The Lincolnton City Council met in Regular Session on Thursday, February 6, 2025, at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton, NC.

The following Council members were present and accounted for:

DEMENY JOHNSON TIPTON JETTON

Prior to leading the pledge of allegiance, Mayor Ed Hatley acknowledged the unexpected loss of Ms. Johnny McClain, an almost twenty-year city employee, asking that she be remembered during the moment of silence.

Councilmember Roby Jetton made a motion to approve the REGULAR AGENDA as presented. Members voted 4-0 in favor of the motion.

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

- January 9, 2025 – Regular Meeting Minutes
- January 15, 2025 – Minutes from the Joint Meeting with Lincoln County and LEDA
- Lincoln County Tax Department – Request for Release for December 16th – January 15, 2025
- Approval of Records Retention and Disposition Schedules – Program Records & General Records Schedule
- Resolution Adopting Cleveland Gaston Lincoln Regional Hazard Mitigation Plan

Members voted 4-0 in favor of the motion.

PUBLIC COMMENT

Mayor Ed Hatley opened the public comment. Mr. Frank Keenan commended the utilities department/electric crew for their quick response to a concern regarding a low electric line. City Manager Ritchie Haynes responded to his request for an update on the City Park project and if an consideration has been given to renaming the park. Mr. Allen Hoyle addressed council during this portion of the meeting and posed a question to the members of the board. He express his view on a variety of issues reigning from the controversy over genders to individuals that have been adversely affected by taking the COVID shot.

SPECIAL PRESENTATION

Chief Brian Greene and Major Robert McAllister presented Officer John Delany with his Intermediate Certificate. Chief Greene spoke to the amount of work and dedication that goes into obtaining this certificate. The certificate is offered through the North Carolina Criminal Justice Education and Training Standards Commission and requires a combination of education, training and experience.

Mayor Ed Hatley presented the following proclamation to Mr. Jamel Farley and Mary Frances White celebrating February as Black History Month 2025:

CELEBRATING FEBRUARY as
BLACK HISTORY MONTH 2025

WHEREAS, during Black History Month we honor the extraordinary contributions made by African Americans through the history of our Republic, and we renew our commitment to liberty and justice for all; and

WHEREAS, during Black History Month we recognize the achievements of African Americans and their role in shaping history along with the contributions that African Americans have made to enhance the economic, cultural, spiritual and political development of our Country; and

WHEREAS, during Black History month we recognize the essential role of African Americans in shaping the story of America and honor their courage and contributions; and

WHEREAS, the omission of much of the history and contributions of African Americans from textbooks and other literature has impeded awareness and appreciation; and

WHEREAS, the celebration of Black History Month is a positive way of recognizing the culture and history of African Americans as vital to the core beliefs and values of this society; and

WHEREAS, observing Black History Month provides opportunities to gain a deeper understanding of African American history and acknowledge the centuries of struggles for equality and freedom.

NOW, THEREFORE, THE LINCOLNTON CITY COUNCIL does hereby proclaim and declare the month of February as "Black History Month" in Lincolnton, North Carolina, and further encourages all citizens to observe the month with appropriate programs, ceremonies, and activities.

Adopted on this 6th day of February, 2025.

PUBLIC HEARING

CZ-1-2025
Application from William Clayton/Sentry Rentals requesting a conditional district rezoning of approximately 1.94 acres of land from Neighborhood Business (NB) to General Manufacturing and Commercial (GMC) for the purpose of constructing a warehouse. The subject property is located on the north side of East NC 27, approximately 1000 ft east of the intersection of East Main Street & East NC 27 Highway (Parcel ID 87879,23626, 26773 and 24900)

Mayor Ed Hatley opened the public hearing and recognized Jean Derby, Planning Director, to speak to the item.

Ms. Jean Derby reviewed the details of the application explaining the existing zoning as Neighborhood Business (NB), and stating that the property is located on NC Hwy. 27. Ms. Derby informed that the proposed zoning is General Manufacturing and Commercial Conditional District (GMC-CD), for a warehouse for storage and delivery of incontinence and nutrition products throughout North Carolina.

