LENOIR CITY COUNCIL
TUESDAY, AUGUST 19, 2025
6:00 P.M.

PRESENT: Mayor Joe Gibbons presiding. Councilmembers present were Jonathan Beal, Ike Perkins, Ralph Prestwood, Kimmie Rogers, Crissy Thomas, City Manager Scott Hildebran, City Clerk Lauren Hartley and City Attorney Timothy Rohr.

CITY STAFF: In attendance was Finance Director Donna Bean, Interim Director of Special Projects and Grants David Coffey, Economic Development Main Street Director Brenda Floyd, Public Information/Communication Director Joshua Harris, Fire Chief Norman Staines, Police Chief Andy Wilson, Planning Director Hannah Williams, Parks & Recreation Director Phil Harper, Public Services Public Utilities Director Jeff Church.

ABSENT: Mayor Pro-Tem David Stevens, Councilman Todd Perdue, Public Services & Public Works Director Jon Hogan

I. CALL TO ORDER

A. Mayor Gibbons congratulated Lester Whittington, Martin Luther King Jr. Center Manager on 31 years of service to the City of Lenoir. He is a loyal worker and has accomplished great things for the recreation program. The City named the lobby and entrance hall located at the Martin Luther King Jr. Center in his honor, which was presented during the Harambee Festival.

Next, Mayor Gibbons reported the City of Lenoir received a certificate of recognition from the Governor's office for the participation in the North Carolina Litter Sweep Program. Public Information/Communication Director Joshua Harris thanked City staff for participating over the years. Harris stated this year we encourage residents to participate along with City staff.

Mayor Gibbons recognized Public Information/Communication Director Joshua Harris on completing the Public Executive Leadership Academy through the UNC School of Government.

Mayor Gibbons stated our nation will be celebrating America 250 on July 4, 2026. Until then, we will be commemorating the 250th anniversary by hosting various events along with surrounding municipalities. Please refer to caldwellcountync.org to stay updated on events.

B. Moment of Silence & Pledge of Allegiance

II. MATTERS SCHEDULED FOR PUBLIC HEARING:

III. CONSENT AGENDA ITEMS:

A. Minutes: Approval of the City Council minutes of the meeting of Tuesday, August 5, 2025 as submitted.
B. Renewal Aiken Parking Lot Lease: Staff recommends approval of a 10-year Parking Lease Agreement between the City of Lenoir and Christopher E. and Janet D. Aiken, for the use of the parking lot at 1020 West Avenue. The rental amount to be paid shall be an annual amount equal to annual ad valorem taxes due the City of Lenoir, which is $326.44 in 2025.
C. Contract VertexOne (WaterSmart): Consideration to approve a five-year subscription with VertexOne to provide an online customer portal and dashboard – Vxsmart. In June 2024, Council approved a contract with Mueller to provide online account access with VertexOne, but Mueller is no longer providing that service. Staff recommends City Council approve a direct five-year contract with VertexOne as presented, with a contract total of $123,384.37.
D. Metering Project Close-out: The City adopted the Capital Project Budget Ordinance for the Metersys Capital Project in June of 2019 with a total project budget of $4,400,000. The project finished under budget by $15,978.75, with total expenditures of $4,384,021.25. Staff requests Council to approve the Capital Project Budget Ordinance to Close Capital Project, as submitted.
E. Capital Project Ordinance - Aquatics Center Improvements: Consideration of a Capital Project Budget Ordinance Amendment in the amount of $269,710 for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) – Lenoir Aquatic and Fitness Center (LAFC) Project. The amendment increases the Capital Project Budget Ordinance to $1,360,085. The Amendment is necessary due to increased costs for the LAFC renovation. Staff recommends City Council to adopt the Capital Project Budget Ordinance Amendment, as submitted.

Upon a motion by Councilmember Perkins, City Council voted 5 to 0 to adopt the above listed items (A through E) on the Consent Agenda as listed and recommended.

IV. REQUESTS AND PETITIONS OF CITIZENS

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information
1. The ABC Board will meet on Wednesday, August 20 at 2:00 p.m.
2. The Planning Board will meet on Monday, August 25 at 5:30 p.m. at the City/County Chambers.
3. The Committee of the Whole will meet on Tuesday, August 26 at 8:30 a.m. at City Hall, Third Floor Conference Room.
4. The Foothills Regional Airport Authority will meet on Wednesday, August 27 at noon at the Airport facility.
5. The Carolina Tattoo & Arts Gathering event is scheduled for Friday, August 29 through Sunday, August 31 in downtown Lenoir at the Harper Room located at 1016 Harper Avenue NW.
6. City Offices will be closed on Monday, September 1 in observance of Labor Day.
7. The 39th Annual Sculpture Festival will be held Saturday, September 6 from 9:00 a.m. to 4:00 p.m. at the T.H. Broyhill Walking Park.

B. Items for Council Action

1. Bid-PARTF Aquatics Center Improvements: Consideration of award of the Guaranteed Maximum Price (GMP) construction contract for renovation improvements to the Lenoir Aquatics and Fitness Center (LAFC) to JM Cope Construction, with a total contract amount of $924,825.00. City staff engaged JM Cope Construction for the LAFC project to complete a design build process offering turn-key project delivery. Staff recommends awarding the GMP construction contract, as submitted.

   City Manager Scott Hildebran stated Phase 1 of the project has been completed, which included the construction of a splash pad at the Rotary Soccer Complex. Phase 2 includes design work and interior renovation improvement construction, Guaranteed Maximum Price interior renovations improvement that will include the addition of an ADA family bathroom, addition of a breakroom for staff, relocating the whirlpool/hot plunge to the indoor pool area, renovations of three locker rooms, repairs to the ceiling, painting, installing full size doors to the racquetball rooms, floor renovations, and renovating/constructing a corridor. Phase III will be the installation of a replacement slide at the outdoor pool. The contract total of $924,825.00 also includes contingencies and is a Guaranteed Maximum Price.

   The JM Cope Construction representatives and City of Lenoir Interim Director of Special Projects and Grants David Coffey were in attendance for any questions.

   Upon a motion by Councilmember Beal, City Council voted 5 to 0 to approve the construction contract Bid-PARTF Aquatics Center Improvements to JM Cope Construction in the amount of $924,825.00, as presented.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

Councilmember Rogers reported on a Tomato Blast event at the Unity Park and Community Gardens on August 22nd from 5:30-7:00 p.m.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:15 p.m.

____________________________ ____________________________

Lauren Hartley, City Clerk | Joseph L. Gibbons, Mayor

BK 2143 PG 673 - 678 (6)
This document presented and filed:
08/26/2025 10:27:24 AM

Fee $26.00

10110179

Caldwell County North Carolina
Wayne L. Rash, Register of Deeds

North Carolina

Caldwell County

LEASE

This contract of lease made and entered into this 19th day of August, 2025, by and between Christopher E. Aiken and Janet D. Aiken, Lenoir, North Carolina 28645, Party of the First Part, and the City of Lenoir, a North Carolina municipal corporation, Party of the Second Part; both of Caldwell County, North Carolina.

That subject to the terms and conditions herein set out, said Party of the First Part doth hereby let and lease unto said Party of the Second Part, and said Party of the Second Part doth hereby accept as tenant of said Party of the First Part, a certain lot in Lenoir, Caldwell County, North Carolina, located at the following address; from 1020 West Avenue, NW, Lenoir, Caldwell County, North Carolina, and more specifically described as: BEING all of Lot No. 2 containing 0.441 acres being a portion of Deed Book 1749, at Page 832, as shown on plat entitled "Boundary Survey of the EMW Properties, LLC and Minor Subdivision of the City of Lenoir property, Lenoir Township, Caldwell County, N.C., for Aiken Development, prepared by Western Carolina Surveyors, P.A., recorded in Plat Book 31, at Page 129, Caldwell County Registry, reference to which is hereby made for more particular description, as recorded in the Caldwell County Registry at Book 1749 at pages 832- 839 (NC PI N 279772207).

The Terms and conditions of this lease being as follows:

The lease shall begin as of the first day of October, 2025, and, unless sooner terminated as herein provided, shall exist and continue until and including the last day of September, 2035. In addition, the City of Lenoir may renew the term of this lease for an additional period of up to ten (10) years beyond said September 2035, date upon the same terms and conditions as set forth herein. Such ten-year renewal of the lease shall occur automatically without notice, unless either

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party shall provide written notice to the other party electing not to renew the lease at least thirty (30) days prior to the expiration of the initial ten-year period.

The rental amount to be paid by said Party of the Second Part for said premises shall be an annual amount equal to annual *ad valorem* taxes due the City of Lenoir which shall accrue upon and be attributable to the leased premises. Such payment shall be due and payable on or before the 30th day of September of each year during the term of the lease. The Party of the First Part, shall be responsible for timely payment of the annual *ad valorem* taxes due Caldwell County. Such rental payment shall be made by the Party of the Second Part by direct payment to the tax collector of the City of Lenoir of amount attributable to such municipal *ad valorem* taxes as the same shall become due each year during the term of the lease. In the event of an *ad valorem* tax re-valuation of the premises, the amount of the annual rental payment shall respectively increase or decrease to the annual amount of the municipal *ad valorem* taxes due on the property as a result of any such re-evaluation. For the purpose of this lease, the current annual rental amount shall be calculated at the rate of $329.44 per year with a tax rate of .4685 per $100 in accessed value and the downtown special district tax rate of .18 per $100 in accessed value, payable annually as stated above.

