincolntonnc.org
CITY ATTORNEY
John M. Friguglietti, Jr.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLNTON, NORTH CAROLINA DESIGNATING THE DATE AND TIME OF THE MONTHLY MEETING OF THE MAYOR AND CITY COUNCIL IN ORDER TO COMPLY WITH THE OPEN MEETINGS LAW

WHEREAS, Chapter 143-318.12 of the General Statutes of North Carolina requires that if a public body has established, by ordinance, resolution, or otherwise, a schedule of regular meetings, it shall cause a current copy of that schedule, showing the time and place of the regular meeting to be kept on file with the city clerk of the governing board and each other public body that is part of a city government; and

WHEREAS, if a public body has a Website and has established a schedule of regular meetings, the public body shall post the schedule of regular meetings to the Website; and

WHEREAS, one of the methods of giving such public notice is to advertise in a newspaper with a circulation in and around the City of Lincolnton; and

WHEREAS, the City Council desires to notify all citizens and residents of the City of Lincolnton of their regular meeting date and time.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Lincolnton that the regular meeting of the City Council shall be held the on the first Thursday of each month at 6:30 p.m. in the Council Chambers of the Lincolnton City Hall, located at 114 W. Sycamore Street, on the following dates unless otherwise posted:

March 5	**June 25**	**November 5**
April 2	**August 6**	**December 3**
May 7	**September 3**	
June 4	**October 1**	

All of these being held in 2026. The City Council, meeting in Regular Session on February 5, 2026, established these dates and times and ordered this resolution be published one time in the Lincoln Times-News at least fifteen days prior to the March 5, 2026 meeting. The City Council further ordered a copy of this resolution be posted on the bulletin boards on the first and second floors of the City Hall, located at 114 W. Sycamore Street. The purpose of this advertisement and the posting of this notice acknowledges the requirement as described in Chapter 143-318.12 of the General Statues of North Carolina

Adopted this 5th day of February, 2026.

LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Trent Mason

Subject: Apple Drop Event Highlights

Summary:

Background:

Fiscal Impact:

Recommendation:

Attachments:

None

LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Jane Love

Subject: Presentation on the Rail Trail Connector Project

Summary:

Background:

Fiscal Impact:

Recommendation:

Attachments:

None

LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Chris Jones, Technology & Innovation Director

Subject: Approval of Data Center Contract- 36 Months

Summary:

The City of Lincolnton is currently evaluating two infrastructure proposals from XenTegra, LLC, both featuring 36-month terms for software licensing and 24/7 production-level hardware support. The first option provides a **Production-Only Environment** (Quote #23673) totaling **$83,200.58**, which includes three Nutanix HCI nodes equipped with Intel Xeon-Gold processors and 17 virtual machine licenses. The second option provides a comprehensive **Production plus Disaster Recovery (DR) Environment** (Quote #23670) totaling **$165,901.16**, effectively doubling the hardware to six nodes and 34 virtual machine licenses to ensure service continuity in the event of a primary site failure. Both quotes include estimated freight and provide for "Net 30" payment terms, with all pricing remaining valid through January 30, 2026.

Background:

In response to the recent acquisition of VMware by Broadcom and the resulting industry-wide surge in licensing costs, the City of Lincolnton is transitioning to a more cost-effective Nutanix infrastructure to ensure long-term budget predictability and modern service continuity. This proposal offers two strategic paths: a **Production-Only Environment** for **$83,200.58**, featuring a three-node cluster with 17 virtual machine licenses , or a comprehensive **Production plus Disaster Recovery (DR) Environment** for **$165,901.16**, which doubles the hardware to six nodes and 34 licenses to guarantee city operations can continue in the event of a primary site failure. By moving to Nutanix, the City avoids the "forced bundling" and core-based price increases of the legacy VMware model while securing 24/7 production-level support for the next 36 months.

Fiscal Impact:

Expenditure Category	Option 1: Production Only	Option 2: Production + DR
Initial Capital Investment	$81,550.58	$163,101.16
Estimated Freight/Shipping	$1,650.00	$2,800.00
Annualized Cost (Avg.)	$27,733.53	$55,300.39
Total 36-Month Fiscal Impact	$83,200.58	$165,901.16

Recommendation:

To safeguard the City against both software and hardware market volatility, it is recommended that

the City Council approve the **Production plus Disaster Recovery (DR)** infrastructure for **$165,901.16**. This strategic investment not only addresses the risk of **300% to 1,200% price hikes** following Broadcom's acquisition of VMware but also secures essential hardware before a projected **global RAM shortage** further inflates costs. Current 2026 market data indicates that server memory (DDR5) prices have surged by as much as **171% year-over-year** as manufacturers prioritize AI data centers over standard municipal needs. By locking in Quote #23670 now, the City avoids these escalating hardware costs while securing a resilient, six-node Nutanix platform that eliminates expensive third-party hypervisor fees and ensures service continuity through automated, 24/7 disaster recovery.

