

**City Council  
Meeting Minutes  
Tuesday, May 19, 2026  
6:00 PM**

- Present:** Mayor Joe Gibbons presiding. Mayor Pro-Tem Ike Perkins, Councilmembers present were Jonathan Beal, Rebecca Dellinger, Ralph Prestwood, Kimmie Rogers, David Stevens, Crissy Thomas, City Manager Scott Hildebran, City Clerk Lauren Hartley and Attorney Will Sparks.
- City Staff:** In attendance was Finance Director Donna Bean, Public Services Public Works Director Jon Hogan, Communication & Public Information Director Joshua Harris, Police Chief Andy Wilson, Planning Director Hannah Williams, Public Services Public Utilities Director Jeff Church, and Economic Development Main Street Director Brenda Floyd.
- Absent:** City Parks & Recreation Director Phil Harper, Fire Chief Norman Staines.

**I. Call to Order**

Mayor Gibbons stated this week is Public Works Week and thanked all the Public Works staff for what they do for the city.

Also, Mayor Gibbons wished Councilmember Thomas a Happy Birthday.

**II. Matters Scheduled for Public Hearings**

There were no public hearings.

**III. Consent Agenda Items**

Mayor Gibbons presented the following items:

- A.** Minutes: Approval of the City Council minutes of the meeting of Monday, May 4, 2026, as submitted.
- B.** Minutes: Approval of the closed session minutes of Monday, May 4, 2026, as reviewed by City Council, City Attorney, and City Manager.
- C.** Fireworks Authorization Permit: Approval of an application for a Fireworks Display Permit as submitted by Chris Jacobs, Fire Marshall, City of Lenoir. The date of the display is Saturday, July 4, 2026, beginning at 9:30 p.m. at Lenoir Optimist Park and will be conducted by Skyworks Pyro (JECO Pyrotechnics), Inc. for the City of Lenoir Recreation Department. A certificate of liability insurance has been submitted by Skyworks Pyro (JECO Pyrotechnics), Inc. and has also been verified.

Upon a motion by Councilmember Stevens, City Council voted 7 to 0 to adopt the above listed items (A through C) on the Consent Agenda as listed and recommended.

#### **IV. Requests and Petitions of Citizens**

- Richard Lamotte of 405 B Tremont Circle SE said he comes with the support of the Caldwell County Veterans Office to propose the Veterans Banner Program with a sample banner. The proposal is that the veterans families would sponsor each banner with a charge of \$300.00 and any additional money would be given to the Veterans Association.
- Kim Vance with the Caldwell County Veterans Office said they serve many veterans, with the majority from Caldwell County. It would be an honor and privilege to put their names on these banners and have the support of the community.

#### **V. Reports and Boards and Commissions**

- A. Jennifer Cannon, Plan Administrator Western Piedmont Council of Governments (WPCOG), presented to City Council the FY-2026 Action Plan for the City of Lenoir and FY-2026 Unifour HOME Consortium as part of the five-year Consolidated Plan. This was the second public meeting held to receive public comments.

Jennifer Cannon said the WPCOG is seeking council approval for the FY-2026 Action Plan to be submitted to Housing and Urban Development (HUD). This Consolidated Plan, as required by the U.S. Department of Housing and Urban Development (DHUD), identifies needs, outlines goals, develops action plans and prepares budgets for the City of Lenoir and the Unifour HOME Consortium, for the use of Community Development Block Grant (CDBG) funds and HOME funds for fiscal year 2026, beginning July 1, 2026 and ending June 30, 2027.

Jennifer Cannon said the city anticipates receiving \$118,886 of CDBG funds for FY-2026 with most of that being used for public facilities renovations and stormwater improvements at the Old Lenoir High School Campus Project, which includes the gym, auditorium, Mack Cooke Stadium, Farmer's Market Pavilion, and Over the Mountain Victory Trail Visitor Center.

Jennifer Cannon said the Unifour HOME Consortium program received \$976,597.50 for FY-2026. The consortium is a 28-local-government entity with Lenoir as the lead entity. The funds flow from HUD to the city for all activities, which include.

1. Downpayment Assistance: The WPCOG provides help to low to moderate income families to purchase a house.
2. Community Housing Development Organization (CHDO): Housing related activities such as contributing money towards Habitat houses.
3. Multi-Family Housing: The WPCOG assists developers in obtaining funding for low-income tax credits to obtain loans for apartments serving low to moderate income families, which also includes senior apartments. Apartments completed locally include Katz Corner, Viridian, and Arbor Glenn.

4. Program Administration: WPCOG receives income when loans are repaid, which is recycled into the program.

Mayor Gibbons asked if anyone would like to speak for the public comment section. Seeing none, Mayor Gibbons asked council for action on this item.

Upon a motion by Councilmember Thomas, City Council voted 7 to 0 to approve the FY-2026 Action Plan for the City of Lenoir and the FY-2026 Unifour Consortium HOME Program, as submitted.

## **VI. Reports and Recommendations of the City Manager**

### **A. Item for Council Action**

1. City Manager Scott Hildebran presented the FY2026-27 recommended Annual Budget for the City of Lenoir to City Council. A copy of the budget is on file in the City Clerk's office and available for review on the City's website at [www.cityoflenoir.com/budgetproposal](http://www.cityoflenoir.com/budgetproposal).

Mr. Hildebran reminded Council the budget is based on City Council's strategic priorities set at the February 2026 Budget Planning Meeting and as listed below.

#### 2026 City Council Priorities

1. Continue efforts to offer competitive compensation and benefits for employees to improve recruitment and retention.
2. Address corridor appearance and empty commercial buildings through continued code enforcement and beautification of public properties.
3. Explore ways to close sidewalk gaps along US 321/Blowing Rock Boulevard by working with North Carolina Department of Transportation (NCDOT) & the Greater Hickory Metropolitan Planning Organization (MPO).
4. Continue to develop strategies to attract attainable and affordable housing by promoting the Caldwell County Housing Plan and Living Lenoir 2045 Comprehensive Plan.
5. Continue to inform the public about City programs, services, and events, and encourage participation in government.

#### General Budget

City Manager Hildebran said the General Fund Budget totals \$27,104,230. The property tax rate of 0.46¢ per \$100 remains unchanged, and the Rescue Readiness Tax remains at 0.85¢ per \$100 for a total tax rate of 46.85¢ per \$100. All General Fund fees and charges remain unchanged.

Hildebran said 76% of general fund revenue sources come from property, sales, and franchise tax, 75% of the budget goes towards Public Safety and Public Works, and 74% of the general fund spending category goes to personnel. The

recommended general fund budget includes borrowing for a new 107' ladder quint fire truck utilizing the Rural Economic Development Loan and Grant (REDLG) program with a 7-year, 0% interest rate loan through Blue Ridge Energy. The budget does not use any fund balance.

#### Downtown Municipal Service District

The Downtown Municipal Service District proposed budget is \$285,875. The recommended MSD tax rate remains at 18¢ per \$100 of assessed district property value.

#### Water and Sewer Fund

The Water and Wastewater Fund totals \$14,523,270, which includes a 3.75% increase in water and sewer rates. The rate increase for a typical customer with 5,000 gallons of usage is anticipated to be \$2.12 per month. It also includes a 5% increase in bulk/resale water and sewer rates.

The Water and Sewer Fund budget utilizes a retained earnings appropriation of \$1,600,000, as recommended by McGill Associates in our Water and Sewer Capital Plan.

#### Multi-Year Capital Projects

The City of Lenoir has received substantial funding for multi-year capital projects from a variety of sources:

1. American Rescue Plan
2. State-directed appropriations
3. Community Development Block Grant (CDBG)
4. Numerous other grants
5. Private donations.

A comprehensive list of projects and funding sources is included in the proposed budget for information.

#### Budget Highlights

Mr. Hildebran stated the key components of this budget are:

1. Core services are continued with revenue projections estimated in a realistic, conservative manner. The projections include consideration for the continued uncertainties of the future economic environment.
2. Employee Compensation: As the top strategic priority, the budget includes a Cost of Living Adjustment (COLA) of 2.5% for all employees plus \$2,000 added to base pay for all full-time employees. This budget continues to fund the holiday longevity bonus program for all employees. The budget funds the mandated increase in the NC Local Governmental Employees' Retirement System (LGERS) employer contribution rate. The law enforcement rate will increase from 16.10% to 17.10%, while the non-law enforcement rate will rise from 14.35% to 15.22%. The City's group

health insurance premiums will increase by approximately 2%, while maintaining the current plan benefit levels. It is proposed to begin a NC 401K Plan contribution match of up to 1% beginning July of 2026 for non-LEO employees. All sworn law enforcement personnel received a state-mandated 5% NC 401K Plan contribution.