In the event that the leased premises shall be combined with the adjoining tract also owned by the Party of the First Part (NC PIN 2749772374) into a combined single tax lot for ad valorem tax purposes, then the annual rental amount due for subsequent years shall be calculated as a portion of the resulting new municipal ad valorem amount due the City of Lenoir on the new combined tract and tax lot in the following ratio:

$50,800.00 (the current tax value on the leased premises lot) divided by $478,700.00 (the combined current tax values of both the leased premises and the said adjoining lot –$50,800 + $427,900), or ten and sixty-one one hundredths percent (10.61%) of such amount due.

The Party of the Second Part may use the leased premises as a municipal public parking lot each weekday from 5:00 p.m. until 5:00 a.m. Monday through Friday, and all weekends from Friday at 5:00 p.m. through the following Monday at 5:00 a.m. ("Lease Periods"). The Party of the Second Part may also designate 5 business weekdays per each annual lease period, from 5:00 a.m. until 5:00 p.m. for its additional use of the premises as a municipal public lot. Such designation shall be made in writing to the Party of the First Part at least thirty (30) days prior to the date of such designated weekday(s).

As part of the consideration for acquisition of ownership of the leased premises from the City of Lenoir, the Party of the First Part is obligated to maintain "pedestrian scaled" outdoor lighting for the parking lot at a location and pursuant to specification designated and approved by the City of Lenoir. During the pendency of this lease the Party of the Second Part shall pay the Duke Energy monthly electric service charges attributable to such lighting facility.

The Party of the Second Part shall be responsible for cleaning up the parking lot after public events that are sponsored or permitted by the City of Lenoir. In addition, the Party of the Second Part shall be responsible for repairing damage to the parking lot which may occur as a result of use of the parking lot during Lease Periods resulting from use by unusually heavy vehicles or equipment or by outriggers/ blocking, and the City should have appropriate restrictions on parking or use to minimize the risk of such damage. The Party of the First Part shall be responsible for such damage during times outside of the Lease Periods, as well as for normal wear and tear and basic maintenance of the parking lot, such as re-sealing, striping, hole repair, etc.

The Party of the Second Part agrees to indemnify and hold the Party of the First Part harmless from claims which may subsequently be asserted during the term of lease by the third parties during the pendency of this lease as a result of the operation of a parking lot by the Party of the Second Party during hours of municipal parking. The Party of the First Part agrees to indemnify and hold the Party of the Second Part harmless from claims which may subsequently be asserted during the term of lease by the third parties during the pendency of this lease as a result of the operation of a parking lot by the Party of the First Part during hours of parking on weekday periods not designated for use by the Party of Second Part.

In testimony whereof, said parties have hereunto set their hands and seals.

CITY OF LENOIR, NC
CHARTERED
JANUARY 28, 1851

SEAL

PARTY OF THE FIRST PART

BY: ______________________(SEAL)
Christopher E. Aiken

______________________(SEAL)
Janet D. Aiken

PARTY OF THE SECOND PART
CITY OF LENOIR

______________________(SEAL)
Joseph L. Gibbons, Mayor

ATTEST:

____
Lauren Hartley, City Clerk

NORTH CAROLINA
CALDWELL COUNTY
I Lauren Hartley certify that the following person(s) personally appeared before me this day, and (I have personal knowledge of the identity of the principal) (I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a drivers license) (a credible witness has sworn to the principal's identity); acknowledging to me that theyvoluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Christopher D. Aiken.

Date: August 25, 2025

LAUREN HARTLEY NOTARY PUBLIC CALDWELL COUNTY, NC
(Official Seal)

Official Signature of Notary Public
Lauren Hartley
Printed Name of Notary Public

My Commission Expires: 8/16/2026

NORTH CAROLINA
CALDWELL COUNTY
I certify that the following person personally appeared before me this day, and (I have personal knowledge of the identity of the principal) (I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a driver license) (a credible witness has sworn to the principal's identity); acknowledging to me that they voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Janet D. Aiken.

Date: August 25, 2025

LAUREN HARTLEY NOTARY PUBLIC CALDWELL COUNTY, NC
(Official Seal)

Official Signature of Notary Public
Lauren Hartley
Printed Name of Notary Public

My Commission Expires: 8/16/2026

NORTH CAROLINA
CALDWELL COUNTY
I certify that Lauren Hartley personally appeared before me this day and acknowledged that they are City Clerk for the City of Lenoir, a North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Joseph L. Gibbons as its Mayor, sealed with its corporate seal and attested by Lauren Hartley as its City Clerk.

Witness my hand and official stamp or seal, this 25th day of August, 2025.

B ELIZABETH CHURCH
NOTARY PUBLIC
Caldwell County
North Carolina
My Commission Expires 6/26/2028

B. Elizabeth Church
Official Signature of Notary Public
B. Elizabeth Church
Printed Name of Notary Public

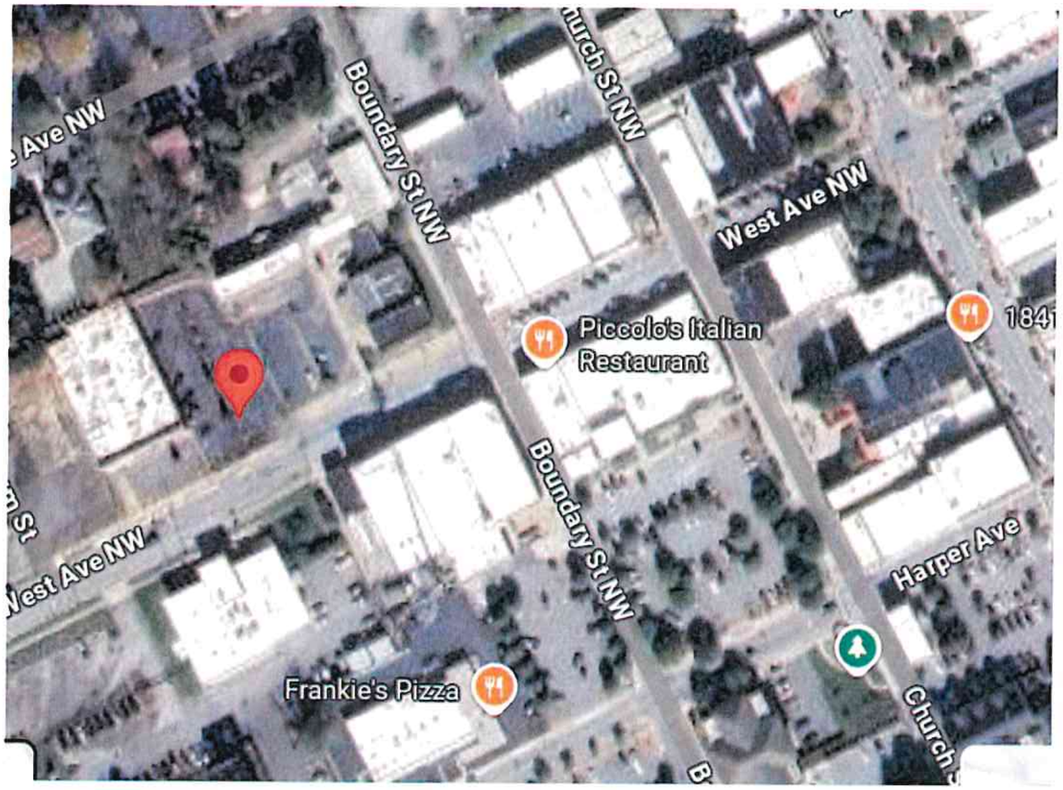
My Commission Expires: 6/26/2028

(Official Seal)

The foregoing Certification(s) of________________________ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

REGISTER OF DEEDS FOR____________________ COUNTY

By ______________________________
Deputy/Assistant-Register of Deeds


Boundary St NW
West Ave NW
Piccolo's Italian Restaurant
Boundary St NW
West Ave NW
Harper Ave
Frankie's Pizza

vertexone™

1321 Upland Dr. Suite 8389
Houston, TX 77043
United States

ORDER FORM

Prepared By: Eric Thompson
Email: eric.thompson@vertexone.net
Phone: (314) 401-0808
Legal Entity: VertexOne Software, LLC

Client Name: Lenoir NC, City of
Contact Name: Jeff Church
Email: jeff.church.@lenoirnc.gov
Phone: 828-757-2175

Offer Valid Through: 9/30/2025
Effective Date: 9/15/2025
Contract Term (months): 60
Contract End Date: 9/14/2030
Payment Frequency: Annually in Advance
Payment Terms: Net 30

Year 1

VertexOne Product	VertexOne SKU	Unit of Measure	Contractual Minimum	Unit Fee	Amount	Monthly SaaS Fee
VXsmart for Water Saas	EV2001	Managed Meters	10,700.00	$0.70000	$7,490.00	$624.17
VertexOne Digital Base	EV1000	Active Accounts	1.00	$15,750.00000	$15,750.00	$1,312.50

Year 2

VertexOne Product	VertexOne SKU	Unit of Measure	Contractual Minimum	Unit Fee	Amount	Monthly SaaS Fee
VXsmart for Water Saas	EV2001	Managed Meters	10,700.00	$0.72100	$7,714.70	$642.89
VertexOne Digital Base	EV1000	Active Accounts	1.00	$16,222.50000	$16,222.50	$1,351.88

Year 3

VertexOne Product	VertexOne SKU	Unit of Measure	Contractual Minimum	Unit Fee	Amount	Monthly SaaS Fee
VXsmart for Water Saas	EV2001	Managed Meters	10,700.00	$0.74263	$7,946.14	$662.18
VertexOne Digital Base	EV1000	Active Accounts	1.00	$16,709.17500	$16,709.18	$1,392.43