Attachments:

1. Nutanix Presentation-2-5-26-Council
2. Approval of Data Center Contract-36 Months-IT-01-2026-Pricing Simplified
3. XenTegra LLC-City of Lincolnton - Nutanix-PROD ONLY- 01132026
4. XenTegra LLC-City of Lincolnton - Nutanix-PROD&DR- 01132026



Approval of Data Center Contract- 36 Mo
IT-01-2026



Broadcom Tax: Market Risk 2026

- **Cost Explosions**: Organizations transitioning from legacy VMware licenses to new Broadcom subscriptions are seeing price increases from **150% to over 1,000%**.
- **Forced Bundling**: Broadcom has eliminated flexible options, forcing cities to buy expensive "all-in-one" bundles regardless of actual need.
- **Licensing Penalties**: New "per-core" rules mean the City could pay **up to 4.5x more** for the same physical servers.
- **The Solution**: Nutanix includes its own hypervisor at **no additional cost**, permanently removing VMware licensing fees from the City budget.

2026 Global RAM Shortage

- **Price Surges**: DRAM prices have jumped **171% year-over-year**, outperforming even gold in market value.
- **The AI Squeeze**: Global manufacturers (Samsung, SK Hynix) have shifted production to AI data centers, leaving municipal hardware supply dangerously thin.
- **DDR5 Crisis**: Spot prices for the high-speed RAM used in these new servers have **quadrupled** since late 2025.
- **The Solution**: Acting now locks in the **48 memory modules** included in the DR quote at current prices, avoiding the "peak pricing" expected later in 2026.



Invest in Resilience

01 — Recommending Option 2 ensures City remains fully operational during crisis

02 — Investment provides 36 months of 24/7 support and budget certainty



03 — Synchronous Replication guarantees zero data loss in a disaster scenario

04 — Automated Recovery Plans bring critical services back online quickly



Approval of Data Center
Contract-36 Months

IT-01-2026

Core Pricing Proposals-VMWare

Previous Core Server Solution

$37,194.06- Hardware- 36 Months
$43,415.34- Software - 36 Months-(VMWare)

Core Pricing- Yearly- 2023-2026
$12,398.02 -Hardware
$14,471.78 - Software

$26,869.80 - Total (Yearly)

Continuing with VMWare

$0- Hardware-EOL Life in 2027
$175,768- Software - 36 Months-(VMWare)

Core Pricing- Yearly- 2026-2029
Software Only-Legacy Hardware
$58,589.33 - Total (Yearly)

- *Continuing with VMware is not in the City's best interest, given the significant cost increases and the platform's limitations on hardware upgrades and modernization.*

Core Pricing Proposals-Nutanix

Production Only- 1 Site
(Nutanix is combined Software/Hardware)

$83,200.58 – 36 Months

Core Pricing- Yearly- 2026-2029

$27,733.52 - Total (Yearly)

Production + Disaster Recovery- 2 Sites
(Nutanix is combined Software/Hardware)

$165,901.16 – 36 Months

Core Pricing- Yearly- 2026-2029

$55,300 - Total (Yearly)

**NIST SP 800-53 references the need for organizations to establish alternate processing and storage sites.*
NIST= National Institute of Standards and Technology
https://www.nist.gov

Staff Recommendation:

Approve Production and Disaster Recovery services in the amount of $165,901.16 for a 36-month term. This approach future-proofs the City's infrastructure by stabilizing costs despite current increases and eliminates the need for disruptive forklift hardware upgrades due to Nutanix's scalable architecture.

XenTegra

Quotation

XenTegra, LLC
P.O Box 1954
Huntersville, NC 28078
Billing Phone 866.343.9374 ext 4
Billing Contact: Accounts Payable
Billing Email: XenTegraAP@xentegra.com

DATE: 1/13/2026
Quotation #: 23673
Customer ID:

Billing Address:
City of Lincolnton North Carolina
114 West Sycamore Street
Lincolnton, NC 28092
(704) 736-8980

Shipping Address:
City of Lincolnton North Carolina
114 West Sycamore Street
Lincolnton, NC 28092
(704) 736-8980

Expiration Date: 1/30/2026
Prepared by: Bridget Kiser

All Sales are Final

TERMS	FOB
Net 30	Destination

Qty	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
	PRODUCTION ENVIRONMENT		
17	Subscription, Nutanix Cloud Manager (NCM) Starter Software License for Edge sites & Production Software Support Service for 1 VM Term in months: 36	$ 310.58	$ 5,279.90
3	24/7 Production Level HW Support for Nutanix HCI appliance Support Term in Months: 36	$ 824.14	$ 2,472.42
17	Subscription, Nutanix Cloud Infrastructure (NCI) Ultimate Software License for Edge sites & Production Software Support Service for 1 VM Term in months: 36	$ 2,323.16	$ 39,493.80
1	Platform Integration Fee		
3	NX-1175S-G9, 1 Node; 1x Intel Xeon-Gold 6526Y processor (2.8 GHz/ 16-core/ 195W,Emerald Rapids) per node	$ 6,365.57	$ 19,096.71
24	32GB Memory Module (5600MHz DDR5 RDM)	$ 238.96	$ 5,735.09
6	7.68 TB NVMe SSD - PCIe Gen5 (U.2)	$ 1,076.72	$ 6,460.33
3	No SSD as part of the system configuration	$ -	$ -
6	Mellanox 25/10GbE, 2-port, NIC (Mellanox CX6);transceiver not included	$ 442.15	$ 2,652.91
6	C13/C14, 10A, 4ft Power cord	$ 20.84	$ 125.01
3	TPM 2.0 Module Unprovisioned	$ 78.14	$ 234.42

*Sales tax & shipping will be added at time of invoice if applicable; If your organization is tax exempt please provide tax exemption certificate.

