**COMMITTEE OF THE WHOLE**
**CITY HALL, THIRD FLOOR**
**TUESDAY, FEBRUARY 27, 2018**
**8:30 A.M.**

PRESENT: Mayor Gibbons presiding. Committee members, Beal, Perdue, Perkins, Rohr, Thomas and Stevens.

City Manager Hildebran, City Clerk Cannon, Public Information Officer Harris, Police Chief Brown, Fire Chief Briscoe, Deputy Fire Chief Hair, Economic Development Director Horn, Finance Director Bean, Recreation Director Story, Planning Director Wheelock, Public Utilities Director Thomas, Public Works Director Beck and incoming Public Works Director Wright.

OTHERS: Virginia Annable, *News-Topic,* Andy Honeycutt, and Public Utilities Staff Daniel Clark, Derek Goble and Kevin Pritchard.

ABSENT: Mayor Pro-Tem Willis.

I. CALL TO ORDER

A. Mayor Gibbons welcomed everyone and called the meeting to order.

II. CITIZEN COMMENT PERIOD

III. COMMITTEE ITEMS

A. Public Utilities/Public Works

1. Public Utilities Director Radford Thomas introduced Andy Honeycutt, MeterSys, who presented information regarding the City's Advanced Metering Feasibility Study.

   Mr. Honeycutt shared that technology has changed and the City needs a "fully leveraged project" for its meter billing process. He reviewed the following items:

   - Scope of Work
   - Project Background-Drivers of Evaluation
   - Advanced Metering Technology Objectives
   - AMR (Drive-By) and AMI (Fixed Network)
   - Meter Reading Process Review
   - Current versus Future State –Metering
   - Current versus Future State – Customer Service
   - Network Options
   - Network Designs – Propagation Results
   - Financial Comparisons-Cell, Retro-fit, Full Replace
   - Capital/Operational Expenditure

- AMI Total Benefits – All Options
- AMI Direct Benefit Value – Retro-fit
- Key Findings –Current State Issues
- Key Findings – Future State Opportunities
- AMI Value for the City of Lenoir
- AMI Recommended Solution Requirements
- Upcoming Milestones – Draft Solution Selection & Implementation Timeline

Mr. Honeycutt stated the City has identified a goal of creating a long-term roadmap for sustainable metering investment and noted the meter functionality includes remote disconnect, data profiling, two-way communication and on-demand read. In addition, the utility operations include network add-ons, pressure monitoring and leak detection with a goal to optimize utility revenue and resource conservation. The project has an estimated timeline of two-years to implement. Mr. Honeycutt also pointed out that having a customer portal will greatly enhance customer account management.

Mr. Honeycutt explained the AMR (Drive-By) and AMI (Fixed Network) process and shared the automation of reads frees up staff for other tasks. It was clarified implementation of this system will not eliminate the need for meter readers as the City has about 200 meters that won't read so staff will continue to do drive-by readings for these particular meters.

Next, Mr. Honeycutt explained the financial comparisons as follows:

| Type | Total Capital Expenditure | Payback Period | ROI* |
|---|---|---|---|
| Cellular | $3,612,000 | 8-years | 78.1% |
| Full Replace | $4,404,000 | 9-years | 107.0% |
| Retro-Fit | $4,218,000 | 8-years | 112.3% |

*Return on Investment

Mr. Honeycutt pointed out Cellular Networks have a lower capital expenditure, higher operational expenditures and limitations on true 2-way functionalities plus 3rd party network controls. Traditional Fixed Networks have higher capital expenditures, lower operational expenditures, and up to 20-years of useful life. Utility maintains control of network. It was noted the only negative with a Retro-Fit system is the 15-year useful life span and the possibility of some functionality loss.

Director Thomas shared the City currently experiences around a 15 percent to 17 percent loss factor which is the number that Staff can account for. Previously, the City's loss factor was around 30%.

Director Thomas stated the utilities budget includes $400,000 annually for meter replacement and commended Staff for the great job they are doing. He emphasized implementing the Smart Meter Technology would increase departmental efficiency plus allow Staff the option to do water cutoffs via their computer. This system would also eliminate the need to occasionally use Staff from the Wastewater Distribution Department to assist with meter reading.