Year 4

VertexOne Product	VertexOne SKU	Unit of Measure	Contractual Minimum	Unit Fee	Amount	Monthly SaaS Fee
VXsmart for Water Saas	EV2001	Managed Meters	10,700.00	$0.76491	$8,184.54	$682.04
VertexOne Digital Base	EV1000	Active Accounts	1.00	$17,210.45025	$17,210.45	$1,434.20

vertexone™

1321 Upland Dr. Suite 8389
Houston, TX 77043
United States

Year 5

VertexOne Product	VertexOne SKU	Unit of Measure	Contractual Minimum	Unit Fee	Amount	Monthly SaaS Fee
VXsmart for Water Saas	EV2001	Managed Meters	10,700.00	$0.78786	$8,430.10	$702.51
VertexOne Digital Base	EV1000	Active Accounts	1.00	$17,726.76376	$17,726.76	$1,477.23

ORDER TOTAL $123,384.37

Transactional Fees

Price Component	Price	Note
System Generated Notifications	$0.00	Unlimited notifications are included at no-cost to Client
On Demand Notifications Composition and Initiation Fee	$0.005	Per On Demand communication (Email, SMS, Print and/or Call) generated by VertexOne
Electronic Document Archival Notifications and Document Images (up to 24 months)	$ 0.005	One-time charge, per item archived within VertexOne. This applies to all documents that incur composition fees (detailed above) or documents uploaded by Client staff and/or Client end-customers.
VertexOne SMS Gateway Transactional Fee	*Cost + 10%*	Per SMS sent
VertexOne Print & Consumable Transactional Fee	*Cost + 10%*	All services bill to VertexOne by VertexOne print vendors exclusively for printed Welcome Letters, Home Water Reports and/or Leak Alerts

Rate Card

Rate Card	Price	Note
VertexOne Blended Rate	$ 225.00	Per hour for professional services

Terms and Conditions

Introduction

This order replaces and supersedes any other previous Order Forms, and/or understandings between VertexOne Software, LLC and Lenoir NC, City of ("Client") Agreement dated, 9/15/2025, pertaining to the subject matter herein and for the products listed above. Notwithstanding the foregoing, Client shall remain responsible for any and all amounts already due and/or payable for the products listed above up to the Billing

vertexone™

1321 Upland Dr. Suite 8389
Houston, TX 77043
United States

Start Date of this Order. In the event of a conflict between the Agreement and this Order Form, the Order Form shall control. VertexOne pricing is presented in USD.

Timely Renewal Policy

If Client uses the Software beyond the Subscription End Date, VertexOne may apply a twenty-five percent (25%) increase to the Fees and may, in its sole discretion, add new charges (including charges to account for increases or decreases in transaction volume). If Client has agreed to a renewal (in an Order Form or Statement of Work) before the Subscription End Date or the first day of the hold-over period, the relevant Order Form or Statement of Work associated with such renewal shall prevail. Client understands that pricing is contingent on timely renewal and failure to timely renew requires VertexOne to allocate resources in a manner that incurs additional cost. If a renewal is agreed after the hold-over period, no refund or credit against future fees will be given.

Change Management Policy

Where either Party sees the need for a change, Client may request or VertexOne may recommend such Change in accordance with the Change Management Process outlined in Exhibit A. Either Party may also seek additional information or suggest reasonable modifications to a proposed change. Additional work falling under the Change Management Policy will be billed at the VertexOne Blended Rate, excluding travel expenses. The VertexOne Blended Rate is subject to Annual Escalation increases per the Agreement terms.

Transactional Fees

Transactional Fees include, Composition Fee, Document Archival, SMS Pass Through and Print Pass Through. The Annual Pricing detailed in this Quote are based on average usage, actual pricing will be based on Client usage on a monthly basis. Transactional Fees are calculated by the volume of Services consumed.Unless explicitly stated otherwise, Transactional Fees are not cancelable, and Fees paid are not refundable.

Signatures

	VertexOne		Client
Name:	Keith Foester	Name:	Scott Hildebran
Title:	CFO	Title:	City Manager
Date:	8/22/2025	Date:	8/19/25
Signature:	DocuSigned by: [signature] 2929B544BC9C41D...	Signature:	[signature]

vertexone

Master Services Agreement

Prepared For **City of Lenoir, NC**

Eric Thompson Account Manager - VertexOne

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VertexOne Master Services Agreement

This VertexOne Master Services Agreement is comprised of the VertexOne General Terms set for the below ("General Terms"), and all Attachments, Order Form(s), and Statement(s) of Work that are incorporated by reference into the VertexOne Master Agreement (collectively, the "Agreement"), and is entered into by VertexOne Software, LLC, a Delaware limited liability company located at 1321 Upland Dr., Suite 8389, Houston, TX 77043 ("VertexOne") and City of Lenoir, with its principal office address at PO Box 958, Lenoir, NC 28645 ("Client").

The following documents to the extent they are attached and incorporated by reference herein ("Attachments") shall be read and construed as part of the Agreement. In the event of ambiguity or contradiction between different parts, precedence shall be given in the order listed: (i) Order Form(s); (ii) General Terms; and (iii) Statement(s) of Work, and (iv) any other Attachment(s).

VertexOne Master Agreement General Terms

1. Definitions.

"Affiliate" means any entity that directly or indirectly Controls, is Controlled by, or is under common Control with that entity, and shall include any such entity that meets such test whether before or after the Effective Date. Control means control of greater than 50% of the voting rights or equity interests of a party.

"Applicable Law" means any applicable law, statute, regulation, rule, notice, judgment, order, instruction or award of any court or other Competent Authority and any applicable official request or requirement with which either or both of the parties is or are legally required to comply, in each case as amended from time to time.

"Authorized Users" means employees, agents, consultants, contractors, or vendors authorized by Client to use the Software, subject to the terms and conditions of this Agreement.

"Client Data" means any data (including any Client Personal Data as defined in any applicable Order Form), contained in documents, text, drawings, diagrams, images, messages (together with any database made up of any of those), embodied in any medium, that are supplied to VertexOne by or on behalf of Client, or which VertexOne is required to generate, process, store or transmit pursuant to this Agreement, or any data that is initiated or authorized by the Client.

"Confidential Information" means any business, technical, or other information that one party or its Affiliates, or the Recipient's employees, Affiliates, agents, or professional advisors (the "Delegates") of such party or its Affiliates ("Disclosing Party") discloses to the other party or its Affiliates, or the Delegates of such party or its Affiliates ("Recipient") under the Agreement, and that is marked as confidential or would normally be considered confidential information under the circumstances. Confidential Information does not include information that is independently developed by the recipient, is shared with the recipient by a third party without confidentiality obligations or is or becomes public through no fault of the recipient.

"Indemnified Materials" means the products, information, and materials provided by either the Client or VertexOne under this Agreement.

"Intellectual Property Right(s)" means all copyrights and other intellectual property rights, however arising and in any media whether or not registered, including copyright, patents, trademarks, service marks, trade names, registered and unregistered designs, trade secrets, any applications for the protection or registration of those rights, and renewals and extensions of those rights, throughout the world

"Liability" means any liability, whether under contract, tort (including negligence), or otherwise, regardless of whether foreseeable or contemplated by the parties.

"Order Form" means an ordering document specifying the Services to be provided hereunder that is entered into between VertexOne and Client or any of VertexOne's Affiliates, including any addenda, attachments, schedules, and supplements thereto.

"Personnel" mean all employees, agents, consultants, or subcontractors of VertexOne or Client, as applicable.

"Services" has the meaning described in the applicable Order Forms, Statement of Work, or Attachments.

"Software" means any web-based or offline software application that is provided by VertexOne.

"Statement(s) of Work" means an Attachment that contains a description of applicable Software or Services to be provided by VertexOne to Client, as well as any milestones, deliverables, and Client obligations.

"Territory" means the United States and Canada, or any other jurisdiction identified in the Order Form.

"Third-Party Materials" means any software programs or services that are made available by third parties that are provided to Client under this Agreement.

"URL" means a uniform resource locator address to a site on the internet and includes any general terms arising from a URL mentioned in this Agreement, an Attachment, Order Form, or Statement of Work.

2. VertexOne Responsibilities.

1. Provision of Services; Access and Use. After the parties complete and execute one or more Order Forms, or Statement of Work, and subject to payment of all applicable fees, VertexOne will provide the Services to Client in accordance with the Agreement and hereby grants Client, during the Term, a non-exclusive, non-transferable right to access and use (and permit Authorized Users to access and use) the Software and Services solely for Client's internal business purposes within the Territory and in the quantity specified in the applicable Order Form.
2. Compliance with Law. Each party will comply with all laws and regulations applicable to its provision, receipt, or use of the Services, as applicable. Each Party will remain responsible for its own regulatory compliance. This Agreement is not intended to and shall not be deemed to delegate any regulatory requirement.
3. VertexOne shall promptly correct any defect or substitute Services, Software, or products to achieve the functionality and benefits originally specified in the Order Form or Statement of Work. If VertexOne makes such correction or substitution, VertexOne shall have no further liability with respect to said defect(s).

3. Client Obligations.

1. Client will perform responsibilities and shall fulfill them with the necessary due care and skill within the timescales specified in this Agreement and any applicable Attachments, or if no timescales are specified, as instructed by VertexOne consistent with this Agreement. Client shall provide: (i) all timely and reasonable assistance to VertexOne as reasonably requested or required by VertexOne in order for VertexOne to be able to provide (and for Client to be able to receive) the Services, and (ii) all Internet and technology requirements required to access, connect to, and receive the VertexOne Services.
2. Restrictions on Use. Client shall not (directly or indirectly): (a) copy or reproduce the Software except as permitted under this Agreement; (b) modify, reverse engineer or disassemble the Software or decompile, attempt to derive the source code or underlying ideas or algorithms of any part of the Software or use the Software for any competitive purpose; (c) interfere with or disrupt the integrity or performance of the Software; (d) attempt to gain unauthorized access to the Software or its related systems or networks, or perform unauthorized penetrating testing on the Software.