Ms. Derby provided an aerial view, as well as several street views of the property, noting the left side being predominantly commercial and the right side predominantly residential. She explained how the current land use plan shows the property and that staff does not recommend amending the land use plan, since they feel that it is consistent. A site plan was provided as Ms. Derby communicated the details of the proposed building and site. She also disclosed the proposed business days and hours.

Ms. Derby spoke to the various conditions of approval from the Staff Review Committee. She noted that since this would be a conditional zoning, it will have an expiration date of 5 years from the date of approval, and that any adjustments to the conditions of approval that do not affect the overall layout of the site plan and that are technical in nature, can be approved by the department making the comment/condition.

Ms. Derby reviewed the statements of proposed consistency and reasonableness for both approval and denial. She informed that the Planning Board voted 6-0 in favor of recommended approval and the following actions:

- Recommend approval of rezoning of the property from NB to GMC(CD)
- Approve the statement of consistency and reasonableness for approval of the rezoning request
- Zoning be effective upon receipt of signed conditions of approval

There was one question regarding the difference between the current zoning and the proposed zoning. The applicant was in attendance but did not wish to speak unless there were questions from council.

Councilmember Jill Tipton made a motion to close the public hearing. Members voted 4-0 in favor of the motion.

Councilmember Kevin Demeny made a motion to approve as recommended by the staff. Members voted 4-0 in favor of the motion.

REGULAR AGENDA

Consideration of a Request to Adopt and Economic Incentive Grant Agreement between the City of Lincolnton and SPANTEK

Mr. John Dancoff with the Lincoln Economic Development Association addressed the Council to present a request for a Lincolnton Economic Incentive Grant. Mr. Dancoff informed that he was representing SPANTEX, existing industry within the city. He provided some general information about the company, and explained that the request would be used for the construction of a 20,000 ft warehouse addition, the installation of a new 10ft expanded metal grading line and a new stamping press. He also read a portion of the agreement into their hearing. The resolution to adopt an economic incentive grant agreement with SPANTEK was presented as follows:

WHEREAS, the Lincolnton City Council verily believes that it is in the best interests of the citizens of the City of Lincolnton to encourage and support economic development within the City of Lincolnton through the recruitment of new industries to the City and the expansion of existing industries in the City; and

WHEREAS, Spantek, have developed plans for expansion of the manufacturing facility in the City of Lincolnton; and

WHEREAS, the City Council wishes to encourage such development by

means of offering incentives to aid in such efforts;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. The Lincolnton City Council hereby approves the City of Lincolnton Incentive Grant Agreement (attached hereto as Exhibit A and incorporated herein by reference) among City of Lincolnton and Spantek.

2. The Mayor of the City of Lincolnton and the Clerk to the Council are hereby authorized to sign all necessary documents on behalf of the City of Lincolnton in order to effectuate this transaction.

3. This resolution shall become effective upon adoption.

This 6th day of February, 2025.

Councilmember Roby Jetton made a motion to adopt the resolution to approve the agreement. Members voted 4-0 in favor of the motion.

Councilmember Kevin Demeny made a motion to approve the agreement as submitted. Members voted 4-0 in favor of the motion.

Presentation of the Fiscal Year 2023-2024 Audit Report

Ms. Carol Avery with Lowdermilk Church & Co., was in attendance to present the prior year's audit.

Ms. Avery began by informing council members that the City's audit had been sent to, and approved by the LGC. She stated that the City received the required unqualified opinion. Ms. Avery reviewed the highlights as follows:

