

1. Agenda Packet

Documents:

[FEBRUARY 6, 2018 AGENDA PACKET.PDF](#)

2. Meeting Materials



Photos will be [POSTED ON FLICKR](#).

Documents:

[AFTER ACTION MEMORANDUM.PDF](#)

3. Meeting Minutes

[Feb. 6, 2018 Meeting Minutes](#)

AGENDA



**CITY OF LENOIR
CITY COUNCIL MEETING
CITY/COUNTY CHAMBERS
905 WEST AVENUE
TUESDAY, FEBRUARY 6, 2018
5:00 P.M.**



I. CALL TO ORDER

A. Moment of Silence & Pledge of Allegiance

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

- A. Minutes: Approval of the minutes of the City Council Meeting of Tuesday, January 16, 2018 as submitted.
- B. Minutes: Approval of minutes of the Committee of the Whole Meeting of Tuesday, January 23, 2018 as submitted.
- C. Wastewater Sales Agreement; Town of Sawmills: City Staff recommends approval of the proposed Wastewater Sales Agreement between the Town of Sawmills and the City of Lenoir to provide up to 250,000 gallons of wastewater treatment per day at the applicable wholesale wastewater rate.

IV. REQUESTS AND PETITIONS OF CITIZENS

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

- 1. The ABC Board will meet on Thursday, February 8 at 2:00 p.m. at Lenoir Store #1 located at 115 ABC Court.
- 2. The Lenoir Business Advisory Board will meet on Thursday, February 8 at 6:00 p.m. at City Hall, Third Floor, former Council Chambers.
- 3. The City/County Services Committee will meet on Monday, February 12 at 11:45 a.m.
- 4. The Caldwell County Economic Development Commission will meet on Tuesday, February 13 at 8:00 a.m.
- 5. The Parks and Recreation Advisory Board will meet on Monday, February 19 at 6:00 p.m. at the Martin Luther King, Jr. Center.
- 6. City Council will conduct a Planning Retreat on Friday, February 23 from 8:00 a.m. – 2:00 p.m. at the Blue Ridge Membership Corporation (BREMCO) corporate office located at 1216 Blowing Rock Boulevard.

B. Items for Council Action

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

X. ADJOURNMENT

**LENOIR CITY COUNCIL
TUESDAY, JANUARY 16, 2018
6:00 P.M.**

PRESENT: Mayor Gibbons presiding. Councilmembers present were Beal, Perkins, Rohr, Stevens, Thomas and Willis. Also in attendance were City Manager Hildebran, City Attorney Blair and City Clerk Cannon.

ABSENT: Councilmember Perdue.

I. CALL TO ORDER

A. The meeting was opened by a moment of silence followed by the Pledge of Allegiance led by Mayor Gibbons.

**DEPARTMENTAL
PROMOTIONS:**

B. Mayor Gibbons highlighted the following promotions as announced by the Fire and Police Departments:

Fire Department

Scott Powell	Battalion Chief
Chris Jacobs	Captain
Keith Owens	Lieutenant

Police Department

Jody Herman	Lieutenant
-------------	------------

**SPECIAL RECOGNITION; HIBRITEN HIGH
SCHOOL FOOTBALL TEAM:**

C. On behalf of City Council, Mayor Gibbons presented a resolution congratulating the Hibriten High School Football Team (Hibriten Panthers) upon their winning the North Carolina High School Athletic Association's (NCHSAA) 2AA Championship. Mayor Gibbons also presented the team with a prototype of a sign that will be posted at all of the entrances of the City limits following approval by the North Carolina Department of Transportation. The sign states "Home of the 2017 Hibriten Panthers 2AA State Football Champions."

A copy of the resolution is hereby incorporated into these minutes by reference. (Refer to page 10).

Mayor Gibbons also recognized the following members of the football team for their accomplishments:

Regular Season

Noah Haney – Conference Player of the Year
Charles Tassinari – Defensive Player of the Year
McKinley Witherspoon – Offensive Player of the Year

2AA State Championship Game

Miles Simon – Most Valuable Player

Charles Tassinari – Defense Player of the Game

Noah Haney – Offensive Player of the Game

Mayor Gibbons congratulated the coaching staff and players and commended them upon their outstanding season and great sportsmanship. Mayor Gibbons remarked this wonderful memory will last forever and stated the City and community are very proud of their accomplishment.

Head Coach Clay Lewis thanked City Council and commended the team along with the coaching staff for all of their hard work and dedication during the football season. Coach Lewis stated this was a special group of athletes and noted winning this championship was a tremendous experience for each of these fine, young men.

In addition, Coach Lewis remarked this championship was for everyone and commented it was a special moment for the team to experience the amount of support from the community and Caldwell County upon their return from the championship game.

David Colwell, Principal, stated he has spent a lot of time with the players and coaching staff and pointed out the players are a very humble group of young men who treat others and their peers with respect. He emphasized this success has not changed their humility and thanked City Council for all of their support.

On behalf of Hibriten High School, Derek Reeves, Athletic Director, presented the City of Lenoir with a commemorative plaque that included a photo of the football team and coaching staff displaying a championship banner along with a listing of everyone's name.

SPECIAL RECOGNITION; BATALLION CHIEF JIMMY FARR:

- D. On behalf of City Council, Mayor Gibbons presented a resolution to Batallion Chief Jimmy Farr upon his retirement from the Lenoir Fire Department following twenty-nine years of dedicated service to the City of Lenoir and its citizens. Chief Farr has announced his retirement effective January 1, 2018.

A copy of the resolution is hereby incorporated into these minutes by reference. (Refer to page 11).

Deputy Chief Ken Hair presented Chief Farr with a framed shadow box consisting of his shield and number, two commemorative coins, credentials, and badge. Fire Chief Ken Briscoe also presented Chief

Farr with a gold watch that included a picture of a fire patch listing his dates of service.

Mayor Gibbons thanked Chief Farr for a job well done and expressed Council's appreciation for his years of service to the community.

Fire Chief Briscoe further commended Chief Farr for his dedicated and faithful service and for putting himself between any danger to the citizens of the community.

Chief Farr thanked City Council for the recognition and also thanked his family members that was present. He noted it was a team effort and wished his co-workers the very best.

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

A. Upon a recommendation by City Manager Hildebran, the following Consent Agenda items were submitted for approval:

1. Minutes: Approval of minutes of the City Council Meeting of Tuesday, December 5, 2017 as submitted.
2. FY2017-2018 Annual Audit Contract; City of Lenoir: Approval of the FY2017-2018 Annual Audit Contract for the City of Lenoir in the amount of \$30,105 as submitted by S. Eric Bowman, P.A. A copy of the audit contract is hereby incorporated into these minutes by reference. (Refer to pages 12-17).
3. Final Offer to Purchase Real Property; 518 Hill Street: Final Offer to Purchase Real Property by resolution in the amount of \$5,000.00, following the submission of all upset bids, and as submitted by the Pride of Caldwell County Lodge, #713 to purchase the City owned property located at 518 Hill Street, NCPIN #274-958-5205 (West End Community Center). Note: The legal notice was published in the News-Topic on Friday, December 8 and the City did not receive any upset bids. The Pride of Caldwell County Lodge #713 has requested a 60-day period for due diligence. A copy of the resolution is hereby incorporated into these minutes by reference (Refer to page 18-19).
4. Amendment No. 1, Engineering Service Agreement: Approval of Amendment No. 1 to the Engineering Service Agreement between the City of Lenoir and McGill Associates dated April 10, 2017 for the Water Treatment Plant Improvements construction administration and post construction phase in accordance with the attached proposal. A copy of the amended agreement is hereby incorporated into these minutes by reference. (Refer to pages 20-27).

Upon a motion by Councilmember Stevens, Council voted 6 to 0 to approve the above listed items on the Consent Agenda as recommended by City Manager Hildebran.

IV. REQUESTS AND PETITIONS OF CITIZENS

**J.E. BROYHILL PARK
IMPROVEMENTS PROJECT:**

- A. Reverend Charlie Rivens thanked City Council for all of their support during the Martin Luther King, Jr., Day events. He also inquired about the timeline for the J. E. Broyhill Park Improvements project.

Recreation Director Kenny Story noted the project may be completed by June or earlier if weather permits.

RANKIN STREET:

- B. Reverend Michael Sloan asked City Council if Rankin Street was going to be changed to a one-way street. City Council clarified that no recommendations have been submitted to consider this change.

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

**PLANNING
BOARD:**

1. The Planning Board will meet on Monday, January 22 at 5:30 p.m.

**COMMITTEE OF THE
WHOLE:**

2. The Committee of the Whole will meet on Tuesday January 23 at 8:30 a.m. at City Hall, Third Floor, former Council Chambers.

LENOIR TOURISM DEVELOPMENT

- AUTHORITY:** 3. The Lenoir Tourism Development Authority will meet on Thursday, January 25 at 3:00 p.m. at City Hall, Third Floor, former Council Chambers.

FOOTHILLS REGIONAL AIRPORT

- AUTHORITY:** 4. The Foothills Regional Airport Authority will meet on Wednesday, January 31 at noon.

**PLANNING
RETREAT:**

5. The City Council Planning Retreat will be held on Friday, February 23 from 8:00 a.m. – 2:00 p.m. at the Blue Ridge Electric Membership Corporation (BREMCO) corporate office located at 1216 Blowing Rock Boulevard.

**BLACK HISTORY
MONTH:**

6. Black History Month will be celebrated during the month of February with events scheduled throughout the month at the Martin Luther King, Jr. Center. This list is available on the City's website.

B. ITEMS FOR COUNCIL ACTION

**CONSTRUCTION BID AWARD; WATER TREATMENT
PLANT IMPROVEMENTS PROJECT:**

1. City Staff recommends Council award the Water Treatment Plant Improvements Project to Brushy Mountain Builders who submitted the low bid of \$8,337,000.00 and is appropriately licensed with the N.C. General Contractor Board and has successfully completed similar projects. Note: Staff further recommends that the City establish a construction contingency of 10% of the construction amount due to the unknowns that could exist within a facility of this type and age and, in addition, to grant the City Manager authority to execute necessary change orders with the project (within the established project contingency) and report those change orders at the next council meeting.

A copy of the bid tab is hereby incorporated into these minutes by reference. (Refer to pages 28).

It was noted the estimated timeline for this project is fifteen (15) months.

Upon a motion by Councilmember Rohr, Council voted 6 to 0 to award the low bid of \$8,337,000.00 to Brushy Mountain Builders for the Water Treatment Plant Improvements Project. City Council also approved Staff's recommendation to establish a construction contingency of 10% of the construction amount due to the unknowns that could exist within a facility of this type and age and, in addition, to grant the City Manager authority to execute necessary change orders with the project (within the established project contingency) and report those change orders at the next council meeting.

**AUTHORIZING RESOLUTION; LOWER CREEK WWTP
BIOSOLIDS HANDLING FACILITY:**

2. City Staff recommends approval of the resolution to authorize the acceptance of state loan/grant assistance in the amount of \$6,600,000.00 at an interest rate of 1.53% and for a term of 20-years for the design and construction of a new Biosolids Handling Facility at the Lower Creek Wastewater Treatment Plant. The estimated closing fee for the loan is \$132,000.00.

A copy of the resolution is hereby incorporated into these minutes by reference. (Refer to page 29).

Councilmember Rohr stated he was philosophically opposed to accepting state and/or federal grant funding.

Upon a motion by Councilmember Thomas, Council voted 5 to 1 to accept state loan/grant assistance in the amount of \$6,600,000.00 and at an interest rate of 1.53% for a term of 20-years for the design and construction of a new Biosolids Handling Facility at the Lower Creek Wastewater Treatment Plant as recommended by City Staff. Councilmember Rohr voted against this request.

**WATER SALES AGREEMENT; BATON
WATER CORPORATION, INC.:**

3. City Staff recommends approval of the proposed Water Sales Agreement between the Baton Water Corporation, Inc. and the City of Lenoir, to provide up to 500,000 gallons of drinking water per day at the applicable wholesale water rate.

A copy of the agreement is hereby incorporated into these minutes by reference.
(Refer to pages 30-36).

City Manager Hildebran stated the agreement will remain effective through January 15, 2033 and related Baton Water Corporation has purchased water from the City since 1976. He stated Baton Water Corporation's Board of Directors approved the proposed agreement at their meeting today.

Upon a motion by Mayor Pro-Tem Willis, Council voted 6 to 0 to approve the Water Sales Agreement between Baton Water Corporation, Inc., and the City of Lenoir, to provide up to 500,000 gallons of drinking water per day at the applicable wholesale rate as recommended by City Staff.

**ORDER OF ABATEMENT;
315 BEALL STREET:**

4. City Staff recommends approval of an Order of Abatement Ordinance for property located at 315 Beall Street, NCPIN#274-46-4713, Parcel ID#06-16-2-3, directing Staff to abate the minimum housing violations by demolishing the structure on the property. This property is No. 6 on the City's Minimum Housing Priority List.

A copy of the Order of Abatement is hereby incorporated into these minutes by reference. (Refer to pages 37-38).

City Manager Hildebran stated the structure burned over four years ago and the City has received a number of complaints from area residents.

Upon a motion by Mayor Pro-Tem Willis, Council voted 6 to 0 to approve the Order of Abatement for property located at 315 Beall Street as recommended by City Staff.

**BUDGET ORDINANCE; WATER TREATMENT PLANT
UPGRADE; PHASE II:**

5. City Staff recommends approval of a Budget Ordinance for the Water Treatment Plant Upgrades, Phase II in the amount of \$10,050,000.00.

A copy of the budget ordinance is hereby incorporated into these minutes by reference. (Refer to page 39).

City Manager Hildebran explained the project could get underway once the budget ordinance has been approved by Council.

Upon a motion by Councilmember Thomas, Council voted 6 to 0 to approve the above described Budget Ordinance as presented.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

APPOINTMENT OF CITY COUNCIL COMMITTEES:

- A. Upon a recommendation by Mayor Gibbons, a list of City Council representatives was approved to serve on various Committees.

City Council Board Appointments/Representatives

Lenoir Business Advisory Board

Ike Perkins, Ex-Officio member

Jonathan Beal, Ex-Officio member *New appointment

Recreation Advisory Board

Crissy Thomas, Ex-Officio Member

City/County Coordinating Committee

Ike Perkins

Todd Perdue

David Stevens

Representatives

Western Piedmont Council of Governments (WPCOG)

Ben Willis, Delegate

Joe Gibbons, Mayor, Alternate

City/County Services Committee

Joe Gibbons, Mayor

Ben Willis

WPCOG Metropolitan Planning Organization

Ben Willis

Caldwell Railroad Commission (2-year terms)

Todd Perdue

David Stevens, Chairman

Mayor Gibbons also pointed out that each Councilmember was an Ex-Officio member of these committees and could attend as long there was not a quorum of Councilmembers present.

Mayor Pro-Tem Ben Willis informed Council that if any other Councilmember was interested in serving as an alternate on the Western Piedmont Council of Governments' Metropolitan Planning Organization, to let him know. He commented it was an issue for him to attend on occasion due to the meeting being held during the day.

Councilmember Stevens responded that he would discuss this matter with him.

Upon a motion by Councilmember Stevens, Council voted 6 to 0 to approve the proposed list of committee appointments as recommended by Mayor Gibbons.

