

1. Agenda Packet

Documents:

[JANUARY 16, 2018 AGENDA PACKET.PDF](#)

2. Meeting Materials



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

Documents:

[COUNCIL BOARD APPOINTMENTS.PDF](#)
[AFTER ACTION MEMORANDUM.PDF](#)

AGENDA



**CITY OF LENOIR
CITY COUNCIL MEETING
CITY/COUNTY CHAMBERS
905 WEST AVENUE
TUESDAY, JANUARY 16, 2018
6:00 P.M.**



I. CALL TO ORDER

- A. Moment of Silence & Pledge of Allegiance
- B. Special Recognition; Hibriten High School Football Team: Mayor Gibbons will recognize the Hibriten High School Football Team upon their winning the North Carolina High School Athletic Association's (NCHSAA) 2AA Championship.
- C. Special Recognition; Jimmy Farr: Mayor Gibbons will recognize Battalion 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.

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

- A. Minutes: Approval of the minutes of the City Council Meeting of Tuesday, December 5, 2017 as submitted.
- B. 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.
- C. 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.
- D. 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.

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 Planning Board will meet on Monday, January 22 at 5:30 p.m.
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.
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.
4. The Foothills Regional Airport Authority will meet on Wednesday, January 31 at noon.
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.

B. Items for Council Action

1. Construction Bid Award; Water Treatment Plant Improvements Project: 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 associated with the project (within the established project contingency) and report those change orders at the next council meeting.
2. Authorizing Resolution; Lower Creek WWTP Biosolids Handling Facility: 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% 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.
3. Water Sales Agreement; Baton Water Corporation: 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.
4. Order of Abatement; 315 Beall Street: 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. **Note:** This property is No. 6 on the City's Minimum Housing Priority List.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

- A. Appointment of City Council Committees: Mayor Gibbons will present a list of

City Council representatives to be appointed to various Committees. A list of the recommendations is included in the agenda packet.

- B. Appointments; Fireman's Relief Fund: 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.

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

X. ADJOURNMENT



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

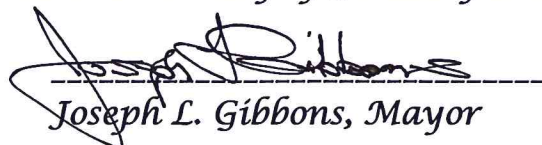
WHEREAS, the Hibriten Panthers finished the 2017 season with a perfect record of 16-0 making this the first undefeated season in school history and also the first 11-man football state championship team in Caldwell County history; and

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

**LENOIR CITY COUNCIL
TUESDAY, DECEMBER 5, 2017
6:00 P.M.**

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

I. CALL TO ORDER

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

SYMPATHY EXTENDED;

HARRIS FAMILY: B. On behalf of City Council, Mayor Gibbons extended sympathy to the family of Wesley Harris, Hibriten High School Student, who passed away recently due to a tragic auto accident.

**BEST WISHES; HIBRITEN HIGH
SCHOOL FOOTBALL TEAM:**

C. On behalf of City Council, Mayor Gibbons wished all of the players, faculty and students of Hibriten High School good luck as they participate in the 2AA State Championship Football Game in Chapel Hill on Saturday, December 9.

OATH OF OFFICE: D. The Honorable Clerk of Superior Court Kim Clark administered the Oath of Office to Crystal (Crissy) D. Thomas, Councilmember; David F. Stevens, Councilmember, and James I. (Ike) Perkins, Councilmember.

Copies of the Oath of Office are hereby incorporated into these minutes by reference. (Refer to pages 439-441).

On behalf of City Council, Mayor Gibbons congratulated each one upon their re-election to City Council and thanked them for their service to the citizens of Lenoir.

E. The Honorable Beverly T. Beal, Superior Court Judge, Retired, administered the Oath of Office to Jonathan T. Beal, Councilmember.

A copy of the Oath of Office is hereby incorporated into these minutes by reference. (Refer to page 442).

On behalf of City Council, Mayor Gibbons welcomed newly elected Councilmember Beal and stated City Council looks forward

to working with him.

ELECTION OF MAYOR PRO-TEMPORE:

- C. Mayor Gibbons opened the floor for nominations from City Council for the position of Mayor Pro-Tem.

Councilmember Crissy Thomas nominated Ben Willis to serve a two-year term as Mayor Pro-Tem. She remarked it has been a great honor to have Councilmember Willis serve in this position for the past two years and commented he has done an outstanding job as well as been a great mentor to her.

As information, Mayor Gibbons stated the Mayor Pro-Tem usually serves two two-year terms for a total of four years.

Mayor Gibbons then asked Council for the election of the Mayor Pro-Tem.

Councilmember Perdue moved to close the nominations which carried unanimously.

Councilmember Ben Willis was elected unanimously by City Council to serve a two-year term as Mayor Pro-Tempore.

Mayor Pro-Tem Willis thanked City Councilmembers and stated it was an honor to serve and he appreciates the opportunity.

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, November 14, 2017 as submitted.
2. Minutes: Approval of minutes of the joint City Council and ABC Board Meeting of Tuesday, November 21, 2017 as submitted.
3. Minutes: Approval of minutes of the Committee of the Whole Meeting of Tuesday, November 28, 2017 as submitted.

Upon a motion by Councilmember Stevens, Council voted 7 to 0 to approve the above listed items on the Consent Agenda as recommended by City Manager Hildebran.

IV. REQUESTS AND PETITIONS OF CITIZENS

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

DECEMBER

- CALENDAR:** 1. By consensus of the Council, the calendar for the month of December was approved with various meetings and events.

LENOIR TOURISM DEVELOPMENT

- AUTHORITY:** 2. The Lenoir Tourism Development Authority will meet on Thursday, December 7 at 3:00 p.m. at City Hall, Third Floor, former Council Chambers.

LENOIR BUSINESS ADVISORY

- BOARD:** 3. The Lenoir Business Advisory Board will meet on Friday, December 8 from 11:00 a.m. – 1:00 p.m. at 1841 Café.

ANNUAL LUMINARY

- DISPLAY:** 4. The annual Luminary Display is scheduled for Friday, December 8 from 6:00 p.m. – 10:00 p.m. at Blue Ridge Memorial Park. A rain date is scheduled for Friday, December 15.

CHRISTMAS

- FILM; ELF:** 5. The Christmas Film “Elf” will be shown at the former Lenoir High School Auditorium beginning at 7:00 p.m. on Saturday, December 9.

PLANNING

- BOARD:** 6. The Planning Board will host their annual Christmas lunch on Monday, December 18 at noon.

CALDWELL COUNTY ECONOMIC DEVELOPMENT

- COMMISSION:** 7. The Caldwell County Economic Development Commission will meet on Tuesday, December 12 at 8:00 a.m.

- ABC BOARD:** 8. The ABC Board will meet on Friday, December 15 at 2:00 p.m. at Lenoir Store #1 located at 115 ABC Court.

MEETING CANCELLATION

SCHEDULE; CITY COUNCIL:

9. City Council has cancelled its regular scheduled meeting of Tuesday, December 19 due to the Christmas holidays. The Committee of the Whole meeting has also been cancelled.

HOLIDAY

- CLOSINGS:** 10. City offices will be closed on December 25, 26 & 27 in observance of the Christmas holidays and on Monday, January 1 in observance of New Year’s Day.

ANNUAL CURBSIDE CHRISTMAS TREE

PICKUP: 11. The annual curbside Christmas Tree Pickup begins on Tuesday, January 2 through Friday, January 5.

B. ITEMS FOR COUNCIL ACTION

ACCEPTANCE OF OFFER TO PURCHASE;

518 HILL STREET:

1. If City Council is interested in accepting the offer of \$5,000.00 from the Pride of Caldwell County Lodge #713 to purchase the property owned by the City of Lenoir located at 518 Hill Street, NCPIN#274-958-5205 (West End Community Center), Council should direct the City Clerk to publish notice of the offer in accordance with N.C.G.S. §160A-269. Notice of the Offer to Purchase Real Property will be published in the News-Topic starting a 10-day upset bid period. The Pride of Caldwell County Lodge #713 requests a 60-day period for due diligence.

A copy of the legal ad and receipt of the deposit is hereby incorporated into these minutes by reference. (Refer to page 443).

City Manager Hildebran reported the current lease agreement effective September 1, 2014 between the City of Lenoir and American Legion Post 231 would be terminated upon Council's acceptance of the Offer to Purchase and their successful completion of the upset bid transactions.

Reverend Jimmie Norward informed Council the Masonic Lodge is interested in obtaining this property and emphasized they will use the facility for the community and maintain it. Reverend Norwood stated they would accommodate the American Legion Post, but they are seeking to acquire the property for the purpose of housing the Masonic Lodge. Both groups have many of the same members.

On behalf of City Council, Mayor Gibbons thanked Mr. Norwood for his service and reiterated it will also benefit the community to have this facility available for their use.

Councilmember Rohr pointed out the tax value of the property is listed at \$131,400 and the City is considering an offer of \$5,000.00. He commented it will be great if the Masonic Lodge purchases the property because it will be put to good use.

Councilmember Perkins stated the Masonic Lodge has been active and visible for a number of years and remarked this request will better serve the Lodge and the community. Mr. Perkins mentioned the building is in great shape and he supports this request.

Councilmember Rohr inquired about the sixty-day due diligence request.

City Manager Hildebran explained that Mr. Norwood's son is an architect and they need the time to check out the facility.

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to accept the \$5,000.00 Offer to Purchase Real Property at 518 Hill Street as presented by the Pride of Caldwell County Lodge #713. Notice of the Offer to Purchase Real Property will be published in the News-Topic on Friday, December 8 starting a 10-day upset bid period.

**ORDER OF ABATEMENT;
340 FINLEY AVENUE:**

2. City Staff recommends approval of an Order of Abatement Ordinance for property located at 340 Finley Avenue directing Staff to abate the minimum housing violations by demolishing the structure on the property. This property is ranked No. 1 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 444-445).

Councilmember Perdue commended Planning Director Wheelock for the great job the Planning Department has done in using the Minimum Housing Priority List to prioritize these types of properties.