CITY OF LINCOLNTON

Financial Highlights
Years Ended June 30, 2024 and 2023

	2024 Summarized Budget	2024	2023
General Fund (Includes Powell Bill Funds)			
Total assets		$ 16,086,978	$ 14,035,048
Fund balance		$ 14,081,447	$ 11,490,337
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		$ 437,048	$ 361,415
Total revenue	$ 18,800,280	$ 19,757,640	$ 15,228,964
Total expenditures	$ 20,232,051	$ 18,589,044	$ 15,001,482
Revenues over (under) expenditures before other financing sources (uses)		$ 1,168,596	$ 227,482
Other income (expense)	$ 1,431,776	$ 1,415,371	$ 4,278,871
Increase (decrease) in fund balance		$ 2,583,968	$ 4,506,353
Increase (decrease) in inventory		$ 7,140	$ (1,910)
Ad valorem taxes collected		$ 7,948,518	$ 5,801,889
Percent of taxes collected - current year levy		98.71%	98.41%
Investment income		$ 668,183	$ 338,920
Fund Balance Available - without Powell Bill			
Available Fund Balance		$ 12,138,905	$ 9,776,733
Expenditures and other financing sources and uses		17,288,137	13,657,280
Available Fund Balance % - without Powell Bill		70.22%	71.59%
Fund Balance Available			
Available Fund Balance		$ 12,575,953	$ 10,138,148
Expenditures and other financing sources and uses		17,577,123	13,927,004
Available Fund Balance %		71.55%	72.79%
Minimum threshold - 25%			
Average for similar units		46%	46%

* 8.33% represents enough fund balance to cover one month of expenditures

Water and Sewer Fund	**2024**	**2023**
Total assets	$ 34,655,793	$ 33,679,884
Net position	$ 30,143,106	$ 29,154,366
Operating revenue	$ 8,765,754	$ 8,136,842
Operating expenses	$ 8,212,526	$ 7,721,494
Operating income (loss)	$ 553,228	$ 415,348
Nonoperating revenue (expenses)	$ 804,610	$ 220,732
Transfers (to) from	$ (369,099)	$ (389,222)
Change in net position	$ 988,740	$ 246,858
Accounts receivable - customers	$ 694,866	$ 699,049
Investment income	$ 399,667	$ 248,825
Days sales in accounts receivable	32.21	33.09
Funds Balance Available		
Available fund balance	$ 8,575,874	$ 6,866,455
Expenditures and other financiing sources and uses	8,625,160	8,168,888
Available fund balance %	99.43%	84.06%
Electric Fund		
Total assets	$ 12,329,096	$ 11,015,945
Net position	$ 10,481,825	$ 9,429,493
Operating revenue	$ 7,933,220	$ 7,701,699
Operating expenses	$ 7,143,358	$ 6,926,574
Operating income (loss)	$ 789,862	$ 775,125
Nonoperating revenue	$ 296,822	$ 136,943
Transfers (to) from	$ (34,351)	$ (30,465)
Change in net position	$ 1,052,332	$ 881,602
Accounts receivable - customers	$ 582,394	$ 524,842
Investment income	$ 297,494	$ 156,780
Days sales in accounts receivable	31.09	28.89
Funds Balance Available		
Available fund balance	$ 6,168,193	$ 4,908,027
Expenditures and other financiing sources and uses	7,178,381	6,957,403
Available fund balance %	85.93%	70.54%

	2024	**2023**
Component Unit		
Lincolnton Tourism Development Authority		
Total assets	$ 568,584	$ 637,285
Net position	$ 568,584	$ 636,959
Cash and Investments		
Cash	$ 30,271,442	$ 25,159,669
Restricted Cash	916,096	1,124,073
Total cash	$ 31,187,538	$ 26,283,742
Total cash includes:		
Special Revenue Fund/State	$ -	$ 312,697

There was some discussion regarding the City's current financial condition and income from investments. Ms. Avery commended the Pam McBryde, the Finance Director, and the City's finance department for the excellent work they do that makes her job easier.

BA-02-25
Request for Amendment to the Annual Budget Ordinance for fiscal year ending June 30, 2025

Finance Director Pamela McBryde presented a budget amendment as follows:

BE IT ORDAINED by the Governing Board of the City of Lincolnton, North Carolina, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2025.

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

General Expense	$	60,159
Police	6,681	
Solid Waste	560	
Planning/Zoning	1,475	
	$	68,875

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

PD: Controlled Substance Tax	$	6,681
SW: Rollout Fees	560	
General: Cemetery Lot Sales	2,375	
P&Z: Zoning Department Fees	1,475	
General: Interest	56,149	
General: Insurance Settlement	1,635	
	$	68,875

General Fund: NCDOR Controlled Substance Tax, Misc Revenues for the P&Z and Solid Waste departments, Interest income, Insurance/Repair Settlements from: (1) NC Farm Bureau-Trash Receptable damage; (2)State Farm-Flint Street Pole damage &

Section 3: To amend the Powell Bill Fund, the expenditures are to be changes as follows:

Powell Bill Construction/Other	$	104,228

Section 4: To amend the Powell Bill Fund, the revenues are to be changed as follows:

Powell Bill Allocation	102,259	
Investment Income	$	1,969
	$	104,228

Powell Bill Fund: Record interest income earned & final installment true-up.

