

**COMMITTEE OF THE WHOLE
CITY HALL, THIRD FLOOR
TUESDAY, JANUARY 25, 2022
8:30 A.M.**

PRESENT: Mayor Gibbons, Mayor Pro-Tem Crissy Thomas, Councilmembers, Todd Perdue, Ike Perkins, Ralph Prestwood, David Stevens, Jonathan Beal and Ben Willis.

STAFF PRESENT: City Manager Scott Hildebran and Public Information Officer, Joshua Harris.

OTHERS PRESENT: Cady Davis, News-Topic.

VIA ZOOM: ABC Board Members as follows: Jerry Brooks, Chairman, Steve Stewart, and Dr. John Tye, as well as Steve Huntley, CPA. Also in attendance via Zoom were City Clerk Shirley Cannon, Finance Director Donna Bean, Planning Director Jenny Wheelock, Recreation Director Kenny Story, Economic Development Director Kaylynn Horn, Fire Chief Ken Hair, Police Chief Brent Phelps, Public Utilities Director Radford Thomas, and Public Works Director Jared Wright.

I. CALL TO ORDER

A. Mayor Gibbons welcomed the ABC Board members that joined the meeting via Zoom including Jerry Brooks, Chairman, Steven Stewart and Dr. John Tye.

B. Annual Audit Report; ABC Board: Chairman Jerry Brooks reported that 2021 was a record year for sales and stated the contribution amount of \$425,500 paid to the City of Lenoir was the largest contribution amount in the Board's history to be paid to the City.

Next, Mr. Steve Huntley, CPA, presented the annual Audit Report for the Lenoir ABC Board. Mr. Huntley stated annual distributions increased by 20% and are as follows:

City of Lenoir	\$425,500
Caldwell County Schools	\$ 53,784
Law Enforcement	\$ 22,588
Alcohol Education	\$ 24,500

Mr. Huntley shared current assets are up by 10% and reported their net position increased from \$911,120 to \$971,110 in 2021. Also, he said operating revenue increased by 15.55% and mixed beverage sales increased from \$169,680 as of June 30, 2020 to \$208,655 as of June 30, 2021. In addition, Mr. Huntley stated the fund balance increased by 20%.

Mr. Huntley also asked if any issues occurred in 2021 regarding public health and public safety due to the increased volume of sales.

Police Chief Brent Phelps responded that he was not sure the Department has the

capability to address this question but remarked that officers responded to several domestic and homicide issues during 2021 plus there was a slight increase in overdose cases. Chief Phelps reported he would further address the question when he presented the Department's annual report to City Council.

On behalf of City Council, Mayor Gibbons thanked the ABC Board members and Mike Suddreth, General Manager, for the great report and commented Council appreciates the great partnership and working relationship between the City of Lenoir and the ABC Board.

Next, Mayor Pro-Tem Crissy Thomas welcomed everyone and called the meeting to order. Mayor Gibbons pointed out this was Councilman Ben Willis' final Committee of the Whole meeting and thanked him for all he has done for the City and community.

II. CITIZEN COMMENT PERIOD

III. COMMITTEE ITEMS

A. Public Utilities: Public Utilities Director Radford Thomas gave the following report:

- The Crossroads Sewer Replacement Project that will go across the golf course should be under construction in early February and will be a very beneficial project for the City.
- The Biosolids and Metering Projects are almost complete except for several punch list items. The Gryphon dryer and belt press are operating well and he mentioned there was one remaining piece of equipment that Staff has not been able to sign off on yet.
- Reported Staff is troubleshooting the metering software and getting a 99.5% read rate which is extremely good.
- Director Thomas stated thresh holds are in place which allows the metering software to send alerts to Staff regarding leaks. Staff then contacts the customer which may not be aware that a large amount of water is being used. This information helps Staff be more pro-active. Also, he encouraged customers to sign up for the Water Smart program online in order to keep up with their water usage.
- Reported the Water Maintenance Agreement between the City and Joyceton Water Works is in place. Director Thomas said weather conditions have delayed meter installations, but noted once the meters are installed, Staff will have the capability to read the meters remotely.
- Reported McGill Associates is analyzing the Whitnel main transmission line for a possible replacement. The Preliminary Engineering study is complete and new survey work will be done for the project.
- McGill Associates is also finalizing an Engineering Study on possible interconnections with other water utilities in our area.
- Stated he is working with the Western Piedmont Council of Governments (WPCOG) to close out the ARC and Brownfields grants.
- Submitted a Brownfields Assessment grant application in the amount of \$500,000 and the City will be notified by April whether it may be funded.
- Submitted an application through FEMA for a BRIC grant for the Wastewater System Improvements Project. The total project cost is approximately \$8 million and requires a 30% local match.
- Weather conditions have caused several water leaks recently some of which were significant.