Councilmember Thomas suggested the City place a historical marker at some of these properties that are part of the history of the Freedman Community following the demolitions.

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the Order of Abatement Ordinance for property located at 340 Finley Avenue as presented by City Staff.

**ORDER OF ABATEMENT;
342 FINLEY AVENUE:**

3. City Staff recommends approval of an Order of Abatement Ordinance for property located at 342 Finley Avenue directing Staff to abate the minimum housing violations by demolishing the structure on the property. This property is ranked No. 2 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 446-447).

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the Order of Abatement Ordinance for property located at 342 Finley Avenue as presented by City Staff.

VIII. REPORT AND RECOMMENDATION OF THE MAYOR

**NOTICE OF UPCOMING BOARD
VACANCY; LBAB:**

A. Mayor Gibbons announced for the general public of an upcoming vacancy on the Lenoir

Business Advisory Board (LBAB) due to the resignation of Mr. Curt Hiller who has taken on additional duties and no longer able to serve on the Board. The appointee will be filling the unexpired term of Mr. Hiller which expires on January 1, 2021. This vacancy was also announced at the November 14 City Council meeting. Applications are available online or in the City Clerk's office.

COMMENDED; CITY

STAFF: B. On behalf of City Council, Mayor Gibbons commended Kaylynn Horn and City Staff for all their efforts regarding the successful Christmas parade held on Friday, December 1. Economic Development Director Horn also thanked City Staff for all their hard work during this popular event.

NEW MAIN STREET PROGRAM

COORDINATOR:

C. Economic Development Director Kaylynn Horn introduced Kyle Case as the City's new Main Street Program Coordinator. Director Horn stated Kyle was a Caldwell County native and will be the lead on Main Street events and serve as a liaison between the department and other event organizers. She mentioned that Kyle will also work with downtown businesses to explore possible promotional and marketing events for the business district. In addition, she stated that Kyle is currently pursuing a Masters in Public Administration at Appalachian State University.

Mr. Case stated Lenoir is a great place to live and he is excited to be here.

On behalf of City Council, Mayor Gibbons thanked him and stated Council looks forward to working with him.

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

UPDATE; ANNUAL CROSSOVER

TURKEY TUESDAY:

A. Councilmember Crissy Thomas commended City Staff for all their hard work and assistance during the highly successful "Crossover Turkey Tuesday" event held on Tuesday, November 22 at the Martin Luther King, Jr. Center. Ms. Thomas reported that over 512 frozen turkeys were given out and the remaining 30 turkeys were donated to Caldwell County Yokefellow.

Ms. Thomas stated this is the fourth year of the event and noted it was a success due to all the support from the non-profit organizations, community, Boy Scouts along with City Staff including the Fire and Police Departments.

X. ADJOURNMENT

A. There being no further business, the meeting was adjourned at 6:47 p.m.

Shirley M. Cannon, City Clerk

Joseph L. Gibbons, Mayor



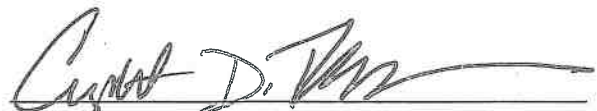
CITY OF LENOIR, NORTH CAROLINA

OATH OF COUNCIL MEMBER

CRYSTAL D. THOMAS

I, **Crystal D. Thomas**, do solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof. That I will endeavor to support, maintain and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **Crystal D. Thomas**, further swear that I will execute the duties of the office of *Council Member* for the city of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.


CRYSTAL D. THOMAS

Sworn to and subscribed before me this 5th day of December, 2017.


KIM E. CLARK
CLERK OF SUPERIOR COURT
CALDWELL COUNTY

(SEAL)



CITY OF LENOIR, NORTH CAROLINA

OATH OF COUNCIL MEMBER

DAVID F. STEVENS

I, **David F. Stevens**, do solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof. That I will endeavor to support, maintain and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **David F. Stevens**, further swear that I will execute the duties of the office of *Council Member* for the city of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.

A handwritten signature in black ink, reading "David F. Stevens", written over a horizontal line.

DAVID F. STEVENS

Sworn to and subscribed before me this 5th day of December, 2017.

A handwritten signature in blue ink, reading "Kim E. Clark", written over a horizontal line.

KIM E. CLARK
CLERK OF SUPERIOR COURT
CALDWELL COUNTY

(SEAL)



CITY OF LENOIR, NORTH CAROLINA

OATH OF COUNCIL MEMBER

JAMES I. PERKINS

I, **James I. Perkins**, do solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof. That I will endeavor to support, maintain and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **James I. Perkins**, further swear that I will execute the duties of the office of ***Council Member*** for the city of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.


JAMES I. PERKINS

Sworn to and subscribed before me this 5th day of December, 2017.

(SEAL)


KIM E. CLARK
CLERK OF SUPERIOR COURT
CALDWELL COUNTY

CITY OF LENOIR, NORTH CAROLINA

OATH OF COUNCIL MEMBER

❧ **JONATHAN T. BEAL** ❧

I, **JONATHAN T. BEAL**, solemnly swear that I will support the Constitution and laws of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; and, that I will endeavor to support, maintain, and defend the Constitution of said state, not inconsistent with the Constitution of the United States.

I, **JONATHAN T. BEAL**, further swear that I will execute the duties of the office of COUNCIL MEMBER for the City of Lenoir, North Carolina, to the best of my ability and judgment, so help me, God.


JONATHAN T. BEAL

Sworn to and subscribed before me this 5th day of December, 2017.



SEAL


Honorable Beverly T. Beal
Superior Court Judge, Retired

**NOTICE OF
OFFER TO PURCHASE REAL PROPERTY
CITY OF LENOIR**

Notice is hereby given pursuant to N.C.G.S. §160A-269 that the City of Lenoir has received an Offer to Purchase of that City-owned real 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. The offered purchase price is \$5,000.00 for conveyance by non-warranty deed. The property shall be conveyed "as is, where is," and the purchase and sale shall be subject to all superior liens, unpaid taxes and special assessments, if any. The City Council proposes to accept said offer.

Within ten (10) days of this notice any person may raise the bid by not less than ten (10%) of the first \$1,000.00 and five (5%) percent of the remainder and by making a deposit of five (5%) percent of such increased bid with the City Clerk. Any such bid shall be subject to further advertisement as provided in N.C.G.S. §260A-169. The City Council may at any time reject any and all bids.

**City of Lenoir
Shirley M. Cannon, MMC, NCCMC
City Clerk
801 West Avenue, NW
Lenoir, NC 28645**

Please publish on Friday, December 8.

CITY OF LENOIR
CASH RECEIPT

Receipt No: 983371
Date: 12/06/2017
Time: 04:10:32 PM

Received From:
10.00.3835.820

Amount: 250.00
Paid: 250.00
Change: 0.00

For:
RECEIPTS TO BE DISTR 250.00
PRIDE OF CALDWELL 713
1482: 250.00

Received By: ER

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, **Agnes Horton**, 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: **340 Finley Ave.**
Lenoir, North Carolina.
Parcel-ID 09 27 3 1
NCPIN 2840906722

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.

17 Minutes-City of Lenoir Council Meeting
Section 5, 2017
Tuesday, December 5, 2017
Caldwell County, North Carolina, and indexed in the name of the property owner or 445
owners in the grantor index.

Adopted this the 5th day of December, 2017.


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

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, **Salvator Dolias Atkins**, 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: **342 Finley Ave.**
Lenoir, North Carolina.
Parcel-ID 09 27 3 2
NCPIN 2840906627

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.

Tuesday, December 5, 2017

Section 9. A copy of this ordinance shall be recorded in the Register of Deeds of 447
Caldwell County, North Carolina, and indexed in the name of the property owner or
owners in the grantor index.

Adopted this the 5th day of December, 2017.


JOSEPH L. GIBBONS
MAYOR

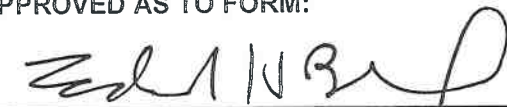
ATTEST:


SHIRLEY M. CANNON
CITY CLERK

CITY OF LENOIR, NC
CHARTERED
JANUARY 28, 1851

SEAL

APPROVED AS TO FORM:


EDWARD H. BLAIR, JR.
CITY ATTORNEY

CITY OF LENOIR
COUNCIL ACTION FORM

I. Agenda Item:

Approve the Contract To Audit Accounts as submitted by S. Eric Bowman, PA

II. Background Information:

S. Eric Bowman, PA has submitted the Contract To Audit Accounts agreement to the City of Lenoir. The agreed upon cost for the audit is \$92.00 per hour with a 75% cap for interim invoice approval of \$ 30,105, which is 75% of the prior year's audit fee.

Staff Recommendation:

Approve as requested

III. Reviewed by:

City Attorney:

Finance Director:

Donna Bear

Public Works/Public Utilities Director:

Planning Director:

Recreation Director:

CONTRACT TO AUDIT ACCOUNTS

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.

Contract to Audit Accounts (cont.) City of Lenoir

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

Contract to Audit Accounts (cont.) City of Lenoir

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.

