

**LENOIR CITY COUNCIL
TUESDAY, FEBRUARY 2, 2021
6:00 P.M.**

PRESENT: Mayor Joe Gibbons presiding. Councilmembers present were Jonathan Beal, Ike Perkins, Todd Perdue, and David Stevens. City Manager Scott Hildebran and Communications Director Joshua Harris were also in attendance at the meeting.

VIA TELECONFERENCE:

Participating via teleconference were Mayor Pro-Tem Crissy Thomas, Councilmembers Ben Willis, Ralph Prestwood, City Attorney T.J. Rohr, and City Clerk Shirley Cannon.

Department Directors participating via teleconference were Finance Director Donna Bean, Fire Chief Hair, Police Captain Andy Wilson, Recreation Administrative Assistant Maria Swanson, Planning Director Jenny Wheelock, Economic Development Director Kaylynn Horn, Public Utilities Director Radford Thomas, and Public Works Director Jared Wright.

Also participating via teleconference was Garrett Stell, *News Topic*.

I. CALL TO ORDER

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

GENERAL COMMENTS:

- B. Mayor Gibbons stated February is Black History Month and the City will be conducting some virtual events to celebrate this historic occasion.

Mayor Gibbons also encouraged all eligible individuals to get their COVID-19 vaccine and commented the number of cases have been declining recently. In addition, Mayor Gibbons reported Samaritans Purse field hospital that was set up in early January beside of Caldwell UNC Health Care will be dismantled on Wednesday, February 3. He expressed appreciation to Samaritans Purse, the field workers and all of the healthcare workers that were involved in this critical project. Mayor Gibbons also shared that Governor Roy Cooper is reviewing options to reopen the North Carolina school systems.

On behalf of City Council, Councilmember Todd Perdue commended Economic Development Director Kaylynn Horn and team members for all of their hard work regarding the City's Branding Campaign, "Create with Us" which has resulted in a lot of new merchandise being available that will display the new logo. This project will be implemented in the near future.

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 the minutes of the City Council meeting of Tuesday, January 19, 2021 as submitted.
2. Minutes: Approval of the minutes of the Committee of the Whole meeting of Tuesday, January 26, 2021 as submitted.

Upon a motion by Councilmember Stevens, Council voted 7 to 0 to approve the above listed items on the Consent Agenda as presented and 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

CITY/COUNTY SERVICES

COMMITTEE: 1. The City/County Services will conduct a virtual meeting on Monday, February 8 at noon.

EDC: 2. The Caldwell County Economic Development Commission will conduct a virtual meeting on Tuesday, February 9 at 8:00 a.m.

ABC BOARD: 3. The ABC Board will conduct a virtual meeting on Thursday, February 11 at 2:00 p.m.

LENOIR BUSINESS ADVISORY

BOARD: 4. The Lenoir Business Advisory Board will conduct a virtual meeting on Thursday, February 11 at 6:00 p.m.

PARKS AND RECREATION ADVISORY

BOARD: 5. The Parks and Recreation Advisory Board will meet in person on Monday, February 15 at 6:00 p.m. at the Mulberry Recreation Center.

ANNUAL BUDGET

RETREAT: 6. City Council will conduct a virtual Budget Retreat on Tuesday, February 23 from 8:30 a.m. – 11:30 a.m. during the regular Committee of the Whole meeting and on Thursday, February 25 from 2:00 p.m. – 5:00 p.m.

B. ITEMS FOR COUNCIL ACTION

SALES TAX RE-INVESTMENT AGREEMENT:

1. If Council wishes to enter into a new Sales Tax Reinvestment Agreement between Caldwell County and the Town of Gamewell, Town of Sawmills, Town of Cahah's Mountain, Town of Hudson, Town of Granite Falls and the City of Lenoir, please authorize adoption of the attached Agreement. The proposed agreement will run for a term of four (4) years – July 1, 2021 to June 30, 2025.

A copy of the agreement is hereby incorporated into these minutes by reference. (Refer to pages 56-60).

City Manager Hildebran explained this agreement governs the distribution of sales tax for a term of four (4) years and pointed out the per capita method of distribution is used. Mr. Hildebran also stated the remaining municipalities would be presenting the agreement for adoption to their Boards over the next few weeks as the executed agreement should be in place by March 1, 2021. In addition, Mr. Hildebran reported the sales tax reinvestment funding is used for economic development.

Upon a motion by Councilmember Perkins, Council voted 7 to 0 to adopt the new Sales Tax Reinvestment Agreement as described above and as recommended by City Manager Hildebran.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

BOARD APPOINTMENT:

- A. Mayor Gibbons recommends that Tim Poarch be appointed to serve a two-year term on the Parks and Recreation Advisory Board. This new appointment was announced at the January 19 City Council meeting.

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to appoint Tim Poarch to serve a two-year term on the Parks and Recreation Advisory Board as recommended by Mayor Gibbons.

BOARD ANNOUNCEMENTS:

- B. Mayor Gibbons announced the following upcoming appointments to the City's Authorities/Boards/Commissions. These appointments will be voted on at the February 16 City Council meeting.