Key Findings – Current Issues

- Limited historical data on meter age impacts ability to strategically plan for replacement due to end of useful life
- Variation of meter size, type, and age across system - lack of standardization presents variation in useful life predictions and capital planning
- Dual AMR and manual read system creates hybrid environment for billing and readings; informal and manual business processes across multiple functions
- Oldest meter in system 51 years old (ncwater.org 2016 water supply plan). Replacement of aged infrastructure internally is difficult to schedule/prioritize
- System settings, thresholds, and reporting features are not tailored to system and are not effective, necessitating manual review and potential redesign
- Slow system growth yet increasing operational costs require greater efficiencies and increased application of technology through automation

Key Findings – Future Opportunities

- Payback period is estimated to be 8 years for DCF Analysis for retro-fit implementation
- Automation and standardization of meters will reduce read labor costs; multiple re-reads and work orders alleviated through on-demand reads
- Significant internal and external communication and education will be required to gain project support and confidence
- City should revisit policies to identify opportunities to leverage AMI features and functionality
- City will gain improved customer service (leak detection, consumption monitoring, customer portal, real-time troubleshooting) and will reduce manual work
- City should revisit settings in Harris ICS for potential utilization study.
- City should engage the next phase of technology conversion, procurement, to define costs and detailed solution specifications

AMI Value for the City of Lenoir

- AMR is 30 year technology and doesn't provide as many ancillary benefits
- AMI will reduce greenhouse emissions from reduction of manual meter reading
- AMI allows for improved customer experience with direct, almost real-time access to consumption data
- AMI provides a platform for future technology (i.e. distribution leak detection, smart-city platforms, SCADA-lite functionalities
- AMI is safe, secure, and reliable technology

AMI Recommended Solution Requirements

- Remote Disconnect Meter
- Integrated Meter/Endpoint
- Minimized Collector Count
- MDMS and Customer Portal
- Future Technology and System
- Expandability
- Installation Qualifications
- Equipment Specs/Warranty

- Vendor Qualifications/References
- Pricing Summary

Upcoming milestones are as follows:

- Final Report March 2018
- Bid Process May 2018
- Award Project August 2018
- Substantial Completion August 2020

Following a brief discussion, it was the consensus of the Council to move forward with this project.

IV. COMMUNITY DEVELOPMENT

A. Lenoir Tourism Development Authority: The Lenoir Tourism Development Authority (LTDA) met on Thursday, January 25. Kaylynn Horn, Economic Development Director Horn, stated the Board is continuing to review several grant requests from local businesses.

B. Lenoir Business Advisory Board: The Lenoir Business Advisory Board (LBAB) met on Thursday, February 8. Minutes of the January 11 meeting were submitted as information.

Director Horn reported the annual North Carolina Main Street Conference will be held on March 13-15 in Clayton and encouraged Councilmembers to attend. She also mentioned the Board is currently working on the upcoming Google Gravity Games to be held on Saturday, April 28 in downtown Lenoir.

Director Horn further related the Lenoir Fire Department Staff was recognized as the 2017 Main Street Champions at the annual Main Street Celebration held on Monday, February 26 at 1841 Café.

C. Planning Board: Planning Director Jenny Wheelock reported the Board met on Monday, February 26 and reviewed the following items.
1) Rezoning Request for property located at the southeast corner of Elizabeth Street and Valmead Street, west of Valmead Elementary School, to be rezoned from R-9 Multi-Family residential to I-2 Heavy Industrial in order to house a Caldwell County EMS Base. A public hearing will be held on Tuesday, March 6.
2) Reported a work shop will be held regarding the regulation of manufactured homes.

D. Parks & Recreation Advisory Board: The Parks & Recreation Advisory Board met on Monday, February 19. Minutes of the meeting were submitted as information. Recreation Director Kenny Story presented the following information:
1) Reported the Skate Park will be open from daylight to dusk and appropriate signage will be installed.
2) Registration continues for Baseball and Softball programs.
3) J.E. Broyhill Park Renovations are ongoing.
4) The annual Black History Month Quiz Bowl was a success and was well attended.

5) Declaration of Covenants, Conditions and Restrictions; Lenoir Optimist Park Property: City Staff recommends approval of a proposed Declaration of Covenants, Conditions and Restrictions Agreement for the Lenoir Optimist Park property per the Parks and Recreation Trust Fund Grant Agreement (PARTF). The property is located at 701 Mulberry Street.

Director Story explained the Parks and Recreation Trust Fund (PARTF) requires the Lenoir Optimist site to be "dedicated in perpetuity as a recreational site for the use and benefit of the public, and pursuant to a contractual requirement with PARTF, the property may not be converted to other than public recreational use whether by transfer, sale or in any other manner without approval of the North Carolina Department of Natural and Cultural Resources".

A copy of the agreement is attached to these minutes as information.

**Motion**
Councilmember Rohr moved to approve the proposed amendment to the agreement contingent upon the language **"and or successors"** to be added at the very end of the sentence. Mr. Hildebran commented state officials would have to approve the proposed amendment before it could be changed.