SUBTOTAL	**$ 81,550.58**
TAX RATE	0.00%
SALES TAX	$ -
FREIGHT EST	$ 1,650.00
TOTAL	**$ 83,200.58**

Accepted By: Signature Date

Printed Name

Title

Accounts Payable Contact

Title

Phone

Terms and Conditions

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Prices are subject to change without notice

The terms and conditions of sale contained herein (the “Terms”) shall apply to all quotations, statement of work or similar document (each a “Quote”) delivered by XenTegra, LLC (“XenTegra”) to a customer (“Customer”). The offer and sale of the goods and services set forth in the Quote is conditioned upon either XenTegra accepting in writing (including via email) a purchase orders ("Order") submitted by a Customer or delivering the goods or services set forth in an Order submitted by Customer.

These Terms may in some instances conflict with the terms and conditions affixed to an Order or other procurement documents issued by Customer or oral and written exchanges between the parties. In all such cases, except if included in a written acknowledgement (including via email) by XenTegra, these Terms herein shall govern and prevail. None of Customer’s conditions of purchase shall apply.

These Terms and any Quote made by XenTegra constitute the entire contract between the parties hereto with respect to price, work, material, goods, and services specified herein. Verbal instructions or agreements relative to or altering these Terms or any Quote in any way, will not be recognized, and no changes shall be made except to the extent approved in writing (including via email) by XenTegra.

Payment Terms: Payment terms are net thirty (30) days from invoice date unless custom net terms are provided by XenTegra in a Quote. Customer agrees to pay on time, unless prior arrangement has been made in writing with XenTegra. XenTegra may suspend or terminate future obligations or services until payment has been made on prior invoices. Overdue accounts are subject to interest and service charges of 1.5% per month plus collection fees. All charges and fees to be paid by Customer are exclusive of any applicable sales, use, excise or services taxes. All discrepancies regarding pricing shown on invoices shall be brought to XenTegra’s attention within fifteen (15) days of invoice date. Invoice amount shown shall be accepted and paid in full by Customer if not disputed within fifteen (15) days. Discrepancies arising after fifteen (15) days of invoice date shall not affect past invoices. All payments which are returned or dishonored will be subject to a $40 fee. In the event Customer terminates its relationship with XenTegra for any or no reason prior to the agreed upon term set forth in the Quote, the Customer shall promptly pay to XenTegra an amount equal to (a) any unpaid fees attributable to the period up to and including the date of termination, and (b) the aggregate of the fees that would have been payable from the date of termination until the date that XenTegra was no longer obligated to perform the services or provide the goods were it not for such termination. The amount due to XenTegra shall be paid by Customer within ten (10) days after the date of termination. Customer agrees to reimburse XenTegra for any expenses XenTegra may incur, including reasonable attorneys’ fees, associated with collecting amounts owed hereunder.

Warranty and Limitation: EXCEPT AS PROVIDED HEREIN, XENTEGRA MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED. XENTEGRA EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE AND EXPRESSLY DISCLAIMS ANY WARRANTY AS TO THE GOODS SOLD OR THE PERFORMANCE OF ANY SERVICES. XENTEGRA SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OR FOR LOSS OR DAMAGE DIRECTLY OR INDIRECTLY ARISING FROM THE GOODS SOLD OR SERVICES PROVIDED BY XENTEGRA. IN ANY CASE AND WITHOUT LIMITING THE FOREGOING, THE ENTIRE LIABILITY OF XENTEGRA FOR ALL DAMAGES OF EVERY KIND AND TYPE (WHETHER SUCH DAMAGES ARISE IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE) SHALL BE LIMITED TO THE AMOUNT PAID BY CUSTOMER TO XENTEGRA IN THE THREE (3) CALENDAR MONTHS IMMEDIATELY PRIOR TO THE DAMAGES ARISING.

Additional Terms and Conditions for Professional Services Consulting Hours (if applicable): Professional services blocks of hours of 40 hours or less will be prepaid in full. Blocks of hours over 40 hours require a 20% upfront payment and the remaining hours in the Quote will be invoiced as they are consumed and are billed on a bi-weekly basis. Any unused hours will remain available at the same rate listed on the Quote for a period of twelve (12) months from the date of an Order. Any unused hours at the end of the stated period will be canceled and a new Quote can be provided based on the current rates.

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Travel Expenses: If applicable, any travel expenses will be submitted to Customer for reimbursement (including copies of receipts) using standard IRS guidelines for expenses. XenTegra will endeavor to select reasonably priced airlines, hotels, meals, and other expenses.