Lenoir Tourism Development Authority

Matt Underwood

Parks and Recreation Advisory Board

**James Robertson
Michael Dineen**

Lenoir Business Advisory Board

Kimmie Rogers

Mayor Gibbons also mentioned upcoming appointments for March:

Board of Adjustments

**James Bradshaw
Mac Martin
Tim Scobie**

IX. REPORT AND RECOMMENDATIONS OF COUNCIL MEMBERS

X. ADJOURNMENT

A. There being no further business, the meeting was adjourned at 6:22 p.m.

Shirley M. Cannon, City Clerk

Joseph L. Gibbons, Mayor

NORTH CAROLINA

CALDWELL COUNTY

SALES TAX REINVESTMENT AGREEMENT

This Sales Tax Reinvestment Agreement ("this Agreement") is entered into by and among CALDWELL COUNTY("the County"), a political subdivision of the State of North Carolina, and TOWN OF GAMEWELL ("Gamewell"), TOWN OF SAWMILLS ("Sawmills"), TOWN OF CAJAH'S MOUNTAIN ("Cajah's Mountain"), TOWN OF HUDSON ("Hudson"), TOWN OF GRANITE FALLS ("Granite Falls") and CITY OF LENOIR ("Lenoir"), all being North Carolina municipal corporations (collectively "the Municipalities").

WITNESSETH:

WHEREAS, the Towns of Gamewell, Sawmills, Cajah's Mountain, Hudson, and Granite Falls and the City of Lenoir are all municipal corporations located in Caldwell County; and

WHEREAS, the Municipalities and the County desire to collectively fund economic development activities and other public purposes within Caldwell County; and

WHEREAS, the parties have agreed that these activities and purposes will be funded by the Municipalities in consideration of the County's continued election of the per capita method of distribution of local government sales and use tax among the County and the Municipalities pursuant to G.S. §105-472(b)(1), under which election the County receives less sales and use tax revenues, and the Municipalities receive more sales and use tax revenues, than they would receive if the County elected the ad valorem method of distribution; and

WHEREAS, pursuant to the authority of G.S. Chapter 160A, Article 20, Part 1, the County and the Municipalities have each resolved to enter into this interlocal agreement to provide funding for the activities and purposes set forth herein:

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties agree and contract as follows:

1. This Agreement is entered into for the purpose of collectively funding economic development activities and other public purposes in Caldwell County. It is the intention of the parties to this Agreement that those activities which are anticipated to have the greatest county-wide impact will receive priority in funding. Decisions on which economic development activities and other public purposes to fund, and the amount of funding, will be made by the Caldwell County Board of Commissioners. Provided, however, that no more than \$350,000.00 per fiscal year will be spent from the Fund for public purposes other than economic development, for four (4) consecutive years beginning with the fiscal year that begins July 1, 2021.

2. Administrative implementation of the Fund and of the activities and purposes funded thereby shall be the responsibility of the Caldwell County Manager and his staff.

3. Pursuant to the terms of previous similar agreements, the County has established a special appropriation fund ("the Fund") under the authority and control of the Caldwell County Finance Department, which has been and shall continue to be reserved for the activities and purposes herein provided. Each Municipality's contribution to the Fund shall be paid into the Fund during July of each year, beginning July, 2021. All interest earned on the monies in the Fund shall be credited to Fund and spent for the intended activities and purposes. The County shall include the Fund in its annual audit, and within two (2) weeks after its receipt of the annual audit report, it shall provide to each of the Municipalities a written report showing Fund

receipts, interest, expenditures and balance. During the term of this Agreement, the county shall continue to elect each year the per capita method of sales and use tax distribution.

4. The term of this Agreement is for a period for four (4) years, beginning July 1, 2021 and ending June 30, 2025.

5. During the four (4) year term of this Agreement, the Municipalities' respective annual contributions to the Fund shall be the following:

Gamewell	-	\$189,000.00
Sawmills	-	194,000.00
Granite Falls	-	27,500.00
Hudson	-	27,500.00
Cajah's Mountain	-	155,000.00
Lenoir	-	<u>7,000.00</u>
TOTAL		\$600,000.00

6. Monies paid into the Fund prior to July 1, 2017 that have not been expended will be used only for economic development purposes.

7. Should the sales tax revenues fall to a level below the level experienced at the time of this Agreement, each Municipality shall retain the right to request that its contribution be lowered. The request must be submitted to the County Board of Commissioners no later than January 31st. If approved, the lowered contribution would take effect in the following fiscal year, for the payment due to the County in July. Upon obtaining a request to lower the contribution amount the County shall analyze the actual sales tax receipts of each Municipality and determine if a reduction in the contribution is warranted. The ultimate authority on whether or not to reduce the contribution from each Municipality shall rest with the County Board of Commissioners.

8. This Agreement may be modified only with the unanimous consent of all of the parties hereto.

9. This Agreement supersedes all previous agreements between these parties dealing with this same subject matter.

10. Each of the signatories below hereby represents that this Agreement has been approved in an open meeting by the governing body represented by the signatory, and that the signatory has been duly authorized to execute this Agreement as the binding act of the governing body.

CALDWELL COUNTY

ATTEST:

Clerk to the Board of Commissioners

By: _____
Chairman, Board of Commissioners

TOWN OF GAMEWELL

ATTEST:

Clerk to the Town Council

By: _____
Mayor

TOWN OF SAWMILLS

ATTEST:

Clerk to the Town Council

By: _____
Mayor

TOWN OF CAJAH'S MOUNTAIN

ATTEST:

By: _____

Clerk to the Town Council

Mayor

TOWN OF HUDSON

ATTEST:

By: _____
Mayor

Clerk to the Town Council

TOWN OF GRANITE FALLS

ATTEST:

By: _____
Mayor

Clerk to the Town Council

CITY OF LENOIR

ATTEST:

By: _____
Mayor

Clerk to the City Council