BOARD APPOINTMENTS; FIREMAN'S RELIEF FUND:

- B. Mayor Gibbons stated that Fire Chief Ken Briscoe recommends that Donna Bean, Finance Director, and Scott Powell, Battalion Chief, be appointed to serve on the Fireman's Relief Fund Board.

Chief Briscoe explained the Board was created by legislation sometime in the 1940's or 50's and was originally formed as an "Alms Board" for firefighters. He stated it was previously called a ½ of 1% fund and later changed to a growth premium tax. This revenue is distributed to over 1,500 fire departments in North Carolina and is derived from fire insurance sold in these districts. Chief Briscoe stated the revenue could only be used for certain things and reported the City uses these funds to pay a monthly stipend of \$60.00 to retired firefighters who have twenty-years of service and are above the age of 60.

Chief Briscoe noted that Finance Director Bean will be replacing Danny Gilbert, former Finance Director, and Scott Powell will be replacing Rodney Warren, retired Firefighter, who recently passed away.

Upon a motion by Councilmember Beal, Council voted 6 to 0 to appoint Donna Bean and Scott Powell to serve on the Fireman's Relief Fund Board as recommended by Chief Briscoe.

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

COMMENDED; MARTIN LUTHER KING, JR. DAY

- EVENTS:** A. Councilmember Thomas commended Roger Patterson, President of the Lenoir Chapter of the NAACP, along with City Council, City Staff and all of the citizens for their tremendous community support of the events held in honor of Dr. Martin Luther King, Jr., Day, beginning on Saturday, January 13 through Monday, January 15.

Ms. Thomas stated the annual breakfast and annual march were both very successful and well attended as well as the first church service the group has held in Dr. King's honor. She pointed out the service was streamed live for the general public. It was noted their goal is to continue these traditions and to do things for others.

Councilmember Perkins also thanked City Council and City Staff for all of their support during these events.

X. ADJOURNMENT

- A. There being no further business, the meeting was adjourned at 7:00 p.m.

Shirley M. Cannon, City Clerk

Joseph L. Gibbons, Mayor



RESOLUTION

CONGRATULATING HIBRITEN HIGH SCHOOL 2017 FOOTBALL TEAM AS THE NORTH CAROLINA HIGH SCHOOL ATHLETIC ASSOCIATION'S (NCHSAA) 2AA STATE CHAMPIONS

WHEREAS, Hibriten High School won the 2017 North Carolina High School Athletic Association's (NCHSAA) 2AA State Championship by defeating East Duplin High School in the title game at Kenan Stadium in Chapel Hill by a score of 16-14; and

WHEREAS, the Hibriten Panthers finished the 2017 season with a perfect record of 16-0 making this the first undefeated season in school history and also the first 11-man football state championship team in Caldwell County history; and

WHEREAS, the Hibriten Panther's outstanding athletic excellence resulted in their capturing the 2017 Western Regional Championship, Northwestern Foothills Conference Championship, and the Caldwell County Championship; and

WHEREAS, Head Coach Clay Lewis and the entire coaching staff along with the talented Hibriten Panthers have set an outstanding example as leaders in the community and brought much pride to the City of Lenoir and Caldwell County by their exceptional performance on the football field.

NOW, THEREFORE, I, Joseph L. Gibbons, Mayor of the City of Lenoir, North Carolina, and on behalf of the Lenoir City Council and all the citizens, do hereby give special honor and commendation to the 2017 Hibriten High School Panthers Football Team for their tremendous talent, skill, hard work, and unity which resulted in their winning the North Carolina Athletic Association's 2AA State Championship.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Lenoir to be affixed this 16th day of January 2018.


Joseph L. Gibbons, Mayor



CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
J. T. BEAL
T. H. PERDUE
J. I. PERKINS
T. J. ROHR
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

RESOLUTION HONORING

JAMES TERRY (JIMMY) FARR, JR.

WHEREAS, James Terry (Jimmy) Farr, Jr. began his career as a Firefighter with the Lenoir Fire Department on March 25, 1989 and was promoted to 2nd, Lieutenant on December 28, 2000 and Lieutenant on October 4, 2001 and Captain on June 5, 2006 and Battalion Chief on June 9, 2013; and

WHEREAS, Jimmy Farr, has announced his retirement effective January 1, 2018 ending 29 years of exemplary service to the citizens of Lenoir and Caldwell County; and

WHEREAS, during his tenure of dedicated service, **Jimmy Farr** has served with great competence and always contributed positively to the professional development of those around him; and

WHEREAS, during all of his endeavors both in and outside the Fire Department **Jimmy Farr** has brought honor and respect to himself and the City of Lenoir by his actions and his fair treatment of all persons;

NOW THEREFORE BE IT RESOLVED, that I, Joseph L. Gibbons, Mayor, and on behalf of the Lenoir City Council and all the citizens do hereby wish the very best for **Jimmy** in his retirement and commend him for the example he has set as a dedicated public servant; and

BE IT FURTHER RESOLVED, that we extend our sincere appreciation and deep gratitude for his faithful and outstanding service which has contributed to the betterment of our City.

Witness my hand and seal this the 2nd day of January, 2018.

SEAL

Joseph L. Gibbons, Mayor



Of City of Lenoir
Primary Government Unit

Discretely Presented Component Unit (DPCU) if applicable

On this 5th day of December, 2017.

Auditor: S. Eric Bowman, PA Auditor Mailing Address: PO Box 1476

Morganton, NC 28680

Hereinafter referred to as The Auditor

and City Council _____ (Governing Board(s)) of _____ City of Lenoir

(Primary Government)

and _____: hereinafter referred to as the Governmental Unit(s), agree as follows:
(Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

Primary Government Unit

Discretely Presented Component Unit (DPCU) if applicable

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end.
Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. **(Note: Fees listed on Fees page.)** This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue

Primary Government Unit

Discretely Presented Component Unit (DPCU) if applicable

bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the SLGFD.

The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <http://nctreasurer.slgfd.leapfile.net> No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

Primary Government Unit

Discretely Presented Component Unit (DPCU) if applicable

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item #16 for clarification).

SIGNATURE PAGES FOLLOW FEES PAGE

Primary Government Unit

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: \$ 92 per hour per person

WRITING FINANCIAL STATEMENTS: \$ 92 per hour per person

ALL OTHER NON-ATTEST SERVICES: \$ 92 per hour per person

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ 30,105

** NA if there is to be no interim billing

FEES – DPCU (IF APPLICABLE)

AUDIT: \$

WRITING FINANCIAL STATEMENTS: \$

ALL OTHER NON-ATTEST SERVICES: \$

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$

** NA if there is to be no interim billing

Discretely Presented Component Unit (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

S. Eric Bowman, PA

Name of Audit Firm

By S. Eric Bowman

Authorized Audit firm representative name: Type or print

[Signature]

Signature of authorized audit firm representative

Date 12-5-17

sericbowmanpa@bellsouth.net

Email Address of Audit Firm

Governmental Unit Signatures:

City of Lenoir

Name of Primary Government

By Joe L. Gibbons - Mayor

Mayor / Chairperson: Type or print name and title

[Signature]

Signature of Mayor/Chairperson of governing board

Date 1-16-18

By N/A

Chair of Audit Committee - Type or print name

 Signature of Audit Committee Chairperson

Date 1-

** If Governmental Unit has no audit committee, mark this section "N/A"

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

By Donna Bean

Primary Government Unit Finance Officer:

Type or print name

Donna Bean

Primary Government Finance Officer Signature

Date 1-16-18

(Pre-audit Certificate *must be dated.*)

dbean@ci.lenoir.nc.us

Email Address of Finance Officer

Date Primary Government Governing Body
 Approved Audit Contract - G.S. 159-34(a)

Please provide us the most current email addresses available as we use this information to update our contact database



CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA
RESOLUTION

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
J. T. BEAL
T. H. PERDUE
J. I. PERKINS
T. J. ROHR
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

WHEREAS, the City of Lenoir owns certain property, located at 518 Hill Street, Lenoir, N.C., (West End Community Center) and being approximately 0.501281 acre and being Caldwell County Tax Parcel ID#06-17-2-27 and NCPIN#274-958-5205 and more particularly described on the following page; and

WHEREAS, North Carolina General Statute §160A-269 permits the City to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, the City has received an offer to purchase the property described above, in the amount of \$5,000.00, submitted by the Pride of Caldwell County Lodge #713, Lenoir, N.C.; and

WHEREAS, the Pride of Caldwell County Lodge #713 has paid/will pay the required five percent (5%) deposit on their offer;

NOW, THEREFORE, BE IT RESOLVED, the LENOIR CITY COUNCIL of the City of Lenoir resolves that:

1. The City Council authorizes sale of the property described above through the upset bid procedure of North Carolina General Statute § 160A-269.
2. The City Clerk shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer, and shall state the terms under which the offer may be upset.
3. Any person may submit an upset bid to the office of the City Clerk within ten (10) days after the notice of sale is published. Once a qualifying higher bid has been received, that bid will become the new offer.
4. If a qualifying higher bid is received, the City Clerk shall cause a new notice of upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the City Council.
5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000.00 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The City will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The City will return the deposit of the final high bidder at closing.

7. The terms of the final sale are that the City Council must approve the final high offer before the sale is closed, which it will do within 30 days after the final upset bid period has passed, and the buyer must pay with cash, cashier's check or certified check at the time of closing.
8. The City reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject at any time all bids.
9. If no qualifying upset bid is received after the initial public notice, the offer set forth above is hereby accepted. The appropriate City Officials are authorized to execute the instruments necessary to convey the property to the Pride of Caldwell County Lodge #713 of Lenoir, North Carolina.

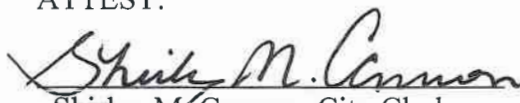
This the 16th day of January, 2018.

SEAL



Joseph L. Gibbons, Mayor

ATTEST:



Shirley M. Cannon, City Clerk

AMENDMENT NO. 1
to the
AGREEMENT FOR ENGINEERING SERVICES – DATED April 10, 2017

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and other good valuable consideration, the parties agree to amend the Agreement for Engineering Services on this the 16th day of January 2018 as follows:

Section 2 – Basic Services shall be amended to include the following services:

2.4 CONSTRUCTION PHASE

Upon successful completion of the Bidding and Award Phase, and upon **written authorization** from OWNER, ENGINEER shall:

- 2.4.1 Schedule a Pre-Construction Conference with the OWNER, Contractor, ENGINEER and all other applicable parties to assure discussion of all matters related to the Project. Prepare and distribute minutes of the Pre-Construction Conference to all parties.
- 2.4.2 Provide General Administration of Construction Contract. Consult with OWNER and act as OWNER's representative as provided in the General Conditions. The extent and limitations of the duties, responsibilities, and authority of ENGINEER as assigned in the General Conditions shall not be modified, except as ENGINEER may otherwise agree in writing. All of OWNER's instructions to Contractor will be issued through ENGINEER, which shall have authority to act on behalf of OWNER in dealings with Contractor to the extent provided in this Agreement and the General Conditions except as otherwise provided in writing. ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. ENGINEER shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.
- 2.4.3 Provide a Construction Field Representative (CFR) to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. During such visits and on the basis of on-site observations as an experienced and qualified design professional, keep the OWNER informed of the progress of the work, endeavor to guard the OWNER against defects and deficiencies in the work of the Contractor.
- 2.4.4 The total construction contract time for the project is anticipated to be **fifteen (15) months**. As part of this contract, field observation will be provided on a full-time basis during active work. **Additional field observation time beyond 40 hours per week would be provided as "On Demand Services" on an hourly basis.** Additional construction phase services, and/or post-construction phase services provided beyond the contract time will involve an increase in the payments to the ENGINEER as Additional Services under Section 3 of this Agreement.

- 2.4.5 The purpose of ENGINEER's visits and the representation by the Construction Field Representative, (CFR) at the Site, will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for OWNER a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. ENGINEER shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety on the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents. However, ENGINEER shall give prompt notice to the OWNER whenever ENGINEER observes or otherwise becomes aware of any defect in the Project or of any material deviation of Contractor's work from the Contract Documents.
- 2.4.6 Review and determine the acceptability of any schedules that Contractor is required to submit to ENGINEER, including Progress Schedule, Schedule of Submittals and Schedule of Values.
- 2.4.7 Review and take action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and any actions will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same, shall be deemed as Additional Services.
- 2.4.8 Schedule monthly construction progress meetings during active work periods with the OWNER, Contractor, ENGINEER and all other applicable parties discuss matters related to the Project. Prepare and distribute minutes of the meeting to all parties.
- 2.4.9 Based on ENGINEER's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
- a. Determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to OWNER, based on such observations and

review, that, to the best of ENGINEER's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe Contractor's Work. In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).

- b. By recommending any payment, ENGINEER shall not thereby be deemed to have represented that observations made by ENGINEER to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER's review of Contractor's Work for the purposes of recommending payments nor ENGINEER's recommendation of any payment including final payment will impose on ENGINEER responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to OWNER free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.
- 2.4.10 Require such testing of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.
 - 2.4.11 Recommend Change Orders and Work Change Directives to Owner, as appropriate, and prepare documentation as required.
 - 2.4.12 Issue instructions to the Contractor from the OWNER as to interpretations and clarifications to the project design plans, specifications and contract documents.
 - 2.4.13 Prepare information required to resolve problems due to actual field conditions and to respond to Requests for Information (RFI) from the Contractor.

- 2.4.14 Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by OWNER or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if ENGINEER in its discretion concludes that to do so would be inappropriate. In rendering such decisions, ENGINEER shall be fair and not show partiality to OWNER or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
- 2.4.15 Recommend to OWNER that Contractor's Work be rejected while it is in progress if, on the basis of ENGINEER's observations, ENGINEER believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.
- 2.4.16 Coordinate and track the start-up and commissioning of mechanical equipment associated with the project. Additional site visits required due to work not being ready for start-up, or Contractor scheduling conflicts shall be considered Additional Services.
- 2.4.17 Promptly after notice that Contractor considers the entire Work ready for its intended use, in company with OWNER and Contractor, conduct a pre-final observation site visit to determine if the Work is substantially complete. If after considering any objections of OWNER, ENGINEER considers the Work substantially complete, ENGINEER shall deliver a certificate of Substantial Completion to OWNER and Contractor.
- 2.4.18 In company with OWNER's representatives, conduct a final observation site visit to determine if the completed Work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall also provide a notice that the Work is acceptable to the best of ENGINEER's knowledge, information, and belief and based on the extent of the services provided by ENGINEER under this Agreement.
- 2.4.19 Review Contractor's final application for payment and make recommendation as to approval once all issues with the project final observation site visit have been completed and resolved.
- 2.4.20 Distribute Operation & Maintenance (O&M) manuals received from equipment suppliers for the project to the OWNER.
- 2.4.21 Prepare for the OWNER a set of record drawings showing changes made during the construction process, based on marked-up prints and other data furnished.
- 2.4.22 Provide or make available Project files and information to effect project closeout.

2.5 POST CONSTRUCTION PHASE

- 2.5.1 Provide project commissioning services to verify the successful startup and operation of new major equipment and processes.

- 2.5.2 Assist the OWNER in assuring that the warranty period for the construction work is complied with.
- 2.5.3 Schedule and conduct a one (1) year warranty review with the OWNER and Contractor following the start-up and commissioning of the project. This warranty review will be conducted during the 11th month of operation and will produce a complete listing of findings and required corrections.