3. Insurance: The cost of the City's property and liability insurance will increase by 8% while the workers' compensation insurance will decrease by 6%.
4. Personnel Changes: Overall, the total full-time employee count is reduced by two positions (275 to 273), with one school resource officer being eliminated due to county staffing and one full-time aquatics position being eliminated and replaced with additional part-time staff. Though the proposed budget fully funds the police telecommunications division, it is anticipated that some, if not all of this division, will be shifted to Caldwell County per our consolidation agreement within the fiscal year. The proposed budget includes a new Budget and Financial Analyst position to assist with supporting long-term financial planning, financial forecasting, trend analysis, reporting, analytical and capital project assistance, and procurement. This position would replace the Special Projects Director position due to a re-organization of that position's duties. Further, the proposed budget includes a new Fire Fighter III pay grade to provide additional structure to the department's employee development program.
5. Employee Development: It is recommended increasing the tuition reimbursement program from \$2,200 to \$3,000 per year for course work beginning after July 1, 2026.
6. Street Resurfacing: The budget allocates \$430,000 to continue implementation of our Pavement Plan, a \$10,000 increase. The State Powell Bill funding is expected to remain stable in the coming year. In addition, the budget includes \$150,000 in funding for strategic paving for various Council priorities.
7. Downtown: Funding is included to support our Downtown Master Plan, to expand downtown decorations, and to add planters.
8. Code Enforcement: The budget includes more than \$103,000 for building demolitions, foreclosures and \$34,000 in funding for contracted Western Piedmont Council of Governments (WPCOG) Code Enforcement Services (two days per week/four hours per day) to assist with nuisance and code enforcement in response to the City Council's priorities. There is also a \$10,000 increase in operating funding allocated for additional commercial code enforcement.
9. Technology: There is funding for computer and information technology upgrades throughout the organization to enhance and improve operations and security.
10. Environmental: The budget continues to fund the outsourcing of management and oversight of our Federal Phase II Stormwater Program to the Western Piedmont Stormwater Partnership.

The budget funds all debt obligations.

The recommended General Fund Capital Investments total \$1,649,400, an increase of \$88,675 from FY 2025-2026. Staff will use capital funding for various projects and purchases including:

1. Vehicles for various departments
2. Equipment upgrades for the Police and Fire Departments
3. Sweeper Truck
4. Backhoe
5. Playground Equipment at the Rotary Soccer Complex and Mulberry Recreation Center
6. Lenoir Aquatic and Fitness Center improvements

A complete list of General Fund capital purchases is included in the budget packet.

#### Water and Sewer Fund Capital

The recommended Water and Sewer Fund capital investments total \$3,767,500, an increase of \$743,500 from the previous year.

Water and Sewer Fund capital projects include:

1. Repairs and renovations at the Water Treatment Plant
2. Repairs and improvements for distribution and collections systems
3. Replacement pick-up trucks
4. Vacuum truck
5. Updates and maintenance to the Wastewater Treatment Plants

#### Downtown MSD Capital

An additional \$35,000 for holiday decorations.

In conclusion, City Manager Scott Hildebran said the Recommended FY 2026-2027 Budget is balanced and addresses Council's priorities. The proposed budget increases employee compensation and continues to prioritize code enforcement. Staff is focusing on general fund capital priorities, and the budget allocates more than \$3.7 million for water and sewer capital improvements to maintain the integrity of the system. This budget will allow the City to maintain and enhance current service levels.

Mr. Hildebran thanked Donna Bean, Finance Director, Department Directors, Joshua Harris, Communication & Public Information Director, Team Lenoir, and City Council for their engagement, collaboration, and contributions to the proposed budget. Our primary goal, each and everyday, via our employee-led customer service initiative, remains to provide "Service Beyond Measure." Come

“Create With Us” in Lenoir!

Councilmember Beal thanked City Manager Hildebran and city staff for a fantastic job. Beal asked if this budget passes, when would the employee compensation of 2.5% cost of living adjustment and the additional \$2,000 added to base pay be in effect.

City Manager Hildebran said it would be in effect July 1 and the pay plan schedule is included in the provided document.

Mayor Gibbons thanked staff for all the hard work on this budget and presentation, which included all priorities set by council. Our employees are very special to us and have been our #1 priority for many years.

Upon a motion by Councilmember Stevens, City Council voted 7 to 0 to schedule a public hearing on Tuesday, June 2 at 6:00 p.m. to consider adoption of the recommended FY2026-2027 Annual Budget, as presented and as recommended by City Manager Hildebran.

**B. Items of Information**

1. City Council will conduct a Budget Work Session on Thursday, May 21, at 6:00 p.m. at City Hall, Third Floor Conference Room. An additional Budget Work Session will be held on Thursday, May 28, if necessary.
2. City offices will be closed on Monday, May 25, in observance of Memorial Day.
3. The Committee of the Whole will meet on Tuesday, May 26, at 8:30 a.m. at City Hall, Third Floor.
4. The Foothills Regional Airport Authority will meet on Wednesday, May 27, at noon.
5. The Neon Night Ride will be held on Friday, May 29, starting at 8:30 p.m. at the Rotary Soccer Complex.

**VII. Reports and Recommendations of the City Attorney**

There was no report from the City Attorney.

**VIII. Reports and Recommendations of the Mayor**

- A. Mayor Gibbons recommended the following individuals to be appointed/re-appointed to the City’s Authorities/Boards/Commissions for various term lengths. These appointments will be placed on the June 2 City Council Agenda for Council’s consideration of approval.

ABC Board (3-Year)

John Tye (2029)

Jon Blair (2028) Unexpired Term

Foothills Airport Authority (2-Year)

Tom Smith (2028)

Lenoir Housing Authority (5-year)

Pete Kidder (2031)

Business Advisory Board (3-Year)

Dana Clark (2029)

Glenda Wilson (2029)

Hunter Greer (2029)

Katie Brummett (2029)

Alan Hall (2028) Unexpired Term

Application Pending (2027) Unexpired Term

Planning Board/Historic Preservation Commission (3-year)

Michael Careccia (2029)

Kyle Case (2029)

Tammy Greene (2029)

Board of Adjustments (3-year)

Edward Terry (Alternate) (2028) Unexpired Term

Michael Careccia (2029)

Lucy McCarl (2029)

Kyle Case (2029)

Recreation Advisory Board (4-year)

Dylan Laws (2030)

Charles Pilkenton (2030)

Darren Foddrell (2030)

Application Pending (2029)

Lenoir Tourism Development Authority (4-year)

Dana Clark (2030)

Glenda Wilson (2030)

Samantha Riley (2029) Unexpired Term

Application Pending (2028) Unexpired Term

**IX. Reports and Recommendations of Council Member**

- Councilmember Prestwood thanked Public Works for their work on the beautiful downtown planters.
- Mayor Gibbons said congratulations to Councilmember Prestwood, who was inducted into the Caldwell County School Hall of Honor and is a graduate from Lenoir High School.

**X. Adjournment**

There being no further business, Mayor Gibbons adjourned the meeting at 6:40 p.m.