4. Payment Terms.

1. Payment. VertexOne will invoice Client for the applicable fees and Services, as set forth in the Order Form and Statements of Work ("Fees"). Unless otherwise agreed upon in this Agreement, Client will pay

VertexOne all invoiced amounts by thirty (30) days after receipt of the invoice (the "Payment Due Date"). Client shall notify VertexOne of any disputed invoices within ten (10) days of receipt of the Invoice, and if such notice is not provided the invoice will be deemed accepted.

2. Taxes. Client is responsible for paying all taxes associated with its purchases hereunder. If VertexOne has the legal obligation to pay or collect taxes, VertexOne will invoice Client and Client will pay that amount unless Client provides VertexOne with a valid tax exemption certificate authorized by the appropriate taxing authority.
3. Overdue Payments. If Client's payment is overdue, then VertexOne shall be entitled but not obligated to suspend services due to delinquent payments, and any late payments shall be subject to an additional charge of the lesser of 1.5% per month or the maximum permitted by law.
4. Upon (a) any automatic extension of the Term or the Subscription End Date, or (b) use of the Software beyond the Term or Subscription End Date, VertexOne shall apply a twenty-five percent (25%) increase to the Fees and may in its sole discretion add new charges (including charges to account for increases or decreases in transaction volume). If Client has agreed to a renewal (in an Order Form or Statement of Work) before the automatic extension date, Subscription End Date, or the first day of the hold-over period, the relevant Order Form or Statement of Work associated with such renewal shall prevail. Client understands that pricing is contingent on timely renewal and failure to timely renew requires VertexOne to allocate resources in a manner that incurs additional cost. If a renewal is agreed after the extension or hold-over period, no refund or credit against future fees will be given.

5. Intellectual Property.

1. Intellectual Property Rights. Except as expressly described in the Agreement, Order Form, or Statement of Work, the Agreement does not grant either party any rights, implied or otherwise, to the other's content or Intellectual Property. As between the parties, Client retains all Intellectual Property Rights in Client Data, and VertexOne retains all Intellectual Property Rights in the VertexOne data, Services and Software.
2. Client Data. Client hereby grants VertexOne the limited, non-exclusive right to view and use the Client Data solely for the purpose of providing the Services hereunder in the Territory. VertexOne will maintain commercially reasonable administrative, physical, and technical safeguards for protection of the security, confidentiality, and integrity of Client's Data. Those safeguards will include, but will not be limited to, measures for preventing access, use, modification, or disclosure of Client Data by VertexOne personnel except (a) to provide the Services and prevent or address service or technical problems, (b) as compelled by law in accordance with this Agreement, or (c) as Client expressly permits in writing.
3. Deliverables and Derivatives. Client acknowledges that as between Client and VertexOne, VertexOne shall retain ownership of all Intellectual Property Rights in and to deliverables hereunder and the derivative works (whether independently or jointly conceived), this shall include all Software and Services delivered through the Change Management Process, regardless of whether or not incorporated in any Software, and Client shall acquire no right or interest in the same. Notwithstanding this Section, each Order Form or Statement of Work may specifically identify work for hire as defined under the U.S. Copyright Act.
4. Third-Party Materials. The Software and Services may include Third-Party Materials subject to their respective licenses and terms and conditions as indicated in the Attachments, where applicable; and VertexOne shall not be liable to Client for any liabilities arising therefrom.

5. Aggregated Data; Feedback. Client hereby gives its permission to VertexOne to (i) use any feedback or suggestions received by VertexOne from Client or Authorized Users, and (ii) to use and disclose, on an anonymous and/or aggregated basis, any data pertaining to Client end customers, including without limitation derivative data and data combined with the data of other utilities, for purposes of project evaluation and any research, product development, marketing, or other legitimate business purposes. This Section shall survive any termination or expiration of the Agreement.

6. Confidentiality.

1. Use and Disclosure of Confidential Information. The Recipient will only use the Disclosing Party's Confidential Information to exercise its rights and fulfill its obligations under the Agreement, and will use reasonable care to protect against the disclosure of the Disclosing Party's Confidential Information. Notwithstanding any other provision in the Agreement, the Recipient may disclose the Disclosing Party's Confidential Information (a) to its Personnel and Delegates who have a need to know and who are bound by confidentiality obligations at least as protective as those in this Section 6 (Confidentiality); (b) with the Disclosing Party's consent; or (c) as strictly necessary to comply with law, provided the Recipient promptly notifies the Disclosing Party prior to such disclosure, unless (i) the Recipient is legally prohibited from doing so. The Recipient will comply with the Disclosing Party's reasonable requests to oppose disclosure of its Confidential Information.

7. Marketing and Publicity.

Client agrees that VertexOne may identify Client as a customer and use Client's logo and trademark on VertexOne's marketing materials.

8. Representations and Warranties.

Each party warrants, represents, and covenants that: it has the full capacity and authority to enter into and to perform this Agreement, this Agreement is executed by a duly authorized representative of that party; and there are no actions, suits, or proceedings or regulatory investigations pending or to that party's knowledge, threatened against or affecting that party before any statutory or regulatory authority which is permitted by statute to issue rules and regulations in the United States (the "Competent Authority") that might affect the ability of that party to meet and carry out its obligations under this Agreement. Except for any warranties specifically identified in this Agreement, both parties agree that the warranties set out in this section are in lieu of and exclude all other terms. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION, THERE ARE NO OTHER EXPRESS WARRANTIES OR REPRESENTATIONS, AND THERE ARE NO IMPLIED WARRANTIES OR REPRESENTATIONS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. Indemnification.

1. VertexOne Indemnification Obligations. Subject to the Liability Cap in Section 10.1(b) (Limited Liabilities), VertexOne will defend Client and its Affiliates participating under the Agreement ("**Client Indemnified Parties**"), and indemnify them against approved settlements or any finally awarded cost or damages ("**Indemnified Liabilities**") in any formal legal proceeding, claim, demand, action, or

investigation initiated by an unaffiliated third party before a court or government tribunal (including any appellate proceeding) (a "**Third-Party Legal Proceeding**") to the extent arising from an allegation that the Client Indemnified Parties' use of VertexOne-provided Software or Services (hereinafter the "**VertexOne Indemnified Materials**") infringes the third party's Intellectual Property Rights.

2. Client Indemnification Obligations. Subject to the Liability Cap in Section 10.1(b) (Limited Liabilities), Client will defend VertexOne and its Affiliates and indemnify them against Indemnified Liabilities in any Third-Party Legal Proceeding to the extent arising from (a) an allegation that the VertexOne Indemnified Party's use of any Client Data or any other Client-provided materials (hereinafter the "**Client Indemnified Materials**") infringes the third party's Intellectual Property Rights; (b) any losses, damages, costs or expenses and other liabilities (including reasonable legal fees) (the "**Losses**") suffered by or claims made against VertexOne as a result of Client's misuse of the Services; and (c) any Losses arising out of or relating to Client Data.
3. Indemnification Exclusions. Sections 9.1 (VertexOne Indemnification Obligations) and 9.2 (Client Indemnification Obligations) will not apply to the extent the underlying allegation arises from (a) the indemnified party's breach of the Agreement or (b) the gross negligence or willful misconduct, in each case of the other party or their agents. Moreover, Section 9.1 (VertexOne Indemnification Obligations) will not apply in the event that a claim arises from or relates to: (a) any modification, alteration or conversion of the VertexOne Indemnified Materials not created or approved in writing by VertexOne; (b) any combination or use of the VertexOne Indemnified Materials with any computer, hardware, software, data or service not required by the Documentation or this Agreement; (c) or VertexOne's compliance with specifications, requirements or requests of Client.
4. Indemnification Conditions. Sections 9.1 (VertexOne Indemnification Obligations) and 9.2 (Client Indemnification Obligations) are conditioned on the following:
   a. The indemnified party must promptly notify the indemnifying party in writing of any allegation(s) and cooperate reasonably with the indemnifying party to resolve the allegation(s).
   b. The indemnified party must tender sole control of the indemnified portion of the Third-Party Legal Proceeding to the indemnifying party, subject to the following: (i) the indemnified party may appoint its own non-controlling counsel, at its own expense; and (ii) any settlement, will require the indemnified party's prior written consent.
5. Remedies.
   a. If VertexOne reasonably believes the Services might infringe a third party's Intellectual Property Rights, then VertexOne will, at its sole option and expense, (i) procure the right for Client to continue using the Services, (ii) modify the Services to make them non-infringing without materially reducing their functionality, or (iii) replace the Services with a non-infringing, functionally equivalent alternative.
   b. If VertexOne does not believe the remedies in Section 9.5 (a) are commercially reasonable, then VertexOne may disable access to or use of the Services or components of the Services or terminate the impacted Services.
   c. The provisions contained in Section 9.1 and this Subsection 9.5 are the Client's sole and exclusive remedy for any alleged infringement by VertexOne of a third party's Intellectual Property Rights.

10.Liability.