Contract to Audit Accounts (cont.) City of LenoirPrimary Government UnitDiscretely 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

Contract to Audit Accounts (cont.) City of Lenoir

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**

Contract to Audit Accounts (cont.) City of LenoirPrimary Government UnitDiscretely 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 of authorized audit firm representative

Date 12-5-17sericbowmanpa@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 of Mayor/Chairperson of governing board

Date

By N/AChair of Audit Committee - Type or print nameSignature of Audit Committee Chairperson **

Date

** 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 BeanPrimary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

*(Pre-audit Certificate **must be dated.**)*dbean@ci.lenoir.nc.us

Email Address of Finance Officer

Sign Here 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

S. Eric Bowman, P.A.CERTIFIED PUBLIC ACCOUNTANT

403 South Green Street
P.O. Box 1476
Morganton, NC 28680
Telephone (828) 438-1065
Fax (828) 438-9117

December 5, 2017

City Council
City of Lenoir
Lenoir, North Carolina

We are pleased to confirm our understanding of the services we are to provide City of Lenoir for the year ended June 30, 2018. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of City of Lenoir as of and for the year ended June 30, 2018. Accounting standards, generally accepted in the United States, provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement City of Lenoir's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Lenoir's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Law Enforcement Officer's Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll
- 3) Other Post Employment Benefits Schedule of Funding Progress and Employer Contributions.
- 4) Proportionate Share of Net Pension Liability and Contributions to Retirement System

We have also been engaged to report on supplementary information other than RSI that accompanies City of Lenoir's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

- 1) Individual fund financial statements
- 2) Budgeting Schedules
- 3) Other Schedules
- 4) Schedule of expenditures of federal and state awards

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Statistical Section

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996, the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of The Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of The Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to City Council of City of Lenoir. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of City of Lenoir in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. We will also prepare conversion entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes and various journal entries previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government awards programs and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards in accordance with the requirements of The Uniform Guidance and the State Single Audit Implementation Act. As part of the audit, we will assist with preparation of your financial statements and the schedule of expenditures of federal and state awards. We will also assist with the preparation of conversion entries. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal and state awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial report, schedule of expenditures of federal and state awards and conversion entries and that you have reviewed and approved the financial report and schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual who possesses suitable skill, knowledge or experience; evaluate the adequacy of these services and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met, following laws and regulations, ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with:

- (1) Access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements
- (2) Additional information that we may request for the purpose of the audit, and
- (3) Unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving:

- 1) Management
- 2) Employees who have significant roles in internal control
- 3) Others where the fraud or illegal acts could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, contracts, and grant agreements, or abuse that we report. Additionally, as required by The Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on August 15, 2018.

You are responsible for preparation of the schedule of expenditures of federal and state awards in conformity with The Uniform Guidance and the State Single Audit Implementation Act. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with The Uniform Guidance and the State Single Audit Implementation Act; (b) that you believe the schedule of expenditures of federal and state awards including its form and content, is fairly presented in accordance with The Uniform Guidance and the State Single Audit Implementation Act; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements, schedule of federal and state awards; federal and state awards; compliance with laws, regulations, contracts, and grant agreements, and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by The Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope that would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to The Uniform Guidance and the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and The Uniform Guidance and the State Single Audit Implementation Act.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Lenoir's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement and the Audit Manuals for Government Auditing in North Carolina for the types of compliance requirements that could have a direct and material effect on each of City of Lenoir's major programs. The purpose of these procedures will be to express an opinion on City of Lenoir's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to The Uniform Guidance and the State Single Audit Implementation Act.

Engagement Administration, Fees and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to City of Lenoir; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of S. Eric Bowman, P.A. and constitutes confidential information. However,, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to any federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of S. Eric Bowman, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The workpapers for this engagement will be retained for a minimum of five years after the date the auditors' report is issued or for any additional period requested by oversight agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for

guidance prior to destroying the workpapers.

We expect to begin our audit on approximately June 1, 2018 and to issue our reports no later than October 31, 2018. Our fee for these services will be \$92 per hour per person. Our invoices for these fees will be rendered each month as work progresses.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Lenoir and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed audit contract and return it to us.

Very truly yours,



Certified Public Accountant

Donna Bean

Title

Date



Report on the Firm's System of Quality Control

August 7, 2017

To the Shareholder of S. Eric Bowman, P.A. and the Peer Review Executive Committee of the North Carolina Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **S. Eric Bowman, P.A.** in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in the System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

An engagement selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of **S. Eric Bowman, P.A.** in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or fail. **S. Eric Bowman, P.A.** has received a peer review rating of *pass*.

Ray, Bumgarner, Kingshill & Assoc., P.A.

**CITY OF LENOIR
COUNCIL ACTION FORM**

- I. **Agenda Item:** Proposed acceptance of an offer of \$5,000 to purchase the property owned by the City of Lenoir located at 518 Hill Street, NC PIN #2749585205 (West End Community Center).
- II. **Background Information:** The City has received an offer from The Pride of Caldwell County Lodge #713 – Lenoir, NC (a non-profit entity) to purchase a .501281 acre parcel located at 518 Hill Street. Since September 30, 2014, the City has leased the property to Harper-Witherspoon American Legion Post #231, Inc. (a non-profit entity) in consideration for the upkeep of the premises and allowing public use of the facility. Legion Post #231 has agreed to terminate said lease with the City if the transaction moves forward with Lodge #713.

The City acquired the property for \$10.00 from the Lenoir Community Center, Inc. on July 30, 1973. Caldwell County has assessed the current value of the property at \$131,400.

A tax map of the tract is enclosed as well as the offer, bid deposit and public notice. **Note:** The legal advertisement for the Notice of Offer to Purchase Real Property was published in the *News-Topic* on Friday, December 8 starting a ten (10) day upset bid period as required by N.C.G.S. §160A-269. The City did not receive any upset bids.

- III. **Staff Recommendation:** Approve the 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 for the property located at 518 Hill Street, NC PIN #2749585205 (West End Community Center).
- IV. **Reviewed By:**
- City Attorney:**
City Manager:

WISDOM

STRENGTH

BEAUTY

THE PRIDE OF CALDWELL LODGE NO. 713 - LENOIR, NC

Free and Accepted Masons

Jurisdiction of



North Carolina

November 20, 2017

City of Lenoir
801 West Avenue NW
Lenoir, NC 28645

Attn: Mr. Scott Hildebrand, City Manager

Dear Mr. Hildebrand,

This letter is concerning the property owned by the City of Lenoir located at 518 Hill Street Lenoir, NC 28645. Pride of Caldwell Lodge #713 would like to submit an offer to purchase the building and associated land. An offer of five thousand dollars (\$5,000.00) is made. A sixty-day (60) period of due diligence is requested.

Pride of Caldwell Lodge #713 is a Prince Hall affiliated Lodge governed by the Most Worshipful Prince Hall Grand Lodge of Free and Accepted Masons of North Carolina, Inc. Pride of Caldwell consists of members of the community with strong roots of this great place called home.

Chartered in 1949, the Lodge continues to do work that creates upright men that go out into the community with the mindset to make a better community. Over the years Pride of Caldwell has contributed in various ways, presently we assist with feeding those in need, contribute to organizations helping others, and provide scholarships for high school seniors embarking on the journey to college.

Currently the city owned structure is used for a community facility which is a continued use dating from the time that the location was a swimming pool. Having a location for **community gatherings** enhances the quality of life, by allowing friends and families a location to gather. Community involvement is a part of the mission of Pride of Caldwell. The lodge will be open to providing an arrangement to all other community organizations the opportunity to use the building for community related functions.

Pride of Caldwell would greatly appreciate the City of Lenoir taking consideration of this offer. It is the belief of the Lodge that having ownership of the building will be advantageous for the City, Community, and The Pride of Caldwell.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jimmy L. Norwood, Jr.' The signature is fluid and cursive.

Jimmy L. Norwood, Jr.
Worshipful Master



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

CITY OF LENOIR
CASH RECEIPT

Receipt No: 983371
Date: 12/04/2017
Time: 04:10:32 PM

Received From:
10.00.3835.820

Amount: 250.00
Paid: 250.00
Change: 0.00

For:
RECEIPTS TO BE DISTR 250.00
PRIDE OF CALDWELL 713
1482: 250.00

Received By: ER

PRIDE OF CALDWELL 713

P O BOX 3063
LENOIR, NC 28645-3063

1482

66-21/530 10145
2070961002418

DATE 12-1-2017

PAY
TO THE
ORDER OF

City of Rexon

\$ 250. ⁰⁰

Two-Hundred Fifty Dollars + ⁰⁰/₁₀₀

DOLLARS



Security
Features
Details on
Back.



Wells Fargo Bank, N.A.
North Carolina
wellsfargo.com

FOR

Deposit on Building

Sister Whitinger

MP

⑈0000001482⑈ ⑆053000219⑆ 2070961002418⑈

**NOTICE OF
OFFER TO PURCHASE REAL PROPERTY
CITY OF LENOIR**

Notice is hereby given pursuant to N.C.G.S. §160A-269 that the City of Lenoir has received an Offer to Purchase of that City-owned real 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. The offered purchase price is \$5,000.00 for conveyance by non-warranty deed. The property shall be conveyed "as is, where is," and the purchase and sale shall be subject to all superior liens, unpaid taxes and special assessments, if any. The City Council proposes to accept said offer.

Within ten (10) days of this notice any person may raise the bid by not less than ten (10%) of the first \$1,000.00 and five (5%) percent of the remainder and by making a deposit of five (5%) percent of such increased bid with the City Clerk. Any such bid shall be subject to further advertisement as provided in N.C.G.S. §260A-169. The City Council may at any time reject any and all bids.

**City of Lenoir
Shirley M. Cannon, MMC, NCCMC
City Clerk
801 West Avenue, NW
Lenoir, NC 28645**

§ 160A-269. Negotiated offer, advertisement, and upset bids.

A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers. (1971, c. 698, s. 1; 1979, 2nd Sess., c. 1247, s. 25.)