---

Lauren Hartley, City Clerk

---

Joseph L. Gibbons, Mayor



# Lenoir Fire Department

602 Harper Avenue, N.W.  
Lenoir, North Carolina 28645



Lenoir Fire Department  
(828) 757-2190

Fire Marshal  
Christopher W. Jacobs  
(828) 757-2193  
(828) 394-1206 Fax  
[cjacobs@ci.lenoir.nc.us](mailto:cjacobs@ci.lenoir.nc.us)

## APPLICATION FOR FIREWORKS DISPLAY PERMIT

- Name: City of Lenoir (individual, group or organizational sponsor)
- Address: 720 Mulberry St. SW  
Lenoir NC 28645
- Location of Display: 720 Mulberry St SW (Street Address)  
Lenoir NC 28645
- Name, Address and Phone number of fireworks display operator:  
Fire Works - Sky Works / Eric Wright 828-260-2619
- Date and Time of Fireworks Display: July 4, 2026 930 PM
- Proposed Rain/Wind Date if event is postponed: \_\_\_\_\_
- Provided a copy of approval for the fireworks display from the City of Lenoir per Caldwell County Agreement.
- Provide the qualifications of the operator which demonstrate experience with use of fireworks and knowledge of all safety precautions related to the storage, handling or use of fireworks. Operators **must have a permit from the Office of State Fire Marshal** and provide a copy of permits of all personnel involved in the display to this office or provide documentation required for assistants on site.
- Provide Evidence of Financial Responsibility by the sponsor of the event of the operator of the fireworks display. (Insurance Certificate) **City of Lenoir is to be included in the Certificate Holder Section.**
- Provide a "Procedure Plan for Failures" which establishes procedures to follow and actions to be taken in the event that a shell fails to ignite or other malfunctions.
- Provide a diagram (including distances) of the grounds on which the outdoor fireworks display is to be held showing the point at which the fireworks are to be discharged, the location of all buildings, highways and other lines of communication, this lines behind which the audience is to be restrained, and the location of other possible overhead obstructions.
- Provide information regarding the number and types of fireworks which will be discharged.
- Provide information regarding the manner and place of storage of such fireworks prior to delivery to the outdoor fireworks display site.

**By signing this document, the applicant agrees that the operation of this outdoor fireworks display will conform to the terms of NFPA 1123 or NFPA 1126, and the General Statutes of North Carolina.**

*Jack Can...*  
(Signature of Applicant)

May 5, 2026  
(Date)

**CITY OF LENOIR**  
**FY-2026 Action Plan**

**City of Lenoir**

P.O. Box 958  
Lenoir, NC 28645  
(828) 485-4245

For Submittal to the U.S. Department of Housing and Urban Development  
June, 2026

**ACTION PLAN 2026  
CITY OF LENOIR, NORTH CAROLINA**

- I. Federal Form 424**
- II. Introduction**
- III. Five Year Strategy**
- IV. Second Year Action Plan 2026**
  - A. Resources**
    - 1. Federal**
  - B. Activities to be Undertaken**
    - 1. Public Facilities Improvements**
    - 2. Program Administration**
- V. Other Actions**
  - A. Affordable Housing**
  - B. Homelessness and Other Special Needs**
  - C. Non-Housing Community Development Needs**
  - D. Lead Based Paint Hazard Reduction**
  - E. Public Housing Improvements**
  - F. Public Housing Residents Initiatives**
- VI. Monitoring**
- VII. Fair Housing - Barriers to Affordable Housing**
- VIII. Anti-Poverty Strategy**
- IX. Coordination of Efforts**
- X. Summary of Citizen Comments**
- XI. Certifications**

## **II. INTRODUCTION**

The Community Development Block Grant Entitlement Program allows the City of Lenoir to address the housing affordability, community and economic development needs for the low and moderate-income residents of Lenoir. The Consolidated Plan is a planning document which guides the development of affordable housing, community and economic development strategies. The Consolidated Plan serves as a guide to be used in decision making for investors, non-profit organizations, community organizations, program administrators, City officials and concerned citizens. The Consolidated Plan, required by the Department of Housing and Urban Development, is designed to promote and coordinate citizen participation in the development of local priority needs and objectives.

This year the City of Lenoir will be utilizing the entitlement funds from the CDBG program for public facilities renovations and storm water improvements at the Old Lenoir High School Campus Project, which includes the Gym, the Auditorium, Mack Cooke Stadium, Farmer's Market Pavilion, and Over the Mountain Victory Trail Visitor Center.

Mandated by the U.S. Department of Housing and Urban Development, the Consolidated Plan, developed in FY 2025 for a five year period, set forth a five-year plan for addressing the City's housing, community development and economic development needs of its low and moderate – income residents. The following is the summary of the five-year plan and the strategies for the FY 2026 CDBG program year.

### III. FIVE YEAR STRATEGY

Summary of the Five Strategy. The City of Lenoir has established the following significant elements for achieving its strategic purposes and objectives through this consolidated plan.

- Installation of streets and sidewalks in CDBG eligible areas.
- Installation of greenways paths and/or bridges in CDBG eligible areas.
- Streets improvements in CDBG eligible areas.
- Installation of water & sewer and storm water improvements in CDBG eligible areas.
- Elimination of slum and blight housing units and vacant buildings in the city through the acquisition and demolition and/or condemned structures.
- Increase economic and job opportunities for low and moderate income persons.
- Stimulating homeownership opportunities for low and moderate income homebuyers by providing downpayment assistance through the HOME Unifour Consortium Program.
- Increase the supply of standard, affordable housing through the rehabilitation of existing structures.
- Continue supporting programs offered by non-profits that benefit low and moderate income people and meet the requirements of CDBG Program.
- Encourage efforts on a regional basis to further study and address homelessness.
- Continue efforts to create, maintain or improve new or existing parks, recreational and other public facilities in CDBG eligible areas.
- Continue efforts to reduce and eliminate lead-based paint hazards through education and testing, utilizing services of the Caldwell County Health Department.
- Continuation of efforts to further Fair Housing and minimize relocation or displacement in all programs.

Priority Analysis and Strategy Development. The City of Lenoir has established its general priorities for allocating federal, state and private resources expected to be available over the five-year period of the consolidated plan. The data obtained from the 2020 Census and HUD Databooks indicate that low-income small related, low-income large related and elderly owner households were more likely to experience housing problems than other sub-populations. The growing number of severe housing problems in the 0 to 80% income categories, indicate the need for rehabilitation assistance. The City will continue to support applications for elderly and low-income housing rehabilitation and construction.

The City also supports any applications for funds which goals are to provide affordable, safe and decent housing to low and moderate income individuals and families.

Sources of Funds. All program activities will be paid by federal CDBG funds

### IV. SECOND YEAR ACTION PLAN 2026

#### Strategy Implementation-Year 2

**Total CDBG Funding** \$118,886

**Total Resources** \$118,886

In accordance with 24 CFR Part 91.220 of Title 1 of the Housing and Community Development act

of 1974, as amended, the City of Lenoir's One Year Action Plan outlines the activities that will be funded using CDBG funds.

A. Resources

1. Federal

Federal resources are expected to be available to address the priority needs and specific objectives identified in the strategic plan of the CDBG Program. The City anticipates receiving \$118,886.00 in FY 2026.

B. Activities to be Undertaken

Priority 1. Public Facilities - \$95,108.80 public facilities renovations and storm water improvements at the Old Lenoir High School Campus Project, which includes the Gym, the Auditorium, Mack Cooke Stadium, Farmer's Market Pavilion, and Over the Mountain Victory Trail Visitor Center.

Geographic Distribution. Low Income Census Tract

Priority 2. Program Administration - \$23,777.20 in CDBG funds to provide efficient and timely administrative services. Administration will be a key component to the success of the City of Lenoir programs. The staff will be responsible for preparing all documents required of the CDBG Program, monitoring and other requirements of the Program.

**V. OTHER ACTIONS**

**A. Affordable Housing.** The City of Lenoir has established its general priorities for allocating federal, state and private resources expected to be available over the five year period. The data obtained from the 2020 Census of Population and Housing and HUD Databooks indicate low-income households are more likely to experience housing problems. Older adults will continue to experience housing problems due to that population's decreased incomes, the age of their homes and their increasing frailty as they age. The City of Lenoir will continue to support individual applications for HOME, CDBG and Rural Development Corporation funds to address these needs.

Priority has been given to improving areas of the city through infrastructure improvements and improvements to public facilities. The City of Lenoir supports any applications, which have goals of providing affordable, safe and decent housing to low and moderate-income families and individuals.

**B. Homelessness and Other Special Needs.** The City of Lenoir will work closely with the existing network of agencies and organizations that are addressing the needs of the homeless and those threatened with homelessness and those with special needs housing. The City of Lenoir will work with regional efforts by the Western Piedmont Council of Governments or the Unifour Consortium to study the causes and possible remedies for homelessness.

**C. Non-Housing Community Development Needs.** The City of Lenoir will seek to improve the downtown business area. This revitalization of this area is of extreme importance in maintaining the character of the City. New businesses, restaurants, and industry are needed to create new jobs and to increase the viability of the City.