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

Distribution and Collection	$	2,010
Wastewater Treatment Plant	34,678	
	$	36,688

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

Investment Income	$	34,628
Connection Charges	2,010	
Other Operating Revenues	50	
	$	36,688

Water and Sewer Fund: Freedom Equals Realty Group LLC connection fees, miscellaneous water fee, and Interest income earned.

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

Electric Operations	$	36,346

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

Investment Income	$	26,488
Other Operating Revenue	9,858	
	$	36,346

Electric Fund: Interest income earned, Electric meter charges, and Insurance settlement from State Farm-Flint Street pole damage.

Section 9: To amend the Special Revenue Fund, the expenditures are to be changed as follows:

AIA Grants-Water-D-ARP-0243	$	2,400
	$	2,400

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

AIA Grants-Water-D-ARP-0243	$	2,400
	$	2,400

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

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	$	248,537

Adopted this 6th day of February, 2025

Ms. McBryde briefly reviewed the request, explaining the reason for the change and the impact it had on the budget. She confirmed that that the City solid financial standing.

Councilmember Jill Tipton made a motion to approve the budget amendment. Members voted 4-0 in favor of the motion.

Consideration of Request to Adopt a Proposed Whistleblower Policy

Human Resources Director Tanya Osborne came before the governing board to request the adoption of a whistleblower policy. Ms. Osborne explained that Byrne-Justice Assistance Grant (JAG), which is the grant Chief Brain Greene is currently applying for, requires an approved Whistleblower policy to be in place. She informed that a maximum about of $150,000 can be awarded, if approved Ms. Osborne provided a draft copy of the policy for Council's review. Ms. Osborne clarified the purpose of the policy, which is to potentially protect those individuals that believe the are seeing misuse of public services and processes that will be put in place. City Manager Ritchie also spoke to the policy and how things will be handled, which will be in accordance with the City's current personnel policy.

Councilmember Jill Tipton made a motion to approve the policy. Members voted 4-0 in favor of the motion.

Update from the Young Adult Committee

Mr. Trent Mason, Chair of the Young Adult Committee, gave a detailed update on the success of the Apple Drop Event. Mr. Mason provided both images and statistics of the event, and emphasized what a great investment it was for the City. He spoke to all of the positive feedback received regarding all of the different component that were included. He acknowledged everything done and all of the work that went into making it a success. He also spoke to the vast number of people that helped. Young Adult Committee members, DDA members, SAC members, City employees and volunteers.

Mr. Mason did a comparison of the event, from the very first Apple Drop that took place in 2018 to present. He pointed out the differences each year, highlighting the growth regarding both attendance/participation and the event itself. Mr. Mason mentioned the City's investment into Pacer AI, which allowed them to obtain the data necessary to show the number of people where in the downtown at that time and where they are coming from. He also spoke to the monetary donation that will be given to the Lincoln County Animal Services and the Hesed House made possible because of the cash donations raised in the history of the event.

Mr. Mason provided an overview of the many free activities attendees could choose to enjoy, and he stressed what a "hit" Lincolnton Express train was. He informed that two restaurants and five retail stores expended their hours and were open for the event, and that there was no "give away's" left at the end of the night. He provided some of the social media feedback received from some of those that attended the event.

In conclusion, Mr. Mason thanked Mayor Hatley and the City Council members for allowing and supporting the event. He thanked Betty Flohr, DDA Director for her guidance, the Young Adult Committee, LTDA, City Street and Electric Department, Local Roots, Untapped, Recreation Department, Student Advisory Council, City Police, Fire Department, and all others that helped.

Resolution Ordering the Lincoln County Tax Administrator to Advertise Tax Liens for 2024

City Manager Ritchie Haynes presented the following resolution to be adopted. He explained this action will give the Lincoln County Tax Administrator the authority to advertise any delinquent city taxes in the Lincoln Times Newspaper. Resolution read as follows:

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 2024 year in the amount of $485,321.13; 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 2024 and shall further comply with the requirements of N.C.G.S. §105-369.