CALDWELL COUNTY, NC
CITY OF LENOIR
518 HILL ST
50916

Return/Appeal Notes: 06-17-2-27
UNIQ ID 227774
WESTEND COMMUNITY PARK
ID NO: 2749.07 58 5205
CARD NO. 1 of 1
132.000 **
TW-06

Reval Year: 2013 Tax Year: 2018
Appraised by 02 on 07/25/2017 00031 NEIGHBORHOOD

COUNTY (100)
0662/1690 0073 0.00

SRC= C-01 EX-1 AT-
LAST ACTION 20170801

CONSTRUCTION DETAIL		MARKET VALUE		DEPRECIATION		CORRELATION OF VALUE	
Foundation - 3	Continuous Footing	USEMOD	Eff. Area	QUAL	BASE RATE	RCN	EYB
Sub Floor System - 5	Wood	83	04	2,836	122	134.75	382151
Exterior Walls - 21	Face Brick						
Roofing Structure - 07	Wood Truss						
Roofing Cover - 06	Metal/Superior Shingle						
Interior Wall Construction - 5	Drivwall						
Interior Floor Cover - 14	Carpet						
Heating Fuel - 04	Electric						
Heating Type - 10	Heat Pumo						
Air Conditioning Type - 03	Central						
Structural Frame - 02	Wood Frame						
Ceiling & Insulation - 07	Not Suspended - Ceiling and Wall Insulated						
Average Rooms Per Floor - 1	Average Rooms Per Floor						
Unit Count - 2	Units						
Half-Bathrooms	BAS - 0 FUS - 0 LL - 0						
Plumbing Fixtures	12.00						
Office	BAS - 0 FUS - 0 LL - 0						
TOTAL POINT VALUE	111,000						
BUILDING ADJUSTMENTS							
Quality	3 Average	1.0000					
Shape/Design	3 Slight Irregular	1.0000					
Size	Size Size	1.1000					
TOTAL ADJUSTMENT FACTOR	1.100						
TOTAL QUALITY INDEX	122						

TYPE: SCHOOL - PUBLIC
STORIES: 1 - 1.0 Story

DEPR. BUILDING VALUE - CARD 114,600
DEPR. OB/XF VALUE - CARD 0
MARKET LAND VALUE - CARD 16,800
TOTAL MARKET VALUE - CARD 131,400

TOTAL APPRAISED VALUE - CARD 131,400
TOTAL APPRAISED VALUE - PARCEL 131,400

TOTAL PRESENT USE VALUE - PARCEL 0
TOTAL VALUE DEFERRED - PARCEL 0
TOTAL TAXABLE VALUE - PARCEL \$ 131,400

PRIOR
BUILDING VALUE 122,200
OBXF VALUE 1,300
LAND VALUE 16,800
PRESENT USE VALUE 0
DEFERRED VALUE 0
TOTAL VALUE 140,300

PERMIT
CODE | DATE | NOTE | NUMBER | AMOUNT

ROUT: WTRSHD:

SALES DATA
OFF. RECORD | DATE | DEED | INDICATE
BOOK/PAGE | MO/YR | TYPE | Q/UV/I | SALES PRICE

BUILDING AREA 2,831

NOTES
FENCE, COULD NOT ACCESS BACK OF BUILDING.

Click on image to enlarge

SUBAREA		CODE	QUALITY	DESCRIPTION	LT	WT	UNITS	UNIT PRICE	ORIG % COND	BLDG#L/B	SIZE FACT	AYB	EYB	ANN DEP RATE	OVR	% COND	OB/XF DEPR. VALUE
TYPE	GS AREA	% RPL CS	TOTAL OB/XF VALUE														
BAS	2,831	100	381,477														
FOP	24	1020	674														
FIREPLACE	1 - None	0															
SUBAREA TOTALS	2,855	382,151															

BUILDING DIMENSIONS BAS=S26W25S8W26N8W25N26E18N10W6N7E9S3E4N3E26S3E4S14E21Area:2831;FOP=N3W4S3E4Area:12;FOP=W4S3E4N3Area:12;TotalArea:2855

LAND INFORMATION

HIGHEST AND BEST USE	USE CODE	LOCAL ZONING	FRONTAGE	DEPTH	DEPTH / SIZE	LND MOD	COND FACT	OTHER ADJUSTMENTS AND NOTES RF AC LC TO OT	ROAD TYPE	LAND UNIT PRICE	TOTAL LAND UNITS	UNT TYP	TOTAL ADJUST	ADJUSTED UNIT PRICE	LAND VALUE	LAND NOTES
MUNICIPAL	8900		66	165	1.0600	2	1.0000			120.00	66.000	FF	1.060	127.20	8395	
MUNICIPAL	8900		66	165	1.0600	2	1.0000			120.00	66.000	FF	1.060	127.20	8395	
TOTAL MARKET LAND DATA																
TOTAL PRESENT USE DATA																

Owner: CITY OF LENOIR

55

STATE OF NORTH CAROLINA,
CALDWELL COUNTY.

Heir Elmer Pool

THIS DEED, Made this 30 day of July A. D. 19 73 , by and between

LENOIR COMMUNITY CENTER, INCORPORATED,

of Caldwell County, North Carolina, hereinafter called the GRANTORS, whether one or more, and

CITY OF LENOIR,

of Caldwell County, North Carolina, hereinafter called the GRANTEEES, whether one or more;

WITNESSETH:

That the said grantors for certain good and valuable considerations moving them thereto, and particularly the sum of - - TEN - - (\$10.00) Dollars, to them paid, the receipt of which is hereby acknowledged, have bargained and sold, and by these presents do hereby bargain, sell and convey unto the said grantees, their ^{successors} ~~heirs~~ and assigns,

the following described land in Lenoir Township, Caldwell County, State of North Carolina, particularly described as follows, viz:

BEGINNING on an iron pipe stake in the Northern margin of Hill Street at Claude Ervin's Southeast corner and runs with his line North 34° and 53' West 165 feet to an iron pipe stake, his Northeast corner; thence with the old line North 56° and 5' East 132 feet to an iron pipe stake, the Southwest corner of the School lot and Laura Gaither's Northwest corner; thence with her line South 34° and 53' East 82 feet to an iron pipe stake; thence a new line South 56° and 5' West 11 feet to an iron pipe stake; thence still a new line South 34° and 53' East 83 feet to an iron pipe stake in the Northern margin of Hill Street; thence with the margin of Hill Street South 56° and 5' West 121 feet to the BEGINNING, according to a survey made by S. B. Howard, Civil Engineer, May 22, 1952. The bearings in the above description are calculated from angles and are referred to the True Meridian (not verified).

BEGINNING on an iron pipe stake at the Southwest corner of the School lot and runs with the School lot line North 56° and 5' East, 132 feet to an iron pipe stake in the margin of a 10 foot alley; thence with the margin of the said alley, South 34° and 53' East 82 feet to an iron pipe stake; thence a new line South 56° and 5' West, 132 feet to an iron pipe stake in the Neely line; thence with that line North 34° and 53' West 82 feet to the BEGINNING, according to a survey made by S. B. Howard, Civil Engineer, May 22, 1952. The bearings in the above description are calculated from angles and are referred to the True Meridian (not verified).

Being the same property as conveyed by Elmer Gaither and wife, Bessie Gaither; Laura Gaither and Booker T. Neeley and wife, Viney Neeley, to Lenoir Community Center, by deed dated May 26, 1952, and recorded in Book 277, at Page 640, Caldwell County Registry.

TO HAVE AND TO HOLD the said premises, above described, with every privilege and appurtenance thereunto belonging, to the said grantees, their heirs and assigns, to their only use and behoof forever.

SUCCESSORS

The grantors covenant to and with the grantees, their heirs and assigns: That they are the owners of and are seized of the premises in fee; that they have good right to convey the same in fee simple; that the said premises are free and clear from encumbrances, except as hereinafter stated; and that they will forever warrant and defend their said title to said premises against the claims of any and all persons whomsoever.

IN TESTIMONY WHEREOF, the said grantors have signed and sealed these presents the day and year first above written.

ATTEST:

Wm E Stevenson
Secretary

LENOIR COMMUNITY CENTER, (Seal)
INCORPORATED

By: J E Brumfield (Seal)
President

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)



STATE OF NORTH CAROLINA—Caldwell County.

I, _____, a _____,
do hereby certify that _____
and _____
his wife, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this _____ day of _____, A. D. 19____
My commission expires _____

Notary Public

STATE OF NORTH CAROLINA—Caldwell County.

I, _____, a _____,
do hereby certify that _____
_____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this _____ day of _____, A. D. 19____
My commission expires _____

Notary Public

Prepared by: Groome, Tuttle, Pike & Blair

STATE OF NORTH CAROLINA

COUNTY OF CALDWELL

LEASE AGREEMENT

This Lease Agreement, made and entered into this 30th Day of September, 2014, by and between CITY OF LENOIR, a North Carolina municipal, (hereinafter called "Lessor"), and HARPER-WITHERSPOON AMERICAN LEGION POST NO. 231, INC., a North Carolina non-profit corporation located at 510 Hill Street, P. O. Box 651, Lenoir, North Carolina 28645, (hereinafter called "Lessee");

WITNESSETH:

1. **Demise of Premises.** Lessor leases unto Lessee the real property and the building thereon (hereinafter called "Premises") which is located in Caldwell County, North Carolina and is described more particularly as follows: being that described in that July 30, 1973, deed from Lenoir Community Center, Incorporated, to the City of Lenoir, recorded in Deed Book 662, pages 1690-1692, Caldwell County Registry.

2. **Term:** The original term of this Lease shall be for one (1) year and the commencement date of the first lease year shall be October 1, 2014. Either party may terminate this lease upon thirty (30) days written notice to the other party for any reason or cause. Unless either party shall have previously terminated the lease by such written notice, this lease shall be extended for an additional one-year term without further action of the parties upon the same terms and conditions set forth herein. Such automatic one-year extensions shall continue for each subsequent year unless either party shall notify the other in writing that the lease be terminated.

3. **Consideration.** The consideration for the granting of this lease shall be the commitment by the Lessee to put the property to a public use without monetary consideration. The Lessee commits to making use of the Premises providing services, programs and recreational activities for area military veterans and for other area citizens during the full term of the lease, and for any extension period(s) of the lease.

4. **Fire Insurance.** It shall be the responsibility of Lessor to pay all fire insurance premiums to insure Lessor against loss or damage to the buildings or other improvements located on the Premises. Lessee may carry at its own expense policies of fire insurance with coverage insuring Lessee against loss or damage to its

furnishings, inventory, equipment and other personal property situated or placed upon, in or about the Premises with companies and in amounts acceptable to itself. With respect to all other policies copies shall be delivered to Lessor.

5. Liability insurance. Lessee shall carry public liability insurance in the minimum amount of \$1,000,000.00 bodily injury per occurrence, and \$500,000.00 property damage per occurrence, and Lessee shall deliver to Lessor a memoranda of the policy of such coverage with a company satisfactory to Lessor and which names Lessor as additional insured therein.