**D. Lead Based Paint Hazard Reduction.** The number of homes built before 1970 is 4563 all of which can be classified as potential hazards. Any units assisted with CDBG funds will be addressed for lead hazards on a unit-by-unit basis in accordance with all D-HUD regulations. With limited funds available, the abatement of lead from all units within the city is not possible. Lead based paint hazard and abatement information is made available at the CDBG office for all city residents upon request. Approved measures such as wet scraping to reduce the amount of lead disturbed during rehabilitation will be used.

**E. Public Housing Improvements.** The Lenoir Housing Authority plans to improve the management and operation of the public housing units by applying for funds to refinance the 97 units currently managed by a private management company. Further, the LHA cooperates with the Western Piedmont Council of Governments to increase homeownership among residents, and encouraging residents to apply for homebuyer assistance funds. The LHA also coordinates efforts with the Lenoir Police Department to reduce crime in at their units.

**F. Public Housing Resident Initiatives.** The LHA will work in the coming five-year period to increase resident awareness of energy factors, homeownership possibilities, credit counseling, drug elimination, and community activities. Together with the City of Lenoir, the Western Piedmont Council of Governments, Blue Ridge Community Action the LHA hopes the residents of the authority will be able to accomplish more self-reliance and independence expenditures.

**VI. MONITORING.** The City of Lenoir will take every measure to ensure the City of Lenoir's long-term compliance, completely and correctly, with provisions of this consolidated plan and all of the provisions of the CDBG program.

The City of Lenoir is committed in its efforts to develop and provide affordable housing and to meet the goals of their five-year strategy outlined in the consolidated plan. The City of Lenoir will review the goals of their one-year strategy on a quarterly basis to determine progress made toward reaching the goals. The City of Lenoir shall be responsible for monitoring only those funds that it receives from DHUD.

All persons receiving assistance under the CDBG program must meet low and moderate-income requirements as determined annually by U.S. Department of Housing and Urban Development.

Any acquisition and relocation will comply with the Uniform Relocation Act.

Any demolition/clearance/construction/site preparation work will be monitored in accordance with Davis-Bacon requirements. Environmental clearance will be received prior to expenditure of any HUD funds. Any asbestos and/or lead-based paint abatements will be done in accordance with applicable state and federal governing laws.

For every \$30,000 in CDBG funds spent on economic development, at least 1 new job will be created for low and moderate-income residents. All required procedures will be followed to ensure compliance with national objective to benefit low to moderate-income persons.

All construction work will be monitored in accordance with any Davis-Bacon requirements.

In order to ensure compliance the Western Piedmont Council of Governments will conduct the monitoring for this program.

**VII. Fair Housing – Barriers to Affordable Housing.** The City of Lenoir makes every effort in supporting affordable housing. The City serves as the Lead Entity for the Unifour Consortium which has 28 participating local governments. Within the Consortium, there are varying degrees of adopted zoning and land use controls, fees and other costs that will affect the cost of housing. Adopted zoning and subdivision codes that are currently in force are not considered to be excessive or exclusionary. The Consortium staff, the Western Piedmont Council of Governments, will administer an Individual Development Account program with CDBG funds received by counties. These IDA program will be administered and available throughout the Unifour. The Western Piedmont Council of Governments is a HUD-approved comprehensive housing counseling agency, and as such, it will also continue to provide Home Equity Conversion Mortgage counseling to older adult homeowners.

Lack of education about purchasing home can be a barrier to affordable housing. The lack of a job, money, or even a person's language can be a barrier to fair housing. An analysis of impediments to fair housing has identified various hurdles to fair housing and suggest ways to make housing opportunities more fair.

The City of Lenoir will take an active role in affirmatively furthering fair housing in its jurisdiction through these activities:

- The City of Lenoir will participate in the Unifour Consortium HOME Program, which assists low and moderate-income persons with down payment assistance.
- The City of Lenoir will promote education of housing rights and housing responsibilities through flyers translated into Spanish for our Hispanic population.
- The City of Lenoir will participate in various forums to provide housing and fair housing information to its citizens.
- The City of Lenoir Continued will place handicap accessible sidewalks and improved parking to provide equal access to the city for the handicap and disabled persons of Lenoir.
- The City will observe April as “Fair Housing Month” by the city adopting a fair housing resolution each April to recognize and support fair housing The City will sponsor public service announcements regarding fair housing and “Fair Housing Month” in local newspaper and/or radio.
- The City of Lenoir will supply informational posters, brochures and/or flyers to historically black church and community centers to inform citizens about their fair housing rights.
- The Unifour Consortium will provide down payment assistance for first-time homebuyers, to qualifying low to moderate income minorities and will specifically

affirmatively market the down payment assistance program to minority and/or predominately black communities by placing down payment assistance and fair housing posters, brochures, and/or flyers in minority and/or predominately black communities, churches, libraries, and community centers.

**VIII. ANTI-POVERTY STRATEGY.** The City of Lenoir is seeking new and diverse industries and commercial businesses for the City. Data from the Employment Security Commission of North Carolina states that unemployment in Caldwell County averaged 6.3% in 2015 due to the loss of furniture and textile jobs to overseas labor market. Job-training and job placement is provided through the Workforce Investment Act provide skill training and job placement assistance to over 150 adults and youth each year within Caldwell County.

**IX. COORDINATION OF EFFORTS.** The City of Lenoir has a strong network of private institutions, non-profit and public agencies that carry out the distribution of funds allocated to help the very-low and low-income families of the City. The staff of the Lenoir Community Development Department has accumulated experience in carrying out these programs. Reporting directly to the city manager and the city council the community development department receives valuable input into most of their activities. The City of Lenoir will continue to work with area service providers and agencies to remain aware of existing programs and make referrals as needed to individuals and families. The WPCOG staff assigned to the City of Lenoir will continue to be involved with various housing, aging, social service and non-profit agencies in order to stay abreast of other activities.

**X. SUMMARY OF CITIZEN COMMENTS.** A summary of citizen comments regarding the proposed 2026 Action Plan from the February 26, 2026 public meeting and the May 19, 2026 public hearing will be included here:

**XI. CERTIFICATIONS**

# **Unifour Consortium FY 2026 Action Plan**

## **Unifour Consortium**

City of Lenoir, Lead Entity

P.O. Box 958

Lenoir, NC 28645

(828) 485-4245

For Submittal to the U.S. Department of Housing and Urban Development  
June, 2026

ACTION PLAN 2026 UNIFOUR HOME CONSORTIUM  
CITY OF LENOIR, NORTH CAROLINA

- I. Federal Form 424
- II. Introduction
- III. Five Year Strategy
- IV. Second Year Action Plan 2026
  - A. Resources
    - 1. Federal
    - 2. Other
  - B. Activities to be Undertaken
    - 1. Downpayment Assistance
    - 2. CHDO Set-aside
    - 3. Multi-Family Housing
    - 4. Program Administration
- V. Other Action
  - A. Affordable Housing
  - B. Homelessness and Other Special Needs
  - C. Non-Housing Community Development Needs
  - D. Lead-Based Paint Hazard Reduction
  - E. Public Housing Improvements
  - F. Public Housing Resident Initiatives
- VI. Monitoring
- VII. Fair Housing – Barriers to Affordable Housing
- VIII. Anti-Poverty Strategy
- IX. Coordination of Efforts
- X. Summary of Citizen Comments
- XI. Certifications

## II. INTRODUCTION

The Unifour Consortium, comprised of four counties and twenty-four municipalities, located in the western piedmont region of North Carolina have prepared a Consolidated Plan as required to receive HOME funds and an HOME entitlement jurisdiction. The total twenty-eight participating Consortium members are contiguous and are in agreement as to the components of this plan. The Consolidated Plan serves as a guide for decision-making by investors, non-profit organizations, community organizations, elected officials and concerned citizens. The Consolidated Plan, required by the Department of Housing and Urban Development, is designed to promote and coordinate citizen participation in the development of local priority needs and objectives.

The twenty-eight local governments that comprise the Unifour Consortium sit on the Unifour Consortium Governing Board. Each local government provides one representative to set on the board. Each representative has one vote. The City of Lenoir serves as the Lead Entity for the Unifour Consortium. All funding from the Department of Housing and Urban Development will flow through the City of Lenoir to the benefit of all twenty-eight local governments. The City of Lenoir assures compliance with all required regulations pertaining to the HOME Program. The City of Lenoir contracts with the Western Piedmont Council of Governments for the administration of the HOME Program.