Section 3 – Additional Services shall be amended as follows:

- 3.12 Additional or extended services during construction made necessary by prolongation of work hours by the Contractor during a work week, prolongation of the construction contract time, or default by the Contractor under the construction contract if such contract is delayed beyond the original completion date.
- 3.13 Providing Special Inspections, if required to meet City or County building requirements during construction of the project.
- 3.14 Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same General Conditions.
- 3.15 Evaluation of unsuitable subgrade materials during construction.

Section 4 – Owners Responsibilities shall be amended as follows:

- 4.14 Provide timely approvals by the City Manager to Work Change Directives and Change Orders, if required by the Project, to ensure a timely completion date.

Section 6 – Payment to the Engineer, Article 6.1.1 shall be amended to include the following lump sum fees:

Construction Phase	\$590,000
Post Construction Phase	\$25,000
Construction Phase On Demand Services	Hourly Basis

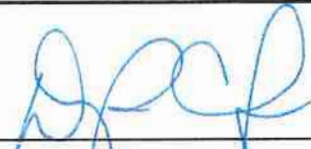
Section 6 – Payment to the Engineer, Article 6.2.1 shall be amended as follows:

- 6.2.1 The OWNER will pay the ENGINEER for Additional Services as outlined in Section 3 an amount based on actual time spent and expenses incurred by principals and employees of the ENGINEER assigned to the Project in accordance with the attached ENGINEER's standard rate and fee schedule Attachment "A.1" dated August 2017, or newer versions.

In accordance with the Agreement for Engineering Services, the Owner agrees to pay the ENGINEER the Total Amendment No. 1 amount noted above for the Additional Services rendered as outlined in the amended Project scope.

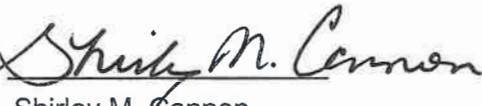
IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first written above.

McGILL ASSOCIATES, P.A.

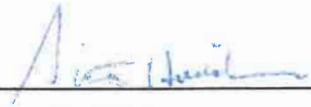
By: 

Douglas G. Chapman, PE
Principal

CITY OF LENOIR

ATTEST: 

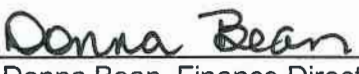
Shirley M. Cannon
City Clerk

By: 

Scott Hildebran
City Manager

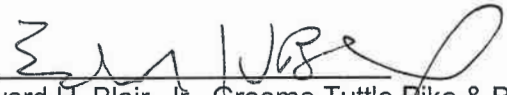
PRE-AUDIT CERTIFICATION:

THIS INSTRUMENT has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act as amended.

By: 

Donna Bean, Finance Director
City of Lenoir

APPROVED AS TO LEGAL FORM

By: 

Edward H. Blair, Jr., Groome Tuttle Pike & Blair
City Attorney

ATTACHMENT "A.1" BASIC FEE SCHEDULE

September 2017

<u>PROFESSIONAL FEES</u>	<u>Current Rate</u>
Firm Principal	\$190.00
Program Services Manager I	\$150.00
Program Services Manager II	\$160.00
Senior Project Manager I	\$160.00
Senior Project Manager II	\$170.00
Senior Project Manager III	\$175.00
Project Manager I	\$140.00
Project Manager II	\$150.00
Project Engineer I	\$105.00
Project Engineer II	\$115.00
Project Engineer III	\$125.00
Engineering Associate I	\$ 85.00
Engineering Associate II	\$ 90.00
Engineering Technician I	\$ 80.00
Engineering Technician II	\$ 90.00
Engineering Technician III	\$100.00
Environmental Specialist I	\$ 80.00
Environmental Specialist II	\$ 90.00
Electrical Engineer I	\$105.00
Electrical Engineer II	\$115.00
Electrical Engineer III	\$125.00
Electrical Engineering Associate I	\$ 85.00
Electrical Engineering Associate II	\$ 90.00
Electrical Engineering Technician I	\$ 80.00
Electrical Engineering Technician II	\$ 90.00
Electrical Engineering Technician III	\$100.00
Mechanical Engineer I	\$105.00
Mechanical Engineer II	\$115.00
Mechanical Engineer III	\$125.00
Mechanical Engineering Associate I	\$ 85.00
Mechanical Engineering Associate II	\$ 90.00
Mechanical Engineering Technician I	\$ 80.00
Mechanical Engineering Technician II	\$ 90.00

Minutes-City of Lenoir Council Meeting
Tuesday, January 16, 2018

Mechanical Engineering Technician III	\$100.00
CADD Operator I	\$ 75.00
CADD Operator II	\$ 80.00
CADD Operator III	\$ 85.00
Construction Services Manager I	\$120.00
Construction Services Manager II	\$135.00
Construction Administrator I	\$ 90.00
Construction Administrator II	\$100.00
Construction Administrator III	\$110.00
Construction Field Representative I	\$ 75.00
Construction Field Representative II	\$ 80.00
Construction Field Representative III	\$ 85.00
Construction Project Coordinator	\$ 75.00
Planner I	\$ 95.00
Planner II	\$110.00
Planner III	\$125.00
Planner IV	\$135.00
Surveyor I	\$ 80.00
Surveyor II	\$ 90.00
Surveying Associate I	\$ 70.00
Surveying Associate II	\$ 75.00
Survey Technician I	\$ 70.00
Survey Technician II	\$ 75.00
Survey Field Technician I	\$ 55.00
Survey Field Technician II	\$ 60.00
Survey Field Technician III	\$ 65.00
Administrative Assistant (I-II)	\$ 70.00
Administrative Assistant III	\$ 75.00
Accounting Assistant (I-II)	\$ 80.00

1. **EXPENSES**

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. **ASSOCIATED SERVICES -**

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus ten (10) percent.

CERTIFIED BID TABULATION
WATER TREATMENT PLANT UPGRADE
CITY OF LENOIR NORTH CAROLINA

Tuesday, December 19, 2017; 2:00 pm

Former City Council Chambers, 3rd Floor, City Hall, 801 West Main Street, Lenoir, North Carolina 28645

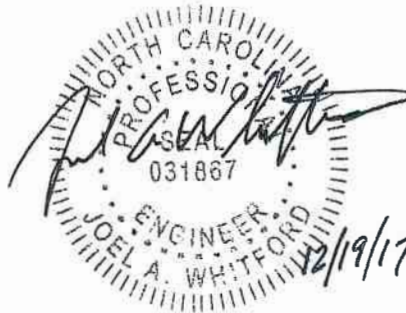
BIDDER	TOTAL BASE BID	ALTERNATE BID ITEM 1	TOTAL BASE BID PLUS ALTERNATE BID ITEM 1
Brushy Mountain Builders	\$8,337,000	\$350,000	\$8,687,000
Dellinger, Inc.	\$8,434,600	\$735,000	\$9,169,600
State Utility Contractors, Inc.	\$9,053,000	\$360,000	\$9,413,000
Turner Murphy Co., Inc.	\$8,974,882	\$300,000	\$9,274,882
Wharton-Smith Inc.	\$8,889,000	\$300,000	\$9,189,000

This is to certify that the bids tabulated herein were accompanied by a 5% bid bond or certified check and publicly opened and read aloud at 2:00 pm local time on the 19th day of December 2017 in the former Council Chambers (3rd Floor), City Hall, 801 West Avenue NW, Lenoir, North Carolina 28645.

JOEL A. WHITFORD, PE



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





CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
J. T. BEAL
T. H. PERDUE
J. I. PERKINS
T. J. ROHR
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collections systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a (State Revolving Loan, State Grant or State Bond Loan) in the amount of **\$6,600,000** for the construction of the **Lenoir Biosolids Facility Improvements**, and

WHEREAS, the **City of Lenoir** intends to construct said project in accordance with the approved plans and specifications.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LENOIR CITY COUNCIL:

That **City of Lenoir** does hereby accept the (State Revolving Loan, Grant, or State Board) offer of **\$6,600,000**.

That **City of Lenoir** does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the (loan or grant) offer Section II-Assurance will be adhered to.

That **Scott Hildebran, City Manager**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That **City of Lenoir** has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations and ordinances to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the **16th day of February, 2018** at Lenoir, North Carolina.

SEAL


Joseph L. Gibbons, Mayor



STATE OF NORTH CAROLINA
COUNTY OF CALDWELL

AGREEMENT TO PURCHASE WATER

THIS CONTRACT is made and entered into this ____ day of _____, 20__ by and between the City of Lenoir, a North Carolina Municipal Corporation hereinafter referred to as "Lenoir" and the Baton Water Corporation, hereinafter referred to as "Baton".

WITNESSETH

WHEREAS, Lenoir and Baton, both having the power and authority to enter into this agreement, and the signatories hereto have been authorized to execute this document on behalf of the Lenoir City Council and Baton; and

WHEREAS, Lenoir currently owns and operates a water treatment and distribution system, and is engaged in the enterprise of managing, operating, and maintaining said system and selling potable water to the public within its service area; and

WHEREAS, Baton owns and operates a water distribution system, and is also engaged in the enterprise of managing, operating, and maintaining the system and selling potable water to the public within its service area; and

WHEREAS, Lenoir and Baton mutually desire to enter into an agreement to sell and purchase water in accordance with the terms and provisions contained herein; and

WHEREAS, Lenoir has determined that it has the capability to sell water to Baton throughout the term of this agreement without impairing services to the users connected to its water system; and

WHEREAS, Lenoir and Baton each has or holds and will continue to have or hold throughout the term of this agreement, all appropriate permits necessary to effectuate their respective responsibilities under this agreement or will use their best efforts to obtain such permits;

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. This agreement shall commence on the ____ day of _____, 2017, and unless earlier terminated in accordance with the terms herein, shall expire on

the ____ day of _____, ____ (Hereinafter referred to as the "Water Service Period".)

2. Lenoir agrees to provide and sell to Baton up to 500,000 GALLONS (FIVE HUNDRED THOUSAND GALLONS) of potable water maximum daily flow, measured through metered connections which are located, prescribed and maintained by Lenoir, at or above minimum State of North Carolina and Federal Standards for Public Water. Such maximum daily flow shall be based on a thirty (30) day average daily flow. Such maximum daily flow to be reviewed every five (5) years.
3. Baton agrees to use best efforts not to exceed the above maximum daily flow provided for in Section 2 of this agreement, unless Lenoir expressly agrees that said maximum daily purchase(s) may exceed 500,000 gallons for a specified period of time.
4. The water purchased by Baton from Lenoir shall be transmitted on a continuous basis unless there is an unforeseen break, outage or interruption of Lenoir's water supply or water distribution system. In which case, Lenoir shall notify Baton of the circumstances and provide timely updates so as to keep Baton informed of the status of repairs or remedy(ies) for any such interruption.
5. Baton agrees to timely pay Lenoir for water purchased on a monthly basis, in accordance with invoices, which shall be based upon meter readings conducted by Lenoir at all metered connections between the Lenoir and Baton water systems. Lenoir agrees to read said water meters monthly and deliver to Baton a written report summarizing said meter readings within fifteen (15) working days of each monthly meter reading. Lenoir will submit to Baton a written invoice based on such meter readings by the 20th day of the following month. Baton agrees to pay Lenoir the amounts of each such monthly invoice within 30 calendar days of the date of each invoice.
6. The initial Base Water Rate charged to Baton for water purchases shall be \$2.17 per one thousand gallons of water provided by Lenoir to Baton. In the event the average daily flow during any monthly billing period exceeds the maximum daily flow of 500,000 gallons, the following surcharges (The "Surcharge Rate") will apply to the overage:

(500,001) to (550,000) gallons – \$2.39/1000 gallons
 (550,001) to (600,000) gallons – \$2.63/1000 gallons
 (600,001) gallons or more – \$2.89/1000 gallons

Over the term of this agreement or any extension thereof, Lenoir may, at its sole discretion, increase the Base Water Rate and /or the Surcharge Rate as it deems necessary. Lenoir shall not increase said rates to Baton more than one time during any fiscal year of twelve (12) months ending on June 30 of each year. Lenoir agrees to notify Baton in writing of planned increases with an explanation of the factors used to determine set increase in rates at least ninety (90) days prior to June 30 of any fiscal year, with rate increases that are to become effective on July 1 of that same year.

7. Lenoir agrees to maintain /repair /replace existing Lenoir water meters at the connection point(s) between the Lenoir and the Baton water system as may be necessary to accurately measure the flow of water through the meter(s) to Baton under this agreement.
8. Baton shall to provide a minimum of six-months advance written notice to Lenoir prior to the expiration of this agreement or subsequent extensions of this agreement if Baton desires to extend the terms of this agreement. Upon timely receipt of such notice of Baton desire to extend this agreement, Lenoir shall, within sixty (60) days after having received such notification, notify Baton in writing of its agreement to such extension of this agreement.
9. In the event that Lenoir elects not to extend this agreement, Lenoir shall continue to provide and sell water to Baton, under the same terms of the agreement, until Baton has had sufficient opportunity to secure an alternate source(s) of potable water; however, Lenoir shall not be bound to continue to provide and sell water to Baton beyond a period of twenty-four (24) months past the date of its written notification to Baton of its intention not to extend this agreement.
10. Baton agrees that Baton and its water customers shall, during the period of this agreement, abide by and adhere to all water use policies, restrictions, and ordinances adopted now or subsequently adopted by Lenoir, of which they are subsequently notified, which impose water use restrictions, water conservation requirements, moratoriums, and other such limitations on the use of water during times of emergency or drought conditions or during other situations which for public health or financial reasons justify said policies, restrictions, and ordinances.
11. Lenoir shall promptly notify Baton upon becoming aware of any activity, problem or circumstance within the Lenoir system that might present a danger to the health, safety and welfare of Baton water users. Further, Lenoir shall take appropriate action to remedy such activity, problem or circumstance within the Lenoir system and to avoid or minimize disruptions in service.
12. In the event of damage or destruction of Lenoir's key water facilities or any emergency which, in the reasonable judgment of Lenoir, is likely to result in material loss or damage to the system or constitute a material threat to human

health or safety, Lenoir may suspend operation of its water system, after thirty (30) days written notice to Baton of such actions unless in the event of an emergency. Lenoir's response to emergencies and other such unusual circumstances shall be in accordance with applicable policies, regulations, laws and requirements and with such personnel and equipment as necessary to maintain or restore the operations of its water system in a timely manner with the least possible disruption or inconvenience to the users connected to both the Lenoir and Baton water systems.

13. Baton shall not resell, give away, transfer or otherwise dispose of water purchased from Lenoir to third-party water systems without the prior written permission of Lenoir.
14. Baton agrees to permit Lenoir to pass water through Baton water distribution system to destinations and/or to other third-party water systems beyond Baton system, provided that Lenoir:
 - a) Submits a written notice to Baton outlining the agreed-upon purposes, quantities and conditions of said pass through of water.
 - b) That said request does not significantly diminish Baton capacity to provide services to its water customers.
 - c) Lenoir subsequently pays to Baton a Pass Through charge of \$0.03 cents per 1000 gallons of pass through water. Baton may request a modification of such charge by with ninety (90) days advance written notice during the period of this agreement.
 - d) Lenoir agrees to install metering equipment to measure and determine the quantities or such Pass Through water passing through Baton water system and report monthly to Baton such amounts and meter readings.
15. Lenoir and Baton both represent that no litigation is pending or threatened against either party which would impair their ability to perform their respective duties and obligations under the terms, covenants and provisions of this agreement.
16. Resolution of Disputes
 The Parties agree that should any disputes arise under this agreement, including but not limited to disputes pertaining to services, rates, or invoices, said disputes shall be resolved, if at all possible, through good faith negotiations between the parties. It is the intent of Lenoir and Baton that pursuit of legal action shall be a remedy of last resort and that a negotiated resolution, including the use of outside experts or mediators, shall be the preferred means of resolving disputes hereunder.

