Lincolnton City Council Agenda

Meeting Minutes

May 7, 2026, 6:30 PM

114 West Sycamore Street, Lincolnton, NC 28092, US

CALL TO ORDER

Mayor Ed Hatley called the meeting to order at 6:30 PM at Lincolnton City Hall, 114 West Sycamore Street, Lincolnton, North Carolina. A quorum was present.

Present: Mayor Ed Hatley; Council Member Kevin Demeny; Council Member Mark Johnson; Council Member Jill Tipton ; Council Member Roby Jetton

The meeting included a moment of silence and the Pledge of Allegiance.

Approval of REGULAR AGENDA

Council Member Kevin Demeny requested that Item 4d, the official presentation of the 2026-2027 budget, be moved to Item 2b so that attendees interested in the student presentation and budget could be heard earlier in the evening. The council agreed to amend the order of business accordingly.

> **Motion to amend and approve the regular agenda by moving Item 4d, Official Presentation of the 2026-2027 Budget, Proposed Fee Schedule and Budget Message, to Item 2b was made by Council Member Kevin Demeny. The motion was approved by voice vote with members voting 4-0 in favor of the motion.**

Approval of CONSENT AGENDA

Before the vote, Mayor Hatley highlighted several proclamations on the consent agenda, including National Public Works Week, National Police Week, and International Firefighter's Day. City Manager Ritchie Haynes also provided a brief explanation of the 2026 Drone Show Contract, noting that the city and county had explored drone alternatives because traditional fireworks locations had become limited and liability concerns had increased, especially near the new turf field. He stated the drone show would be held after a June Live After Five event rather than on July 4. The show would be visible throughout downtown and was expected to be safer and more manageable than fireworks.

The consent agenda included:

- April 2, 2026 - Regular Meeting Minutes
- Approval of Request for release - March 16, 2026 - April 15, 2026
- 2026 Alive After Five Contract
- 2026 Drone Show Contract

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- Proclamation - International Firefighter's Day
- Proclamation - National Police Week 2026
- Proclamation - 2026 National Skilled Nursing Care Week
- Proclamation - National Public Works Week May 17th - 23rd, 2026
- Proclamation - Mother's Day 2026
- Proclamation - Memorial Day 2026

Motion to approve the consent agenda as presented was made by Council Member Jill Tipton. The motion carried by voice vote with members voting 4-0 in favor of the motion.

SPECIAL PRESENTATION - Lincolnton Student Advisory Recognition/Year In Review

Jill Eaddy presented the annual Student Advisory Council group and their Year in Review. She thanked the Mayor, City Council, and staff for their long-standing support of the Student Advisory Council, noting that the program had operated for 36 years and had involved more than 850 students over time. She emphasized its role in civic education, youth leadership development, and student participation in local government.

Students from Lincoln Charter, West Lincoln High School, North Lincoln High School, East Lincoln High School, and Lincolnton High School were recognized individually. Parents were also acknowledged. Mayor Hatley presented Lincolnton city pins to the students in appreciation of their work.

Student Advisory Council Chair Rhyan Ingram and committee members then gave a year-in-review presentation covering committee activities:

The Education Committee reported that it focused on supporting education in the community, including a chalk walk at Pumpkin Center and Northbrook Elementary Schools to encourage younger students during end-of-grade testing. The committee also continued discussions with the Lincoln County Board of Education regarding attendance and exam exemption policies and advocated for student success and academic support.

The Downtown Development Committee reported volunteer work at Cycle NC, downtown cleanup efforts along Sycamore Street, support for the New Year Apple Drop and Santa House events, and work related to the Rail Trail Committee and a planned mural near the stairs downtown. Members also mentioned continued support for the student memorial at First Federal Park.

The Community Events Committee highlighted participation in the Christmas Parade, Easter Egg Hunt, and Movie in the Park. Members also described the “Business of the Month” initiative, through which the council visited and promoted local businesses on social media in order to support small business visibility among young people.

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The Charitable Events Committee reported on collecting and delivering Christmas cards to nursing home residents, participating in the Angel Tree project, providing food to the Hesed House during winter weather, and preparing firefighter appreciation candy grams.