Miscellaneous: Customer warrants that the information Customer provides to XenTegra is accurate and complete and that Customer is authorized to accept the Quote and these Terms. If a counter-signed Sale and Licensing Agreement is in place between the XenTegra and Customer, the terms of the Sale and Licensing Agreement will control. XenTegra may discontinue, suspend or modify its services, any feature included in its services, or the availability of its services at any time and without notice to Customer. Customer shall have no intellectual property rights in XenTegra’s services or property or XenTegra’s trademarks and brand features or in the material and images contained on XenTegra’s websites. This writing and the Quote constitute the full, complete and final statement of XenTegra’s obligations. All prior oral and written correspondence regarding the services or goods offered by XenTegra are merged in this writing and extinguished by it. XenTegra’s failure at any time to enforce any of the terms and conditions stated herein shall not constitute a waiver of any of the provisions herein. XenTegra’s headquarters is in North Carolina, and consequently these Terms and the Quote shall be governed by and construed in accordance with the laws of the State of North Carolina. You shall not assign these Terms or the Quote. Further if any portion of these Terms or the Quote shall be invalid it shall not have the effect of invalidating any other portion of these Terms or the Quote. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THESE TERMS OR THE QUOTE, OR A BREACH HEREOF, SHALL BE SETTLED BY ARBITRATION ACCORDING TO THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION TO BE HEARD BY ONE ARBITRATOR IN MECKLENBURG COUNTY, NORTH CAROLINA. Judgment upon the arbitrator’s award may be entered in any court having jurisdiction thereof. Revisions XenTegra may revise the amount of the set forth in the Quote in the event the scope of work or requested changes. XenTegra may revise and update these Terms from time to time in our sole discretion.

XenTegra

Quotation

XenTegra, LLC
P.O Box 1954
Huntersville, NC 28078
Billing Phone 866.343.9374 ext 4
Billing Contact: Accounts Payable
Billing Email: XenTegraAP@xentegra.com

DATE: 1/13/2026
Quotation #: 23670
Customer ID:

Billing Address:
City of Lincolnton North Carolina
114 West Sycamore Street
Lincolnton, NC 28092
(704) 736-8980

Shipping Address:
City of Lincolnton North Carolina
114 West Sycamore Street
Lincolnton, NC 28092
(704) 736-8980

Expiration Date: 1/30/2026
Prepared by: Bridget Kiser

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TERMS	FOB
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6	No SSD as part of the system configuration		
12	Mellanox 25/10GbE, 2-port, NIC (Mellanox CX6);transceiver not included	$ 442.15	$ 5,305.82
12	C13/C14, 10A, 4ft Power cord	$ 20.84	$ 250.03
6	TPM 2.0 Module Unprovisioned	$ 78.14	$ 468.84

*Sales tax & shipping will be added at time of invoice if applicable; If your organization is tax exempt please provide tax exemption certificate.

SUBTOTAL	**$ 163,101.16**
TAX RATE	0.00%
SALES TAX	$ -
Freight	$ 2,800.00
TOTAL	**$ 165,901.16**

Accepted By: Signature

Printed Name

Title

Date

Accounts Payable Contact

Title

Phone

Email

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LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Chris Jones, Technology & Innovation Director

Subject: AI Usage and Governance Policy

Summary:

The City of Lincolnton requires a formal Artificial Intelligence (AI) Usage and Governance Policy to ensure emerging AI tools are used responsibly, securely, and consistently across all departments. AI capabilities are increasingly embedded in everyday software and can provide meaningful efficiency and service improvements; however, without clear governance, they also present risks related to data security, privacy, public records compliance, ethical use, and accountability. A defined policy establishes guardrails for appropriate use, limits the exposure of sensitive or protected information, reinforces that AI is a support tool rather than a replacement for human judgment, and aligns AI adoption with existing cybersecurity, records retention, and acceptable use standards. Implementing this policy positions the City to responsibly leverage innovation while maintaining public trust, legal compliance, and operational integrity as technology and regulatory expectations continue to evolve.

Background:

Artificial intelligence (AI) tools have become increasingly common within standard workplace technology, including document creation, data analysis, customer service platforms, and software productivity suites already in use by municipal organizations. These tools are often introduced through vendor updates or third-party services rather than formal implementation projects, resulting in decentralized and informal adoption. While AI offers opportunities to enhance efficiency and service delivery, its rapid availability has outpaced the establishment of consistent governance, guidance, and oversight in many public-sector environments. As a result, municipalities nationwide are evaluating how to balance innovation with data protection, transparency, legal compliance, and ethical responsibility.

Fiscal Impact:

The adoption of an Artificial Intelligence (AI) Usage and Governance Policy is expected to have minimal direct fiscal impact while providing meaningful financial protection to the City. Establishing clear guidelines for AI use helps reduce the risk of data breaches, unauthorized disclosure of sensitive information, public records violations, and legal or regulatory noncompliance, all of which could result in significant unplanned costs, fines, litigation, or remediation expenses. A formal policy also supports responsible vendor selection and tool approval, helping prevent redundant software purchases, uncontrolled subscription costs, or future expenses related to incompatible or noncompliant systems. Overall, the policy serves as a preventative measure that safeguards City funds by reducing risk exposure and supporting more disciplined, cost-effective technology adoption.