17. Default and Termination

This agreement may be terminated prior to its stated expiration date by Lenoir or Baton in accordance with the terms and conditions set forth below.

A. Termination for cause by Lenoir. Upon the happening of any of the following events of default by Baton, Lenoir shall have the right to terminate this agreement:

- a) The failure of Baton to perform or observe and initiate a cure after thirty (30) days advance written notice any of its material covenants, agreements, obligations and/or duties created by this agreement.
- b) The failure of Baton to make any payment required pursuant to the terms of this agreement within sixty (60) days of its receipt of notice from Lenoir that any such payment is overdue.

B. Termination for cause by Baton. Upon the happening of any of the following events of default by Lenoir, Baton shall have the right to terminate this agreement:

- a) The failure of Lenoir to perform or observe any of its material covenants, agreements, obligations and/or duties created by this agreement.
- b) The failure of Lenoir to provide Baton with the amounts of water in accordance with the terms of this agreement, or to provide adequate water quality for Baton within standards established by the North Carolina Department of Environmental Quality or any other governmental agency with designated jurisdiction over said water quality parameters as provided in this agreement.

18. Upon the happening of any event which may constitute good cause for termination of this agreement as stated above, the aggrieved party shall provide written notice to the party committing the alleged violation setting forth in detail the alleged failure and/or deficiency. Thereafter, within thirty (30) days of receipt of notice of the alleged default, the parties to this agreement shall meet to discuss the circumstances and attempt to reach a resolution.

19. **NOTICES:** For the purposes of this agreement, all notices required shall be deemed to have been properly served and shall be only served when posted by Certified United States Mail, Postage Prepaid, Return Receipt Requested, Addressed to the Party to whom directed at the address herein set forth or at such other address as may from time to time be designated in writing by either party:

To Lenoir:

City of Lenoir
Scott E. Hildebran, City Manager
PO Box 958
Lenoir, North Carolina 28645

To Baton:

Baton Water Corporation

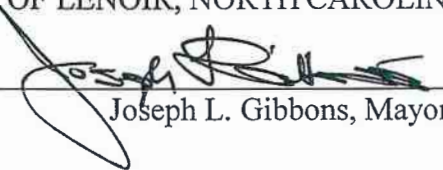
20. This agreement embodies the entire agreement between the parties in connection with this transaction, and there are no oral or parole agreements, representations or inducements existing between the parties relating to this transaction, which are not expressly set forth herein. This agreement may not be modified except by a written agreement signed by all parties to this agreement. Neither party shall be entitled to sell, convey or otherwise alienate the rights and obligations created herein without the prior written permission of the other party to this agreement. This agreement is non-assignable.
21. Nothing contained herein shall be construed to place the parties in the relationship of partners or joint venturers, and neither party shall have the power to obligate or bind the other party in any manner whatsoever. No joint agency is established by this Agreement pursuant to Article 20, Part 1 of Chapter 160A of the North Carolina General Statutes, by other similar statutory authority authorizing interlocal cooperation between units of local government, or otherwise.
22. No written waiver by any party to this agreement at any time of any breach of any other provision of this agreement shall be deemed a waiver of a breach of any provision herein or consent to any subsequent breach of the same or any other provision.
23. The captions and article numbers appearing in this agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope of such paragraphs or articles of this agreement or in any way affect this agreement.
24. This agreement shall be governed by and interpreted in accordance with the laws of the State of North Carolina.
25. Words of any gender used in this agreement shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires.
26. If any provision under this agreement or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity does not affect any other provision of this agreement or its application that can be given effect without the invalid provision or application.

27. This agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this agreement to produce or account for more than one such fully executed counterpart.

28. Except as provided herein, the rights and remedies provided for in this agreement are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

CITY OF LENOIR, NORTH CAROLINA

By: 
Joseph L. Gibbons, Mayor

(SEAL)

Attest:

By: 
Shirley M. Cannon, City Clerk

BATON WATER CORPORATION

By: _____
_____, Board Chair

(SEAL)

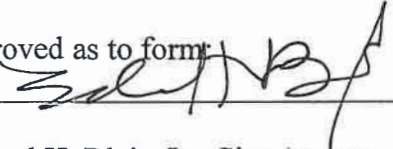
Attest:

By: _____
_____, Secretary

This agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: 
_____, Finance Officer

_____, Finance Officer
City of Lenoir, North Carolina

Approved as to form:
By: 

Edward H. Blair, Jr., City Attorney
City of Lenoir, North Carolina

By: _____

_____, Finance Director
Baton Water Corporation

Approved as to form:
By: _____

_____, Attorney
Baton Water Corporation

AN ORDINANCE DIRECTING THE MINIMUM HOUSING INSPECTOR TO REMOVE OR DEMOLISH THE PROPERTY HEREIN DESCRIBED AS UNFIT FOR HUMAN HABITATION AND DIRECTING THAT A NOTICE BE PLACED THEREON THAT THE SAME MAY NOT BE OCCUPIED.

WHEREAS, the City Council of the City of Lenoir finds that the dwelling described herein is unfit for human habitation under the City Housing Standards, and that all of the procedures of the Minimum Housing Standards have been complied with; and

WHEREAS, this dwelling should be removed or demolished, as directed by the Minimum Housing Inspector, and should be placard thereon the notice prohibiting use for human habitation; and

WHEREAS, the owner of this dwelling, **John William Phillips**, has been given a reasonable opportunity to bring the dwelling up to the standards of the Minimum Housing Standards accordance with G.S. 160A-443 (5) pursuant to an order issued by the Minimum Housing Inspector on September 15, 2017 and the owner has failed to comply with the order;

NOW THEREFORE BE IT ORDAINED BY the City Council of the City of Lenoir that:

Section 1. The Minimum Housing Inspector is hereby authorized and directed to place a placard containing the following:

"This building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful."

on the building located at the following address: **315 Beall St.**
Lenoir, North Carolina.
Parcel-ID 06 16 2 3
NCPIN 2749464713

Section 2. The Minimum Housing Inspector is hereby authorized and directed to proceed to remove or demolish the described above dwelling in accordance with this Order, and in accordance with the City of Lenoir Minimum Housing Code, and NCGS Chapter 160A, Article 19, Part 6.

Section 3. The cost of demolition and improvement of the lot shall be a tax lien on the real property as provided by G.S. 160A-443 (6).

Section 4. It shall be unlawful for any person to remove or cause to be removed the placard from any building to which it is affixed. It shall be likewise unlawful for any person to occupy or to permit the occupancy of any building therein declared to be unfit for human habitation.

Minutes-City of Lenoir Council Meeting

Tuesday, ~~Section 6~~ 2018 copy of this ordinance shall be recorded in the Register of Deeds of Caldwell County, North Carolina, and indexed in the name of the property owner or owners in the grantor index.

Adopted this the 16th day of January, 2018.


JOSEPH L. GIBBONS
MAYOR

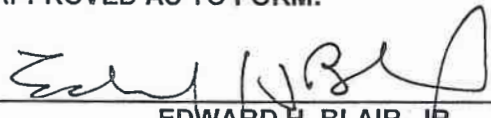
ATTEST:


SHIRLEY M. CANNON
CITY CLERK

CITY OF LENOIR, NC
CHARTERED
JANUARY 28, 1851

SEAL

APPROVED AS TO FORM:


EDWARD H. BLAIR, JR.
CITY ATTORNEY

Budget Ordinance for the City of Lenoir**Water Treatment Plant Upgrade – Phase II**

BE IT ORDAINED by the City Council Members of the City of Lenoir, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following budget ordinance is hereby adopted:

Section 1: The budget authorized activities for the Water Treatment Plant Upgrade – Phase II to include the expenditure of grant funds to upgrade the George L. Bernhardt, Jr. Water Treatment Plant.

Section 2: The officers of this unit are hereby directed to proceed with the project within the terms of the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Construction	\$ 9,395,000
Engineering	\$ 615,000
Administrative	\$ 40,000
Total Costs	<u>\$ 10,050,000</u>

Section 4: The following revenues are anticipated to be available to complete this project:

Project Reimbursement Revenue	\$ 10,050,000
-------------------------------	---------------

Section 5: The Finance Officer is hereby directed to maintain within the budget sufficient specific detailed accounting records to satisfy the requirements of the Budget Ordinance.

Section 6: The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

Section 7: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this project in every budget submission made to this Board.

Section 8: Copies of this budget ordinance shall be furnished to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 16th day of January, 2018


Mayor


Clerk

**COMMITTEE OF THE WHOLE
CITY HALL, THIRD FLOOR
TUESDAY, JANUARY 23, 2018
8:30 A.M.**

PRESENT: Mayor Pro-Tem Willis presiding. Committee members Gibbons, Beal, Perdue, Rohr, Thomas and Stevens.

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

OTHERS: Virginia Annable, *News-Topic*, Jay Clapp, Remp & Kemp and Jesse Plaster, Architect.

ABSENT: Councilmember Ike Perkins and Department Directors, Scott Brown and Ken Briscoe.

I. CALL TO ORDER

A. Mayor Pro-Tem Willis welcomed everyone and called the meeting to order.

II. CITIZEN COMMENT PERIOD

III. COMMITTEE ITEMS

A. Public Utilities/Public Works

1. Public Works Director Charles Beck reported on the following items:

- A. Traffic Study; Intersection of Main/West Avenue: Public Works Director Beck introduced Mr. Jay Clapp, Ramey Kemp Associates, who presented a summary of the traffic assessment at the intersection of Main Street and West Avenue.

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

Mr. Clapp stated McGill Associates asked their firm to conduct a study and noted the purpose of the study is to evaluate the existing operations at the intersection and determine if an alternative method of traffic control could reduce delays on the northbound approach of Main Street. Mr. Clapp reported that traffic studies were completed during the day and also during peak hours in the evening. It was noted that West Avenue is a one-way street with a speed limit of 20-mph while the westbound approach of West Avenue consists of a shared left through-lane and a shared through-right turn lane.

Mr. Clapp stated that, based on their analysis of the existing traffic signal, the signal is not necessary. Studies were also conducted of a two-way stop and a four-way stop. He reported the studies revealed motorists could expect minor delays of less than 10 seconds per vehicle on the northbound approach of Main

Street and approximately 7.5 seconds per vehicle on the southbound approach under the all-way stop controlled condition. In addition, he related that delays on the westbound approach of West Avenue are expected to increase by approximately 5 seconds per vehicle; the approach is expected to experience minor overall delays of less than 10 seconds per vehicle.

City Manager Hildebran mentioned the City of Morganton just completed a downtown Master Plan and noted their number one priority is two-way streets. Mr. Hildebran suggested that Council consider the option of changing the following streets to two-way traffic prior to making a decision on removing the traffic signal (Harper Avenue-eastbound between Steel Street & Norwood Street) and (West Avenue from Ridge Street to its merger w/Harper Avenue at Steel Street). A discussion followed regarding changing these streets to two-way.

Economic Development Director Horn pointed out that merchants would be in favor of two-way streets because it slows traffic down and motorists will be able to see more businesses. In addition, this change may bring additional people into the downtown area.

Mr. Clapp stated two-way streets would affect the traffic signals and pointed out the pedestrian signal would need to be retained. He also mentioned roundabouts would tie into the footprint of the intersections.

Following discussion, Council was in consensus to move forward with conducting a traffic study regarding changing these streets to two-way.

- B. Hospital Avenue Sidewalk Project- reported the design has been sent to NCDOT for their review and the project can be bid out following their approval. He stated a public meeting will be held to receive public input and then the City will begin obtaining the necessary right-of-ways. Director Beck reported the project may be bid out in the fall.
 - C. Update; OSHA Inspection – reported that, due to the number of accidents the Department has had, officials from OSHA conducted an unannounced inspection of the facilities which resulted in their being fined for three items. Director Beck stated the City is going to protest the fines in order to try and have them reduced. City Council asked for a copy of the report to be sent to them for their review.
2. Public Utilities Director Radford Thomas reported on the following items:
- A. Update; Water Line Breaks – reported that between 50 to 60 water main breaks/leaks occurred during the recent cold weather. He noted the large majority have been repaired without inconveniencing customers and commended Staff for all of their hard work during this extremely cold weather.
 - B. Meter/Sys Evaluation – reported they have evaluated different software which will be installed to manufacture's specifications and the process will assist the City in becoming more efficient with its billing process. Director Thomas stated he will be presenting additional information at the February 27

Committee of the Whole meeting to consider during Council's upcoming budget process.

- C. Wastewater Service Agreement; Town of Sawmills – reported he will be presenting the new Agreement to Purchase Wastewater Service between the City of Lenoir and the Town of Sawmills at the February 20 City Council meeting.
- D. Biosolids Project – reported this project will be bid out in early 2019.
- E. Water Plant Improvements Project – reported the project will be completed in May and distributed photos of the progress of the construction for the chemical storage tanks from March 24, 2027 to January 22, 2018. Director Thomas also shared the Water Treatment Plant Improvements Project, Phase II, will begin in the near future with pre-construction bids being obtained along with a notice to proceed.

3. Public Safety

- A. Fire Department; LFD Station 3: Deputy Fire Chief Ken Hair introduced Jesse Plaster, Architect, who displayed photos of the model and design for the proposed Lenoir Fire Station No. 3. Mr. Plaster stated the two-bay fire station will include two private offices, elevator access, storage and a lounge area. The building will be comprised of red brick and a large sign of the Department's seal will be placed on the backside of the building.

The estimated cost for this project is \$1.6 million. It was noted that local contractors will be used for this project and the cost estimate may change when materials for the project are finalized.

Deputy Chief Hair stated the existing stormwater issues at the site have been addressed and pointed out the building will be energy efficient and will not contain any carpet. He commended Mr. Plaster for the great job he has done regarding the design of the new structure.

4. Police Department

- A. Traffic Request; Barcosse Street – Police Captain Brent Phelps reported the Department has received complaints regarding speeding motorists on Barcosse Street which has a speed limit of 25 mph. The Department conducted a traffic study which revealed 130 vehicles travel Barcosse Street per day at an average speed of 15.7 mph. The study revealed one motorist traveling at 51 mph.

Captain Phelps reported that residents have also inquired about the installation of a speed hump on Barcosse, but pointed out you have to have a 300-foot horizontal radius on a street in order to install one. Based upon the information listed in the traffic study, the Police Department is not recommending a speed hump for Barcosse Street. Captain Phelps stated the Department does plans to increase their visibility in this neighborhood.

- B. Update; Personnel – Captain Phelps stated Jody Herman was recently promoted to Lieutenant and three new officers have been sworn in who are Meredith Haney, Matthew Bonestell and Devon Mosteller. However, he remarked they continue to experience a number of vacancies.
- C. Update; Fence Installation Project – reported the project is underway, but Staff

has learned the fence needs to be able to operate off of their generator. Upon completion, a gate will be installed on both the front side and back side of the property. The purpose of this project is to provide additional security for personnel and will be completed by mid-February.