B. Public Works: Public Works Director Jared Wright reported on the following items:

- Director Wright thanked everyone who assisted with the removal of the January 18 snowfall which was the City's first significant event since 2018. He pointed out the City has 126 miles of streets to plow and mentioned the snowfall had an impact on garbage pickups as well.
- The Hotel Connector Street project is 95% complete and has gone very well. The fencing is also being replaced at the top of the slope located there.
- The Hospital Avenue project has 22 properties and is down to three full right-of-way appraisals which are currently underway.
- The Department has also applied for a BRIC grant through FEMA for the replacement of the Arrowood Bridge at an estimated cost of \$525,000 with a 30% City match.
- Reported 75% (or 9 out of 13 streets) on the City's resurfacing list has been paved. The paving of the remaining streets will be weather dependent. He clarified these 4 streets will be at the top of the paving list in the spring.
- Reported the Department has several vacancies which has caused a slight impact on services. In addition, he mentioned several employees have been out due to COVID-19.

Mayor Gibbons reported that he received a number of positive comments regarding the Street Department's removal of the snow along with trash collection.

IV. COMMUNITY DEVELOPMENT

A. The Lenoir Business Advisory Board (LBAB) conducted a virtual meeting on Thursday, January 13, 2022. Kaylynn Horn, Economic Development Director, gave the following report:

- Reported that 400 stamps were given out for the Elf on the Shelf game. She stated 23% of participants lived outside the City's zip code. Also, the Carriage Rides were very successful and will be offered again next year.
- The plays presented by Foothills Performing Arts at the former LHS Auditorium went well and a number of attendees also lived outside of Lenoir. Director Horn mentioned that Matthew Anthony, Main Street Event Planner, designed the new Bearcat logo for the LHS facility.
- Stated that Anything Office and several other businesses have changed owners.
- Reported the annual NC Main Street Conference will be virtual this year.
- Staff is currently working on planning out events for this year.

B. LTDA: Finance Director Donna Bean reported the Lenoir Tourism Development Authority discussed meetings they wish to attend at their last meeting and stated she will present their financial information in February.

In addition, Director Bean reported the LTDA has agreed to fund the new sign at Smith Crossroads at a cost of \$165,000. This project is underway and she stated they will need to also obtain the right-of-ways from NCDOT for this project.

C. Planning Board: The Planning Board met virtually on Monday, January 24, 2022. Jenny Wheelock, Planning Director reported on the following item:

- Stated there were 2 lots in the Rocky Top Planned Use Development that have setback

encroachments. This item will be placed on the February 15 City Council Agenda for Council's consideration of approval.

- C. Parks & Recreation Advisory Board: The Recreation Advisory Board did not meet in January. Kenny Story, Recreation Director, presented the following report.
- Reiterated the Foothills Performing Arts programs were a huge success and stated around 900 people attended these events at the LHS Auditorium.
 - Reported the "Toy Drive Through Give Away" held at the Martin Luther King, Jr. Center in December was a successful event.
 - Youth Basketball has 17 teams and 150 youth participating. The program is going well.
 - The high school swim meet held at the Aquatic & Fitness Center went well. Students from the area high schools competed in the meet.
 - Youth Baseball and Softball registration will be held in February.
 - Black History Month is being celebrated virtually during February. A virtual concert featuring LaRonda Carlton and the Groove Master Band will be livestreamed on Facebook on Saturday, February 5 beginning at 5:00 p.m. Also, an Essay Contest competition between schools is scheduled for Saturday, February 26. The NAACP is holding a raffle for five Black History baskets. Tickets are available at the Martin Luther King, Jr. Center or individuals may contact Councilmembers Ike Perkins or Crissy Thomas.
 - Maintenance work continues on Phase II Improvements Project at the LHS Auditorium.
 - Coaches with Appalachian State University may host a Baseball Camp at Mulberry Recreation Center in July.
 - Covid-19 vaccines are available at the MLK, Jr. Center as well as testing kits on Monday through Friday from 9:00 a.m. – 4:00 p.m.