Recommendation:

Staff recommends adoption of the presented Artificial Intelligence (AI) Usage and Governance Policy to establish clear, consistent guidance for the responsible use of AI technologies across the City of Lincolnton. Adoption of this policy provides a governance framework that supports innovation while protecting sensitive information, ensuring legal and public records compliance, reinforcing ethical use, and maintaining appropriate human oversight of AI-assisted work. Implementing this policy will align AI usage with existing City cybersecurity, acceptable use, and records retention standards, reduce organizational risk, and position the City to responsibly manage emerging technologies as their use continues to expand.

Attachments:

1. AI Usage and Governance Policy-draft

Lincolnton NC
Technology & Innovation

AI Usage and Governance Policy

1. Purpose

This policy outlines the principles, guidelines, and procedures for the responsible and secure use of artificial intelligence (AI) within the City of Lincolnton. The primary objective is to leverage the benefits of AI to enhance productivity, innovation, and decision-making, while mitigating associated risks. This policy specifically designates Google's Gemini as the single, approved AI platform for all organizational use cases, ensuring a unified approach to security, compliance, and ethical standards.

2. Scope

This policy applies to all employees, contractors, interns, and third-party vendors with access to City of Lincolnton's systems and data, in all work-related contexts. This includes, but is not limited to, the use of Gemini within Google Workspace applications (e.g., Docs, Gmail, Sheets), standalone Gemini applications, and Gemini-powered features within approved third-party applications.

3. Core Principles

The use of Gemini at City of Lincolnton is guided by the following principles:

- **Human Oversight and Accountability:** AI is a tool to augment, not replace, human judgment. All AI-generated outputs, especially those used for critical decisions or external communication, must be reviewed and validated by a human. The user is ultimately accountable for the final content and its accuracy.
- **Data Privacy and Security:** The security of our data is paramount. All use of Gemini must adhere to the highest standards of data privacy. Only non-confidential, non-proprietary, and non-personally identifiable information (PII) may be entered into Gemini unless it is through an approved enterprise-grade, secure integration (e.g., Google Workspace with Gemini's built-in data protections).

Draft

- **Accuracy and Fact-Checking:** Gemini may "hallucinate" or provide inaccurate information. Users must independently verify all facts, statistics, and claims generated by the AI using reliable, internal, or external sources.
- **Transparency:** When AI is used to create content for public or external use, its role in the creation process should be disclosed where appropriate and feasible.
- **Ethical Use and Bias Mitigation:** Users must be aware of and actively work to mitigate potential biases in AI outputs. AI should not be used to discriminate, make decisions based on protected characteristics, or create content that is harmful, offensive, or unethical.
- **Unified Platform:** City of Lincolnton has chosen Google Gemini as its sole AI platform to streamline governance, security, and compliance. The use of any other external AI tool (e.g., ChatGPT, Claude, Microsoft Copilot) for work-related tasks is strictly prohibited.

4. Guidelines for Use

4.1 Approved Uses:

Employees are encouraged to use Gemini for tasks that enhance productivity and creativity, such as:

- Drafting emails, reports, or internal communications.
- Summarizing long documents or meeting transcripts.
- Brainstorming ideas and generating creative content.
- Assisting with code generation, debugging, and analysis.
- Translating text and improving grammar.

4.2 Prohibited Uses:

The following uses of Gemini are strictly forbidden:

- Entering confidential, proprietary, or sensitive information, including customer data, financial records, employee information, or trade secrets, into any version of Gemini that is not explicitly approved and secured for such use (e.g., a non-enterprise consumer version).
- Using Gemini to make unreviewed, final decisions regarding personnel, finance, legal, or other high-stakes matters.

Draft

- Generating content that is discriminatory, defamatory, harassing, or violates any company policy or legal regulation.
- Using AI to impersonate or create fraudulent content without proper disclosure.

4.3 Data Handling:

All employees are responsible for understanding and adhering to the data handling practices associated with their specific Gemini license. For enterprise-level, Workspace-integrated Gemini, data is subject to City of Lincolnton's existing Google Workspace data governance policies, including data residency, encryption, and access controls. No company data should ever be entered into a personal or unapproved consumer-facing AI tool.

5. Training and Awareness

All employees will be required to complete mandatory training on this AI Usage and Governance Policy. The training will cover:

- The scope and purpose of the policy.
- The capabilities and limitations of Gemini.
- Best practices for prompting, fact-checking, and human review.
- Data privacy and security risks.
- Reporting a policy violation.

6. Policy Enforcement and Violations

Violations of this policy will be taken seriously and may result in disciplinary action, up to and including termination of employment. All employees are responsible for reporting any suspected policy violations to the Technology & Innovation Department.