The Consortium has established its general priorities for allocating HOME funds expected to be available over the five-year period. The data obtained from the 2020 Census of Population and Housing indicates that low and moderate-income households are more likely to experience housing problems. Older adults will continue to experience housing problems due to that population's decreased incomes, the age of their homes and their increasing frailty as they age. Priority has been given to making homeownership more available to low and moderate-income families and individuals. This will be addressed through downpayment assistance and counseling for those wishing to purchase a home.

Specifically, funds will be used to provide up to \$20,000 downpayment assistance loans to low and moderate-income families, with incomes no greater than 80% of the area median income. These loans are 0% interest loans and are to be paid back upon the sale or refinancing of the home.

The downpayment assistance program was selected as the most pressing need at this point due to the increasing number of families moving to the Unifour area seeking employment. However, many of the jobs taken by new residents are lower income jobs. The downpayment assistance program will assist the working poor - those who are able to make rent payments but not save enough funds for a downpayment. By assisting individuals in obtaining their own homes, the Consortium hopes to increase the tax base of the area, strengthen neighborhoods, decrease transience, and empower and inspire families to become a permanent fiber in the local community fabric.

Homelessness and Other Special Needs. The Consortium will work closely with the existing network of agencies and organizations that are addressing the needs of the homeless, those threatened with homelessness and those with special needs housing. Implementation of the Continuum of Care plan will be done as federal funds are made available to agencies dealing directly with homeless issues.

The Consortium will set aside a minimum of at least 15% of its funding each year for investment in housing to be developed, sponsored or owned by community development housing organizations (CHDO's). These CHDO's must be a non-profit organizations whose purposes are to provide housing or housing opportunities to low income persons or families or those with special needs. Further, to qualify for funds participating CHDO's must meet criteria as defined by HUD and approved by the Consortium. The Executive Committee of the Consortium will recognize and approve CHDO's and will award funding for CHDO projects.

Preference for CHDO funding will be made to organizations addressing the needs of the homeless, persons with HIV/AIDS, at risk persons, older adults, affordable housing opportunities, or concentrating in areas or neighborhoods identified to have a concentrated need for housing assistance.

### **III. FIVE YEAR STRATEGY**

Summary of the Five Year Strategy. Although significant housing initiatives have and will continue to take place by individual members of the Consortium, gaps in housing service have been identified. These include the lack of assistance for low and moderate-income household in purchasing housing, special needs housing development, affordable housing development (both rental and owner occupied), and housing counseling. The Unifour Consortium has established the following significant elements for fillings these gaps and achieving its purpose of creating housing opportunities through this Consolidated Plan.

- o Stimulating homeownership opportunities for very-low and low income homebuyers by the continuation of a four county-wide Downpayment Assistance Program for First-Time Homebuyers.
- o Homeownership opportunities will be stimulated through homebuying counseling for potential homebuyers
- o Work with developers to increase the supply of standard, affordable housing through development of new housing units under the HOME Program.
- o Encourage community based non-profit organizations to develop the resources and capacity to address special needs housing throughout the Consortium area.
- o Increase the supply of standard, affordable housing opportunities through new construction of housing and rehabilitation of existing housing units under HOME Program, utilizing deferred loans/grants to very-low and low-income families.
- o Provide assistance to agencies that assist homeless persons and families and those threatened with homelessness.
- o Encourage efforts on a regional basis to further the study and address homelessness.
- o Continuation of efforts to further Fair Housing and minimize relocation or displacement in all programs.

#### IV. SECOND YEAR ACTION PLAN 2026

##### Strategy Implementation Year 2

<b>Total HOME Funding for FY 2026</b>	<b>\$ 976,597.50</b>
<b>Total Estimated Program Income</b>	<b><u>250,000.00</u></b>
<b>Total Projected Resources</b>	<b>\$1,226,597.50</b>

In accordance with 24 CFR Part 91.220 of Title 1 of the Housing and Community Development act of 1974, as amended, the City of Lenoir's One Year Action Plan outlines the activities that will be funded using HOME funds.

#### A. Resources

##### 1. Federal

Federal resources are expected to be available to address the priority needs and specific objectives identified in the strategic plan of the HOME Program. The Unifour Consortium anticipates receiving **\$976,597.50 in FY 2026 HOME funds.**

##### 2. Program Income

Based on past performance and the current number of loans on the books, program income of approximately \$250,000 is estimated to be received from the repayment of down-payment assistance loan.

#### B. Activities to be Undertaken

**Priority 1: Regional Down-payment Assistance Program: \$405,572.35** in HOME funds to provide Down-payment assistance for approximately 34 homebuyers in four-county area.

These HOME funds will be used to provide down-payment assistance for approximately 3 homebuyers in the four-county area. This program will provide up to 20% in down-payment assistance to low to moderate- income family with an income of no greater than 80% of the area median income. Applicant families will receive assistance on a first-come-first-served basis. The applicant family must have good credit and be able to obtain a loan.

Assistance will be provided in the form of 0% interest deferred loans. Repayment is due if and when a family sells or refinances. If the home is sold after ten years, one half of the loan amount is repayable to the Unifour Consortium at closing as program income and the other half is forgiven. Any such program income will be used for down-payment assistance prior to Treasury funds, in accordance with HUD HOME regulations.

Matching funds will be provided by local lending institutions through such means as reducing, waiving or discounting ordinary fees and charges such as origination fees, attorney fees, appraisal fees, flood certification fees, private mortgage

insurance premiums, etc. Because these discounts will serve as the required local match, local government financial participation will not be required.

Applications will be processed through the program administrator's office at the Western Piedmont Council of Governments.

Geographic Distribution. Funds are distributed on a first-come, first-serve basis.

**Priority 2: Program Income Regional Down-Payment Assistance Program: \$225,000.00**

**Priority 3: Program Income Administration: \$25,000.00** or approximately 10% of Program Income funds received, will be used to support the administrative services directly related to the expenditure and compliance of Program Income funds received.

**Priority 4: CHDO set-asides: \$166,365.40** or approximately will be set-aside community housing development organizations for investment in housing only to be developed, sponsored or owned by community housing development organizations (CHDO's). CHDO's are non-profit community-based organization whose purpose is to provide housing or housing opportunities to low income persons and families or those with special needs. Total matching funds of 25% may be required of CHDO's. Preference will be given to those organizations that address the housing needs of the homeless, those threatened with homelessness, at risk persons, older adults, disabled persons, persons with HIV/AIDS, and CHDO's developing new affordable housing opportunities to low and moderate-income households. The Executive Committee of the Consortium will approve CHDO funding and activities.

Geographic Distribution. Funds will be distributed on a competitive priority needs basis for qualifying CHDO's located in the Consortium jurisdiction.

**Priority 5: Development of Multi-Family Housing: \$307,000.00** will be used to work with developers to increase the supply of standard, affordable housing through the development of new housing units under the HOME Program.

**Priority 6: Program Administration: \$97,659.75** in HOME funds will provide efficient and timely administrative services. Planning and administration will be a key component to the success of the Consortium programs. The staff will be responsible for preparing all documents required of the HOME Program, evaluation of applications, interviews with applicants, monitoring and other legal requirements of the Program.

**Resale/Recapture Provision:**

The Unifour Consortium uses the Recapture Provision with Recapture from net proceeds of sale. These provisions are imposed for the duration of the period of affordability on all HOME-assisted homebuyer projects through written agreements with the homebuyer, and enforced via a promissory note, deed of trust, and declaration of deed restrictions. The recapture provision is triggered by any transfer of title, either voluntary or involuntary, during the established period of affordability. Recapture is limited to the net proceeds available at sale. The period

of affordability is based upon direct HPME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The Unifour Consortium recaptures the entire amount of the direct HOME subsidy provided to the homebuyer before the homebuyer receives a return.

## **V. OTHER ACTION**

**A. Affordable Housing.** Housing represents the chief means that families have of saving and forming capital. It also represents the key to successful community development. A neighborhood of homeowners is inherently more stable than one which has none. So, the key strengthening our society, or economy, and our families lies in improving access to homeownership. Housing affordability will continue to be addressed through the Unifour Consortium program and by housing programs of individual members of the Unifour Consortium.