Students and council members expressed appreciation for the program's impact. Mayor Hatley thanked the students and parents, noting the city relied on the students' volunteer service throughout the year. Council Member Jill Tipton said the program demonstrated that the community was "in good hands" and praised the students' collaboration and leadership.

PUBLIC COMMENT

Mayor Hatley reminded speakers that each would have three minutes. He also noted that the budget presentation later in the meeting was only the first presentation and that a public hearing on the budget would be held at the next council meeting on June 4, 2026.

Vickie Yount, a retired state law enforcement officer and EMT, urged the council not to reduce police and fire staffing. She stressed that public safety personnel cannot be replaced quickly because of the training required and said police officers and firefighters are essential in assisting EMS during emergencies. She asked the council to find another way to address the city's budget situation and stated that lives depended on maintaining adequate staffing.

Alan Hoyle addressed broader concerns about public priorities, division in society, and the need for public servants to act in the best interests of the people. He referenced county spending and prior disagreements between city and county government and urged officials to focus on what best serves residents.

Cindy Kohler said she had originally intended to speak on another matter but felt compelled to comment on the city's financial situation. She urged the council to fully fund police, fire, and first responders, stating that the community could not afford to lose those employees and that she did not want Lincolnton to become less safe.

Michael Schrum spoke in support of the council and expressed solidarity on behalf of public safety employees. He thanked residents who attended to support city employees and said public safety workers help residents on their worst days.

Fire Department representative Brent McConnell thanked the council for its support over the years and spoke against proposed public safety position reductions. He explained that lower staffing levels reduce the effectiveness of emergency response, delay critical fireground tasks, and create safety risks for firefighters and the public. He urged the council to seek alternatives that would preserve current staffing.

Police officer and school resource officer Videlia Smallwood described the personal impact of the proposed reductions. She stated that the possibility of position cuts affected her family's financial security shortly before closing on a home and explained that she had left military service early and taken a pay cut to serve in Lincolnton because it was her hometown. She asked the council to consider the effect on employees and families and emphasized the role of school resource officers as mentors, protectors, and trusted adults in schools.

Steve Peeler acknowledged the seriousness of the city's budget problem and stated that personnel costs are often the largest expense. He asked the council to remember that public works, utilities, and public services employees are also essential first responders in maintaining residents' quality of life. He said any necessary burden should be shared broadly.

PUBLIC HEARINGS

CZ-2-2026

Brito Conditional Rezoning Request for 1837 N Aspen Street (Parcel ID 21085)

Planning Director Jean Derby presented the request to rezone 1837 N. Aspen Street from Neighborhood Business to R-8 Conditional District. She explained that the property had originally been zoned residential, was rezoned to neighborhood business in 2016 for a planned commercial use, but had continued to be used as a residence. The proposed rezoning would recognize the long-term residential use while applying conditions to address existing accessory structures.

Ms. Derby noted that the site contained a large rear accessory structure exceeding normal residential standards and a smaller accessory structure that staff recommended removing. Conditions proposed with the rezoning included limiting the large accessory structure to residential storage or automobiles, prohibiting commercial uses beyond customary home occupations, removing the smaller structure, prohibiting future additional accessory structures, and relocating a food truck currently associated with the site.

She stated that the Planning Board had recommended approval and that approval would also require amending the future land use map to show the property within the mixed use residential commercial planning area.

No public comments were made on the item.

Motion to close the public hearing was made by Council Member Jill Tipton. The motion carried by voice vote with members voting 4-0 in favor of the motion.

Motion to approve the Planning Board recommendation for CZ-2-2026, including rezoning the property from Neighborhood Business to R-8 Conditional District, approving the statement of consistency and reasonableness, and amending the future land use map, was made by Council Member Kevin Demeny. The motion carried by voice vote with members voting 4-0 in favor of the motion.

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CZ-4-2026

Workforce Solutions, LLC Conditional District Rezoning Request for subject properties accessed via Jackson Drive (Parcel ID 01315, 957701, and 75486)

Planning Director Jean Derby presented the request to rezone three parcels accessed via Jackson Drive from Planned Business and R-15 to RMF Conditional District for a proposed 52-unit apartment complex. She explained that the site was vacant, located in a mixed use residential commercial planning area, and within a watershed area. She reviewed the site plan, which showed four one-bedroom units, twenty two-bedroom units, and twenty-eight three-bedroom units, as well as parking, a clubhouse, a playground, and screening buffers.