6. Assignment or Subletting. Lessee shall have the right sublet the Premises in whole or in part without the prior written consent of Lessor provided that such sublease shall be for the sole purpose of providing a public use for area citizens which complements and does not conflict with the public services which constitute the consideration for the lease.

7. Compliance with Legal Requirements. Lessee shall comply with all the legal requirements of any governmental or quasi-governmental body including City, County, State or Federal boards having jurisdiction thereof, respecting any operation conducted or any equipment, installations or other property placed upon, in or about the Premises. Lessee shall neither create nor permit the creation of any nuisance upon, in or about the Premises, and Lessee shall not make any offensive use thereof.

8. Utilities and Repairs. Lessor shall pay for electricity, gas, water, heat, and other utilities consumed or used on the Premises. The Lessor shall, through its employees, mow the grass and maintain the exterior and grounds of the facility as it deems necessary. In addition, the Lessor shall provide make such major structural repairs of a capital nature as it deems necessary and appropriate for the facility.

9. Public Service Activities of Lessee or Sub-tenant. The Lessor shall not be responsible for the operation, supervision or control of the activities of the Lessee, or of any sub-tenant of the Lessee which are conducted or maintained on the premises, and the Lessee/Sub-tenant shall be solely and completely responsible for the safety and well-being of any persons or other entity(ies) which may participate in any of the activities which may be conducted by the Lessee or any Sub-tenant of Lessee on or about the Premises and shall indemnify and hold the Lessor harmless from any liability or claims by third parties arising from the activities at or upon the leased premises which may be conducted by the Lessee or any Sub-tenant of Lessee.

10. Additions, Alterations, Changes and Improvements. Lessee shall not make, nor have the right to make any alterations, changes or improvements, structural or otherwise, in or to the Premises without Lessor's prior written consent. If such consent is given, all such alterations, changes and improvements, shall be promptly made in a workman-like manner, be promptly paid for allowing no liens to attach either to the Premises or to Lessor's interest therein, and shall become the property of Lessor at the termination of this Lease Agreement.

11. Safe and Sanitary Conditions. Lessee shall not permit, allow or cause any act or deed to be performed upon, in or about the premises which shall cause or be likely to cause injury to any person or to the Premises, the building or improvements located thereon, or to any adjoining property. Lessee shall at all times keep the premises in a neat and orderly condition and keep the premises and the entryways, parking areas, sidewalks and delivery areas adjoining the premises clean and free from rubbish, dirt, snow, standing water and ice.

12. Lessor Not Liable for Damages or Injuries. Lessor shall not be responsible to Lessee or any other person, firm, partnership, association or corporation for damages or injuries by virtue of or arising out of burst water pipes, leaks from the roof, or by virtue of earthquakes, riots, windstorms, overflow of water from surface drainage, rains, water, fire or by the elements or acts of God, or by the neglect of any person, firm, partnership, association or corporation.

13. Waiver of Subrogation. Neither Lessee nor anyone claiming by, through, under or in Lessee's behalf shall have any claim, right of action or right of subrogation against Lessor or based upon any loss or caused by fire, explosion or any other casualty (not limited to the foregoing) relating to the premises or any property upon, in or about the Premises, whether such fire, explosion or casualty shall arise from the negligence of Lessor, their agents, representatives or employees, or otherwise.

14. Inspection. Lessor shall have the right at all reasonable times to enter and inspect the Premises.

15. Condition of Premises Upon Termination. Upon the termination of this Lease Agreement, Lessee shall return the Premises to Lessor substantially in the same condition as when received ordinary wear and tear and approved improvements excepted.

16. Default. Each of the following events shall constitute a default or breach of this lease by Lessee:

- a) If Lessee fails to fully perform and comply with each and every condition and covenant of this Lease Agreement, and such failure of performance continues for a period of 30 days after notice thereof;
- b) Lessee or any sub-tenant's failure to perform the public service(s) which constitute the consideration for this lease;
- c) Vacates or abandons the Premises.

17. Remedies In Event of Default. In the event of any default hereunder as set forth in the foregoing Section 16, Lessor shall be entitled to re-enter and re-take the Premises and exercise all their rights under the laws of the State of North Carolina.

18. Waiver. No failure to exercise any rights hereunder to which Lessor may be entitled shall be deemed a waiver of the right to subsequently exercise same. Lessee shall gain no rights nor become vested with any owner to remain in default under the terms hereof by virtue of Lessor's failure to timely assert rights. No waiver of an acceleration of rentals, regardless of how often occurring, which Lessor choose to ignore by thereafter accepting rental or other performance by Lessee shall constitute a waiver of the right to thereafter accelerate rentals.

19. Law Applicable. This Lease is entered into in North Carolina and shall be construed under the laws, statutes, and ordinances of such jurisdiction.

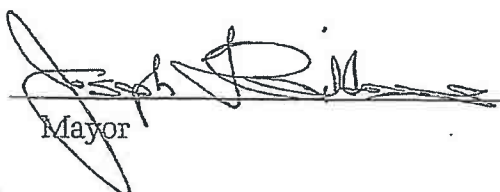
20. Easements, Restrictions and Right of Way. The Premises are demised subject to all easements, restrictions and right of way legally affecting the Premises.

21. Binding Effect and Complete Terms. The terms, covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of and shall be enforceable by Lessor and by their respective heirs, successors and assigns. All negotiations and agreements of Lessor and Lessee are merged herein. No modification hereof or other purported agreement of the parties shall be enforceable unless the same is in writing and signed by Lessor and Lessee.

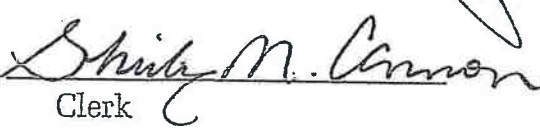
IN WITNESS WHEREOF, the parties have signed and sealed this Lease Agreement on the date above-written.

LESSOR:

CITY OF LENOIR, a North Carolina municipal corporation

By:  (SEAL)

Mayor

ATTEST: 

Clerk

LESSEE:

HARPER-WITHERSPOON AMERICAN LEGION POST NO. 231, Incorporated, a N.
C. non-profit corporation

By: 

Norman Smith, Commander



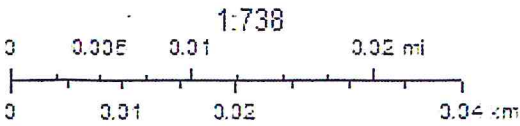
This map is NOT of land survey quality and is NOT suitable for such use.

Owner CITY OF LENOIR
PO BOX 958
LENOIR, NC 28645

Acct Number 50916
Parcel ID 06 17 2 27
NCPIN 2749585205

Deferred Val \$0
Assessed Val \$131,400
Calc Acreage 0.501281
Land Units 132 (**)
Legal Desc 0662/1690 0073 0.00
Plat Ref /
Property Addr 518 HILL ST.

Caldwell County



November 29, 2017

CITY OF LENOIR
COUNCIL ACTION FORM

- I. **Agenda Item:** Consideration of Amendment Number 1.0 To The Engineering Service Agreement with McGill Associates Dated April 10, 2017 – Water Treatment Plant Improvements Construction Administration Services
- II. **Background Information:** The City of Lenoir recently received bids and awarded a contract to Brushy Mountain Builders of Lenoir, NC to construct improvements to the Bernhardt Water Treatment Plant which include a new mechanical pretreatment facility and the addition of two new filters. With the approval of the contractor, it is necessary to amend the agreement for engineering services dated April 10, 2017 with McGill Associates of Hickory, NC for the construction administration and inspection of the project during the construction and post construction phases. McGill Associates has currently been under contract for the planning, design and engineering phase of this project however that agreement did not include the construction administration phase.
- III. **Staff Recommendation:** Staff recommends City Council approval of Amendment No. 1 to the Engineering Service Agreement with McGill Associates dated April 10, 2017 for the Water Treatment Plant Improvements construction administration and post construction phase in accordance with the attached proposal.
- IV. **Reviewed by:**
- City Attorney:** _____
- Finance Director:** _____
- Public Works/Public Utilities Director:** _____

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 _____ day of _____ 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

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.

CITY OF LENOIR
COUNCIL ACTION FORM

I. Agenda Item: Construction Bid Award – Bernhardt Water Treatment Plant Improvements

Background Information: The City of Lenoir has planned for and received formal bids for the construction of improvements to the George Bernhardt Water Treatment facility. A total of five (5) bids were received and opened on December 19, 2017 for the Bernhardt Water Treatment Plant Improvements project. The project generally consists of the construction of two new filters and a mechanical pretreatment facility and related improvements to piping, valves and telemetry systems (A copy of the bid tabulation and other supporting documentation is attached for your review.) Brushy Mountain Builders of Lenoir, NC was the lowest responsive, responsible bidder with a total base bid amount of \$8,337,000.00.

The bid has been reviewed by McGill Associates for completeness and compliance with applicable state bidding requirements and they have reviewed the bid with city staff.

II. Staff Recommendation: Staff recommends City Council approval to award the project to Brushy Mountain Builders in the amount of \$8,337,000.00. Brushy Mountain Builders is appropriately licensed with the NC General Contractor Board and has successfully completed similar projects.

It is also recommended 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 associated with the project (within the established project contingency) and report those change orders at the next council meeting.

III. Reviewed by:

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: _____



January 10, 2018

Mr. Radford L. Thomas, Director of Public Utilities
City of Lenoir
Post Office Box 958
Lenoir, North Carolina 28645

RE: Award Recommendation
Water Treatment Plant Upgrade
City of Lenoir, North Carolina

Dear Mr. Thomas:

On December 19, 2017, five (5) bids were received for the subject project. Brushy Mountain Builders, Inc. was the lowest responsive, responsible bidder with a total base bid amount of \$8,337,000. The Alternate Bid Item No. 1 amount was an addition of \$350,000 to reduce the contract times by 90 days. As you are aware, the project generally consists of two (2) mechanical pre-treatment systems, two (2) additional filters, piping, valves, site work, paving, electrical, controls, and other related appurtenances.