**B. Homelessness and Other Special Needs.** The Consortium will work closely with the existing network of agencies and organizations that are addressing the needs of the homeless, those threatened with homelessness and those with special needs housing. Implementation of the Continuum of Care plan will be done as federal funds are made available to agencies dealing directly with homeless issues.

The Consortium will set aside a minimum of 15% of its funding each year for investment in housing to be developed, sponsored or owned by community development housing organizations (CHDO's). These CHDO's must be non-profit organizations whose purposes are to provide housing or housing opportunities to low income persons or families or those with special needs. Further, to qualify for funds participating CHDO's must meet criteria as defined by HUD and approved by the Consortium. To qualify for funding, each CHDO may have to provide a match of 25%. The Executive Committee of the Consortium will recognize and approve CHDO's and approve funding applications.

Preference for CHDO funding will be made to organizations addressing the needs of the homeless, persons with HIV/AIDS, older adults, affordable housing opportunities, or concentrating in areas or neighborhoods identified to have a concentrated need for housing assistance.

**C. Non-Housing Community Development Needs.** The Unifour Consortium is not seeking to use funds for non-housing community development needs. However, in accordance with HUD requirements, the non-housing community development plans of the three entitlement cities within the Unifour Consortium are herein incorporated.

**D. Lead-Based Paint Hazard Reduction.** The number of homes built before 1978 is 78,348, all of which can be classified as potential hazards. Any funds used for rehabilitation will address the lead hazard on a unit-by-unit basis. With limited funds available, the abatement of lead from all units is not possible. Approved measures such as wet scraping to reduce the amount of lead disturbed during rehabilitation will be used. All recipients of HOME funds will be provided information outlining the dangers of lead-based paint.

**E. Public Housing Improvements.** Each of the four conventional public housing authorities (Morganton, Lenoir, Valdese and Hickory) are working with their local law enforcement/public safety agencies to reduce crime in their PHA's. Since 1996 over \$1.5 million has been spent to bring the public housing units into compliance with the Americans with Disabilities Act requirements.

**F. Public Housing Resident Initiatives.** Each of the five housing authorities within the Consortium jurisdiction is self-governing and responsible for administering its own funds. Appointments to each board are made from within their own memberships, and they each have their own policies regarding hiring, contracting and procurement.

Outreach efforts will be coordinated with each housing authority to inform residents of the downpayment assistance program and other housing assistance programs available within their jurisdictions. Within the Consortium jurisdiction there are five housing authorities: Hickory, Lenoir, Morganton, Valdese and the Western Piedmont Council of Governments. Among the assisted housing available are 1,628 units of conventional public housing, and housing subsidies for families and individuals through Section 8 vouchers and certificates. There is a need for private landlords for the Section 8 program throughout the Unifour area.

All of the above mentioned housing authorities anticipate no losses from their housing inventories. Those that own and operate conventional housing units as of March, 2018, report 0% vacancy rates and continuous waiting lists of needy families.

Each of the housing authorities will work to accomplish more self-reliance and independence through a variety of programs. They each will continue to strive to increase resident awareness of energy factors, job training, homeownership opportunities, credit counseling, drug elimination and community activities.

**VI. MONITORING.** The Unifour Consortium will take every measure to ensure the Consortium's long term compliance, completely and correctly, with provisions of the Consolidated Plan and all of the provisions of Title 1 of the National Affordable Housing Act.

The Unifour Consortium is committed in its efforts to develop and provide affordable housing and to meet the goals of their five strategies outlined in this plan. The Consortium will review the goals of their one-year strategy on a quarterly basis to determine progress made toward reaching the goals. The Consortium shall be responsible for monitoring only those funds that it receives from DHUD.

Specifically, for priority 1, the Unifour Consortium will ensure that all participants with the first time homebuyer program meeting HUD income eligibility requirements via income verifications. Such verifications will be maintained on file with each applicant. Each unit purchased with HOME assistance will be meet price limits, as determined annually by HUD. Each purchase price per unit will be maintained on file for each applicant. To ensure the lead-based paint status of each home purchased with HOME assistance, the year of construction for each unit will be verified through county tax records and maintained in each file. For homes built prior to 1978, verification from a lead-based paint inspector will be required for certification that the unit

is free of lead-based paint prior to closing. Under no circumstances will any unit built prior to 1978 be purchased with HOME assistance without proper certification of lead-free conditions if a child or children under age seven will reside in or be cared for within. Each unit purchased with HOME assistance shall be inspected by a qualified inspector to verify its compliance with Section 8 Housing Quality Standards at time of the closing. Such verification shall be maintained within each applicant file.

The Unifour Consortium will take every step necessary to ensure that CHDO's funded through the HOME program comply with the Consolidated Plan and all applicable Federal, State and local laws and policies. Specifically, for homeownership projects, each CHDO shall provide documentation of affordability by such means as deed restrictions, deeds of trust and promissory notes. CHDO's receiving funding for rental projects shall provide income verification for beneficiaries annually throughout the period of affordability. Rental project affordability shall be ensured by deeds of trust and promissory notes. All CHDO's shall provide annual project reports for their HOME assisted units throughout the period of affordability per project.

**VII. FAIR HOUSING -BARRIERS TO AFFORDABLE HOUSING.** The Unifour Consortium makes every effort in supporting affordable housing. With 28 participating local governments within the Consortium, there are varying degrees of adopted zoning and land use controls, fees and other costs that will affect the cost of housing. Adopted zoning and subdivision codes that are currently in force are not considered to be excessive or exclusionary. Lack of education about purchasing home can be a barrier to affordable housing. The Consortium staff, the Western Piedmont Council of Governments, will administer an Individual Development Account program with CDBG funds received by Caldwell County. This IDA program will be administered and available throughout the Unifour. The Western Piedmont Council of Governments is a HUD-approved comprehensive housing counseling agency, and as such, it will also continue to provide Home Equity Conversion Mortgage counseling to older adult homeowners.

The Unifour Consortium will take an active role in affirmatively furthering fair housing in its jurisdiction through the following activities:

- The Unifour Consortium staff will provide information to various citizens and/or groups about local housing programs offered throughout the area and staff will make available printed materials designed to inform citizens of their fair housing rights as outlined in state and federal housing laws. Information will be translated into Spanish for our Hispanic population.
- The Unifour Consortium will observe April as “Fair Housing Month” by the City adopting a fair housing resolution each April to recognize and support fair housing, The Unifour Consortium will sponsor public service announcements regarding fair housing and “Fair Housing Month” in local newspaper and/or radio.
- The Unifour Consortium will sponsor quarterly Fair Housing Workshops with the Catawba Valley Hispanic Ministry, better known as “Centro Latino:.. Centro Latino is a non-profit organization offering a wide variety of programs including: health, social and educational services, community building, and advocacy for the Latino community of the Unifour area. Written material will be provided in Spanish and English,
- The Unifour Consortium will participate semi-annually in community meeting in predominately black neighborhoods in order to present information on various

housing programs and to make available printed materials designed to inform citizens of their fair housing rights as outlines in state and federal housing laws.

- The Unifour Consortium will supply informational posters, brochures and/or flyers to historically black church and community centers to inform citizens about their fair housing rights.
- The Unifour Consortium will provide down payment assistance for first-time homebuyers, to qualifying low to moderate income minorities and will specifically affirmatively market the down payment assistance program to minority and/or predominately black communities by placing down payment assistance and fair housing posters, brochures, and/or flyers in minority and/or predominately black communities, church, libraries, and community centers.
- The Unifour Consortium will annually budget funds for Community Development Housing Organizations (CHDO'S) such as Habitat for Humanity to help finance housing related projects resulting in a home for low to moderate income families.

**VIII. ANTI-POVERTY STRATEGY.** Each member local government of the Consortium is very aggressive in trying to attracting new and diverse industries and commercial businesses into the area.

**IX. COORDINATION OF EFFORTS.** The Consortium will continue to work with area service providers and agencies to remain aware of existing programs and make referrals as needed to individuals and families. The WPCOG staff assigned to the Consortium will continue to be involved with various housing, aging, social service and non-profit agencies in order to stay abreast of other activities and expenditures.

The same outreach efforts will be made with area social services providers and non-profit organizations. The Consortium will coordinate its efforts with Blue Ridge Community Action, a local non-profit agency, which provides transitional housing units, new home construction, weatherization, rehabilitation and rental rehabilitation.