7. Review and Updates

This policy will be reviewed and updated on a annual basis by Technology & Innovation Department to adapt to evolving technology, regulatory changes, and organizational needs.

Draft

LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Pamela McBryde, Finance Director

Subject: BA-02-26 Approval of Amendment to the Annual Budget Ordinance for the fiscal year ending June 30, 2026

Summary:

Background:

Fiscal Impact:

Recommendation:

Attachments:

1. BA-02-26

CITY COUNCIL
Ed L. Hatley, Mayor
Kevin Demeny, Mayor Pro-Tem
Roby D. Jetton
Mark Johnson
Jill Tipton

Lincolnton NC
Near the City. Near the Mountains. Near Perfect.

CITY MANAGER
Richard Haynes
rhaynes@lincolntonnc.org
CITY CLERK
Daphne Ingram
dingram@lincolntonnc.org
CITY ATTORNEY
John M. Friguglietti, Jr.
john@davidsonlawyers.net

BA-02-26

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, 2026.

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

General Expense	$	750,645
Police		8,513
Fire		5,000
Solid Waste		1,440
	$	765,599

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

General: Local Sales & Use Tax	$	750,000
SW: Rollout Fees		1,440
General: Grants - Other		5,000
PD: Report/Fingerprint Fees		340
PD: Misc. Revenue		8,173
General: Insurance Settlement		645
	$	765,599

General Fund: Police Dept. revenues- reports/fingerprint fees, solid waste rollout sales, Insurance Settlements: (1) USAA General - Sign replacement @ Idlewood & Litia Inn Road; (2) Dan Bridle - Hollybrook brick damage, FM Fire Service Grant for fire simulation software, and Local Sales tax estimate for remainder of FY.

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

Water Treatment Plant	$	-
Distribution and Collection		22,328
Wastewater Treatment Plant		272
Water and Sewer Intangibles		175,028
	$	197,627

Section 6: To amend the Water and Sewer Fund, the revenues are to be changed as follows:

Connection Charges	$	17,300
Other Operating Revenues		180,327

	$	197,627

Water and Sewer Fund: Convenience Fees, Water Connections, Scrap metal revenue from WWTP/Clarifier project, Insurance Settlement from NCLM for WWTP Lightning damage, and Repair Settlement from NC Farm Bureau Mutual for Hydrant damage.

Section 7: To amend the Electric Fund, the expenditures are to be changes as follows:

Electric Operations	$	31,179

Section 8: To amend the Electric Fund, the revenues are to be changed as follows:

Investment Income	$	26,262
Other Operating Revenue		4,917
	$	31,179

Electric Fund: Online convenience fees, Returned check fee, Utility receivables, Insurance settlement from NC Farm Bureau for Electric pole damage, and Interest income.

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.

TOTAL AMENDMENT	$	994,405

Adopted this 5th day of February, 2026

Attest:

Daphne Ingram	Edward L Hatley
City Clerk	Mayor

LINCOLNTON

AGENDA ITEM SUMMARY

To: The Honorable Mayor and City Council

Date: February 5, 2026

From: Nathan Eurey, Public Services Director

Subject: Approval of Recommendation for City Park Improvements

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Summary:

See Attached

Background:

Fiscal Impact:

Recommendation:

Approval of Project Planner Recommendation

Attachments:

1. City Park Award Recommendation.pdf - updated
2. Certified Bid Tab

January 26, 2026

Ritchie Haynes
City Manager
City of Lincolnton
114 W Sycamore Street
Lincolnton, North Carolina 28092

Re: City Park Improvements
Recommendation of Award
Lincolnton, North Carolina

Dear Mr. Haynes,

Formal bids for the City Park Improvements project were due on January 20, 2026 and five (5) bids were received and opened. DDI of Hickory, LLC was the apparent lowest bidder with a lump sum base bid amount of $3,900,000.00.

On January 22, 2026, DDI of Hickory, LLC submitted a Notice of Bid Withdrawal (see attached letter). Based on this withdrawal, J.D. Goodrum Company, Inc. is the next lowest responsive, responsible bidder with a lump sum base bid amount of $4,093,996.00.

J.D. Goodrum Company, Inc. is appropriately licensed with the NC General Contractor Board to complete this project. Therefore, we recommend that the City award the project to J.D. Goodrum Company, Inc. in the amount of $4,093,996.00.

It is also recommended for this project the City establish a construction contingency in the amount of $409,400.00 (10 percent).

If you have any questions, please do not hesitate to contact me.

Sincerely,
McGILL ASSOCIATES, P.A.