IV. COMMUNITY DEVELOPMENT

- A. Lenoir Tourism Development Authority: The Lenoir Tourism Development Authority (LTDA) is scheduled to meet on Thursday, January 25 at 3:00 p.m. at City Hall. Minutes of the December 8, 2017 meeting were distributed as information.

Finance Director Donna Bean reported the Board approved their annual audit contract with S. Eric Bowman, PA, and tabled consideration of two funding requests until the January meeting.

- B. Lenoir Business Advisory Board: The Lenoir Business Advisory Board (LBAB) last met on Thursday, January 11. Kaylynn Horn, Economic Development Director, informed Council the annual North Carolina Main Street Conference will be held on March 13-15 in Charlotte and encouraged Councilmembers to attend.

In addition, a brief discussion was held by Staff regarding establishing guidelines that would pertain to larger trucks that participate in the annual Christmas parade and have issues turning onto the streets where citizens are standing to view the parade. Staff also discussed finding a different location or staging area that may be safer for the parade participants to lineup at rather than on College Avenue.

At this point in the meeting, City Council took a five minute break.

- C. Tax Releases/Refunds: Finance Director Donna Bean presented a list of tax releases and refunds as of January 2018. She explained the various reasons for each release and/or refund as listed on the report. (A copy of the Tax Releases is attached to these minutes as information).

Upon a motion by Councilmember Rohr, Council voted 5 to 0 to approve the list of Tax Releases/Refunds as recommended by Finance Director Bean. Note: Councilmember Perdue was absent from the room during this vote.

Note: Councilmembers Jonathan Bean and Crissy Thomas left the meeting at 10:00 a.m.

- D. Planning Board: Planning Director Jenny Wheelock reported the Board met on Monday, January 22 and reviewed the following items.
- 1) Proposed ordinance amendment for non-conforming structures for single family homes will be presented to Council in February.
 - 2) Proposed design standards for older single-wide mobile homes by the elimination of minimum size requirements. It was noted there are size restrictions for new double-wide units. Director Wheelock stated Council can

- address the design standards for minimum size and orientation of these types of homes.
- 3) Discussed the issue of allowing agriculture in residential areas such as greenhouses & workshops. Noted conditional zoning may be used or a code could be created to address this issue.
 - 4) Bike Plan is complete and will be submitted to Council in March following a review by the Planning Board. It was noted that two-way traffic would also change the plan the state has approved for bike structures.
 - 5) 2017 Enforcement Activity Report and 2017 Development Activity Report: Director Wheelock reviewed each report and pointed out the Department has issued 97 zoning permits for 2017 and related there were 29 sign violations and 34 minimum housing abatements (4 by the City and 30 were abated by the owners). (A copy of these reports is attached to these minutes as information).
 - 6) Annexation Request: Hilltop Mart: Director Wheelock informed Council the new owner of Hilltop Mart located on Abingdon Road has requested to be annexed into the City for beer/wine sales. Due to Council previously denying an annexation petition from the previous owner because of site line issues, Council directed Ms. Wheelock to inform the owner they were not in consensus to move forward with this request.
- E. Parks & Recreation Advisory Board: The Parks & Recreation Advisory Board's next meeting will be held on Monday, February 19 at 6:00 p.m. at the Martin Luther King, Jr. Center. Recreation Director Kenny Story presented the following information:
- 1) Currently has 27 basketball teams and thanked Mayor Pro-Tem Ben Willis and Councilmember Crissy Thomas for helping coach the teams.
 - 2) Reported the wrestling programs are underway, but pointed out that several communities are experiencing a lower number of participants and may not have a team next year to compete. However, he stated that Lenoir will continue to provide wrestling programs.
 - 3) Reported the corner of the pool deck located on the deep end of the pool at the Aquatic & Fitness Center raised up 1 to 2 inches during the extremely cold weather, but has since gone back down. Staff is checking out the cause of this issue.
 - 4) Also mentioned the Aquatic & Fitness Center Staff are having issues with their telephones and computers going down due to the level of humidity inside the facility. Some areas may also be re-wired to address the chlorine levels in the building.
 - 5) Weather permitting, anticipates the improvements project at J.E. Broyhill Park to be completed by June.
 - 6) Soliciting bids for lighting for the tennis courts at Mulberry Recreation Center.
 - 7) Reported February is Black History Month and encouraged everyone to attend the events scheduled throughout the month at Martin Luther King, Jr.

F. Finance & Administration

1. Financial Updates: Finance Director Donna Bean reviewed the City's Financial Summary as of December 31, 2017 and reported the over/under balance in the General

Funds is \$3,378,660.40, Downtown District (\$81,103.17), and Water & Sewer Fund \$1,443,669.57. Director Bean reported the City's revenue is on target and 43.55% of the budgeted sales tax has been collected. She stated the sales tax revenue continues to remain flat. (A copy of the financial statement is attached to these minutes as information).

2. Cyber Security: Director Bean reported the City has made significant improvements and upgrades in all areas to address cyber security and noted Staff is currently evaluating what type of insurance coverage to purchase regarding this issue.

- G. Update: Public Communications: Joshua Harris, Public Information Officer, presented a revised version of the City of Lenoir's Quick Facts report as of 2017 which is available on the City's website. He also reviewed the highlights of the Communications Report as of December 2017 and activity included 229 social posts, 353 photos, 13 news releases and 8 videos. In addition, he stated there are 763 new followers and the website has experienced 22,033 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.

(A copy of the Quick Facts and Communication Reports is attached to these minutes as information).

V. OTHER

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

VI. Adjourn:

There being no further business, the meeting was adjourned at 10:50 am.

Attachments

Traffic Assessment (Intersection of Main Street and West Avenue)
Tax Releases and Refunds
2017 Development Activity Report
2017 Enforcement Activity Report
Financial Summary (December 2017)
City of Lenoir Quick Facts 2017
City of Lenoir Communications Report 2017



DRAFT

Mr. Charles K. Beck
Public Works and Engineering Director
City of Lenoir
P.O. Box 958
Lenoir, North Carolina 28645

**Subject: Traffic Assessment - Intersection of Main Street & West Avenue
Lenoir, North Carolina**

This letter summarizes the findings of the Traffic Assessment (TA) performed by Ramey Kemp & Associates, Inc. (RKA) for the intersection of Main Street and West Avenue located in Lenoir, North Carolina. Refer to the attached appendix for a site location map. The purpose of this study is to evaluate the existing operations at the intersection and determine if an alternative method of traffic control could reduce delays on the northbound approach of Main Street. In order to accomplish this objective, the intersection was analyzed during the AM, Midday and PM peak hours on a typical Wednesday while both school and court were in session.

Existing Traffic Conditions

Main Street is a two-way facility with a posted speed limit of 20 miles per hour (mph) within the study area. At the intersection with West Avenue, the northbound approach of Main Street consists of a shared left-through lane, while the southbound approach consists of an exclusive through lane and a shared through-right turn lane. Main Street carries approximately 3,600 vehicles per day (vpd) south of West Avenue according to 2015 North Carolina Department of Transportation (NCDOT) Annual Average Daily Traffic (AADT) data [which is the most recent available].

West Avenue is a one-way facility with a posted speed limit of 20 mph within the study area. At the intersection with Main Street, the westbound approach of West Avenue consists of a shared left-through lane and a shared through-right turn lane. West Avenue carries approximately 3,400 vehicles per day (vpd) east of Main Street according to 2015 NCDOT AADT data.

According to the signal plan (obtained from NCDOT), the existing traffic signal is operating under a two-phase pre-timed condition. In addition, permissive left turn phasing is provided for the northbound and westbound approaches of Main Street and West Avenue, respectively. Based on field observations, the intersection operates under a 60-second cycle length with Phase 1 [westbound approach of West Avenue] allotted 40 seconds and Phase 2 [northbound and southbound approaches of Main Street] allotted 20 seconds.

Existing lane configurations (number of traffic lanes on the intersection approach), speed limits, and signal information was collected through field reconnaissance by RKA. Refer to the attached appendix for an illustration of the existing geometrics and traffic control, as well as a copy of the signal plan provided by NCDOT.

Existing peak hour traffic volumes for the intersection of Main Street and West Avenue were obtained from turning movement counts that were conducted from 7 AM to 7 PM on a typical weekday while both school and court were in session. Refer to the attached appendix for an illustration of the weekday peak hour traffic volumes as well as a copy of the raw traffic count data.

Capacity Analysis Procedure

The study intersection was analyzed using the methodology outlined in the 2010 Highway Capacity Manual (HCM) published by the Transportation Research Board. The computer software package, Synchro (Version 9.2) was utilized to perform all analyses. Synchro was developed by Trafficware Corporation and allows the user to input data into the Synchro software and calculate the output based on methodologies in the HCM.

The HCM defines capacity as “the maximum hourly rate at which persons or vehicles can reasonably be expected to traverse a point or uniform section of a lane or roadway during a given time period under prevailing roadway, traffic, and control conditions.” Level of service (LOS) is a term used to represent different driving conditions, and is defined as a “qualitative measure describing operational conditions within a traffic stream, and their perception by motorists and/or passengers.” Level of service varies from LOS “A” representing free flow to LOS “F” where greater vehicle delays are evident.

For signalized intersections, Synchro provides LOS calculations for all approaches and an overall resulting LOS. Capacity analysis results for unsignalized intersections do not provide an overall LOS, but rather a LOS for movements and/or approaches that have a conflicting movement. Delay and LOS are the design criteria for this analysis.

Refer to Table 1 for HCM levels of service and related average control delay per vehicle. Control delay as defined by the HCM includes “initial deceleration delay, queue move-up time, stopped delay, and final acceleration delay.” As shown in Table 1, an average control delay of 40 seconds at a signalized intersection results in level of service D operation at the intersection.

TABLE 1
HIGHWAY CAPACITY MANUAL LEVELS OF SERVICE AND DELAY

SIGNALIZED INTERSECTION		UNSIGNALIZED INTERSECTION	
Level Of Service	Average Control Delay Per Vehicle (Seconds)	Level Of Service	Average Control Delay Per Vehicle (Seconds)
A	0-10	A	0-10
B	10-20	B	10-15
C	20-35	C	15-25
D	35-55	D	25-35
E	55-80	E	35-50
F	>80	F	>50

All analysis was completed utilizing existing lane geometrics, in addition to existing intersection peak hour factors (PHFs) that were calculated for the time periods correlating with the AM, Midday, and PM peak hours.

Capacity Analysis (Existing Traffic Control)

Under the existing signalized conditions, capacity analysis indicates that the signalized intersection experiences minor overall delays [of less than 12.5 seconds per vehicle] and operates at LOS B during the AM, Midday, and PM peak hours. The westbound approach of West Avenue experiences minor overall delays [of less than 5.5 seconds per vehicle] and operates at LOS A during the peak hours. The northbound and southbound approaches of Main Street experience minor to moderate overall delays [of less than 20.5 seconds per vehicle] and operate at LOS C or better. The greater delays on the northbound approach are primarily a result of the left turn movement, which is opposed by the southbound through movement. Refer to Table 2 for a summary of the capacity analysis results. Detailed Synchro analysis reports can be found in the attached appendix.

TABLE 2
ANALYSIS SUMMARY UNDER EXISTING TRAFFIC CONTROL

Approach		AM Peak Hour		Midday Peak Hour		PM Peak Hour	
		LOS	Delay	LOS	Delay	LOS	Delay
NB	1 LT-TH	B	19.1	C	20.3	B	19.9
SB	1 TH, 1 TH-RT	B	17.0	B	16.8	B	17.6
WB	1 LT-TH, 1 TH-RT	A	4.0	A	5.0	A	5.1
Overall		B	11.3	B	12.1	B	12.4

In addition to the capacity analysis, a queuing analysis was performed utilizing SimTraffic to develop traffic simulation models for the AM, Midday, and PM peak hours. Based on a review of the maximum queuing results that are based on an average of ten (10) traffic simulation runs, the existing queue lengths on Main Street exceed 205 feet (approximately eight vehicles) on occasion, while the queues on West Avenue exceed 105 feet (approximately 4 vehicles) on occasion. Refer to Table 3 for a summary of the maximum queues based on SimTraffic. Detailed SimTraffic analysis reports can be found in the attached appendix.

TABLE 3
QUEUING SUMMARY UNDER EXISTING TRAFFIC CONTROL

Movement	AM Peak Hour	Midday Peak Hour	PM Peak Hour
WBLT	89	107	103
WBTR	63	66	58
NBLT	87	112	108
SBT	100	154	156
SBTR	165	209	206

Capacity Analysis (Alternative Traffic Control)

It understood that citizens have expressed unhappiness with the delays associated with the northbound left turn movement onto West Avenue from Main Street. While modifying the phase splits to increase the allotted time to Phase 2 could reduce delays on the northbound approach (refer to the attached

appendix), a traffic signal warrant analysis was performed for the study intersection to determine whether the existing traffic volumes at the intersection warranted a traffic signal due to the relatively low traffic volumes on Main Street and West Avenue. The Federal Highway Administration's (FHWA) Manual on Uniform Traffic Control Devices (MUTCD) has national standardized criteria for determining the warrants for traffic signals. Some warrants are based on actual or historical data such as accident history, pedestrian activity or minor street delay. Other warrants compare the major street and minor street volumes to volume thresholds for various lengths of time for an average weekday.

Signal warrants criteria are based primarily on traffic volumes, and vary based on the number of travel lanes on both the major and minor streets and the travel speed on the major street. Utilizing the 12-hour turning movement counts mentioned previously, the intersection was analyzed to determine what, if any, signal warrants are met. A summary of the traffic signal warrant analysis results for the study intersection are presented in Table 4.

TABLE 4
SIGNAL WARRANT ANALYSIS RESULTS

Time Period	Vehicle Count		WARRANTS			
	MAJOR	MINOR	1A	1B	2	3
7 AM to 8 AM	122	112	N	N	N	N
8 AM to 9 AM	217	153	N	N	N	N
9 AM to 10 AM	204	220	N	N	N	N
10 AM to 11 AM	220	183	N	N	N	N
11 AM to 12 PM	303	188	N	N	N	N
12 PM to 1 PM	268	244	N	N	N	N
1 PM to 2 PM	261	156	N	N	N	N
2 PM to 3 PM	269	185	N	N	N	N
3 PM to 4 PM	265	176	N	N	N	N
4 PM to 5 PM	264	189	N	N	N	N
5 PM to 6 PM	225	172	N	N	N	N
6 PM to 7 PM	198	107	N	N	N	N
Number of Periods Met			0	0	0	0
Number of Periods Required			8	8	4	1
WARRANTS MET			NO	NO	NO	NO

Based on the results of the signal warrant analysis, it appears that a traffic signal is not necessary considering the warrants were not met; therefore, alternative traffic control was analyzed.

Under all-way stop-controlled condition with existing laneage, capacity analysis indicates that each of the intersection approaches are expected to experience minor overall delays [of less than 10.0 seconds per vehicle] and operate at LOS A during the AM, Midday, and PM peak hours. Refer to Table 5 for a summary of the capacity analysis results. Detailed Synchro analysis reports can be found in the attached appendix.