1. Limited Liabilities.
    a. SUBJECT TO SECTION 10.2 (UNLIMITED LIABILITIES), NEITHER PARTY WILL HAVE ANY LIABILITY ARISING OUT OF OR RELATING TO THE AGREEMENT FOR ANY
        i. INCIDENTAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES; OR
        ii. LOST REVENUES, PROFITS, SAVINGS, DATA, CAPITAL, LOSSES BY REASON OF COST OF CAPITAL, OR GOODWILL,

    b. EVEN IF SUCH DAMAGES WERE FORESEEABLE OR A PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF THE LEGAL OR EQUITABLE PRINCIPLE ON WHICH THE CLAIM IS BASED.
    c. Each party's total aggregate Liability for damages arising out of or relating to the Agreement is limited to the Fees that Client paid under the applicable Services Order, Order Form, or Statement of Work during the 12-month period before the event giving rise to Liability (the "Liability Cap").
2. Unlimited Liabilities. Nothing in the Agreement excludes or limits either party's Liability for: (a) its gross negligence; (b) its fraud or fraudulent misrepresentation; (c) its breach caused or contributed to by of any licenses granted by VertexOne; or (d) its payment obligations under the Agreement.

11.Term and Termination.

1. Agreement Term. The Agreement is effective from the date of the last party's signature of the General Terms (the "Effective Date") until it expires or is terminated in accordance with its terms (the "Term").
2. Termination for Breach.
    a. Termination of an Order Form or Statement of Work. Either party may terminate an Order Form, or Statement of Work if the other party is in material breach of the applicable Order Form, or Statement of Work and fails to cure that breach within 30 days after receipt of written notice. Payments following termination by Client for VertexOne's uncured material breach of an Order Form, or Statement of Work will be governed by Section 11.3.2 or the terms of the applicable Order Form, or Statement of Work.
    b. Termination of the Agreement. Either party may terminate this Agreement if the other party (i) is in material breach of the Agreement and fails to cure that breach within 30 days after receipt of written notice, or has submitted a plan for cure of breach accepted in writing by the non-breaching party within such 30 day period (ii) ceases its business operations, or (iii) becomes subject to insolvency proceedings and such proceedings are not dismissed within 90 days.
3. Effects of Termination.
    1. In the event of expiration or termination of this Agreement for any reason, each party shall return to the other party (as applicable) any assets, equipment, Software, data, documentation, information, and other material of whatever kind and in whatever form belonging to the other party which it has no legal right to retain.
    2. In the event of expiration or termination of this Agreement for any reason, Client shall pay to VertexOne all unpaid Fees and any other sums due under this Agreement in accordance with the payment terms expressed in this Agreement. Such payment shall not prejudice all other rights each party may have against the other.

3. Expiration or termination of this Agreement for any reason shall not affect the rights and liabilities subsisting at the date of such termination or expiration, or any Order Forms or Statement of Work intended to apply and/or to continue in force after expiration or termination.

12.Miscellaneous.

1. Assignment Neither party may assign this Agreement or any of its rights and obligations under this Agreement without the prior consent of the other party which consent shall not be unreasonably delayed, withheld or conditioned; provided, however, that either party may assign or delegate its rights and obligations under this Agreement, in whole or in part, without the other party's consent to (i) an Affiliate, or (ii) to an entity that acquires all or substantially all of the assets of such party or which is the successor in a merger or acquisition involving such party.
2. Sub-Contractors and Other Personnel
    a. VertexOne shall be entitled to subcontract any part of its rights or obligations under this Agreement without Client's prior consent to any Affiliate or third party provided that it remains liable for the acts and omissions of such Affiliate or third party as if they were its own. Client acknowledges that, and consents to, some of the Services being delivered by VertexOne through other companies in VertexOne.
    b. Client is and shall remain liable for the acts of omissions of Client Personnel in connection with this Agreement as if they were Client's own.
3. Force Majeure. Other than obligations to make payments when due, neither party will be liable for failure or delay in performance of its obligations to the extent caused by circumstances beyond its reasonable control, including acts of God, natural disasters, terrorism, riots, or war (a "Force Majeure Event"). If there is a Force Majeure Event, then the excused party will promptly provide written notice to the other party and will use commercially reasonable efforts to recommence performance.
4. Insurance. VertexOne shall maintain in force for the Term the following insurance policies with reputable insurance companies to cover its relevant potential liabilities in connection with this Agreement:
    a. Commercial General Liability Insurance issued on a standard ISO Commercial General Liability policy form (CG 0001) or its equivalent in an amount of at least one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate; and
    b. Professional Liability Insurance including errors, omissions, and cyber coverage in an amount of at least five million dollars ($5,000,000) per claim; and
    c. Automobile Liability Insurance including hired and non-owned vehicles in an amount of at least one million dollars ($1,000,000) per accident; and
    d. Worker's compensation insurance in such form, and in such amounts, as may be required by law from time to time.
5. No Agency. VertexOne is an independent contractor and shall not be considered an officer, agent, or employee of Client.
6. No Waiver. Neither party will be treated as having waived any rights by not exercising (or delaying the exercise of) any rights under the Agreement.
7. Severability. If any part of the Agreement is invalid, illegal, or unenforceable, the rest of the Agreement will remain in effect.
8. No Third-Party Beneficiaries. The Agreement does not confer any rights or benefits to any third party unless it expressly states that it does.

9. Dispute Resolution Procedure. The parties will attempt in good faith to resolve within 30 days any dispute or claim arising out of or in relation to this Agreement before filing a formal legal proceeding before a court or government tribunal. Nothing in this Section (Dispute Resolution Procedure) shall prevent either party from instigating immediate legal proceedings to avoid irreparable damage or to preserve the status quo.

Notice; Governing Law. Notices shall be given to each party at their respective addresses as first stated in the preamble of this Agreement. All Notices will be in writing and will be deemed to have been duly given (a) three (3) days after being sent by registered or certified mail, return receipt requested and postage prepaid; or, (b) one (1) day after deposit with a nationally recognized overnight delivery or express courier service. Notices can also be sent via electronic mail to the following email addresses: legaldl@vertexone.ai for VertexOne and jeff.church@lenoirnc.gov for the Client. This Agreement shall be governed by the laws of the State of Texas without regard to choice or conflicts of law rules, and to the exclusive jurisdiction of the applicable courts of Dallas County with respect to any dispute, claim, action, suit or proceeding (including non-contractual disputes or claims) arising out of or in connection with this Agreement.

10. Entire Agreement. The Agreement states all terms agreed between the parties and supersedes any prior or contemporaneous agreements between the parties relating to the subject matter of the Agreement. In entering into the Agreement, neither party has relied on, and neither party will have any right or remedy based on, any statement, representation, or warranty (whether made negligently or innocently), except those expressly described in the Agreement. The Agreement includes URL links to other terms, which are incorporated by reference into the Agreement. Any amendment to this Agreement shall be in writing.
11. Counterparts. The parties may execute the Agreement in counterparts, including facsimile, PDF, and other electronic copies, which taken together will constitute one instrument.
12. Affiliates: Notwithstanding any provision of this Master Agreement to the contrary, either Party may enter into an Order Form or Statement of Work using an Affiliate of the named Party to this Agreement, and terms of this MSA shall incorporate automatically by reference.

IN WITNESS WHEREOF, this Agreement is hereby executed to be effective as of the Effective Date.

VERTEXONE:	**CLIENT:**
By: DocuSigned by: 2929B544BC9C41D...	By:
Name: Keith Foester	Name: Scott Hildebran
Title: CFO	Title: City Manager
Date: 8/22/2025	Date: 8/19/25

CITY OF LENOIR

COUNCIL ACTION FORM

I. **Agenda Item:** Staff requests Council to approve the close out of the Metersys project.

II. **Background:**

The City of Lenoir periodically establishes capital project ordinances for endeavors that involve construction/infrastructure activities or grant funding for a purpose covering more than one year. In most cases, the duration of a project will extend from one fiscal year into another. Consequently, the adoption of a capital project ordinance allows the governmental entity to appropriate funds for the life of the project without the governing board having to reallocate funding on a fiscal year basis.

The City adopted the Capital Project Budget Ordinance for the Metersys Capital Project in June of 2019 with a total project budget of $4,400,000. This project was complete as of August, 2025 with total expenditures of $4,384,021.25. The project finished under budget by $ 15,978.75 and the escrow account earned $6,767.25 in interest for an excess of $22,746.00 which will be reverted to the lender, US Bank, as a principal payment. The budget information is as follows:

The following expenditures were anticipated:

Description	Original Budget	Actual Costs	Difference
Muller Systems	3,762,645.00	3,910,372.76	(147,727.76)
Turn-Key Program Management Fees	339,130.00	473,648.49	(134,518.49)
Contingency	298,225.00		298,225.00
Total Expenditures	4,400,000.00	4,384,021.25	15,978.75

The following revenues were anticipated to be available to complete this project:

Description	Original Budget	Actual Revenue	Difference
US Bancorp (10 year loan with 2.925% interest rate)	4,400,000.00	4,384,021.25	15,978.75
Interest Income		6,767.25	6,767.25
Total Expenditures	4,400,000.00	4,390,788.50	22,746.00

Staff would like to close out the capital project noted above. A Capital Project Budget Ordinance to Close Capital Project has been prepared and is attached for your review and approval.

III. **Staff Recommendation:**

Approve as requested.

IV. Reviewed by:

City Attorney:

Finance Director: *Donna Bean*

Public Works/Public Utilities Director:

Planning Director:

Recreation Director:

CAPITAL PROJECT BUDGET ORDINANCE TO CLOSE CAPITAL PROJECT FOR THE CITY OF LENOIR

WHEREAS, The City of Lenoir periodically establishes capital project ordinances for endeavors that involve construction/infrastructure activities or grant funding for a purpose covering more than one year. In most cases, the duration of a project will extend from one fiscal year into another. Consequently, the adoption of a capital project ordinance allows the governmental entity to appropriate funds for the life of the project without the governing board having to reallocate funding on a fiscal year basis

WHEREAS, the City Council desires to recognize the completion of the following Capital Project and

WHEREAS, The City adopted the Capital Project Budget Ordinance for the Metersys Capital Project in June of 2019 with a total project budget of $4,400,000. This project was complete as of August, 2025 with total expenditures of $4,384,021.25. The project finished under budget by $ 15,978.75 and the escrow account earned $6,767.25 in interest for an excess of $22,746.00 which will be reverted to the lender, US Bank, as a principal payment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LENOIR, NORTH CAROLINA, THAT:

The Capital Project Budget Ordinance for the Metersys Capital Project be closed.