The cities of Hickory, Lenoir and Morganton are all HUD entitlement cities. The Consortium will work with each of these cities to coordinate housing initiatives and efforts. If any conflicts or negative effects arise, the Consortium will investigate all possible ways to alleviate the cause(s).

To meet housing and community development needs, individual local governments within the Unifour Consortium have applied for and received funding through other federal housing assistance programs including CDBG, Rural Development Corporation, and the North Carolina Housing Finance Agency. These localized programs assist low and moderate income, elderly and disabled owner occupied households.

**X. SUMMARY OF CITIZEN COMMENTS.** A summary of citizen comments regarding the proposed 2026 Action Plan from the February 26, 2026 and the May 19, 2026 public hearings will be included here:

**XI. Certifications**

# *FY 2026-27*

## Budget

## Presentation

SCOTT HILDEBRAN, CITY MANAGER

MAY 19, 2026



# 2026 Council Priorities

2

- ▶ Continue efforts to offer competitive compensation and benefits for employees to improve recruitment and retention.
- ▶ Address corridor appearance and empty commercial buildings through continued code enforcement and beautification of public properties.
- ▶ Explore ways to close sidewalk gaps along US 321/Blowing Rock Boulevard by working with North Carolina Department of Transportation (NCDOT) & the Greater Hickory Metropolitan Planning Organization (MPO).

# 2026 Council Priorities

3

- ▶ Continue to develop strategies to attract attainable and affordable housing by promoting the Caldwell County Housing Plan and Living Lenoir 2045 Comprehensive Plan.
- ▶ Continue to inform the public about City programs, services, and events, and encourage participation in government.

# General Fund

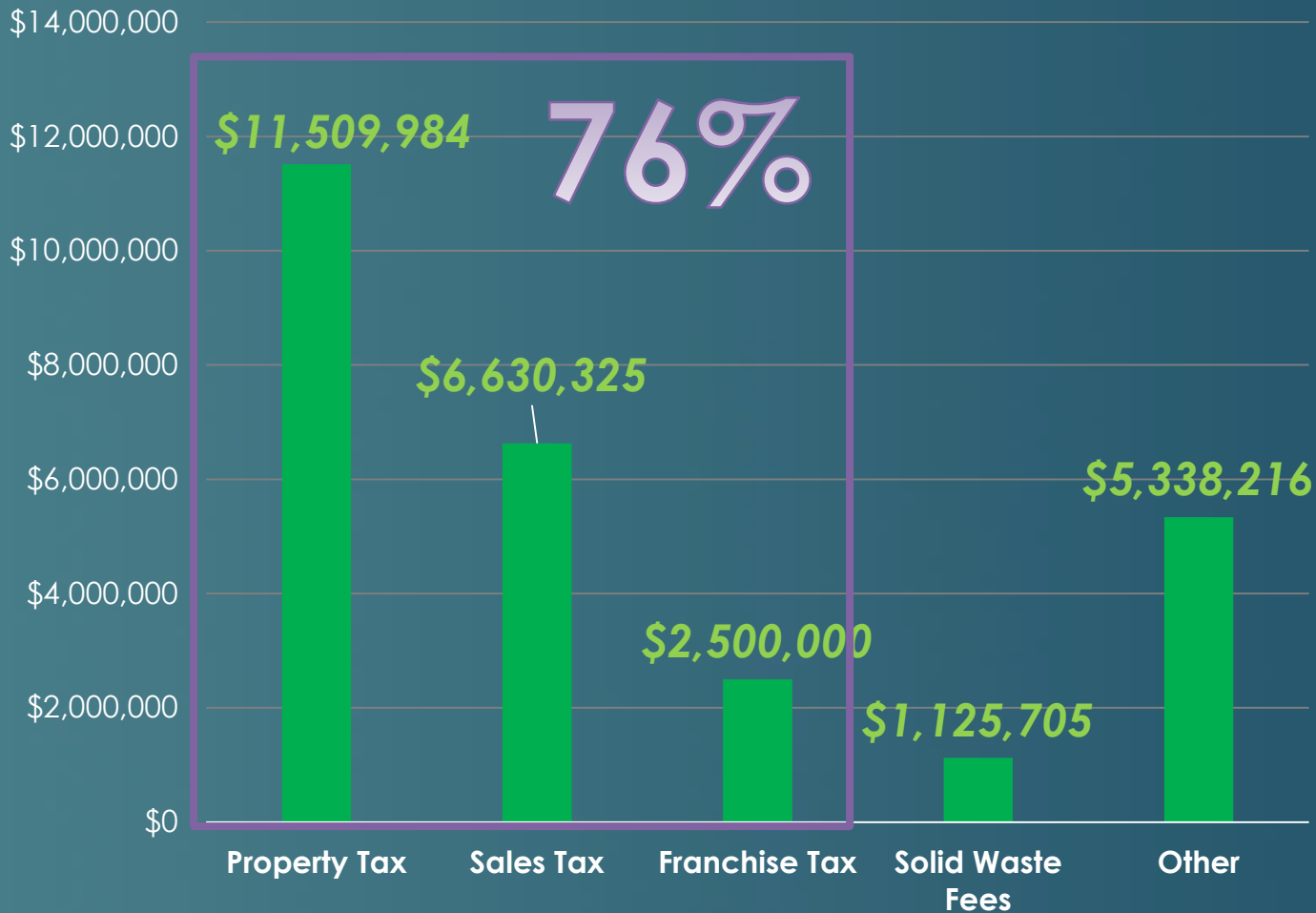
4

## \$27,104,230

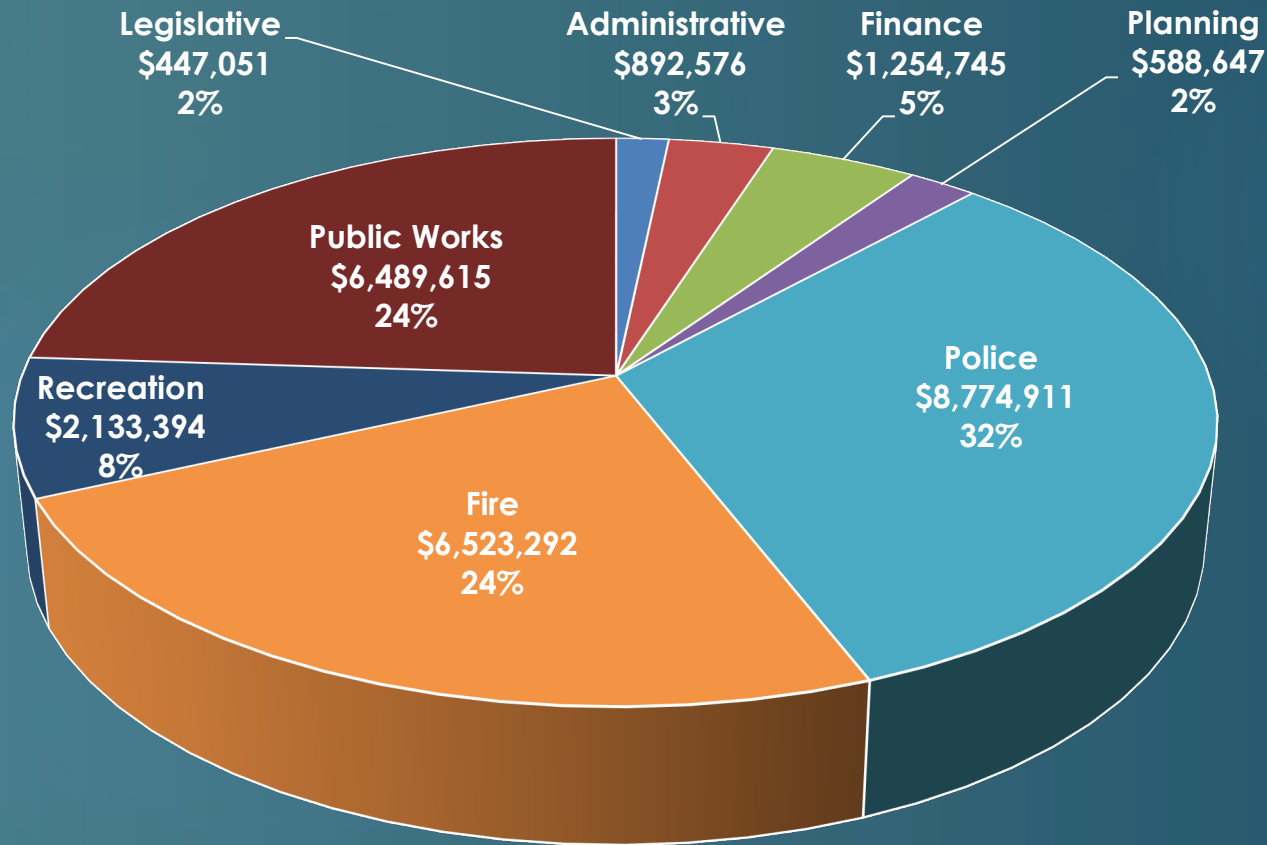
- ▶ Property tax rate remains **46¢ per \$100**
- ▶ Rescue Readiness Tax remains at **0.85¢ per \$100**
- ▶ Total City of Lenoir tax rate of **46.85¢ per \$100**
- ▶ All General Fund fees and charges remain unchanged
- ▶ Budget is **balanced** per state law