Kurtis Durrant, PLA
Project Planner

DDI OF HICKORY
GENERAL CONTRACTORS

Date: January 22, 2026

Project: City of Lincolnton City Park Improvements

Attention:
Richard Haynes – City of Lincolnton
Kurtis Durrant - McGill
Scott Clark - City of Lincolnton
Subject: NCGS 143-129.1 Withdraw Bid

Timing: Within 48 Hours of Bid Submission

Dear Mr. Durrant,

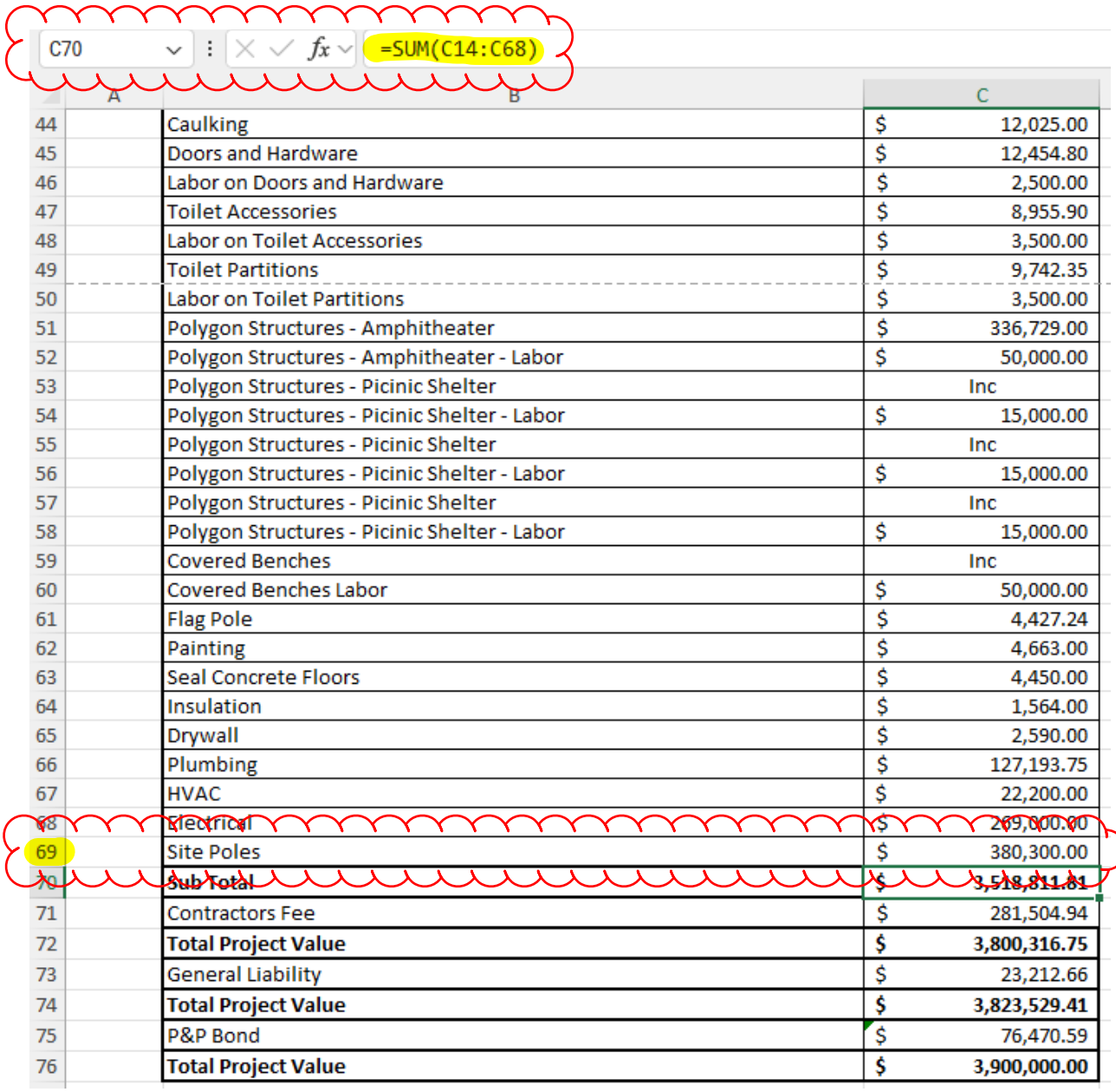
This letter serves as a formal request to withdraw our bid submitted on Tuesday, January 20, 2026, for the construction of the City Park Improvements for the City of Lincolnton. Our bid contained a substantial, unintentional clerical error, specifically, as it relates to an Excel Spreadsheet item missing from the formula calculation. This error was made in good faith during the compilation of the bid. We have prepared our original workpapers, which clearly demonstrate this unintentional error and can be provided as objective evidence, as required by NCGS 143-129.1. We respectfully request permission to withdraw our bid from consideration without forfeiture of our bid security. Please advise on the necessary procedures for the agency's review and any further documentation required from our end.

Thank you for your time and consideration.