**Council Action**
Following a brief discussion, Council voted 6 to 0 to approve Councilmember Rohr's motion as described above.

E. Finance & Administration

1. Financial Updates: Finance Director Donna Bean reviewed the City's Financial Summary as of January 31, 2018 and reported the over/under balance in the General Funds is $3,428,551.27, Downtown District ($112,735.45), and Water & Sewer Fund $2,753,583.83. Director Bean reported the City's revenue is on target and 52.41% of the budgeted sales tax has been collected to date. She stated the City is on target for its expenditures and there has been a slight increase in sales tax collection.

   A copy of the financial statement is attached to these minutes as information.

   Next, Director Bean presented descriptions of two job classifications establishing an Assistant Fire Chief-Prevention position and an Assistant Fire Chief-Logistics position. An amendment to the City's Pay/Classification Plan will be submitted to Council at the March 6 City Council meeting for their consideration of approval.

F. Update; Public Communications: Joshua Harris, Public Information Officer, presented a Communications Report as of January 2018. Activity included 254 social posts, 149 photos, 8 news releases and 3 videos. In addition, he stated there are 569 new followers and the website has experienced 33,444 views. Mr. Harris briefly reviewed a social media comparison chart and pointed out the City's information is also available on its website and Facebook account along with Instagram, Twitter and YouTube.

In addition, Director Harris reported the Employee Portal is under construction and he will also be working on policies. Future plans are to include all events online along with making the City

website more user friendly plus posting events in Spanish. A brief discussion was held regarding posting signage at the City's Skate Park in Spanish with Director Story asked to review any liability issues the City may have regarding its current signage.

VI. PUBLIC SAFETY

A. Update; Fire Department: Deputy Fire Chief Hair reported the City has entered into an agreement with the North Carolina Emergency Management System to install an Early Warning Device at the Mulberry Street Bridge at no cost to the City. The data collection system detects heavy rainfall and rising creek waters. Weather alerts will be sent to the Integrated Flood Observing and Warning Systems (IFLOWS) and to the National Weather Service.

Chief Hair also reported they were experiencing some issues with the restrooms at the new Fire Station No. 2 and working to get the new facility up to code before the final inspection.

B. Update; Police Department: Police Chief Brown stated the Department's Citizens Academy begins on Thursday, March 1. He also stated he would present the Department's Annual Report in April.

In addition, Chief Brown stated a Caldwell Women's Rights Rally is scheduled for Saturday, March 3 with 250 participants. The purpose of the march is for National Gun Control Awareness.

Chief Brown also gave an update on personnel and clarified it takes sixteen weeks of training before an Officer can begin patrol.

In conclusion, Chief Brown announced his upcoming retirement effective August 1. On behalf of City Council, Mayor Gibbons commended him for his outstanding service to the City of Lenoir and its citizens.

VII. OTHER

A. Fire Chief Briscoe addressed Council and commented he was proud to be Fire Chief. He gave highlights of a fire last winter that was located near Fairfield Chair Company and emphasized how hard the firefighters worked to extinguish the blaze without causing any damage to Fairfield Chair. Mr. Alvin Daughtridge, President, was also on the scene and, due to the firefighters commitment, Chief Briscoe was able to assure Mr. Daughtridge his plant would be alright. He concluded by asking Council to take care of the firefighters and Department and remarked "they will work hard for you".

B. March Calendar: By consensus of the Council, the calendar for the month of March was approved by Council listing various meetings and events.

VIII. ADJOURN

There being no further business, the meeting was adjourned at 10:20 am.

Attachments
January 2018 Financial Summary
PARTF Agreement (Declaration of Covenants, Conditions & Restrictions)

# City of Lenoir
## Financial Summary
## As of January 31, 2018

| General Fund | | | | | |
|---|---|---|---|---|---|
| | 2017-2018 Budget | 1/31/2018 | % of Budget | Change from Previous Year | 1/31/2017 |
| Total Revenue | $ 16,605,509.00 | $ 12,910,748.10 | 78% | $ 58,913.10 | $ 12,851,835.00 |
| | | | | | |
| Expenditures | $ 16,605,509.00 | $ 9,482,196.83 | 57% | $ 190,328.83 | $ 9,291,868.00 |
| | | | | | |
| Over/Under | $ - | $ 3,428,551.27 | | $ (131,415.73) | $ 3,559,967.00 |

| Downtown District | | | | | |
|---|---|---|---|---|---|
| | 2017-2018 Budget | 1/31/2018 | % of Budget | Change from Previous Year | 1/31/2017 |
| Revenues | $ 183,827.00 | $ 1,503.70 | 1% | $ 70.70 | $ 1,433.00 |
| | | | | | |
| Expenditures | $ 183,827.00 | $ 114,239.15 | 62% | $ 13,490.15 | $ 100,749.00 |
| | | | | | |
| Over/Under | $ - | $ (112,735.45) | | $ (13,419.45) | $ (99,316.00) |