TABLE 5
ANALYSIS SUMMARY UNDER ALL-WAY STOP-CONTROL

Approach		AM Peak Hour		Midday Peak Hour		PM Peak Hour	
		LOS	Delay	LOS	Delay	LOS	Delay
NB	1 LT-TH	A	9.2	A	9.9	A	9.5
SB	1 TH, 1 TH-RT	A	8.9	A	9.4	A	9.2
WB	1 LT-TH, 1 TH-RT	A	9.0	A	9.8	A	9.4

In addition to the capacity analysis, a queuing analysis was performed, utilizing the methodology detailed previously, for the AM, Midday, and PM peak hours. Based on a review of the maximum queuing results, anticipated queues on Main Street and West Avenue are not expected to exceed 100 feet [approximately 4 vehicles]. Refer to Table 6 for a summary of the maximum queues based on SimTraffic. Detailed SimTraffic analysis reports can be found in the attached appendix.

TABLE 6
QUEUING SUMMARY UNDER ALL-WAY STOP-CONTROL

Movement	AM Peak Hour	Midday Peak Hour	PM Peak Hour
WBLT	69	75	70
WBTR	67	66	63
NBLT	58	65	71
SBT	3	18	3
SBTR	84	99	97

Conclusions

Based on the findings of this traffic assessment, the overall delays are expected to be reduced by approximately 10.0 seconds per vehicle (or more than 51%) on the northbound approach of Main Street and approximately 7.5 seconds per vehicle (or more than 44%) on the southbound approach under an all-way stop-controlled condition. While the overall delays on the westbound approach of West Avenue are expected to increase by approximately 5.0 seconds per vehicle, the approach is still expected to experience minor overall delays of less than 10.0 seconds per vehicle and operate at LOS A. In addition, the majority of the queues are expected to be reduced. If you should have any questions or comments pertaining to this correspondence, please contact me.

Sincerely,
Ramey Kemp and Associates, Inc.

Jayson B. Clapp, Jr., P.E., PTOE
 Regional Manager

Attachment

Tax Releases and Refunds				
January, 2018				
Tax Releases				
Tax Payer	REF #	Tax Year	Amount	Reason
Robert Kent	28712	2017	144.14	Boat listed in Alexander County
West Carolina Freightliner LLC	56422	2017	2,283.85	Caldwell County released taxes due to situs location being 4269 Beach Road, Hudson
Tax Refunds				
Tax Payer	REF #	Tax Year	Amount	Reason
Jonathan Triplett	50418	2017	707.64	Taxes were paid twice
Charles Coffey	11256	2017	54.90	Taxes were paid twice
Jerry G Story	47818 and 9013	2017 and 2016	882.61	The NC State Employees' Credit Union paid these tax bills in error with an incorrect escrow reference listed on the checks and customer also paid the tax bills.
Julian D Baker and Mary P Baker	2291 and 2284	2017	9.18	The tax billing system did not apply the early payment discount correctly and the customer overpaid the tax bills
J Baker Investments LLC	27076 and 27075	2017	20.67	The tax billing system did not apply the early payment discount correctly and the customer overpaid the tax bills
Foothill Investment Group LLC	17464	2017	3.55	The tax billing system did not apply the early payment discount correctly and the customer overpaid the tax bill

calendar year
2017
DEVELOPMENT ACTIVITY

ZONING PERMITS

(2016 = 109)

97

STORMWATER PERMITS

(2016 = 4)

CITY: 3 OTHER: 2

5

FLOODPLAIN DEVELOPMENT

(2016= 4)

1

DISCRETIONARY LAND USE

(2016 = 2)

2

ZONING MAP AMENDMENTS

(2016 = 2)

7

TEXT AMENDMENTS

(2016 = 1)

4

ANNEXATIONS

(2016 = 1)

3

MAJOR SUBDIVISIONS

(2016 = 0)

3

TEMPORARY ADVERTISING

(banners & wind-blown devices) (2016 = 14)

8

BACKYARD HEN PERMITS

(2016 = 2)

1

2017**ENFORCEMENT ACTIVITY****SIGN VIOLATIONS**

(2016= 27)

29**STORMWATER
VIOLATIONS**

(2016 = 6)

3**MINIMUM HOUSING ABATEMENT**(2016 = 20) **CITY ABATED: 4** **OWNER ABATED: 30****34****STRATEGIC FORECLOSURES REFERRED TO ATTORNEY****8****COMPLETED FORECLOSURES****6****SOLD TO PRIVATE OWNERS****5****MOBILE HOME PARK PERMITS****PASSED INSPECTION****17****TOTAL SPACES****242****PARKS CLOSED****0**



City of Lenoir
Financial Summary
As of December 31, 2017



General Fund					
	2017-2018 Budget	12/31/2017	% of Budget	Change from Previous Year	12/31/2016
Total Revenue	\$ 16,605,509.00	\$ 11,203,061.09	67%	\$ (261,449.60)	\$ 11,464,510.69
Expenditures	\$ 16,605,509.00	\$ 7,824,200.69	47%	\$ (108,199.09)	\$ 7,932,399.78
Over/Under	\$ -	\$ 3,378,860.40		\$ (153,250.51)	\$ 3,532,110.91

Downtown District					
	2017-2018 Budget	12/31/2017	% of Budget	Change from Previous Year	12/31/2016
Revenues	\$ 183,827.00	\$ 1,203.70	1%	\$ (129.30)	\$ 1,333.00
Expenditures	\$ 183,827.00	\$ 82,306.87	45%	\$ (11,076.30)	\$ 93,383.17
Over/Under	\$ -	\$ (81,103.17)		\$ 10,947.00	\$ (92,050.17)

Water/Sewer Fund					
	2017-2018 Budget	12/31/2017	% of Budget	Change from Previous Year	12/31/2016
Revenues	\$ 8,239,307.00	\$ 4,530,412.69	55%	\$ 219,844.72	\$ 4,310,567.97
Expenditures	\$ 8,239,307.00	\$ 3,086,743.12	37%	\$ (165,467.36)	\$ 3,252,210.48
Over/Under	\$ -	\$ 1,443,669.57		\$ 385,312.08	\$ 1,058,357.49

Sales Tax adjustment for HB97					
	2017 - 2018 Budget	Collections As Of 12/31/17***	Percentage Collected YTD		
Sales Tax adjustment for HB97	\$ 215,000.00	\$ 93,632.58	43.55%		

***5 months collections



City of Lenoir Quick Facts 2017

Creative energy thrives in Lenoir. From the entrepreneurs who made Lenoir the furniture manufacturing center of the South, to the employees of the biotech and cyberspace industries, Lenoir has always been a place where people forge partnerships to build a better future.

Our rich heritage of music and craft earn national recognition for Lenoir, and the City is expanding Greenway trails to connect residents and visitors to greater opportunities for physical fitness while enjoying the beauty of the Blue Ridge Mountains and the wild and scenic rivers that make our landscape beautiful and unique.



US CENSUS DATA

Population estimates, July 1, 2016	17,973	High school graduate or higher, age 25 years.....	78.6%
Population per square mile.....	928.1	Bachelor's degree or higher, age 25 years.....	14.9%
Households, 2012-2016	7,251	Housing units, April 1, 2010.....	8,568
Median household income.....	\$31,064	Owner-occupied housing unit rate.....	7.3%
Persons per household, 2012-2016	2.40	Median value of housing (2012-2016).....	\$105,400

LENOIR CITY COUNCIL

The City of Lenoir City Council consists of 8 members, the mayor and 7 councilmembers.



	Served Since		Served Since
Joe Gibbons, Mayor	2011	Ike Perkins	2013
Ben Willis, Mayor Pro Tem	2011	T.J. Rohr	2003
Jonathan Beal	2017	David Stevens	2003
Todd Perdue	2003	Crissy Thomas	2013

ADMINISTRATION • Scott Hildebran, City Manager

5.5 employees • City Manager, City Clerk, Human Resources Specialist, Public Information Officer

- Manages day-to-day operations of the City
- Oversees the City's ~25 million budget
- Handles scheduling for City Council, creates Council agendas, records Council minutes
- Processes an average of 45 employment applications a month; maintains personnel records and benefits plans for 254 full-time and 88 part-time employees; distributed 385 W-2s in 2016
- Manages external and internal communications in the city via the City website, social media accounts, news releases, newsletters, and videos, and monitors public engagement with the City



DOWNTOWN

ECONOMIC DEVELOPMENT • Kaylynn Horn, Director

2 employees

- Administers the City of Lenoir Main Street Program, downtown revitalization, retail and small commercial development programs, grants, and incentives
- Organizes local events, promotes downtown businesses



FINANCE • Donna Bean, *Director*

11 employees (10 full-time, 1 part-time)

- Collects water/sewer bills and tax bills for 10,000 customers
- Collects payments for Duke Energy
- Responsible for payroll, billing, and collection functions
- Provides IT services for the City

FIRE • Ken Briscoe, *Chief*

62 employees (57 full-time, 5 part-time)

- Maintains a Class 3 ISO Rating
- Provides fire suppression services
- Administers fire code enforcement
- Provides fire education
- Operates two fire stations in the city limits

2016 STATISTICS

36..... Structure Fires
 18..... Vehicle Fires
 27..... Grass-woods Fires
 40..... Other Fires
 1,436..... Medical Calls
 127..... Vehicle Accidents with Injuries
 140..... Vehicle Accidents with no Injuries
 1,168..... Other Calls
 2,989..... Total Calls for Assistance in 2016



PARKS AND RECREATION • Kenny Story, *Director*

84 employees (20 full time and 64 part time/seasonal)



PARKS & GROUNDS

Responsible for maintaining ~84 acres and landscape including annual shrubs and trees at the following:

Community Gardens

... UnityPark and Beall Street

J.E. Broyhill Park

Lenoir Greenway system

Lenoir High School Auditorium

Lenoir High School Gymn

Lenoir Optimist Park

... 2 baseball / softball fields

... Club House

... Maintenance Building

Lenoir Rotary Soccer Complex

Mack Cook Stadium

T. Henry Wilson Athletic Park

T.H. Broyhill Walking Park

West End Community Park

... Outdoor Basketball Court

... 1 picnic shelter

RECREATION FACILITIES

Mulberry Recreation Center

... 4 tennis courts

... 2 softball fields

... 3 youth baseball fields

... 3 picnic shelters

... 2 batting cages

... Indoor / outdoor basketball courts

... Playground area

... Skateboard park

... Multi-purpose room

... Kitchen

... Game room

Aquatic & Fitness Center

... Outdoor Olympic-size pool

... Indoor Junior Olympic-size pool

... 4 waterslides (indoor and outdoor)

... 2 racquetball courts

... 2 covered shelters

... Exercise equipment

... Fitness Classroom

... Whirlpool & steam room

... Weight room

... Men's and Women's lockerrooms

... Walking / mountain bike trails

Martin Luther King, Jr. Center

... Indoor / outdoor basketball courts

... 2 tennis courts

... 1 picnic shelter

... 4 shuffleboard courts

... 1 baseball / softball field

... Social hall

... Weight room

... Multi-purpose room

... Game room

... Kitchen

... Computer lab

CLASSES & FITNESS

- Aerobics
- Gymnastics
- Martial Arts
- Yoga
- Zumba

SPORTS PROGRAMS

- Baseball (Youth)
- Basketball (Youth)
- Basketball Camp
- LYSA Soccer
- Summer Basketball League
- Softball (Youth)
- Tennis Clinics (Youth)

EVENTS

- Easter Egg Hunt Extravaganza
- Friday After Five Concerts
- Independence Day Celebration
- Harabee Festival
- Half Marathon
- Festival in the Park
- Christmas Parade
- Blackberry Festival
- 5K & 10K Runs



PLANNING • Jenny Wheelock, AICP, Director

5 employees

- Engages residents in community planning projects to stabilize property values, eliminate vacant/substandard housing, and build neighborhood pride and a unique sense of place.
- Administers land use and development codes
- Implements comprehensive, long-range growth plans
- Reviews development plans for new residential, commercial, and industrial development
- Administers housing nuisance codes
- Implements stormwater program for six municipalities in Caldwell County



POLICE • Scott Brown, Chief

83 employees (68 full time and 15 part time; 4 volunteer chaplains, 3 canines)



PATROL

- Responds to all dispatched calls for police service
- Specialized services also include Bike Patrol, K-9, Special Response Team, Honor Guard, Explorers Post, Auxiliary Reserve, Parking Enforcement, Mentoring, School Resource

CRIMINAL INVESTIGATIONS

- Investigates white collar crime, cyber crime, property crime, crimes against persons, sex crimes, and narcotics
- Provides Evidence Control and Crime Scene Investigation
- Provides Nuisance Abatement
- Works with Patrol Officers to address criminal activity

SUPPORT SERVICES

- Provides Emergency 9-1-1 services for police, medical, fire, and rescue needs within the city
- Oversees Records Management, Logistics/Financial Responsibility, and training for the department
- Administers the overall implementation and adherence of professional standards for all employees
- Generate crime analysis, trend assessment, and mapping for members of the department and public

2016 STATISTICS

Communications Processed:

- 44,539 CAD calls

Officers responded to:

- 23,810 calls for service
- 15,961 property checks
- 949 call follow-ups
- 1,159 traffic crashes
- 533 students received DARE instruction
- SROs were active in 6 elementary schools, 1 middle school, and 1 high school

Took In

- 425 lbs of prescription drugs from lobby drop box
- 39,750 dosage units from two off-site Rx drop events
- \$866,794 in property recovered by investigations
- \$193,764 was seized in illegal narcotics (Joint Effort)

CITY FACILITIES, Lenoir, NC 28645 unless noted otherwise

City Hall

801 West Ave NW, PO Box 958

City/County Chambers

905 West Avenue NW

Fire Headquarters

602 Harper Ave

Fire Station 2

1927 Norwood St

Police Department

1035 West Ave NW

Blue Ridge Cemetery

2017 Wilkesboro Blvd

Lower Creek

Wastewater Treatment Plant

1905 Broadland Rd

George L. Bernhardt

Water Treatment Plant

5474 Waterworks Rd
Granite Falls NC 28630

Gunpowder Creek

Wastewater Treatment Plant

450 Pine Mountain Road
Hudson NC 28638

Recycling Center

1121 Pennton Avenue

Aquatic Fitness Center

1130 Jim Barger Court

Martin Luther King Jr. Center

313 Greenhaven Drive NE

Mulberry Recreation Center

720 Mulberry Street SW

Optimist Park

701 Mulberry Street SW

Public Works Headquarters

510-B Greer Circle

Vehicle Services

510-C Greer Circle



PUBLIC UTILITIES • Radford Thomas, *Director*

49.5 employees (48.5 full-time, 1 part-time)

ADMINISTRATIVE/ENGINEERING

- Approves design plans for new utility infrastructure
- Prepares, submits and oversees \$8 million dollar budget and enterprise fund
- Tracks and documents work orders for state compliance
- Coordinates departmental projects

DISTRIBUTION/COLLECTION

- 219 miles of water lines and 209 miles of sewer lines
- 1,100 fire hydrants
- 11,000 service lines, meters, and meter boxes
- Installs new services, both residential and commercial

WATER TREATMENT

- 9 State-certified employees
- Operates 24 hours per day / 365 days per year
- Storage Capacity-13.4 million gallons
- Pumping ability-9,375 gallons per minute