Brushy Mountain Builders, Inc. is appropriately licensed with the NC General Contractor Board. Based upon the list of references provided, Brushy Mountain has completed water treatment projects. We therefore recommend that the City award the "15 month contract time" to Brushy Mountain Builders, Inc. for the base bid price of \$8,337,000. It is recommended that the City include a 10% construction contingency of \$833,700 in the project budget. Finally, due to the short contract time, it is recommended that the City Council grant the City Manager the authority to execute change orders within the contingency budget amount.

Enclosed for your use is the Certified Bid Tabulation. Please do not hesitate to contact us if you have any questions.

Sincerely,
McGILL ASSOCIATES, P.A.

A handwritten signature in blue ink, appearing to read "Joel Whitford", is written over a light blue circular stamp.

JOEL WHITFORD, PE
Project Manager

:jw

Enclosures

Cc: Mr. Scott Hildebran, City Manager

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 OF LENOIR
COUNCIL ACTION FORM

I. Agenda Item: Resolution to Accept the Loan Offer for State Loan/Grant Assistance for the Design and Construction of a New Biosolids Handling Facility

II. Background Information: The City of Lenoir has applied for and been approved for State Revolving Funds through the Division of Water Infrastructure (DWI) to design and construct a new biosolids facility for the purpose of handling and disposing of the biosolids generated from the sludge at the Lower Creek WWTP, Gunpowder Creek WWTP, and the Bernhardt Water Treatment Plant. The estimated cost of the project is \$6,600,000.

The resolution authorizes the acceptance of state loan/grant funds for the project in the amount \$6,600,000.00 at an interest rate of 1.53% for a term of 20 years. The estimated closing fee for the loan is \$132,000.00.

III. Staff Recommendation: Staff recommends approval of the resolution to authorize the acceptance of state loan/grant assistance for the design and construction of a new biosolids handling facility at the Lower Creek Wastewater Treatment Plant.

IV. Reviewed by:

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: _____



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

POST OFFICE BOX 958 • LENOIR, NORTH CAROLINA 28645-0958 • (828) 757-2200





ROY COOPER
Commissioner

MICHAEL S. REGAN
Secretary

KIM H. COLSON
Director

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 7, 2017

Mr. Scott Hildebran, City Manager
City of Lenoir
P.O. Box 958
Lenoir, NC 28645

SUBJECT: Offer & Acceptance for State Loan
DWI Project No. E-SRP-W-17-0044
Lenoir Biosolids Facility Improvements
Lenoir, NC

Dear Mr. Hildebran:

The City of Lenoir has been approved for a State (SRP) Loan from the Water Infrastructure Fund in the amount of **\$6,600,000**. Accordingly, enclosed are two (2) copies of an offer-and-acceptance document, extending a State Emergency Loan in the amount of \$6,600,000. This offer is made by the Division of Water Infrastructure (DWI), subject to the assurances and conditions set forth in the enclosed offer-and-acceptance document.

Priority for obtaining this State Loan was based on the entire scope of this project. *Therefore, the city must complete the project as defined in their application for funding.*

Upon your acceptance, please submit the following items to Mark Hubbard, Division of Water Infrastructure (DWI), 1633 Mail Service Center, Raleigh, North Carolina 27699-1633, within forty-five (45) days of receipt of this offer:

1. A resolution (sample copy attached), adopted by the governing body, accepting the grant and loan offer, and making the applicable assurances contained therein;
2. One (1) copy of the original offer-and-acceptance document, executed by the Authorized Representative for the project, along with the signed "Standard Conditions and Assurances for State Projects". **Please retain the second copy for your files.**
3. Federal Identification Number and DUNS # of the Recipient (Memo attached)
4. Sales Tax Certification (attached)

The logo consists of a stylized graphic of a mountain range or hills, followed by the text 'Nothing Compares' in a serif font.

State of North Carolina | Environmental Quality | Water Infrastructure
1633 Mail Service Center, Raleigh, North Carolina 27699 | Location 512 N. Salisbury Street, Raleigh, North Carolina 27604
919 707 9160 T

Once construction of the subject project has commenced, the enclosed "reimbursement request form" must be completed and submitted with all reimbursement requests. You are free to reproduce this form should additional copies be needed.

In addition, a memorandum requesting your federal identification number has been included with this offer of funding. You must complete and submit this form no later than the time when you choose to submit your first request for reimbursement.

On behalf of the Department of Environmental Quality, I am pleased to extend this offer of State Grant and Loan funds, made available by the North Carolina Water Infrastructure Fund. Should you have any questions concerning this offer of funding, or any of the stipulations outlined in this letter, please contact Mark Hubbard, DWI's Grant Management Unit Supervisor, at 919.707.9162.

Sincerely,



Kim H. Colson, P.E., Director
Division of Water Infrastructure, NCDEQ

Enclosures: Offer-and-Acceptance Document (2 copies)
Resolution by Applicant's Governing Body to Accept an Offer of Funding
Sales-Tax Certification Form
Fed ID/DUNS No. Request Memo
State Reserve Funds Guidance Document
Reimbursement Request Form

CC: McGill Associates (Asheville, NC)
FILE: SRP Funding Commitment



CITY OF LENOIR
COUNCIL ACTION FORM

- I. Agenda Item:** Consideration of a New Water Sales Agreement Between the City Of Lenoir And Baton Water Corporation, Inc.

Background Information: The City of Lenoir has been selling water to Baton Water Corporation, Inc. as a wholesale customer under an agreement that was originally established with Baton Water Corp. in June of 1976. Baton Water Corp. has approached the City of Lenoir with a need and desire to establish a new sales agreement that is better reflective of Baton Water Corp. current usage and anticipated growth over the next fifteen years.

Attached for your consideration is a proposed agreement with Baton Water Corp. to establish a fifteen year agreement that would be effective January 16, 2018 and expire January 15, 2033. It establishes a base amount of 500,000 gallons per day that the City would provide to Baton Water Corp. at our wholesale customer rate. That rate is currently \$2.17 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.

- II. Staff Recommendation:** Staff recommends City Council approval of the proposed water sales agreement with Baton Water Corporation, Inc. to provide up to 500,000 gallons of drinking water per day at the applicable wholesale water rate.

- III. Reviewed by:**

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: _____

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
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

CITY OF LENOIR
COUNCIL ACTION FORM

- I. Agenda Item:** City staff request that City Council adopt an Order of Abatement directing staff to abate the minimum housing violations by demolishing the structure on the property of 315 Beall St
- II. Background Information:** The subject structure is unfit for human habitation and attempts to achieve owner abatement have been unsuccessful. See attached time line for detailed information.
- III. Staff Recommendation:** Recommend adoption of the attached ordinance, directing staff to proceed with the demolition and removal of the structure. This property is No. 6 on the minimum housing priority list.

IV. Reviewed by:

City Attorney: _____

Finance Director: _____

Planning Director: DeWeese _____

**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.

Section 5. A 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

APPROVED AS TO FORM:

EDWARD H. BLAIR, JR
CITY ATTORNEY

Owner: John William Phillips
 Property: 315 Beall St
 NC Pin No. 2749464713
Minimum Housing Violation Time Line

<u>Date</u>	<u>Description</u>
2013	The structure located at 315 Beall St was involved in a fire in 2013. Due to the amount of fire damage the dwelling was structurally compromised and is classified as dilapidated. The dwelling has remained vacant since the fire occurred. Numerous complaints were called in regarding the condition of the property. The structure was added to the minimum housing priority list after receiving the first complaint. The property has moved up the list due to the amount complaints called in. This property is now number 6 on the minimum housing list.
September 15, 2017	A minimum housing case was started on this property once it had rose to the top ten on the minimum housing priority list. Initial minimum housing violation/hearing notice was mailed to the property owner on this date. Two copies of the letter were mailed one first class and one registered mail. Initial minimum housing letter requested that the property owner contact the housing inspector to set up time for an onsite hearing to discuss the housing violations and abatement procedures. Met with the property owner (John Williams Phillips) in my office on September 21, 2017. The minimum housing process was explained and the abatement procedure was discussed. It was explained to the owner that due to fire damage the dwelling was classified as dilapidated and would need to be demolished and removed from the property. The time frame in which the demolition must take place was discussed. It was explained that the abatement must be completed in 60 days. The owner requested 6 to 9 months to complete the demolition and his request was denied. Mr. Phillips stated he would perform the demolition by the specified date and would contact me when it had been completed. It was explained to Mr. Phillips that a second letter would be sent stating what the abatement procedure would be and specifying the time in which it must be completed. Certified Mail No. 7016 2710 0001 1759 1433
October 3, 2017	The final minimum housing determination letters were mailed to the property owner on this date. Two copies of this letter were mailed one first class and one registered mail. Due to the dwelling being classified as dilapidated and the health/safety hazard the final order was to demolish the dwelling and remove it from the property. Abatement of the housing violations was to be done no latter that Wednesday December 6 th , 2017. The property owner signed the certified mail receipt, but never made any further contact. Certified Mail No. 7013 1710 0000 0856 9202
December 29, 2017	Owner failed to abate the minimum housing violations by date specified on the final determination letter. A civil citation was mailed to the owner on this date. The citation was for the amount of fifty dollars in accordance with City of Lenoir Code of Ordinance (Sect 1-15 Civil and Criminal Penalties). The certified mail receipt was accepted by the owner on January 2, 2018 and returned to City Hall on January 8, 2018 Certified Mail No. 7016 270 0001 1759 2454
January 10, 2018	Notification was mailed to the owner informing him that the housing inspector will be submitting an ordinance to City Council for the demolition of the dwelling located at 315 Beall St. The City Council will consider this ordinance for adoption at the January 16, 2018 City Council Meeting, held in the County Chambers at 905 West Ave in Lenoir. Upon adoption of the ordinance the demolition of the dwelling will begin on January 22, 2018. All fees accumulated from the demolition will be placed as a lien on the property. Certified Mail No. 7016 2710 0001 1759 1563

Minimum Housing Violation Affidavit
(315 Beall St.)

I, Zach Clark affirm that as the housing inspector for the City of Lenoir I have made every possible attempt to have the property owner abate the minimum housing violations at 315 Beall St. The dwelling is unfit for human habitation and is a health/safety hazard for nearby neighbors. At this time the best course of action to eliminate the minimum housing violations is to demolish the structure and remove all debris from the property.