Ms. Derby said the project would occupy only a small portion of the total acreage due to creek constraints and a 250-foot railroad setback imposed by the project's financial partner. She noted that the Planning Board had recommended denial on a 5-1 vote.

Because of the number of speakers, the council voted to reduce speaking time in this hearing from three minutes to one and one-half minutes.

> **Council Member Kevin Demeny made a motion to reduce public hearing speaking time for this item from three minutes to one and one-half minutes. Motion was approved by voice vote with members voting 4-0 in favor of the motion.**

Edward Faggart described the site as part of a defined area bordered by the railroad, U.S. 321, and Lithia Inn Road, and said the neighborhood had already experienced multiple "stressors," including increased traffic, noise, lighting, and loss of trees from nearby development. He argued that the proposal would add to those cumulative impacts.

Carolyn Marcum spoke about traffic congestion on Lithia Inn Road and concerns that additional residential density would worsen school crowding and emergency response access. She said residents had chosen the neighborhood because it was quiet, safe, and residential in character.

Randy Marcum stated that he had spent much of his life in the neighborhood and felt that residents had already absorbed substantial impacts from prior road and commercial changes. He said continued growth was diminishing the quality of life in the area.

Louise Clemmons opposed the project as incompatible with the surrounding neighborhood and stated that the proposed tax-credit apartments would be located too close to established homes. She raised concerns about traffic, crime, emergency access, mosquito issues from stormwater facilities, and property values. She submitted a petition containing 118 signatures requesting that current zoning remain in place.

Glorianne Gatza expressed concern for children's safety because of the adjacent railroad and asked whether school bus access and circulation had been adequately considered.

Eliud Ruiz said the proposed layout would place parking and two-story apartments near his property, reducing privacy around his home and pool. He also questioned

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whether adding more residents was appropriate while the city faced public safety staffing cuts.

Brittany Buff cited the city's land use plan and argued that the proposal conflicted with the city's objective to protect the integrity and viability of established neighborhoods. She urged the council to uphold the Planning Board's recommendation.

Richard Buff said he was not opposed to growth generally but believed the proposed low-income apartment complex was too close to a mature residential neighborhood and would significantly alter its character. He also questioned the adequacy of the proposed buffer and objected to the railroad setback being driven by developer financing rather than local suitability.

At the applicant's request, the developer's representative, Davis Ray of Winfield Ford, spoke after the public comments. He said the firm specialized in tax-credit multifamily housing across North Carolina and currently managed approximately 100 properties. He stated that many of the concerns raised by residents were valid and said issues such as traffic, lighting, and school impacts would be reviewed in later technical review processes if the rezoning were approved.

Mr. Ray stated that the property would have professional on-site management and maintenance staff and that the firm aimed to be a good neighbor. He said Jackson Drive access had been reviewed and that the project would improve it to city standards as required by the rezoning conditions. In response to council questions, discussion focused on the width and condition of Jackson Drive and whether historical resources such as the old tram route might be affected.

After the hearing, the council voted to deny the rezoning request in line with the Planning Board recommendation.

> **Motion to close the public hearing was made by Council Member Mark Johnson. The motion carried by voice vote with members voting 4-0 in favor of the motion .**
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> **Motion to approve the Planning Board recommendation to deny CZ-4-2026 was made by Council Member Jill Tipton. The motion carried by voice vote with members voting 4-0 in favor of the motion.**

Official Presentation of the 2026-2027 Budget, Proposed Fee Schedule and Budget Message

By prior amendment to the agenda, the council considered the budget presentation before the remainder of the regular agenda.

City Manager Ritchie Haynes formally presented the proposed fiscal year 2026-2027 budget in accordance with North Carolina law. He stated that the proposed budget totaled $36,739,955 across six major funds and that a public hearing would be held at the June 4, 2026 council meeting. He recommended a budget work session in approximately two weeks.

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Mayor Hatley and Mayor Pro-tem Demeny both prefaced the presentation by stating that the city had previously been on track with a balanced budget until a sudden external change occurred in early April. Both emphasized that staff had been required to substantially rework the budget on short notice and publicly thanked Haynes for extensive efforts over many days and weekends.