WASTEWATER TREATMENT

- Lower Creek WWTP treated 918,254,000 gallons in 2017; Gunpowder Creek WWTP treated 376,360,000 gallons in 2013 - total 1.3 BILLION gallons treated
- 8 employees in plant operation; 3 employees in bio solidstreatment; 3 employees in lab/pretreatment
- 22 total certifications possessed
- 8 Grade 4 operator certifications
- 3 Grade 4 laboratory certifications
- State certified laboratory performed more than 6,500 individualtests during 2017 on both plants, industries, and waterplant

UTILITIES MAINTENANCE

- Maintains 16 water pump stations and sewer lift stations
- Performs maintenance on pumps, chemical feeders, mixersblowers, etc. at each of the three treatment facilities



PUBLIC WORKS • Charles Beck, *Director*

44 employees

SOLID WASTE

- Provides residential curbside garbage pick up in the city
- Operates a Recycling Convenience Center on Pennton Ave.
- Removes bagged yard waste and animal carcasses from streets and curbside
- Operates leaf collection Oct. 15 through Jan. 15

STREETS

- Maintains 124.64 miles of paved and 2.69 miles of unpaved streets
- Provides support for state-maintained streets
- Construction management of newly-constructed streets and highways as well as the City's Greenway system
- Maintains City right-of-way, storm drainage system, sidewalks, snow removal, traffic signage, street and parking lot striping, event set-up
- Removes residential brush

ENGINEERING

- Coordinates public works projects as they relate to street construction, building maintenance, cemetery, sanitation, and motor fleet functions

BUILDING MAINTENANCE

- Responsible for all mechanical, electrical, plumbing, and general construction repairs and maintenance to the City's 45 public buildings and all non-vehicular mechanical and electrical equipment
- Maintains approximately 5 miles of rail system

CEMETERIES / DOWNTOWN GROUNDS

- Provides for maintenance and upkeep of two city cemeteries - Bellview and Blue Ridge - totaling about 30 acres
- Manages sales of grave plots and markers
- Provides maintenance for public spaces in downtown

VEHICLE SERVICES

- Responsible for the maintenance of 520 motor vehicles, "off- road, non-highway use" vehicular equipment, and internal combustion equipment in the city fleet
- Provides fuel for all City vehicles, as well as a number of county fire departments and rescue squads



City of Lenoir Communications Report, Dec. 2017

By Joshua Harris, Public Information Officer

1/3/2018

LENOIR
North Carolina


CONTENT CREATION

News Releases

13

Photos

353

Videos

8

Social Posts

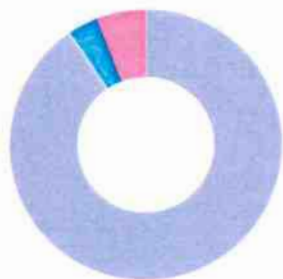
229

Newsletters

0

PUBLIC ENGAGEMENT

New Followers

763

Facebook Twitter Instagram eNews

Social Reach

150,230

Facebook **138,109**

Twitter **12,121**

City Newsletter

eSubscribers **273**

Open Rate **0%**

Utility Bill Subscribers **9,951**

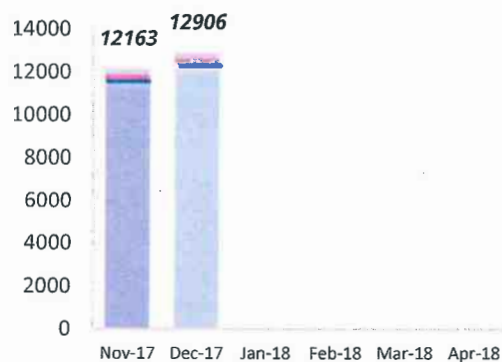
Website Views

22,033

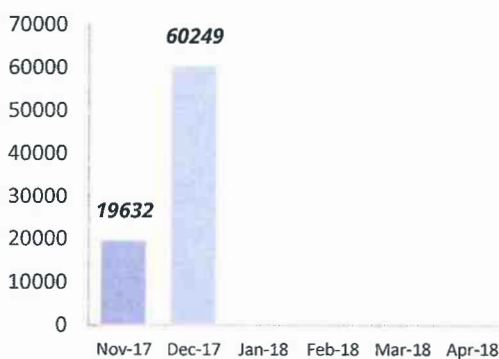
- 1 /onlineservices
- 2 /water
- 3 /jobs
- 4 /police
- 5 /departments
- 6 /council
- 7 /publicutilities



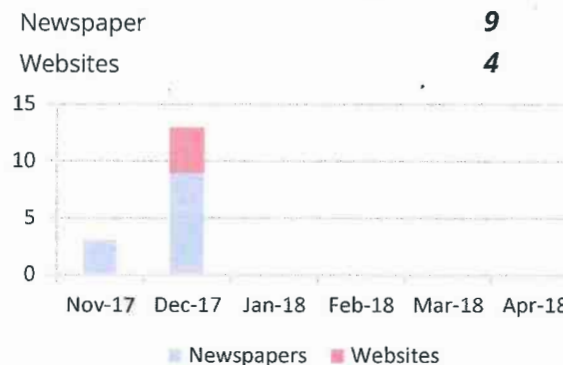
Total Followers



Social Engagement



Media Coverage





Top Posts

Reach: The number of people who saw the post on their feed

Total Facebook Followers

12,140

Minutes-Committee of the Whole Meeting
Tuesday, January 23, 2018

Performance for Your Post

Engagement	Reactions	Comments	Shares
47,724	2,297	836	1,236
22,468	81	85	147
2,132	0	1	57
257	101	156	297
456	425	7	1
8,912	1	7,841	1,070

NEGATIVE FEEDBACK

Dislikes	Reported
19	0

The Lenoir Police Department is seeking the public's assistance in identifying a person wanted for questioning regarding a larceny that took place at Wal-Mart, Lenoir.

If you can identify this individual, please contact the Lenoir Police Department in any of the following ways:

1. Anonymous tip at Crime Stoppers: 828-758-6300... [Read More](#)

A photograph of a man with a beard and a brown jacket, standing in what appears to be a store aisle. He is wearing a dark shirt and a brown jacket. The background shows shelves stocked with various items, possibly in a grocery or hardware store.

46,329		
956		
135	29	106
2	0	2
7	1	6
12	2	10
4	0	4
22	7	15
158	42	117
616	604	12
12,721		
1,584	1	11,136
NEGATIVE FEEDBACK		
63	2	
0	0	

Download Lavalin
[How to download Lavalin](#)

If you missed **Sting of Lemon** this past weekend because of the weather don't worry! The elves have got him back on track and you can still visit him at the following locations:

- 12/14 **Ecole and Cave** 6-8pm
- 12/15 **Sole Street Pour House and Grill** 5-7pm
- 12/16 **Mardi Gras** 4-6pm [See more](#)



NEGATIVE FEEDBACK		
1,474	5	5
34	0	1
14	0	0
1	0	0
0	0	0
18	16	3
109	0	162
7	0	0

LEADIN' PARKS AND RECREATION
 December 11th 6:00pm - 9:00pm
 11 Lead Page

188 Positive Feedback		
5 Positive Feedback		
1 Positive Feedback	0 Positive Feedback	1 Positive Feedback
2 Positive Feedback	1 Positive Feedback	1 Positive Feedback
2 Positive Feedback	2 Positive Feedback	0 Positive Feedback
12 Positive Feedback		
5 Positive Feedback	0 Positive Feedback	7 Positive Feedback

NEGATIVE FEEDBACK

0 Negative Feedback	0 Negative Feedback
0 Negative Feedback	0 Negative Feedback



Top Tweets

Impressions: Times people saw this Tweet on Twitter
Engagements: Times people interacted with this Tweet

Total Twitter Followers

196

Minutes-Committee of the Whole Meeting
 Tuesday, January 23, 2018



City of Lenoir @CityofLenoir
 Mayor Gibbons has been named to the Board of Directors of the North Carolina Mayors Association, a new organization of North Carolina mayors dedicated to improving life in all of the state's municipalities. Read more at <http://bit.ly/2DrZmat> @NCLeague pic.twitter.com/SVWlrR0BA

Impressions	2,939
Total engagements	23
Link clicks	11
Likes	7
Retweets	3
Detail expands	2



City of Lenoir @CityofLenoir
 Check out the @GTCmovie Twin Lenoir ribbon cutting video at <http://bit.ly/2BwnQac> and photos at <http://bit.ly/2BtLuyx>! pic.twitter.com/A4FnFO8ZTn

Impressions	2,073
Total engagements	30
Media engagements	17
Link clicks	6
Likes	3
Profile clicks	3
Retweets	1



Reach a bigger audience

Get your tweets seen by more people. Use Tweet



Downtown Lenoir, NC @DowntownLenoir
 Sign up for the Downtown Lenoir Newsletter and never miss an event again! <http://openup.com/cSCJdX> // #ynic #visitnc #828isgreat #LNR pic.twitter.com/F5i9i2k5H

Impressions	113
Total engagements	2
Link clicks	2

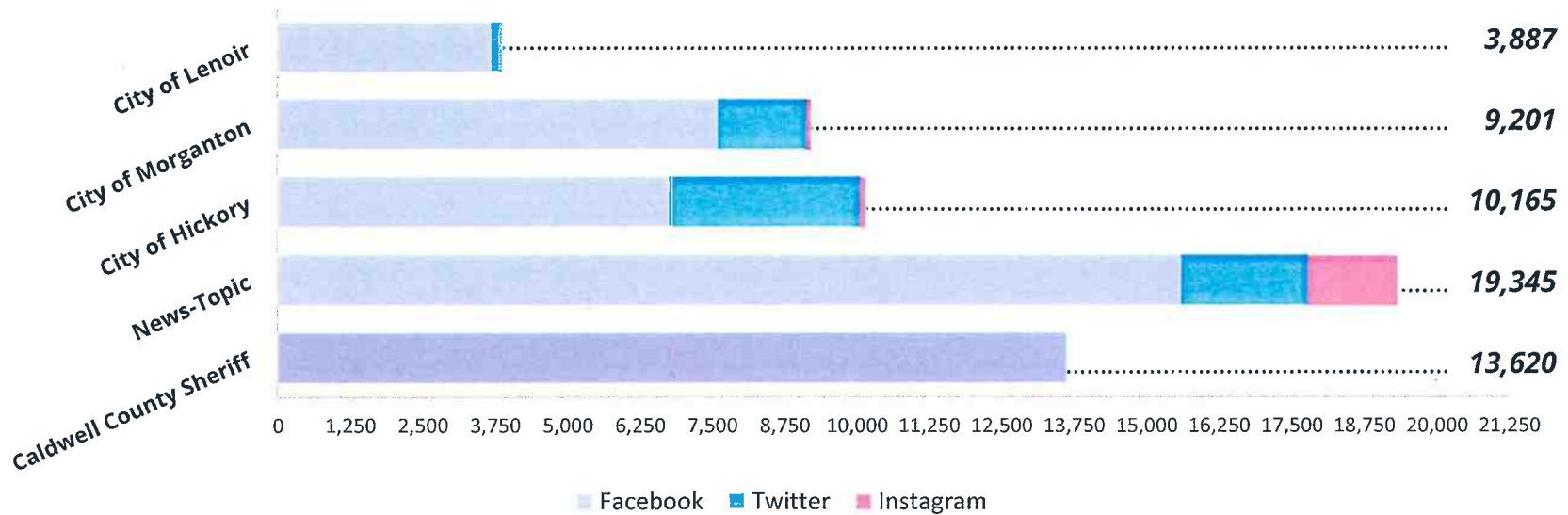


Downtown Lenoir, NC @DowntownLenoir
 Turbulence and rain delays have got Santa of Lenoir off course!
 His visit to Piccolo's Pizza has been **RESCHEDULED** for TOMORROW - Wednesday, Dec 20 - from 4pm to 6pm. pic.twitter.com/p7oPaOa06K

Impressions	64
-------------	----

Social Media Comparison

Totals



Follow Us

Websites

www.cityoflenoir.com
www.downtownlenoir.com
<http://p2c.cityoflenoir.com/>

Facebook

<https://www.facebook.com/CityofLenoir/>
<https://www.facebook.com/DowntownLenoir/>
<https://www.facebook.com/LenoirParksandRecreation/>
<https://www.facebook.com/Lenoir-Police-Department-358024107666459/>

Twitter

<https://twitter.com/CityofLenoir>
<https://twitter.com/DowntownLenoir>

Instagram

<https://www.instagram.com/cityoflenoirnc/>
<https://www.instagram.com/downtownlenoir/>

YouTube

<https://www.youtube.com/channel/UCi5JDeeAuPVZO9C6QPGb-cw/>

CITY OF LENOIR
COUNCIL ACTION FORM

- I. Agenda Item:** Consideration of a New Wastewater Sales Agreement Between the City Of Lenoir And The Town Of Sawmills

Background Information: The City of Lenoir has been selling wastewater service to the Town of Sawmills as a wholesale customer under an agreement that was originally established with the Town of Sawmills in October 1997. Sawmills has approached the City of Lenoir with a need and desire to establish a new sales agreement that meets Sawmills current usage and anticipated growth over the next fifteen years.

Attached for your consideration is a proposed agreement with the Town of Sawmills to establish a fifteen year agreement that would be effective February 6, 2018 and expire February 5, 2033. It establishes a base amount of 250,000 gallons of wastewater per day that the City would provide to Sawmills at the wholesale customer rate. That rate is currently \$3.78 per 1,000 gallons however it is subject to change based upon any action that may be taken by the council during our budget preparation for 2018-2019 fiscal year. The agreement is subject to review every five years.

- II. Staff Recommendation:** Staff recommends City Council approval of the proposed wastewater sales agreement with the Town of Sawmills to provide up to 250,000 gallons of wastewater treatment per day at the applicable wholesale wastewater rate.

- III. Reviewed by:**

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: _____

STATE OF NORTH CAROLINA
COUNTY OF CALDWELL

AGREEMENT TO PURCHASE WASTEWATER TREATMENT SERVICE

THIS CONTRACT is made and entered into this ____ day of _____, 20__ by and between the City of Lenoir, a North Carolina Municipal Corporation hereinafter referred to as “Lenoir” and the Town of Sawmills, a North Carolina Municipal Corporation hereinafter referred to as “Sawmills”.

WITNESSETH

WHEREAS, Lenoir and Sawmills are political subdivisions of the State of North Carolina, both having the power and authority to enter into this agreement, and the signatories hereto have been authorized to execute this document on behalf of the Lenoir City Council and the Sawmills; and

WHEREAS, Lenoir currently owns and operates a wastewater treatment plant (Gunpowder Creek WWTP) and collection system, and is engaged in the enterprise of managing, operating, and maintaining said system and selling wastewater treatment service to the public within its service area; and

WHEREAS, Sawmills owns and operates a wastewater collection system, and is also engaged in the enterprise of managing, operating, and maintaining the system and selling wastewater service to the public within its service area; and

WHEREAS, Lenoir and Sawmills mutually desire to enter into an agreement to sell and purchase wastewater treatment services in accordance with the terms and provisions contained herein; and

WHEREAS, Lenoir has determined that it has the capability to sell wastewater treatment services to Sawmills throughout the term of this agreement without impairing services to the users connected to its wastewater system; and

WHEREAS, Lenoir and Sawmills each has or holds and will continue to have or hold throughout the term of this agreement, all appropriate permits necessary to effectuate their respective responsibilities under this agreement or will use their best efforts to obtain such permits;

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. This agreement shall commence on the ____ day of _____, 2018, and unless earlier terminated in accordance with the terms herein, shall expire on

the ____ day of _____, ____ (Hereinafter referred to as the “Wastewater Service Period”).)