I swear that everything documented in this packet to be true and correct to the best of my information, knowledge, and belief.

1-10-18
Date

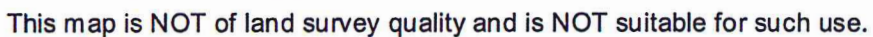
Zach Clark
Zach Clark

STATE OF NORTH CAROLINA
COUNTY OF CALDWELL

I, the undersigned Notary Public, do hereby affirm that Zach Clark personally appeared before me on the 10 day of January, 2018 and signed the above Affidavit as his free and voluntary act and deed.

Jacqueline Simon
Notary Public





July 6, 2017



CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

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

September 15, 2017

John William Phillips
380 Charlois St
Hudson, NC 28638

Certified Mail: 7016 2710 0001 1759 1433

**MINIMUM HOUSING VIOLATION AND
HEARING NOTICE**

TO: **John William Phillips**, owner (s) of property located at **315 Beall St** (PIN: 2749464713) in the City of Lenoir, North Carolina.

**Unsafe Buildings: General Statute 160A-426, 160A-446, 160A-429
North Carolina Code Officials Enabling Act: 160A-412**

Condition of structure is determined as: **Deteriorated** _____
Dilapidated XXX

After receiving a complaint concerning minimum housing violations at the address listed above an inspection of the property to assess the violations is now required. As the legal owner, you have **ten (10)** days to call the City of Lenoir Housing Inspector to establish a hearing date and location that must be held within the specified timeframe.

The following code violations have been determined: If further inspection is required, additional violations may be added.

G.S. 160A-428

That the building or structure is in a condition that appears to meet one or more of the following conditions:

- A. Constitutes a fire or safety hazard.**
- B. Is dangerous to life, health, or other property.**
- C. Is likely to cause or contribute to blight, disease, vagrancy, or danger to children.**
- D. Has a tendency to attract person(s) intent on criminal activities or other activities which would constitute a public nuisance.**

The property listed above is in violation of the City of Lenoir Minimum Housing Standards. Due to the amount of structural damage the dwelling is classified as dilapidated and unfit for human habitation. In order to abate the minimum housing violations and the health/safety hazards, the dwelling must be demolished and removed from the property or brought into compliance with the City of Lenoir Minimum Housing Standards. Please contact me within 10 days of receiving this notice to schedule a time for an onsite hearing. Abatement procedure and time frame in which it must be completed will be discussed at the hearing.

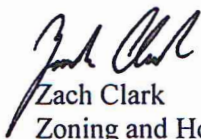
Stage of the investigation

Initial Investigation XXX

Final Determination

Failure to comply will result in actions including, but not limited to, civil penalties, posting, and city abatement. All questions about the violation or procedures to abate them will be addressed at the hearing.

Sincerely,



Zach Clark
Zoning and Housing Inspector
City of Lenoir Planning Department
(828) 757-2212



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John William Phillips
380 Charlois St
Hudson, NC 28638



9590 9402 1452 5329 3830 29

2. Article Number (Transfer from service label)

7016 2710 0001 1759 1433

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

[Handwritten Signature]

☐ Agent

☒ Addressee

B. Received by (Printed Name)

John W. Phillips

C. Date of Delivery

9-19-07

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☒ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☐ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery | |

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Domestic Mail Only

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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- | | |
|--|----|
| ☐ Return Receipt (hardcopy) | \$ |
| ☐ Return Receipt (electronic) | \$ |
| ☐ Certified Mail Restricted Delivery | \$ |
| ☐ Adult Signature Required | \$ |
| ☐ Adult Signature Restricted Delivery | \$ |

Postage

\$

Total Postage at

\$

Sent To

Street and Apt. #

City, State, ZIP+

John William Phillips
380 Charlois St
Hudson, NC 28638

Postmark
Here

9-19-07

7016 2710 0001 1759 1433

98

USPS TRACKING #



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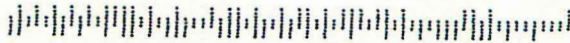
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City of Lenoir
P.O. Box 958
Zoning & Housing Inspector
Lenoir, NC 28645

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380 Charlois St
Hudson, NC 28638

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9-15-17

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7016 2710 0001 1759 1433



CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

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

10/3/2017

John William Phillips
380 Charlois St
Hudson, NC 28638

Certified Mail: 7013 1710 0000 0856 9202

**MINIMUM HOUSING VIOLATION
AND ORDER TO ABATE**

To: **John William Phillips**, owner(s) of property located at **315 Beall St.** (PIN:2749464713) in the City of Lenoir, North Carolina.

Unsafe Buildings: General Statute 160A-426, 160A-446, 160A-429
North Carolina Code Officials Enabling Act: 160A-412

Condition of structure is determined as: **Deteriorated** ☐
Dilapidated ☒

The following code violations have been determined: If further inspection is required, additional violations may be added.

G.S. 160A-428

That the building or structure is in a condition that appears to meet one or more of the following conditions:

- A. Constitutes a fire or safety hazard.**
- B. Is dangerous to life, health, or other property.**
- C. Is likely to cause or contribute to blight, disease, vagrancy, or danger to children.**
- D. Has a tendency to attract person(s) intent on criminal activities or other activities which would constitute a public nuisance.**

This is the final determination for the property listed above. Due to the amount of structural damage this dwelling is classified as dilapidated. After meeting with the owner on Monday, September 25th 2017 it has been determined that due to the structural damage caused by the fire the dwelling must be demolished and removed from the property. In order to abate the minimum housing violations the demolition must occur in a specified amount of time, not to exceed 60 days.

Failure to abate the violations by, **Wednesday, December 6th 2017** will result in actions including, but not limited to, civil penalties, postings, and city abatement. If you have any questions concerning the violations or the abatement process please contact me.

Section 1-15 Civil and Criminal Penalties

- (c) Violation of any provision of this Code not corrected as provided in [this letter] shall subject the offender to a civil penalty in the amount of \$50.00 to \$500.00, in accordance with the citation schedule in subsection (e), to be recovered by the city in a civil action in the nature of debt if the offender does not pay the penalty within a period of 72 hours after being cited. The citation shall be in writing, signed by the authorized person issuing the citation, and shall be delivered in person or by mail to the offender.

(e) Civil Penalties Schedule

Violation of any provision of this ordinance shall subject the offender to civil penalties in the following amounts, as applicable. All Civil Penalties must be paid within 72 hours of receipt by the offender.

First Penalty	Second Penalty	Third Penalty	Fourth Penalty	Fifth Penalty	Sixth Penalty	Seventh Penalty	Eighth Penalty	Ninth Penalty	Tenth Penalty
\$50.00	\$50.00	\$50.00	\$100.00	\$100.00	\$100.00	\$250.00	\$250.00	\$250.00	\$250.00

* If violations continue to exist past the tenth penalty, subsequent penalties shall be \$500.00 each.

- (f) Unless otherwise specifically provided in this Code and authorized by state law, no single offense (as described in subsection (d), above) may be punished by a fine or civil penalty in excess of \$500.00.

Stage of the investigation

Initial Investigation ☐

Final Determination ☒

Abatement of these violations must occur within a specified period of time, not to exceed 60 days. Failure to comply will result in actions including, but not limited to, civil penalties, posting, and city abatement. All questions about the violation or procedures to abate them will be addressed at the hearing.

Sincerely,



Zach Clark
Zoning and Housing Inspector
City of Lenoir Planning Department
(828) 757-2212



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature ☒ <i>John Phillips</i> ☐ Agent ☒ Addressee	
1. Article Addressed to: John William Phillips 380 Charlois St Hudson, NC 28638		B. Received by (Printed Name) <i>John Phillips</i>	C. Date of Delivery <i>10/5/17</i>
2. Article Number (Transfer from service label) 7013 1710 0000 0856 9202		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
9590 9402 2638 6336 0814 46		3. Service Type ☐ Adult Signature ☐ Priority Mail Express® ☐ Adult Signature Restricted Delivery ☐ Registered Mail™ ☒ Certified Mail® ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☒ Return Receipt for Merchandise ☐ Collect on Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery Mail Restricted Delivery (over \$500)	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt	

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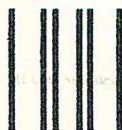
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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Post	
Sent To	John William Phillips 380 Charlois St Hudson, NC 28638
Street, Apt. or PO Box	
City, State, Zip	
PS Form 3800, August 2006 See Reverse for Instructions	

102

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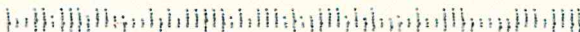


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10-3-17

Sent To

Street, Apt.
or PO Box /
City, State, .

John William Phillips
380 Charlois St
Hudson, NC 28638

PS Form 3800, August 2006

See Reverse for Instructions

7013 1710 0000 0856 9202



City of Lenoir Planning Department
801 West Ave
Lenoir, North Carolina 28645
(828)757-2200 • Fax (828)757-4440
Civil Citation



Citation No.

Inscribed in Correspondence

• (Section 1-15) City of Lenoir Code of Ordinances • • (NC GS 160A-175) Enforcement of Ordinances •

Date <u>12 / 29 / 2017</u>	Time <u>11:00</u>	☒ AM ☐ PM	Day of Week <u>SMTWTFS</u>	☒ Minimum Housing ☐ Zoning ☐ Stormwater	Case No. _____
-------------------------------	----------------------	---	-------------------------------	---	-------------------

Name (Last, Middle, First)

PHILLIPS / WILLIAM / JOHN

Business Name (if applicable)

N/A

Mailing Address

380 CHARLOIS ST

City

HUDSON

State

NC

Zip Code

28638

City of Lenoir Code of Ordinance Violation(s)

Ordinance Code/Section(s): CHAPTER 10,GS 160A-426, 160A-446, 160A-429

Ordinance Code Name(s):

Violation(s) Description:

FAILURE TO ABATE MINIMUM HOUSING VIOLATIONS AT 315 BEALL ST
LENOIR BY DECEMBER 6TH, 2017 AS SPECIFIED IN THE NOTICE OF VIOLATION
MAILED ON OCTOBER 3, 2017

Other Violation/Special Instructions:

Location of Violation(s)

315 BEALL ST LENOIR

City/State

LENOIR, NC

NC Pin No.