Haynes explained that the central issue was Lincoln County's decision to change local sales tax distribution from the long-used per capita method to the ad valorem method. He stated that the change would reduce the city's expected sales tax revenue from about $6.0 million to approximately $3.7 million over time, creating a loss of about $2.3 million, equal to roughly 11 percent of the city's general fund revenue. He noted that county officials had indicated they might assist with roughly half of the loss in the first year, but that no formal final commitment had yet been received.

Haynes stated that the city had only three realistic options to absorb the loss: raise the tax rate, rely on major new development, or cut positions and services. He said covering the full loss through property taxes would require an increase of 13.5 cents, from 50 cents to 63.5 cents. He also stated that replacing the lost revenue through development would require about $460 million in new taxable value, which he described as unrealistic in the near term.

Haynes then reviewed major proposed service and staffing reductions under consideration. These included elimination of 21 full-time positions and numerous part-time positions, though he noted that some of those positions were currently vacant and some upcoming retirements might reduce the number of current employees directly displaced. He stated that the city's goal was to preserve as many employees as possible.

Other proposed changes included:

- elimination of the monthly residential recycling program due to continued cost and lack of rebate revenue;
- ending city commercial solid waste collection except for limited downtown service, likely on a fee basis;
- changing limb collection from unrestricted pickup to a standard-size pile limit, with flexibility after major storms;
- charging fees for bulk item pickups such as furniture and appliances;
- requiring non-city events to pay staffing costs for city support services;
- reconsidering outside agency funding where no specific city function was being provided;
- and closing the public pool because of ongoing operating losses, state regulatory burdens, and anticipated capital costs.

Haynes also reviewed major fund figures. He said the proposal included no general property tax increase at this time. He outlined projected property tax, motor vehicle tax, franchise tax, and sales tax revenues, while emphasizing that the city had to plan for the long-term lower sales tax distribution. He noted a proposed 3.3 to 3.4 percent electric rate increase, no current increase in water and sewer rates, and

significant capital commitments funded through reserves and utility funds, including the Public Service Center and City Park.

He stressed that the city had already committed to several major projects, including City Park, fire apparatus purchases, and the Public Service Center, before the sales tax change occurred, and that those projects could not be abandoned without major financial consequences. He described the loss of revenue as “generational” in impact and said it would likely set the city back significantly unless new solutions emerged.

Council discussion focused heavily on the suddenness of the county’s action and the lack of advance notice. Mayor Hatley stated that the city had been blindsided and that if city leaders had known earlier, they likely would have made different decisions regarding projects. Council members discussed the importance of trying to protect public safety staffing as much as possible. Mayor Pro-tem Demeny stated that he remained strongly committed to supporting police and fire and wanted the burden to be shared broadly. He also announced that he wanted his council stipend directed toward police and fire personnel costs until staffing could be restored, and other members indicated agreement in principle.

Haynes stated that a joint city-county meeting was scheduled for May 12 at 3:00 PM and that additional budget workshops would follow as more information became available. He said the city would continue examining internal transfers, fees, revenue options, and expenses in an effort to reduce the need for cuts before budget adoption.

Request for Surety Bond Reduction - Carpenter Farms

Planning Director Jean Derby presented a request to reduce the surety bond for the Carpenter Farms development. She reported that the original bond had been set at $1.4 million for sidewalks, ADA ramps, and landscaping. Based on completed work, including exterior sidewalks along Star Town Road and significant interior improvements, staff recommended reducing the bond to $355,583.90 to cover the remaining work. She noted that completed improvements had been reviewed and that final acceptance of streets and sidewalks would occur later under normal city procedures.

> **Motion to approve the surety bond reduction for Carpenter Farms to $355,583.90 was made by Council Member Kevin Demeny. The motion carried by voice vote with members voting 4-0 in favor of the motion.**

Request to Approve Bids for the North Laurel Street Culvert Replacement Project

Assistant City Manager Scott Clark requested approval of the lowest bid for the North Laurel Street culvert replacement project. He explained that catastrophic flooding during summer 2025 had overwhelmed the existing 30-inch galvanized culvert, which inspection later showed to be corroded, deteriorating, and blocked. He stated that removal of the blockage had not been successful and that replacement and upsizing of the culvert were necessary.