2. Lenoir agrees to provide and sell to Sawmills wastewater treatment for up to 250,000 GALLONS (TWO HUNDRED AND FIFTY THOUSAND GALLONS) of wastewater maximum daily flow, measured through metered connections which are located, prescribed and maintained by Lenoir, at or above minimum State of North Carolina and Federal Standards for public wastewater facilities. Such maximum daily flow shall be based on a thirty (30) day average daily flow. Such maximum daily flow to be reviewed every five (5) years.
3. Sawmills agrees to use best efforts not to exceed the above maximum daily flow provided for in Section 2 of this agreement, unless Lenoir expressly agrees that said maximum daily purchase(s) may exceed 250,000 gallons for a specified period of time.
4. The wastewater treatment services purchased by Sawmills from Lenoir shall be available on a continuous basis unless there is an unforeseen break, outage or interruption of Lenoir’s wastewater collection or treatment system. In which case, Lenoir shall notify Sawmills of the circumstances and provide timely updates so as to keep Sawmills informed of the status of repairs or remedy(ies) for any such interruption.
5. Sawmills agrees to timely pay Lenoir for wastewater purchased on a monthly basis, in accordance with invoices, which shall be based upon meter readings conducted by Lenoir at all metered connections between the Lenoir and Sawmills wastewater systems. Lenoir agrees to read said wastewater meters monthly and deliver to Sawmills a written report summarizing said meter readings within fifteen (15) working days after each monthly meter reading. Lenoir will submit to Sawmills a written invoice based on such meter readings by the 20th day of the following month. Sawmills agrees to pay Lenoir the amounts of each such monthly invoice within thirty (30) calendar days of the date of each invoice.
6. The initial Base Wastewater Rate charged to Sawmills for wastewater treatment services shall be \$3.78 per one thousand gallons of metered wastewater service provided by Lenoir to Sawmills. In the event the average daily flow during any monthly billing period exceeds the maximum daily flow of 250,000 gallons, the following surcharges (The “Surcharge Rate”) will apply to the overage:

(250,001) to (300,000) gallons – \$4.16/1000 gallons
 (300,001) to (350,000) gallons – \$4.57/1000 gallons
 (350,001) gallons or more – \$5.03/1000 gallons

Over the term of this agreement or any extension thereof, Lenoir may, at its sole discretion, increase the Base Wastewater Rate and /or the Surcharge Rate as it deems necessary. Lenoir shall not increase said rates to Sawmills more than one time during any fiscal year of twelve (12) months ending on June 30 of each year. Lenoir agrees to notify Sawmills in writing of planned increases with an explanation of the factors used to determine set increase in rates at least ninety (90) days prior to June 30 of any fiscal year, with rate increases that are to become effective on July 1 of that same year.

7. Lenoir agrees to maintain /repair /replace existing Lenoir wastewater meters at the connection point(s) between the Lenoir and the Sawmills wastewater system as may be necessary to accurately measure the flow of wastewater through the meter(s) to Sawmills under this agreement.
8. Sawmills shall provide a minimum of six-months (6) advance written notice to Lenoir prior to the expiration of this agreement or subsequent extensions of this agreement if Sawmills desires to cancel the terms of this agreement. Upon timely receipt of such notice of Sawmills desire to cancel this agreement, Lenoir shall, within sixty (60) days after having received such notification, notify Sawmills in writing of its agreement to such cancellation of this agreement.
9. In the event that Lenoir elects not to extend this agreement, Lenoir shall continue to provide and sell wastewater treatment services to Sawmills, under the same terms of the agreement, until Sawmills has had sufficient opportunity to secure an alternate source(s) of wastewater treatment service; however, Lenoir shall not be bound to continue to provide and sell wastewater treatment services to Sawmills beyond a period of twenty-four (24) months past the date of its written notification to Sawmills of its intention not to extend this agreement.
10. Sawmills agrees that the Town and its wastewater customers shall, during the period of this agreement, abide by and adhere to all wastewater use policies, restrictions, sewer use ordinances and other ordinances adopted now or subsequently adopted by Lenoir, of which they are subsequently notified, which impose wastewater use restrictions, moratoriums, and other such limitations on the use of wastewater treatment services during times of emergency or during other situations which for public health or financial reasons justify said policies, restrictions, and ordinances.

Sawmills shall establish, conduct and maintain an industrial pre-treatment program in accordance with the State of North Carolina regulations (15A NCAC 2H .0900) and Federal pre-treatment regulations 40 CFR 403, and 400-471. Sawmills shall adopt necessary ordinances, policies, and programs to ensure that wastewater received from Sawmills meets the standards set forth in Lenoir's Sewer Use Ordinance. Sawmills shall be responsible for the reporting and record-keeping of the pre-treatment program. Lenoir shall have the right to audit Sawmill's pre-treatment program at any time upon 30 days

written notification and Sawmills shall supply all information necessary for the audit.

Prior to the issuance of any pre-treatment permit, Sawmills shall submit application information to Lenoir for review and approval and shall not issue any pre-treatment permits without Lenoir's prior approval.

Sawmills shall use any and all means necessary to enforce compliance with the applicable standards of the industrial wastewater pre-treatment program, and Lenoir shall have the authority to immediately terminate the service contemplated under this agreement with no prior notice, if Sawmills fails to do so.

Lenoir reserves the right to bill Sawmills for pollutant loadings above those domestic loadings contained in the Lenoir Sewer Use Ordinance. Based upon information provided, Lenoir shall bill Sawmills on a monthly basis for any applicable surcharges after 30 days written notice at Lenoir's prevailing rates. Sawmills agrees to assess and collect all surcharges from its customers or otherwise to pay said charges, regardless of whether the customer pays.

11. Lenoir shall promptly notify Sawmills upon becoming aware of any activity, problem or circumstance within the Lenoir system that might present a danger to the health, safety and welfare of Sawmills wastewater users. Further, Lenoir shall take appropriate action to remedy such activity, problem or circumstance within the Lenoir system and to avoid or minimize disruptions in service. Likewise, Sawmills shall promptly notify Lenoir upon becoming aware of any activity, problem or circumstances within Sawmills system that might negatively impact, cause harm to Lenoir's wastewater collection and treatment system or present a danger to the public health, safety and welfare. Sawmills shall take appropriate action to police against and to remedy such activities.
12. In the event of damage or destruction of Lenoir's key wastewater facilities or any emergency which, in the reasonable judgment of Lenoir, is likely to result in material loss or damage to the system or constitute a material threat to human health or safety, Lenoir may take necessary actions to mitigate the threat to human health and safety, after thirty (30) days written notice to Sawmills of such actions unless in the event of an emergency. Lenoir's response to emergencies and other such unusual circumstances shall be in accordance with applicable policies, regulations, laws and requirements and with such personnel and equipment as necessary to maintain or restore the operations of its wastewater system in a timely manner with the least possible disruption or inconvenience to the users connected to both the Lenoir and Sawmills wastewater systems.
13. Sawmills shall not resell, give away, transfer or otherwise dispose of wastewater treatment services purchased from Lenoir to third-party wastewater systems without the prior written permission of Lenoir.

14. Sawmills agrees to permit Lenoir to pass wastewater through Sawmills wastewater collection system to destinations and/or to other third-party wastewater systems beyond Sawmills system, provided that Lenoir:

- a) Submits a written notice to Sawmills outlining the agreed-upon purposes, quantities and conditions of said pass through of wastewater.
- b) That said request does not materially or significantly diminish Sawmills capacity now or in the future to provide services to its wastewater customers and it's anticipated customers bases on its most recent 10 year projections.
- c) Lenoir subsequently pays to Sawmills a Pass Through charge of \$0.03 per 1000 gallons of pass through wastewater. Sawmills may request a modification of such charge with a ninety (90) days advance written notice during the period of this agreement.
- d) Lenoir agrees to install metering equipment to measure and determine the quantities or such Pass Through wastewater passing through Sawmills wastewater system and report monthly to Sawmills such amounts and meter readings.

15. Lenoir and Sawmills both represent that no litigation is pending or threatened against either party which would impair their ability to perform their respective duties and obligations under the terms, covenants and provisions of this agreement.

16. Resolution of Disputes

The Parties agree that should any disputes arise under this agreement, including but not limited to disputes pertaining to services, rates, or invoices, said disputes shall be resolved, if at all possible, through good faith negotiations between the parties. It is the intent of Lenoir and Sawmills that pursuit of legal action shall be a remedy of last resort and that a negotiated resolution, including the use of outside experts or mediators, shall be the preferred means of resolving disputes hereunder.

17. Default and Termination

This agreement may be terminated prior to its stated expiration date by Lenoir or Sawmills in accordance with the terms and conditions set forth below.

A. Termination for cause by Lenoir. Upon the happening of any of the following events of default by Sawmills, Lenoir shall have the right to terminate this agreement:

- a) The failure of Sawmills to perform or observe and initiate a cure after thirty (30) days advance written notice any of its material covenants, agreements, obligations and/or duties created by this agreement.

- b) The failure of Sawmills to make any payment required pursuant to the terms of this agreement within sixty (60) days of its receipt of notice from Lenoir that any such payment is overdue.

B. Termination for cause by Sawmills. Upon the happening of any of the following events of default by Lenoir, Sawmills shall have the right to terminate this agreement:

- a) The failure of Lenoir to perform or observe any of its material covenants, agreements, obligations and/or duties created by this agreement.
- b) The failure of Lenoir to provide Sawmills with the amounts of wastewater treatment service in accordance with the terms of this agreement..

18. Upon the happening of any event which may constitute good cause for termination of this agreement as stated above, the aggrieved party shall provide written notice to the party committing the alleged violation setting forth in detail the alleged failure and/or deficiency. Thereafter, within thirty (30) days of receipt of notice of the alleged default, the parties to this agreement shall meet to discuss the circumstances and attempt to reach a resolution.

19. **NOTICES:** For the purposes of this agreement, all notices required shall be deemed to have been properly served and shall be only served when posted by Certified United States Mail, Postage Prepaid, Return Receipt Requested, Addressed to the Party to whom directed at the address herein set forth or at such other address as may from time to time be designated in writing by either party:

To Lenoir:

City of Lenoir
Scott E. Hildebran, City Manager
PO Box 958
Lenoir, North Carolina 28645

To Sawmills:

Town of Sawmills
Attn: Town Administrator
4076 US Hwy 321-A
Sawmills, NC 28630
CC: Terry Taylor, Town Attorney
P.O. Drawer 2428
Hickory, NC 28603

20. This agreement embodies the entire agreement between the parties in connection with this transaction, and there are no oral or parole agreements, representations or inducements existing between the parties relating to this transaction, which are not expressly set forth herein. This agreement may not be modified except by a written agreement signed by all parties to this agreement. Neither party shall be entitled to sell, convey or otherwise alienate the rights and obligations created herein without the prior written permission of the other party to this agreement. This agreement is non-assignable.

21. Nothing contained herein shall be construed to place the parties in the relationship of partners or joint venturers, and neither party shall have the power to obligate or bind the other party in any manner whatsoever. No joint agency is established by this Agreement pursuant to Article 20, Part 1 of Chapter 160A of the North Carolina General Statutes, by other similar statutory authority authorizing interlocal cooperation between units of local government, or otherwise.
22. No written waiver by any party to this agreement at any time of any breach of any other provision of this agreement shall be deemed a waiver of a breach of any provision herein or consent to any subsequent breach of the same or any other provision.
23. The captions and article numbers appearing in this agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope of such paragraphs or articles of this agreement or in any way affect this agreement.
24. This agreement shall be governed by and interpreted in accordance with the laws of the State of North Carolina.
25. Words of any gender used in this agreement shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires.
26. If any provision under this agreement or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity does not affect any other provision of this agreement or its application that can be given effect without the invalid provision or application.
27. This agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this agreement to produce or account for more than one such fully executed counterpart.
28. Except as provided herein, the rights and remedies provided for in this agreement are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

CITY OF LENOIR, NORTH CAROLINA

By: _____
 Joseph L. Gibbons, Mayor
 (SEAL)

Attest:

By: _____
Shirley M. Cannon, City Clerk

TOWN OF SAWMILLS, NORTH CAROLINA

By: _____
_____, Mayor

(SEAL)

Attest:

By: _____
_____, Town Clerk

This agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: _____

Donna Bean, Finance
Director
City of Lenoir, North Carolina

Approved as to form:

By: _____

Edward H. Blair, Jr., City Attorney
City of Lenoir, North Carolina

By: _____

_____, Finance Director
Town of Sawmills, North Carolina

Approved as to form:

By: _____

_____, Town Attorney
Town of Sawmills, North Carolina

CITY OF LENOIR

AFTER ACTION MEMO

To: Department Heads/Division Superintendents

From: Scott Hildebran, City Manager

Date: Wednesday, February 7, 2018

Subject: Action taken by City Council on Tuesday, February 6, 2018.
Review all information to ensure that your department maintains
action taken by City Council.

- ✓ City Council approved the minutes of the City Council Meeting of Tuesday, January 16, 2018 as submitted.
- ✓ City Council approved the minutes of the Committee of the Whole Meeting of Tuesday, January 23 as submitted.
- ✓ City Council approved a Wastewater Sales Agreement between the Town of Sawmills and the City of Lenoir to provide up to 250,000 gallons of wastewater treatment per day at the applicable wholesale wastewater rate.
- ✓ Mr. Charles Hathcock, Taylor Place, inquired about the recent article in the *News-Topic* regarding the City possibly changing a portion of Harper Avenue & West Avenue and Mulberry & Main Streets to two-way streets. Mayor Gibbons confirmed the City has directed an engineer to review the City's options including a cost estimate for the project and report back to Council. He informed Mr. Hawthorne the City would notify him along with Silvio Martinat and Bill Tysinger who were also in the audience when this item was coming up for discussion again by City Council.
- ✓ Councilwoman Crissy Thomas invited the general public to attend the Senior Citizens' Talent Show to be held on Friday, March 16 at the Freedman Cultural Center and also reminded everyone of the remaining events scheduled throughout the month in celebration of Black History Month. Additional information is available on the City's website at www.cityoflenoir.com.
- ✓ The following events for the month of February were highlighted:
 - The ABC Board will meet on Thursday, February 8 at 2:00 p.m. at Lenoir Store #1 located at 115 ABC Court.
 - The Lenoir Business Advisory Board cancelled its meeting of Thursday, February 8. The next meeting will be held on Thursday, March 8 at 6:00 p.m. at City Hall, Third Floor, former Council Chambers.
 - The City/County Services Committee will meet on Monday, February 12 at 11:45 a.m.
 - The Caldwell County Economic Development Commission will meet on Tuesday, February 13 at 8:00 a.m.
 - The Parks & Recreation Advisory Board will meet on Monday, February 19 at

6:00 p.m. at the Martin Luther King, Jr. Center.

- The City Council Planning Retreat will be held on Friday, February 23 from 8:00 a.m. – 2:00 p.m. at the Blue Ridge Energy Membership (BREMCO) corporate office located at 1216 Blowing Rock Boulevard.