D. Financial and Administration

1. Finance Director Donna Bean reviewed the Financial Summary as of December 31, 2021. She stated the City is in good financial shape and remains on track with its budget. The over/under balance in the General Fund is \$4,191,281.75, Downtown District (\$57,506.65), and Water & Sewer Fund \$1,493,957.03.

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

Director Bean stated the City is on target with its budget and has expended 50% for expenditures from the General Fund and revenue projections are at 71%. She also reported sales tax revenue is up 16%. In addition, Director Bean pointed out revenue is up by \$1,204,216.53 from the previous year.

Director Bean shared the Downtown District expenditures have increased due to salaries and the account is over budget at this point of the year by \$21,000 due to events and salaries. She pointed out the tax rate for the Downtown District was lowered by \$0.05 last year.

The Water and Sewer Fund is on target with its budget and expenditures are down. The over/under balance in the fund is \$1,493,957.03.

2. ARPA Funding Discussion and One-time Bonus Consideration: Director Bean reviewed the background information regarding the American Rescue Plan Act (ARP) which was signed into law in March 2021. The legislation included the first directive to municipalities, non-competitive formula-based grants from the US Treasury in history. Two tranches of funding are being paid directly to the City of Lenoir totaling approximately \$3.8 million. This amount is about 13.5% of the City's total operation budget this year. She reported the first payment was received in May 2021 and the second payment is expected in May of 2022. In addition, the deadline for dedicating the ARP funds is set for December 2024 and the deadline for expending the funds is set for December 2026.

Director Bean reported that recently, the US Treasury provided the Final Rule identifying acceptable uses of the funds. The final rule is less restrictive than the interim rule and allows the City to utilize funding for general governmental services. The broad categories include COVID response and economic assistance, certain essential worker payroll expenses, premium pay, revenue replacement, and investments in water and sewer.

Director Bean reviewed a pie chart for the City's Preliminary Spending Plan. The plan developed by City Staff focuses spending around three major areas of investment: infrastructure, premium pay and general governmental services under the revenue replacement guidelines. Next, she explained that this plan focuses spending around achieving the existing strategic priorities of the City by investing infrastructure and enhancing existing public services provided by the City. Director Bean emphasized that investments in these areas is where we can achieve the greatest impact. They are as follows:

- Premium Pay	\$692,200
- Greenway Expansion & Upgrades	\$200,000
- Master Planning	\$200,000
- Cyber Security & Software	\$300,000
- Future Grant Matches	\$500,000
- Fire Truck	\$700,000
- Automated Garbage Truck	\$300,000
- Water & Sewer Project	\$942,491

Director Bean stated the above expenditures would be completed in two phases and reiterated they address City Council's priorities. The total amount for Phase I and Phase II is \$3,834,691.00. Also, Director Bean pointed out these items meet federal and state guidelines regarding how this funding may be spent.

Ms. Bean discussed the Us Treasury guidelines which allows for premium pay to be retroactive or prospective pay and it may either be in the form of a pay increase or a bonus. Government Units may provide premium pay retroactively, dating back to the start of the public health emergency on January 27, 2020.

To be eligible, the employee must have regular in-person interactions or regularly handle physical items that were handles by others. An individual who teleworked from a residence may not receive premium pay for the time teleworking.

Information was presented regarding the history of the American Rescue Plan Act (ARPA) which was signed March 11, 2021, and allows ARPA funds to be used and/or supplement operating funds for "premium pay" to those performing essential work during the pandemic. City Manager Hildebran stated that similar Premium Pay Plans have already been approved by the City of Hickory, Caldwell County Schools, Caldwell County, City of Newton, and the Town of Granite Falls.

Director Bean discussed the guidelines for Premium Pay which are:

- Available to full-time and part-time employees, from January 27, 2020, the start of the public health emergency through January 27, 2022 (24 months). The Premium Pay Policy covers 255 full-time and two part-time employees.
- Full-time employees: payment of \$100/month for each month worked since January 27, 2020, with a maximum of \$2,400 per employee who is actively employed as of February 11, 2022.
- Part-time employees: payment of \$50/month for each month worked since January 27, 2020, with a maximum of \$1,200 per employee who is actively employed as of February 11, 2022. Part-time employees must work an average of 20 hours per week to be eligible.
- Pay is subject to 401K (LEOs only), retirement, and FICA taxes.
- Total cost to the City, utilizing ARPA Funds, is approximately \$692,220.00 budgeted to cover premium pay and benefits.
- Employees will receive the Premium Pay through a special payroll that will be processed on Friday, February 11, 2022. Employees will receive a separate payroll remittance advice for the Premium Pay.