| Water/Sewer Fund | | | | | |
|---|---|---|---|---|---|
| | 2017-2018 Budget | 1/31/2018 | % of Budget | Change from Previous Year | 1/31/2017 |
| Revenues | $ 8,239,307.00 | $ 6,298,907.63 | 76% | $ 1,222,428.63 | $ 5,076,479.00 |
| | | | | | |
| Expenditures | $ 8,239,307.00 | $ 3,545,323.80 | 43% | $ (370,060.20) | $ 3,915,384.00 |
| | | | | | |
| Over/Under | $ - | $ 2,753,583.83 | | $ 1,592,488.83 | $ 1,161,095.00 |

| Tax Collections | | | | | |
|---|---|---|---|---|---|
| | | Collections As Of 1/31/18*** | Percentage of Change | Change from Previous Year | Collections As Of 1/31/17 |
| Ad Valorem Tax Collection - % of Budget | | 103% | | | 102% |
| Sales Tax (January Deposits with adjustment for HB97) | | $ 1,885,282.24 | 3.28% | $ 59,863.83 | $ 1,825,418.41 |
| Sales Tax (January Deposits without adjustment for HB97) | | $ 1,772,597.83 | 3.13% | $ 53,812.87 | $ 1,718,784.96 |
| **Sales Tax adjustment for HB97** | | | | | |
| | 2017- 2018 Budget | Collections As Of 1/31/18*** | Percentage Collected YTD | | |
| Sales Tax adjustment for HB97 | $ 215,000.00 | $ 112,684.41 | 52.41% | | |

***6 months collections

**STATE OF NORTH CAROLINA** **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**COUNTY OF CALDWELL**

**THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR** _____ ("Declaration") is made this ____ day of _____, 2018 by the City of Lenoir, North Carolina, a North Carolina municipal corporation, whose address is Post Office Box 958, Lenoir, North Carolina 28645(hereinafter the "City Declarant").

**WITNESSETH:**

A. City Declarant is the owner and developer of certain real estate in Caldwell County, North Carolina, and more particularly described that December 28, 2015, deed from the Lenoir Optimist Club, Inc. to the Declarant, recorded in Book 1866, pages 476-478, Caldwell County Registry (the "Property"); and

B. City Declarant is developing the Property with state public assistance for public recreational use as part of the City of Lenoir Recreation Department and is utilizing a N.C. Parks and Recreation Trust Fund ("PARTF") Project grant pursuant to an project agreement with the North Carolina Department of Parks and Recreation (the "Department") to partially fund the costs of the said project; and

C. As part of the N.C. Parks and Recreation Trust Fund Project Agreement ("Grant Agreement") the City Declarant is required to dedicate the Property as a recreation site for the use and benefit of the public as more specifically stated and set forth below.

**THEREFORE**, the Declarant hereby declares that all of the Property is and shall be held, encumbered, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of the development of the Property for public recreational use and to comply with above requirements of the Grant Agree. All of these restrictions shall run with the land and shall be binding upon the City Declarant as declarant and any parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions.

PROPERTY SUBJECT TO THIS DECLARATION: the Property, each portion thereof, and all Dwelling Units thereon shall be held, transferred, sold, conveyed, leased, mortgaged and occupied subject to the terms, provisions, covenants and conditions of this Declaration.

DECLARATION OF DEDICATION: the Property shall be, and is, hereby declared to be dedicated in perpetuity as a recreational site for the use and benefit of the public and, pursuant to a contractual requirement with PARTF, the property may not be converted to other than public recreational use whether by transfer, sale or in any other manner without approval of the North Carolina Department of Natural and Cultural Resources.

**IN WITNESS WHEREOF**, City Declarant has caused this instrument to be executed as of the day and year first above written.

CITY OF LENOIR,
A North Carolina Municipal Corporation

BY: _____
(SEAL)
Joseph L. Gibbons, Mayor
ATTEST:

_____
Shirley M. Cannon, City Clerk

NORTH CAROLINA
CALDWELL COUNTY

I, _____,
a Notary Public of the County and State aforesaid, certify that Shirley Cannon personally appeared before me this day and acknowledged that she is City Clerk for the City of Lenoir, a N. C. municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Joseph L. Gibbons as its Mayor, sealed with its corporate seal and attested by _____, as its City Clerk.
Witness my hand and official stamp or seal, this _____ day of _____, 2018.

My commission expires: _____

_____
Notary Public