Sincerely,

Dustin Davis
CEO
DDI of Hickory, L.L.C.
828-302-0659
dustin@ddiofhickory.com

Description	Bid Amount
Print Cost and Job Sign	$ 2,000.00
Building Permit	$ 10,000.00
Dumpster Rental and Haul	$ 10,000.00
Supervision	$ 208,000.00
Small Tools and Equipment	$ 15,000.00
Temporary Toilet	$ 5,000.00
Builders Risk Insurance	$ 5,000.00
Construction Office Trailer	$ 12,000.00
Storage Container	$ 1,500.00
Temporary Power	$ 3,000.00
Grading, Erosion Control, Storm Drainage	$ 836,071.00
Asphalt Paving, Striping and Signage	$ 457,761.00
Curb, HD Concrete, Walks, Steps	$ 306,234.00
Site Water and Sewer	$ 184,415.00
Sports Courts	$ 71,200.00
Testing	$ 15,000.00
Temporary Construction Fencing	$ 15,000.00
Fencing	$ 50,111.77
Landscaping	$ 39,939.00
Surveying	$ 35,000.00
Install Owner Provided Items	$ 25,000.00
Concrete Work at Restroom Building	$ 28,007.00
Masonry and Concrete	$ 99,702.00
Misc Steel	$ 30,311.00
Wood Trusses Material	$ 5,900.00
Rough Carpentry Material	$ 5,000.00
Framing Labor	$ 15,000.00
Siding	$ 19,765.00
Roofing and Gutters	$ 33,900.00
Downspout Concrete Blocks/Downspout Protectors	$ 3,500.00
Caulking	$ 12,025.00
Doors and Hardware	$ 12,454.80
Labor on Doors and Hardware	$ 2,500.00
Toilet Accessories	$ 8,955.90
Labor on Toilet Accessories	$ 3,500.00
Toilet Partitions	$ 9,742.35
Labor on Toilet Partitions	$ 3,500.00
Polygon Structures - Amphitheater	$ 336,729.00
Polygon Structures - Amphitheater - Labor	$ 50,000.00
Polygon Structures - Picinic Shelter	Inc
Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
Polygon Structures - Picinic Shelter	Inc
Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
Polygon Structures - Picinic Shelter	Inc
Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
Covered Benches	Inc
Covered Benches Labor	$ 50,000.00
Flag Pole	$ 4,427.24
Painting	$ 4,663.00
Seal Concrete Floors	$ 4,450.00
Insulation	$ 1,564.00
Drywall	$ 2,590.00
Plumbing	$ 127,193.75
HVAC	$ 22,200.00
Electrical	$ 269,000.00
Site Poles	$ 380,300.00
Sub Total	**$ 3,518,811.81**
Contractors Fee	$ 281,504.94
Total Project Value	**$ 3,800,316.75**
General Liability	$ 23,212.66
Total Project Value	**$ 3,823,529.41**
P&P Bond	$ 76,470.59
Total Project Value	**$ 3,900,000.00**



	A	B	C
44		Caulking	$ 12,025.00
45		Doors and Hardware	$ 12,454.80
46		Labor on Doors and Hardware	$ 2,500.00
47		Toilet Accessories	$ 8,955.90
48		Labor on Toilet Accessories	$ 3,500.00
49		Toilet Partitions	$ 9,742.35
50		Labor on Toilet Partitions	$ 3,500.00
51		Polygon Structures - Amphitheater	$ 336,729.00
52		Polygon Structures - Amphitheater - Labor	$ 50,000.00
53		Polygon Structures - Picinic Shelter	Inc
54		Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
55		Polygon Structures - Picinic Shelter	Inc
56		Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
57		Polygon Structures - Picinic Shelter	Inc
58		Polygon Structures - Picinic Shelter - Labor	$ 15,000.00
59		Covered Benches	Inc
60		Covered Benches Labor	$ 50,000.00
61		Flag Pole	$ 4,427.24
62		Painting	$ 4,663.00
63		Seal Concrete Floors	$ 4,450.00
64		Insulation	$ 1,564.00
65		Drywall	$ 2,590.00
66		Plumbing	$ 127,193.75
67		HVAC	$ 22,200.00
68		Electrical	$ 269,000.00
69		Site Poles	$ 380,300.00
70		**Sub Total**	**$ 3,518,811.81**
71		Contractors Fee	$ 281,504.94
72		**Total Project Value**	**$ 3,800,316.75**
73		General Liability	$ 23,212.66
74		**Total Project Value**	**$ 3,823,529.41**
75		P&P Bond	$ 76,470.59
76		**Total Project Value**	**$ 3,900,000.00**

$380,300.00 Plus
Fee, GL, P&P

Total Value $421,452.11

BID RESULTS

CITY PARK IMPROVEMENTS
LINCOLNTON, NORTH CAROLINA

January 20, 2026, 2:00 pm local time
City Hall Council Chambers, Lincolnton City Hall, 114 W. Sycamore Street, Lincolnton, NC 28092

BIDDER		Lump Sum Base Bid
Pinnix Inc		$5,950,000.00
J.D. Goodrum Co., Inc		$4,093,996.00
Eagle Wood, Inc		$4,605,000.00
DDI of Hickory, LLC		$3,900,000.00
Quinn Sales, Inc		$4,372,911.00

This is to certify that the bids tabulated herin were accompanied by a 5% bid bond or certified check and publicly opened and read alout at 2:00 pm local time on the 20th day of January, 2026 in the City Hall Council Chambers, 114 W Sycamore St, Lincolnton, NC 28092

KURTIS DURRANT, PLA

mcgill

1240 19th Street Lane NW
Hickory, NC 28601
License No. C-0459