This the 6th day of February 2025.

Councilmember Kevin Demeny made a motion to approve Resolution . Members voted 4-0 in favor of the motion.

OTHER BUSINESS

Introduction of New Fire Setter Intervention Program

Assistant Chief Rusty Reynolds introduced Terry Ratts, who gave a brief overview of a new Youth Fire Setter Intervention Program. Asst. Chief Reynolds spoke to the amount of time and effort that has been put into getting the program off the ground. He stated that the purpose of the presentation was to bring awareness to the program.

Terry Ratts gave a brief description of the youth fire cent prevention and intervention program. He informed that the program is a community initiative aimed at addressing the fire-setting behaviors of children and adolescents. This program focuses on preventing future incidents by offering education, counseling, and support to both the youth and their families. The program seeks to reduce future fire-related incidents, protect the community, and promote long-term behavioral changes. Mr. Ratts recognized representatives from the Child Advocacy Center and the Lincoln County Health Department as being a hug assets and partner. He also recognized the involvement of Lincoln County School System and the Cooperative Extension 4H.

Mayor Hatley thanked Terry and the other cooperating partners involved in making the program a success.

Consideration of Request from ABC Board Regarding Surplus Property

City Manager Ritchie Haynes spoke to the governing body regarding a request for surplus property. Mr. Haynes explained that the ABC Board is in the process of hiring it's own part-time ABC Enforcement Officer and is in need of a vehicle. He informed that Chief Brian Greene has no objection to this exchange, however he does strongly recommend that the vehicle be re-wrapped with the ABC Boards logo in an effort to prevent confusion among the public. A resolution approving conveyance of the property was presented as follows:

WHEREAS, the City of Lincolnton owns 2014 Dodge Charger; **and**

WHEREAS, North Carolina General Statute § 160A-274 authorizes a governmental unit in this state to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration; **and**

WHEREAS, the City of Lincolnton has determined that it is in the best interest of the city to convey the 2014 Dodge Charger to the Lincolnton ABC Board, and deems it wise to do so for sale for $3,200.00.

NOW, THERFORE, the LINCOLNTON CITY COUNCIL resolves that:

1. The City of Lincolnton hereby conveys to the Lincolnton ABC Board the aforementioned property

2. The property herein described shall be conveyed for sale for $3,200.00.

3. The City Manager of Lincolnton is authorized to execute all documents necessary to convey the property in the manner authorized by this Resolution.

Adopted this the 6th day of February. 2025.

Councilmember Kevin Demeny made a motion to approve the recommendation. Members voted 4-0 in favor of the motion.

Manager's Report / Activity Update

City Manager Ritchie Haynes reminded council members of varies upcoming dates and events. Mr. Haynes mentioned some of the highlights in the City Page, and a number of recent promotions. He talked about the reduction of incidents and charges stated on the homeless report. He also spoke to the upcoming meeting with the architects on what will hopefully be the final design for the new public service center. The final design will require councils' approval, after which, it will be bid out. The City Park project was also mentioned, as well as the ADA compliance work being done on the city sidewalks. Mr. Haynes reported that he has begun work on the budget and will continue until the April 11th budget work session.

In conclusion, City Manager Ritchie Haynes introduced/ recognized Mr. Scott Clark, the new Assistant City Manager. Mr. Clark briefly addressed the council, expressing his excitement and appreciation for the opportunity. Mayor Ed Hatley encouraged members to come by and visit with him

CLOSED SESSION

Councilmember Roby Jetton made a motion to go into closed session. Members voted 4-0 in favor of the motion.

City Attorney John Friguglietti cited the statute N.C. General Statute 143-318.11(a)(5) – to establish or instruct the staff or agent concerning the acquisition of real property and N.C. General Statute 143-318.11(a)(3) – to consult with the attorney to protect the attorney-client privilege.

Staff reporter Mike Powell requested a copy of the audit highlights and the full name of the auditor. He also inquired as to the last time there was an assistant city manager.

ADJOURNMENT

Upon returning to open session, Councilmember Roby Jetton made motion to adjourn. Members voted 4-0 in favor of the motion.

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