Adopted this 19 day of August, 2025

______________________ Mayor

Attest:

______________________, ~~City~~ Clerk

MUELLER

Mueller Systems
10210 Statesville Blvd
Cleveland, NC 28037

phone: 704-278-2221
fax: 704-278-9616
muellersystems.com

July 9, 2025

Jeff Church, EdD, UMC
Public Utilities Director, City of Lenoir
Public Services Department
510B Greer Circle SW
Lenoir, NC 28645

Re: Project Closeout & System Acceptance

Project Milestones Completed

- The network is reporting at greater than 98.5% reliability
- The Sentryx database is correct and displaying properly
- Front office and field personnel have been trained on the use and operation of the Mi.Net system and all included software
- The file interfaces to and from billing software are all programmed and working correctly
- Currently using Mi.Net reads and exporting them for billing
- 10,971 Water meters are installed
- Project Closeout document was prepared on July 9th, 2025

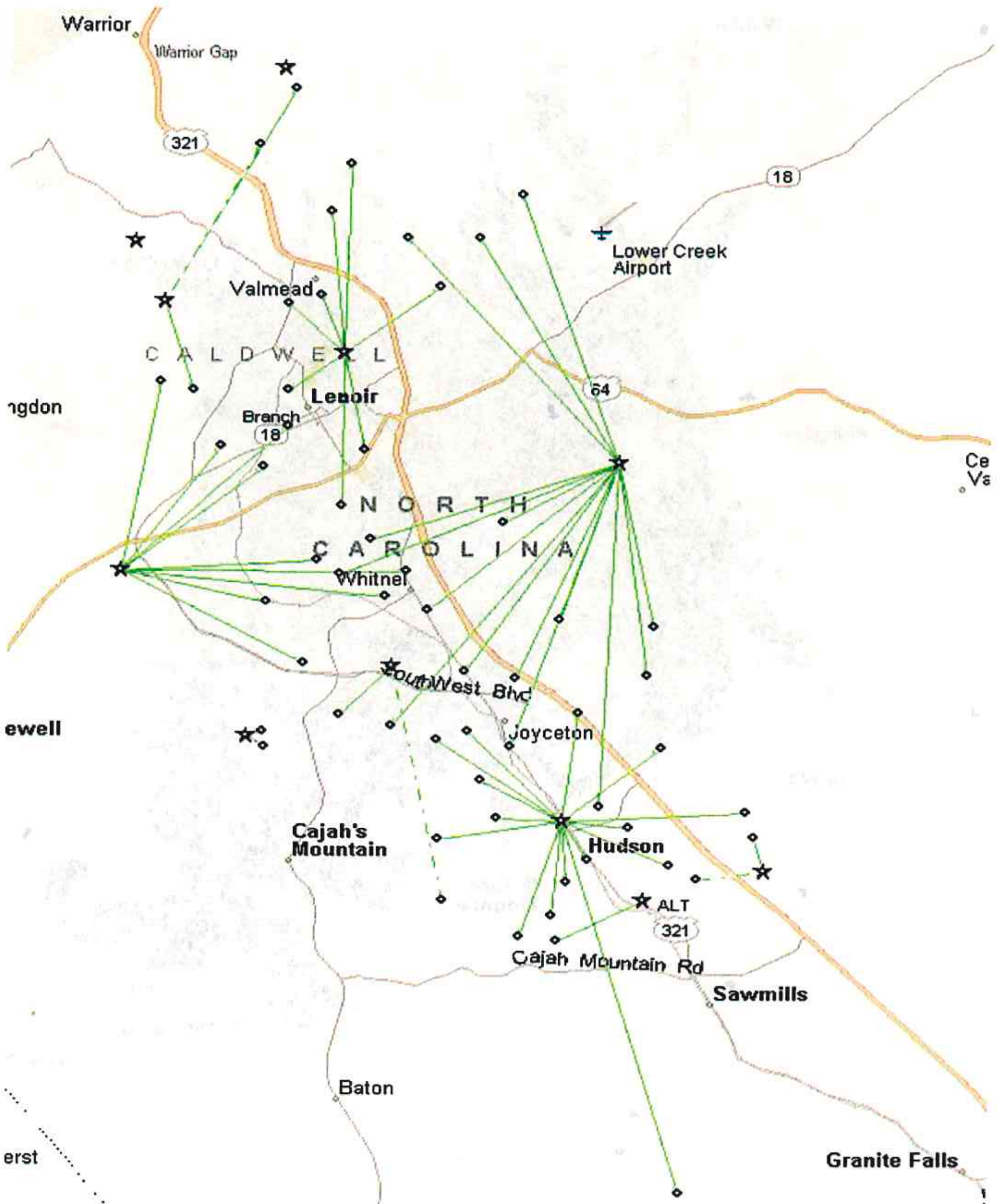
****Document continues next page****

MUELLER

Mueller Systems
10210 Statesville Blvd
Cleveland, NC 28037

phone: 704-278-2221
fax: 704-278-9616
muellersystems.com

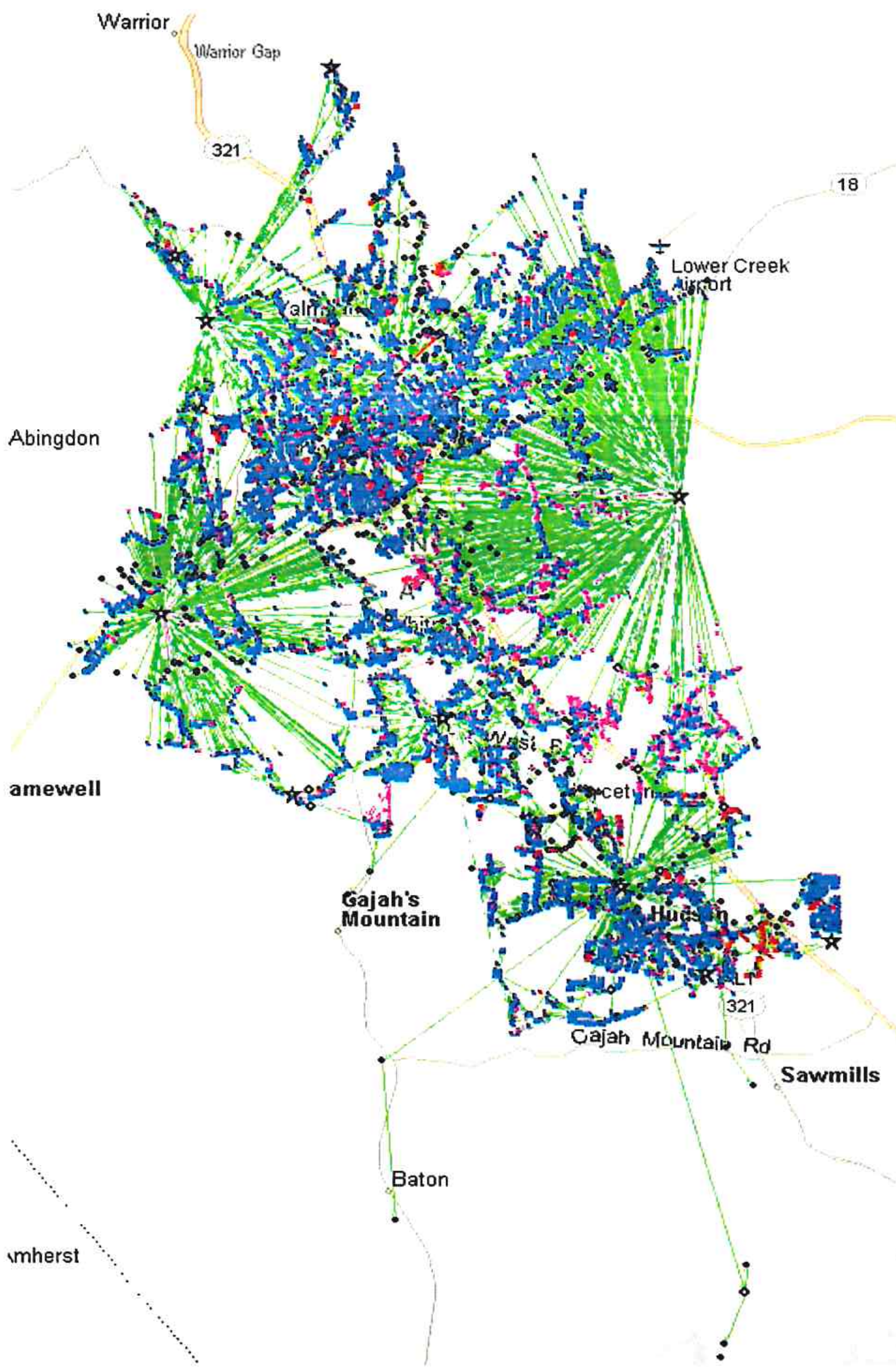
Mi.Net V4 Network
Hubs & Repeaters



Mueller Systems
10210 Statesville Blvd
Cleveland, NC 28037

phone: 704-278-2221
fax: 704-278-9616
muellersystems.com

Mi.Net V4 Network
Water Meters



Mueller Systems
10210 Statesville Blvd
Cleveland, NC 28037

phone: 704-278-2221
fax: 704-278-9616
muellersystems.com

Mi.Net V4 Network Performance Metric

Current Device Communication Status

Days Since Last Communication	# of Devices	%	30 Day Trends
>=14 Days	25	0.23%	
11-13 Days	8	0.07%	
8 - 10 Days	30	0.27%	
4-7 Days	36	0.33%	
Healthy(Within 3 Days)	10812	99.09%	
Grand Total	**10911**	**100%**	

Document continues next page

MUELLER

Mueller Systems
10210 Statesville Blvd
Cleveland, NC 28037

phone: 704-278-2221
fax: 704-278-9616
muellersystems.com

Mi.Net V4 Project
System Acceptance

This document has been reviewed, and both parties agree to its content and the successful completion of the AMI Project Deployment.