2749464713

On FRIDAY, the 29 day of DECEMBER, 20 17, a civil citation was issued for the amount of \$ 50.00. Citation has been issued for failure to abate the (Minimum Housing) Zoning/ Stormwater violation(s) by the specified abatement date that was displayed on the Notice of Violation letter. The violator failed to abate the violation(s) by WEDNESDAY, the 6TH day of DECEMBER, 20 17.

1st Penalty	2nd Penalty	3rd Penalty	4th Penalty	5th Penalty	6th Penalty	7th Penalty	8th Penalty	9th Penalty	10th Penalty	All Other Penalties
\$50.00	\$50.00	\$50.00	\$100.00	\$100.00	\$100.00	\$250.00	\$250.00	\$250.00	\$250.00	\$500.00
☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

As of 12 / 29 / 2017Amount Due \$ 50.00

Signature of Violator Acknowledging Receipt of Citation (Only applies for hand delivered citations)

Planning Department Representative Signature

Zach Clark

Name Printed

ZACH CLARK

Date

12/29/17

The citation requires payment of a Civil Penalty in the amount listed above. Payment must be made to the City of Lenoir Collections Dept., 801 West Ave. Lenoir NC 28645, within 72 hrs of issuance of citation. Failure to make payment pursuant to this citation shall constitute another offense and may result in the City of Lenoir instituting a civil suit for collection. Each day the violation continues to exist may constitute a separate and distinct offense and may be subject to additional civil penalties as described in City of Lenoir Code of Ordinances (Section 1-15).

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John William Phillips
380 Charlois St
Hudson, NC 28645



9590 9402 1452 5329 3829 30

2. Article Number (Transfer from service label)

7016 2710 0001 1759 2454

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY**A. Signature**

X

☐ Agent☐ Addressee**B. Received by (Printed Name)**

John W. Phillips

C. Date of Delivery

1-2-18

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No**3. Service Type**☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

Mail

Mail Restricted Delivery

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\$

Total Post

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Sent To**Street and****City, State,**

John William Phillips
380 Charlois St
Hudson, NC 28645

12-29-17

Postmark
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PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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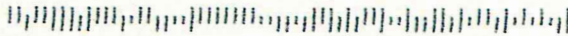
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Postage & Fees Paid
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Permit No. G-10

9590 9402 1452 5329 3829 30

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• Sender: Please print your name, address, and ZIP+4® in this box•

City of Lenoir
P.O. Box 958
Zoning & Housing Inspector
Lenoir, NC 28645



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☐ Return Receipt (hardcopy) \$
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Total Post

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Sent To

Street and

City, State,

John William Phillips
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Hudson, NC 28645

12-29-17

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7016 2710 0001 1759 2454



CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
K. P. EDMISTEN
T. H. PEROUE
J. I. PERKINS
T. J. ROHR
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

January 10, 2018

John William Phillips
380 Charlois St
Hudson, NC 28638

Certified Mail: 7016 2710 0001 1759 1563

RE: Minimum Housing Determination
315 Beall St Lenoir, NC 28645
NCPIN: 2749464713

Mr. Phillips

This notice has been sent due to the fact you have failed to comply with an order given by the housing inspector to abate the minimum housing violations at 315 Beall St. All violations were to be abated within a specified amount of time not to exceed 60 days as instructed in the Minimum Housing Order to Abate Notice sent on October 3, 2017. All violations were to be abated by Wednesday December 6, 2017.

At this time the housing inspector will be submitting an ordinance to City Council, as described below for the demolition of the dwelling located at 315 Beall St. The City Council will consider this ordinance for adoption at the January 16, 2018 6pm City Council Meeting, held in the County Chambers at 905 West Ave in Lenoir. Upon adoption of the ordinance the demolition of the dwelling will be scheduled for January 22, 2018. All fees accumulated from the demolition will be placed as a lien against the property.

Section 10-33 Failure to Comply With Order

In rem remedy. After failure of an owner of a deteriorated dwelling or dwelling unit, or of a dilapidated dwelling, to comply with an order of the inspector within the time specified therein, if injunctive relief has not been sought or has not been granted as provided in subsection (a), the inspector shall submit to the city council an ordinance ordering the inspector to cause such dwelling or dwelling unit to be repaired, altered, improved, or vacated and closed and removed or demolished, as provided in the original order of the inspector, and pending such removal or demolition, to placard such dwelling as provided by G.S. 160A-443 and section 10-34.

Sincerely,

Zach Clark
Zoning and Housing Inspector
City of Lenoir Planning Department
(828) 757-2212

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☐ Return Receipt (electronic)	\$
☐ Certified Mail Restricted Delivery	\$
☐ Adult Signature Required	\$
☐ Adult Signature Restricted Delivery	\$

Postage

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Total Postage \$

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Street and Apt.

City, State, ZIP

John William Phillips
 380 Charlois St
 Hudson, NC 28638

1-10-18
 Mark Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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1/10/2018 8:48 AM



1/10/2018 8:49 AM



1/10/2018 8:49 AM



1/10/2018 8:49 AM



1/10/2018 8:49 AM





114

1/10/2018 8:49AM



1/10/2018 8:48 AM

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

Recommendations for Appointment to Fireman's Relief Fund Board

Donna Bean, City of Lenoir Finance Director

Scott Powell, Battalion Chief, Lenoir Fire Department

City Council Board Appointments/Representatives

Lenoir Business Advisory Board

Ike Perkins, Ex-Officio member

Jonathan Beal, Ex-Officio member *New appointment

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Todd Perdue

David Stevens, Chairman

CITY OF LENOIR

AFTER ACTION MEMO

To: Department Heads/Division Superintendents

From: Scott Hildebran, City Manager

Date: Thursday, January 18, 2018

Subject: Action taken by City Council on Tuesday, January 16, 2018.
Review all information to ensure that your department maintains
action taken by City Council.

- ✓ On behalf of City Council, Mayor Gibbons presented a resolution congratulating the Hibriten High School Football Team 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."

Mayor Gibbons also recognized the following Hibriten players:

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 – Defensive Player of the Game

Noah Haney - Offensive Player of the Game

In appreciation, the coaching staff of the Hibriten Panthers presented the City of Lenoir with a commemorative plaque that included a photo of the football team and coaching staff holding a championship banner along with a listing of everyone's name.

- ✓ On behalf of City Council, Mayor Gibbons presented a resolution to Battalion 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. 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.
- ✓ City Council approved the minutes of the City Council Meeting of Tuesday, December 5, 2017 as submitted.
- ✓ City Council approved the FY2017-2018 Annual Audit Contract in the amount of \$30,105 as submitted by S. Eric Bowman, P.A.
- ✓ City Council approved 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 submitted proposal.

- ✓ City Council approved the 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).
- ✓ City Council awarded 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 request 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 associated with the project (within the established project contingency) and report those change orders at the next Council meeting.
- ✓ City Council approved an authorizing resolution authorizing the City's acceptance of state grant/loan assistance in the amount of \$6,600,000 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. Councilmember Rohr voted against this request due to his opposition to grant funding.
- ✓ City Council approved a 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 water rate.
- ✓ City Council approved an Order of Abatement Ordinance for property located at 315 Beall Street, NCPIN #274-46-4713, Parcel ID#06-16-203, directing Staff to abate the minimum housing violations by demolishing the structure on the property. This property is ranked No. 6 on the City's Minimum Housing Priority List.
- ✓ City Council approved a Budget Ordinance for the Water Treatment Plant Upgrade Project, Phase II, in the amount of \$10,050,000 which includes the expenditure of grant funds to upgrade the facility.
- ✓ Upon a recommendation by Mayor Gibbons, a list of City Council members was appointed to serve on various Committees. (A list of these representatives is attached to this report as information).
- ✓ City Council approved a recommendation by Fire Chief Ken Briscoe to appoint Donna Bean, Finance Director and Scott Powell, Battalion Chief, to serve on the Fireman's Relief Fund Board.
- ✓ City Council approved a recommendation to change the time of the February 6 City Council meeting to **5:00 p.m.** instead of the regular scheduled time of 6:00 p.m. due to a conflict.
- ✓ Reverend Charlie Rivens thanked City Council for all of their support during the Martin Luther King, Jr., celebrations and 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.
- ✓ Reverend Michael Sloan asked City Council if Rankin Street was to be changed to a one-way street. City Council clarified that no recommendations have been submitted to make this change.

- ✓ Councilmembers Crissy Thomas and Ike Perkins commended City Council, City Staff and the community for all their support during the annual Martin Luther King, Jr., Day breakfast held on Saturday, January 13 and the annual march held on Monday, January 15. Both events were very successful and well attended.
- ✓ On behalf of City Council, Mayor Gibbons commended the Public Works and Public Utilities departments for all their hard work and the outstanding job they did in repairing the number of water main breaks during the recent cold temperatures.
- ✓ Mayor Gibbons highlighted the following promotions as announced recently by the Fire and Police Departments:

Fire Department

Scott Powell	Battalion Chief
Chris Jacobs	Captain
Keith Owens	Lieutenant

Police Department

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

- ✓ The following events for the month of January were highlighted:
 - The Planning Board will meet on Monday, January 22 at 5:30 p.m.
 - The Committee of the Whole will meet on Tuesday, January 23 at 8:30 a.m., Third Floor, former Council Chambers.
 - The Lenoir Tourism Development Authority will meet on Thursday, January 25 at 3:00 p.m. at City Hall, Third Floor, former Council Chambers.
 - The Foothills Regional Airport Authority will meet on Wednesday, January 31 at noon.
 - Mayor Gibbons announced that February is Black History Month and encouraged everyone to participate in the number of events scheduled throughout the month. This list is available on the City's website at www.cityoflenoir.com.
 - 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 Membership (BREMCO) corporate office located at 1216 Blowing Rock Boulevard.