Mr. Clark reported that Lewis Grading and Paving, Inc. submitted the lowest of four bids at $123,085, and staff also recommended a 10 percent contingency of $12,308.50. He explained that the replacement would use a 48-inch high-density polyethylene pipe with a much longer service life, along with headwall and drainage improvements. He also clarified that the project would be funded with Powell Bill funds rather than general fund dollars.

Council Member Kevin Demeny disclosed that he lived on North Laurel Street and abstained from voting.

> **Motion to accept the lowest bid from Lewis Grading and Paving, Inc. in the amount of $123,085, approve a 10 percent contingency of $12,308.50, and authorize the City Manager to execute associated contract documents was made by Council Member Mark Johnson. The motion carried by voice vote. Members voted 3-0 in favor of the motion, with Council Member Kevin Demeny abstaining.**

Request Approval Of Carolina CAT Bid To Replace The Generators And Switch Gears At The Water Treatment Plant And The Sanford Electric Bid To Replace The Generators At The Waste Water Treatment Plant

Water Resources Operations Manager Daniel Perry requested approval to move forward with generator and switchgear replacement at the water treatment and wastewater treatment plants. He said the matter had been discussed previously following Hurricane Helene and during budget workshops, and that lead times for generators were approximately 40 weeks. He recommended moving promptly to avoid further delays and future cost increases.

City Manager Ritchie Haynes added that most of the cost would be covered through PFAS settlement funds that had been designated for infrastructure needs and that additional settlement funds might be forthcoming.

> **Motion to approve the Carolina CAT bid to replace the generators and switch gears at the water treatment plant and the Sanford Electric bid to replace the generators at the wastewater treatment plant was made by Council Member Kevin Demeny. The motion carried by voice vote with members voting 4-0 in favor of the motion.**

Request for Adoption of Lessee Resolution between Lese Servicing Center, Inc and the City of Lincolnton

Police Chief Brian Greene requested approval of a new vehicle leasing arrangement for police vehicles. He explained that the police department had reviewed four leasing companies and found that National Government Leasing offered the lowest cost. He estimated savings of more than $6,500 over five years for each Dodge Durango and more than $11,000 over five years for each Tahoe compared with the current Enterprise arrangement. He also noted that the lease structure would result

in city ownership of the vehicles for a $1 residual at the end, allowing the city to sell the vehicles and recoup value.

Motion to approve the lease agreement and authorize execution of the lessee resolution between Lese Servicing Center, Inc. and the City of Lincolnton was made by Council Member Jill Tipton. The motion carried by voice vote with members voting 4-0 in favor of the motion.

BA-04-26

Request for Amendment to the Annual Budget Ordinance for the Fiscal Year ending June 30, 2026

Finance Director Pamela McBryde presented a budget amendment adding $208,601 to the current year budget. She explained that the amendment reflected additional revenues received late in the fiscal year, including fingerprinting receipts, scrap metal sales, insurance settlements, convenience fees, water and sewer connection fees related to development activity, and reimbursements for damage to city property such as a courthouse meter and a light pole.

Motion to approve BA-04-26 and amend the annual budget ordinance by $208,601 was made by Council Member Roby Jetton. The motion carried by voice vote with members voting 4-0 in favor of the motion.

Betty Ross Park Pool Program

Schedule of Fees

Finance Director Pamela McBryde began presenting a request to adjust the Betty Ross Park Pool Program fee schedule for non-residents so that those fees could be collected during the current fiscal year as the pool season approached.

Motion to approve the amended fee schedule was made by Council Member Kevin Demeny. The motion carried by voice vote with members voting 4-0 in favor of the motion.

NEWS MEDIA

City Manager Ritchie Haynes addressed a number of questions regarding the proposed budget cuts and City's position on the County's decision to change sales tax distribution. Mayor Hatley and other Council Members voiced their feelings as well. Following additional discussion related to the budget and the county's sales tax distribution change, the council prepared to enter closed session.

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Motion to enter closed session was made by Council Member Kevin Demeny. The motion carried by voice vote with members voting 4-0 in favor of the motion.

ADJOURNMENT

After returning to open session, Council Member Roby Jetton made a motion to adjourn the meeting. Members voted 4-0 in favor of the motion.

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