Mueller: Sr. Manager, Operations
Kevin Gorman, PMP

July 9th, 2025
Date:

City of Lenoir, Public Utilities Director
Jeff Church

8/19/25
Date:

CITY OF LENOIR
COUNCIL ACTION FORM

I. **Agenda Item:** Consideration of a Capital Project Budget Ordinance Amendment for North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) – Lenoir Aquatic and Fitness Center (LAFC) Project.

II. **Background Information:** Attached for your consideration is a Capital Project Budget Ordinance Amendment in the amount of $269,710 making the total cost of the project $1,360,085. The Capital Project Budget Ordinance Amendment authorizes activities for North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) - Lenoir Aquatic and Fitness Center (LAFC) Project to renovate to the LAFC, replace a pool slide and build a splash pad and shelters at the Soccer Complex.

The Amendment is necessary due to increased costs at the splashpad and LAFC, relocating the splashpad from the LAFC property to the Soccer Complex, enhancements to the Soccer Complex to accommodate the splashpad, the addition of an ADA family bathroom, replacement of a slide at the outdoor pool, addition of a breakroom for staff at the LAFC and relocating the whirlpool/hot plunge to the indoor pool area to reduce the impact of chlorine on the facility.

III. **Staff Recommendation:** Request City Council to adopt the Capital Project Budget Ordinance Amendment for North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) - Lenoir Aquatic and Fitness Center (LAFC) Project in the amount of $269,710 making the total cost of the project $1,360,085.

IV. **Reviewed By:**

City Attorney:

Finance Director: *Donna Bean*

Public Works/Public Utilities Director:

Capital Project Ordinance for the City of Lenoir

North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) - Lenoir Aquatic and Fitness Center (LAFC) Project Amendment

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

Section 1: The project authorizes activities for the North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant (PARTF) - Lenoir Aquatic and Fitness Center (LAFC) Project to include the expenditure of grant, local and ARPA funding to renovate the LAFC, replace of a pool slide and construct a splashpad and shelters at the Soccer Complex. The project is to be funded by a PARTF grant, ARPA funds and local funds.

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

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

Description	Original Budget	Amendment	Amended Budget
Legal and Administrative	174,460.00	(174,460.00)	-
Construction	872,300.00	(872,300.00)	-
Contingency	43,615.00	(43,615.00)	-
Construction - LAFC - which includes Contingency		924,825.00	924,825.00
Construction - Splashpad and Shelters		360,135.00	360,135.00
Replacement Slide and Electrical		75,125.00	75,125.00
Total	1,090,375.00	269,710.00	1,360,085.00

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

Description	Original Budget	Amendment	Amended Budget
North Carolina Department of Natural and Cultural Resources for the North Carolina Parks and Recreation Trust Fund Grant	500,000.00		500,000.00
ARPA Funding	590,375.00		590,375.00
Local Funding		269,710.00	269,710.00
Total	1,090,375.00	269,710.00	1,360,085.00

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

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

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

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

Adopted this 19th day of August, 2025.

Mayor

Clerk

CITY OF LENOIR

COUNCIL ACTION FORM

I. Agenda Item:

Awarding of the GMP (Guaranteed Maximum Price) construction contract for the renovation improvements to the LAFC (Lenoir Aquatics and Fitness Center) at the facility located at 1031 Jim Barger Ct. to JM Cope, with a total contract amount of **$924,825.00**.

II. Background Information:

The City of Lenoir will utilize grant funding in the amount of $500,000 through the Parks and Recreation Trust Fund (PARTF), $590,375 of ARPA funds and $269,710.00 in local funding for a total project budget of $1,360,085.00 to complete improvements at the Lenoir Aquatic and Fitness Center (LAFC) and the Rotary Soccer Complex. Phase 1 of the project, which included the construction of a splash pad at the Rotary Soccer Complex, has been completed at a cost of $360,135. City staff engaged JM Cope Construction for the LAFC project to complete a design build process offering turn-key project delivery, including design work and interior renovation improvement construction. GMP interior renovations improvement will include the addition of an ADA family bathroom, addition of a breakroom for staff, relocating the whirlpool/hot plunge to the indoor pool area, renovations of three locker rooms, repairs to the ceiling, painting, installing full size doors to the racquetball rooms, floor renovations, and renovating/constructing a corridor, Phase II of the project will cost $924,825 and Phase III will be the installation of a replacement slide at the outdoor pool and electrical work at a cost of $75,125.

III. Staff Recommendation:

Staff recommends awarding the GMP construction contract for the renovation improvements to JM Cope, with a total contract amount of **$924,825.00**.

IV. Reviewed by:

City Attorney: ______________________________

Finance Director: Donna Bean/David Coffey

Director of Special Projects and Grants: __________________________

Parks and Recreation Director: __________________________________

CITY OF LENOIR NC ★ CREATE WITH US

JM Cope Construction

RBSA ARCHITECTS

CITY OF LENOIR

LENOIR AQUATICS & FITNESS CENTER 2025 RENOVATIONS

AUGUST 14, 2025

BUILDING PEOPLE
WHO **BUILD** COMMUNITIES

346 9th St SE
Hickory, NC 28602
803-329-3250
www.jmcope.com

August 14, 2025

Mr. David Coffey
Risk Manager & Purchasing Agent
Lenoir, NC

Re: Guaranteed Maximum Price: Lenoir Aquatics & Fitness Center 2025 Renovations

Dear Mr. Coffey,

JM Cope submits the following Guaranteed Maximum Price Proposal to seek approval for the Lenoir Aquatics and Fitness Center 2025 Interior Renovations located in Lenoir, NC. This GMP is based upon the drawings, specifications, & addenda provided by Ramsay, Burgin, Smith Architects, Inc. and their design consultants dated July 2, 2025. The total GMP proposal, including Trade Contractor Bid Costs, General Conditions, Design-Builder Fee, Insurances, Bonds, and Contingencies, is $924,825.

GMP: Lenoir Aquatics & Fitness Center Renovations	$ 924,825.00

This GMP is based upon a NTP of August 20, 2025, and a substantial completion date of March 2026.

JM Cope is grateful for the opportunity, and we look forward to working with the City of Lenoir on this project. Please call should you have any comments or questions regarding this Guaranteed Maximum Price.

Best Regards,
JM Cope Construction

Hunter Galliher
Project Manager

Cc: Mr. David Coffey, Risk Manager & Purchasing Agent, City of Lenoir
Mr. Chad Webb, Vice President, JM Cope
Mr. Houston Miller, Vice President, Preconstruction
Mr. Eric Pond, Senior Preconstruction Manager, JM Cope
Mr. Danny Ray Norman Jr, Principal, RBSA

CONTENTS

As one of the largest local general contractors in the Carolinas, J.M. Cope brings unmatched experience building communities.

SECTION ONE

EXHIBIT A
GMP SUMMARY

EXHIBIT A: GMP SUMMARY

Lenoir Aquatics & Fitness Center 2025 Renovations

Lenoir, NC

August 14, 2025

Bid Packages		Contractor	Contract Amount	
BP0001 - Demolition & Abatement		DH Griffin	$ 61,655	$ 14.42
BP0100 - General Trades		JMC	$ 30,000	$ 7.01
BP0105 - Final Cleaning		Bucket Mop & Broom	$ 6,432	$ 1.50
BP0300 - Concrete		Steelcon	$ 17,349	$ 4.06
BP0400 - Masonry		Vega	$ 36,400	$ 8.51
BP0500 - Miscellaneous Steel		Richards Welding	$ 23,675	$ 5.54
BP0800 - Turnkey Doors, Frames, & Hardware		Ba Hoft (Materials Only)	$ 29,345	$ 6.86
BP0840 - Storefront		Caldwell Glass	$ 13,358	$ 3.12
BP0920 - Drywall Framing & ACT		Whisnant Construction LLC	$ 69,313	$ 16.21
BP0930 - Epoxy & LVT Flooring / Wall Panels		Flooring Solutions	$ 76,221	$ 17.82
BP0990 - Painting		Southern Painting & Maintenance Spe	$ 36,800	$ 8.60
BP1000 - Toilet Specialties & Lockers		National Specialties	$ 78,360	$ 18.32
BP1005 - Toilet Specialties & Locker Installation		Whisnant Construction LLC	$ 24,500	$ 5.73
BP1014 - Signage		JMC	$ 1,900	$ 0.44
BP1145 - Residential Appliances		JMC	$ 1,500	$ 0.35
BP1230 - Finished Carpentry & Casework		Master Kraft Inc	$ 6,920	$ 1.62
BP1300 - Hot Plunge		SwimEx	$ 38,964	$ 9.11
BP1305 - Hot Plunge Installation		Miracle Pools	$ 37,187	$ 8.69
BP2200 - Plumbing		Hickory Mechanical	$ 93,100	$ 21.77
BP2300 - HVAC (Provided by Owner)		Hickory Mechanical	$ 34,700	$ 8.11
BP2600 - Electrical (Provided by Owner)		Lake Electric	$ 106,600	$ 24.92
Bid Day Total			**$ 824,279**	$ 192.72
	Value Management		$ (185,123)	$ (43.28)
Subcontract with Accepted VM			**$ 639,156**	$ 149.44
5.00%	Construction Contingency		$ 31,958	$ 7.47
Cost of Work Subtotal			$ 671,113	$ 156.91
LSUM	General Conditions		$ 112,754	$ 26.36
LSUM	Permits & Plan Review		$ 6,629	$ 1.55
LSUM	Preconstruction Fee		$ 25,000	$ 5.85
LSUM	Design Fee		$ 34,000	$ 7.95
2.10%	Insurances and Bonds		$ 16,461	$ 3.85
7.00%	Design-Builder Fee		$ 58,867	$ 13.76
Project Grand Total			**$ 924,825**	**$ 216.23**