She stated that if City Council approves the request today to move forward with the Premium Pay, any necessary budget amendments would be submitted for approval at the next Council meeting on Tuesday, February 1, 2022.

A discussion was held regarding how the funding is allocated. City Manager Hildebran reiterated that the above listed items are items the City can legally allocate the funding for while meeting all state and federal guidelines as well as serving the biggest purpose for the City.

Director Bean discussed the fact that City of Lenoir employees have continued to provide essential services to citizens throughout the pandemic and there has been no disruption to City-provided essential services, since the start of the public health emergency since January 27, 2020 or even during EO 121, Stay at Home order that was issued by Governor Cooper on March 27, 2020, which defined government employees as "essential workers".

Motion (Premium Pay)

Upon a motion by Councilmember Stevens, City Council voted 6 to 0 to approve the request for Premium Pay for eligible employees for a one-time bonus totaling \$692,200.00 as recommended and as presented by Finance Director Bean.

- F. Public Communications: A copy of the December 2021 Communications Report was presented to City Council as information.

Director Harris reported there were 13 news releases, 476 photos, 141 social posts, 31 notify me requests, 29 questions & answers and 4 e-sign ups. The website experienced 36,224 views and reached 265,498 people via Facebook and Twitter. Also, there were 456 new followers.

V. PUBLIC SAFETY

A. Police Department

1. Update; Police Department: On behalf of all of the Department Directors, Police Chief Brent Phelps thanked City Council and expressed appreciation for all of their support for each department. He briefly reviewed the highlights of the Department's 2021 Third Quarterly Report for July, August and September that was presented to City Council as information.
2. Update; Code Enforcement Issue, West End Community: Chief Phelps and Planning Director Jenny Wheelock presented an update on the current code enforcement issue in the West End Community.

Using power point slides, Director Wheelock summarized the City's current code enforcement procedures, and provided updated information on housing and zoning enforcement and tax foreclosures in the West End community. Police Chief Phelps addressed grass and nuisance abatement cases. General discussion ensued about demolitions, foreclosures, and funding necessary to address issues with abandoned and dilapidated properties in West End and other neighborhoods experiencing similar disinvestment (Freedman; Whitnel).

Director Wheelock and Chief Phelps will bring additional information to continue this discussion at the February's annual Planning Retreat scheduled for February 11.

2. Update; Fire Department: Fire Chief Ken Hair gave a brief overview of the Department's 2021 Quarterly Report for October, November and December. He stated the most notable impact was the drought our area was in which caused the North Carolina Forest Service and the City Fire Marshal to enact an "Open Burning Ban" for all outside fires in our City and state during the first part of December until we received significant rain.

VI. OTHER

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

- B. Black History Month will be celebrated during the month of February.

VII. Adjourn

There being no further business; the meeting was adjourned at 11:18 a.m.

Attachments

December Financial Summary



**City of Lenoir
Financial Summary
As of 12/31/2021**



General Fund					
	2021-2022 Budget	12/31/2021	% of Budget	Change from Previous Year	12/31/2020
Total Revenue	\$ 18,594,890.00	\$ 13,155,906.16	71%	\$ 1,204,216.53	\$ 11,951,689.63
Expenditures	\$ 18,594,890.00	\$ 8,964,624.41	48%	\$ 440,612.61	\$ 8,524,011.80
Over/Under	\$ -	\$ 4,191,281.75		\$ 763,603.92	\$ 3,427,677.83
Downtown District					
	2021-2022 Budget	12/31/2021	% of Budget	Change from Previous Year	12/31/2020
Revenues	\$ 184,638.00	\$ 29,988.11	16%	\$ (4,913.82)	\$ 34,901.93
Expenditures	\$ 184,638.00	\$ 87,494.76	47%	\$ 16,427.65	\$ 71,067.11
Over/Under	\$ -	\$ (57,506.65)		\$ (21,341.47)	\$ (36,165.18)
Water/Sewer Fund					
	2021-2022 Budget	12/31/2021	% of Budget	Change from Previous Year	12/31/2020
Revenues	\$ 9,629,744.00	\$ 4,984,358.26	52%	\$ 151,957.79	\$ 4,832,400.47
Expenditures	\$ 9,629,744.00	\$ 3,490,401.23	36%	\$ (73,119.70)	\$ 3,563,520.93
Over/Under	\$ -	\$ 1,493,957.03		\$ 225,077.49	\$ 1,268,879.54