SECTION TWO

EXHIBIT B
ALTERNATES SUMMARY

JM Cope Construction

EXHIBIT B: ALTERNATES SUMMARY

Lenoir Aquatics & Fitness Center 2025 Renovations

Lenoir, NC

August 14, 2025

Alternate No.	Alternate Description	Packages Affected	BP0001	BP0105	BP0300	BP0400	BP0800	BP0920	BP0930	BP0990	BP1000	BP1014	BP1230	BP2200	BP2300	BP2600	Alternate Cost	Status (A/R)
ALT #01-B	Corridor 129 Adjustment & Relocation of Restroom to Room 127 & Family Restroom		$ 8,140.00	$ 655.00	$ 5,485.00	$ 10,600.00	$ 12,887.00	$ 3,125.00	$ 10,173.00	$ 2,500.00	$ 600.00	$ 300.00	$ (3,240.00)	$ 11,000.00	$ 1,850.00	$ 1,900.00	$ 65,975.00	A
ALT #10	Lobby & Corridor Finishes		$ 3,600.00	$ 1,438.00	$ -	$ -	$ -	$ -	$ 8,860.00	$ 6,300.00	$ -	$ -	$ -	$ -	$ 1,000.00	$ 7,500.00	$ 28,698.00	A
ALT #11	Adult Changing Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,000.00	$ -	$ -	$ -	$ -	$ -	$ 8,000.00	A
Alternates Bid Day Subtotal																	**$ 175,182.50**	
ACCEPTED Alternates Subtotal																	**$ 102,673.00**	

SECTION THREE

EXHIBIT C
VALUE MANAGEMENT

JM Cope Construction

EXHIBIT C: VALUE MANAGEMENT

Lenoir Aquatics & Fitness Center 2025 Renovations

Lenoir, NC

August 14, 2025

Alternate No.	Alternate Description	BP0500	BP0967	BP1000	BP1051	BP2600	VE Cost	Status (A/R)
VE-1	Resilient Base ILO Epoxy Base		$ (5,085.00)				$ (5,085.00)	A
VE-2	Breakroom: LVT ILO Epoxy		$ (3,305.00)				$ (3,305.00)	A
VE-3	Corridor 115: LVT ILO Epoxy		$ (1,140.00)				$ (1,140.00)	A
VE-4	Toilet 114 & 115: LVT ILO Epoxy		$ (655.00)				$ (655.00)	A
VE-5	Mens & Womens Toilet, Locker, & Entry: LVT ILO Epoxy		$ (6,675.00)				$ (6,675.00)	A
VE-12	City of Lenoir, On Staff Electricians perform Electrical & Fire Alarm SOW (Materials & Install)					$ (106,600.00)	$ (106,600.00)	A
VE-13	City of Lenoir, On Staff HVAC Techs perform HVAC SOW (Materials & Install)					$ (34,700.00)	$ (34,700.00)	A
VE-14	Manufacturered Locker Bases ILO Custom Fabricated Base	$ (23,675.00)		$ 5,000.00			$ (18,675.00)	A
VE-15	Mens Locker Room: Reduce Lockers (7EA/Locker Room) (14 Total Frames, 28 Total Openings)			$ (7,313.00)			$ (7,313.00)	A
VE-16	Plastic Baby Changing Station ILO Stainless Steel				$ (975.00)		$ (975.00)	A
Value Engineering Subtotal							**$ (248,882.50)**	
ACCEPTED Value Engineering Subtotal							**$ (185,123.00)**	

SECTION FOUR

EXHIBIT D
ALLOWANCE LOG

EXHIBIT D: SCHEDULE OF ALLOWANCES

Lenoir Aquatics & Fitness Center 2025 Renovations

Lenoir, NC

August 14, 2025

ALLOW #	BID PACKAGE	DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT PRICE	ALLOWANCE AMOUNT
1	BP0800	Wood Door Hardware	7	EACH	$ 1,500.00	$ 10,500
2	BP0800	Aluminum Door Hardware	3	EACH	$ 2,000.00	$ 6,000
3	BP1014	Interior Signage (New Rooms)	1	LSUM	$ 1,900.00	$ 1,900
4	BP1145	Refridgerator	1	LSUM	$ 1,500.00	$ 1,500
5						$ -
6						$ -
7						$ -
8						$ -
TOTAL ALLOWANCES:						**$ 19,900**

SECTION FIVE

EXHIBIT E
CONTRACT DOCUMENTS LOG

EXHIBIT E: PROJECT CONTRACT DOCUMENTS

Drawing No.:	Name:	Date:
	GENERAL	
A0.0	COVER & LIFE SAFETY SHEET	7/2/2025
	ARCHITECTURAL	
A1.0	Demolition: Main Level Floor Plan	7/2/2025
A.1.1	Demolition: Main Level RCP	7/2/2025
A1.2	Demolition: Upper-Level RCP	7/2/2025
A2.0	Proposed Main Level Floor Plan	7/2/2025
A2.1	Proposed Main Level RCP	7/2/2025
A2.2	Proposed Upper-Level RCP	7/2/2025
A3.0	Interior Elevations, Enlarged Plans, Accessories Schedule, Details	7/2/2025
A3.1	Interior Elevations, Cabinet Sections, Door/Frame Types, Details	7/2/2025
	STRUCTURAL	
S1.0	Structural Sections & Details	7/2/2025
	ELECTRICAL	
ED.1	MAIN LEVEL ELECTRICAL DEMOLITION PLAN	7/2/2025
ED.2	UPPER-LEVEL ELECTRICAL DEMOLITION PLAN	7/2/2025
E0.1	ELECTRICAL SCHEDULES	7/2/2025
E1.1	MAIN LEVEL ELECTRICAL PLAN	7/2/2025
E1.2	UPPER-LEVEL ELECTRICAL PLAN	7/2/2025
E2.1	ELECTRICAL DETAILS	7/2/2025

PLUMBING

P1.1	WASTE AND WATER PIPING PLAN	7/2/2025
P2.1	DETAILS	7/2/2025

MECHANICAL

M1.1	HVAC PLAN	7/2/2025
M2.1	DETAILS & SCHEDULES	7/2/2025
M3.1	SPECIFICATIONS	7/2/2025

ADDENDUM #1

MECHANICAL

M1.1	HVAC PLAN	7/3/2025
M2.1	DETAILS & SCHEDULES	7/3/2025
M3.1	SPECIFICATIONS	7/3/2025

PLUMBING

P1.1	WASTE AND WATER PIPING PLAN	7/3/2025
P2.1	DETAILS	7/3/2025

ADDENDUM #2

	Limited Asbestos Report – Affinity	6/9/2025
	LAFC Asbestos Report – Forensic Environmental	10/16/2020
	SWIMEX HOT PLUNGE DRAWINGS	

ADDENDUM #3

SELECT AS BUILTS – 1974 CONSTRUCTION
SELECT AS BUILTS – 1975 ADDITION

ADDENDUM #4

ED.1	MAIN LEVEL ELECTRICAL DEMOLITION PLAN	7/22/2025
ED.2	UPPER-LEVEL ELECTRICAL DEMOLITION PLAN	7/22/2025
E0.1	ELECTRICAL SCHEDULES	7/22/2025
E1.1	MAIN LEVEL ELECTRICAL PLAN	7/22/2025
E1.2	UPPER-LEVEL ELECTRICAL PLAN	7/22/2025
E2.1	ELECTRICAL DETAILS	7/22/2025

END OF SECTION

SECTION SIX

EXHIBIT F

QUALIFICATIONS & CLARIFICATIONS

346 9th St SE
Hickory, NC 28602
803-329-3250
www.jmcope.com

August 14, 2025

Mr. David Coffey
Risk Manager & Purchasing Agent
Lenoir, NC

Re: Exhibit F: Qualifications and Assumptions

Dear Mr. Coffey,

JM Cope submits the following Assumptions & Clarifications:

- Building permits are included in this GMP.
- We have not included any work outside of the building including but not limited to any sitework or skin work.
- This GMP excludes any owner FFE.
- Please refer to Exhibit B & Exhibit C for any alternatives added to the project or scope that was value engineered for cost savings measures.
- We have not included any costs for any Owner Testing, Third Party Material Testing, etc.
- We have not included any labor or materials for the electrical, fire alarm, low voltage, or hvac scopes of work.
- Regarding the Hot Plunge, we have not included the electrical home run, disconnect, or connection to the hot plunge nor any low voltage electrical interconnections between hot plunge equipment.
- We have included a complete self-contained Hot Plunge System meaning that there are no direct connections to any water supply or wastewater.
- This GMP includes taxes on imported materials at typical interval increases for the duration of construction project. Any mandated tax or tariff increases out of the normal, unforeseen, or because of current administration have not been included and JM Cope reserves the right to adjust costs based on said increases with supporting back up information.

Should you have any questions about these clarifications and assumptions, feel free to contact me.

Best Regards,
JM Cope Construction

Hunter Galliher
Project Manager