# General Fund Revenue

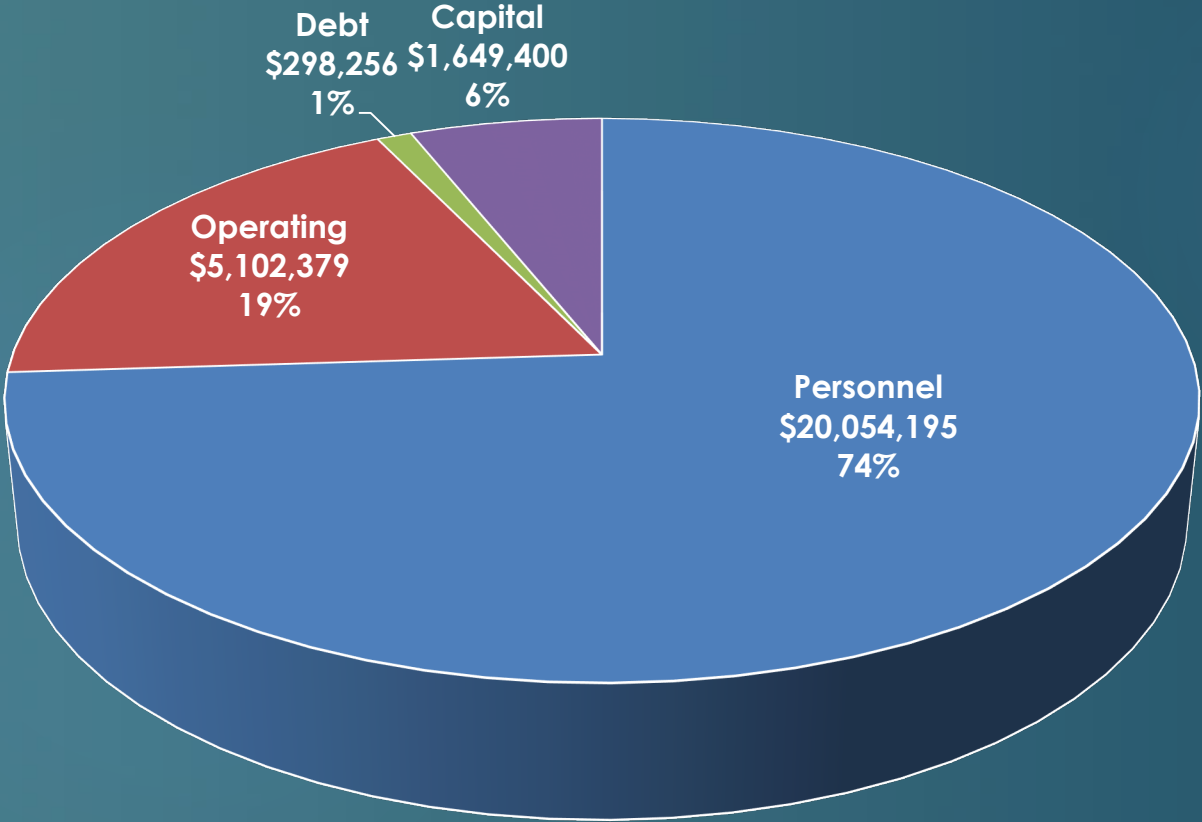
### Revenue Sources



# General Fund Expenses



# General Fund Spending by Category



# General Fund

- ▶ The Recommended General Fund Budget includes borrowing for a new 107' ladder quint fire truck utilizing the Rural Economic Development Loan and Grant (REDLG) program with a 7-year, 0% interest rate loan through Blue Ridge Energy.
- ▶ The budget does not use any fund balance.

# Downtown Municipal Service District

9

**\$285,875**

- ▶ The proposed Downtown Municipal Service District (MSD) budget is balanced.
- ▶ The recommended MSD tax rate remains at **18¢ per \$100** of assessed district property value.

# Water & Wastewater Fund

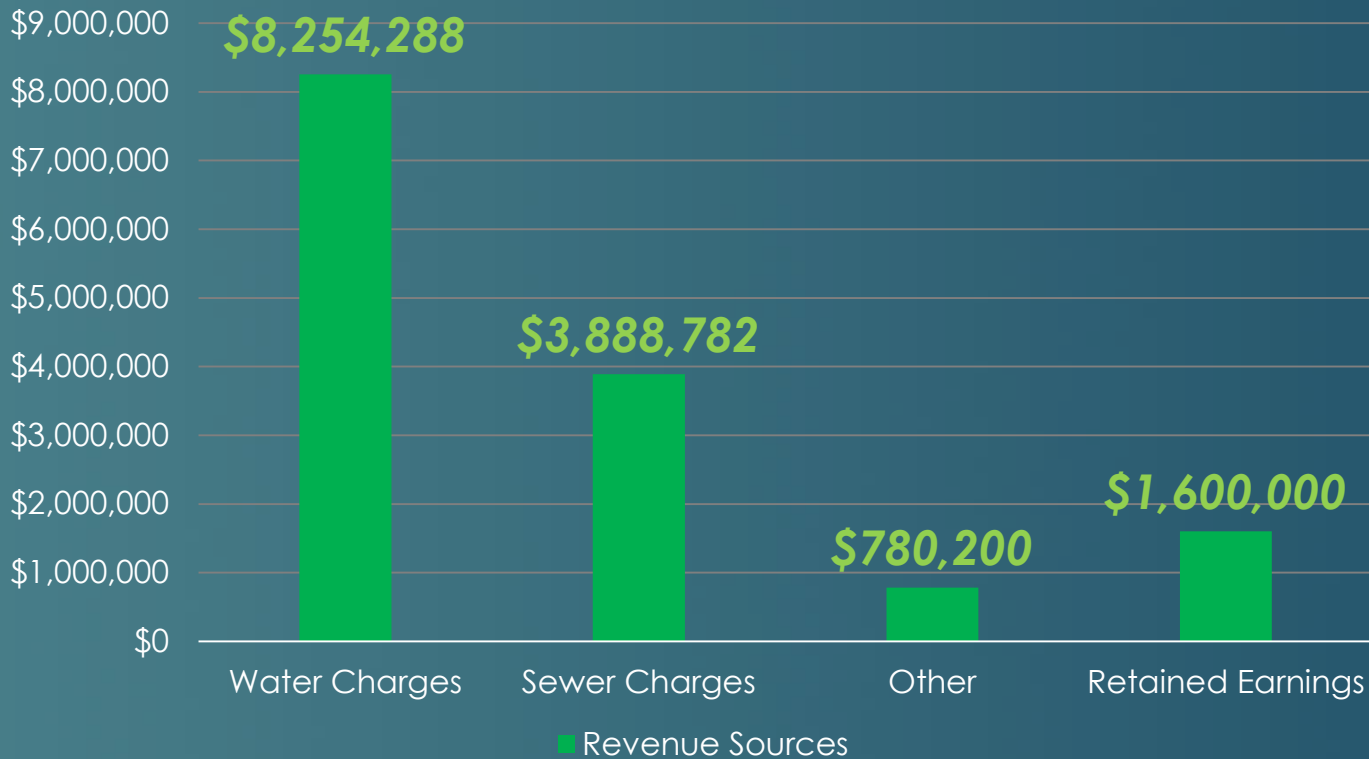
10

## \$14,523,270

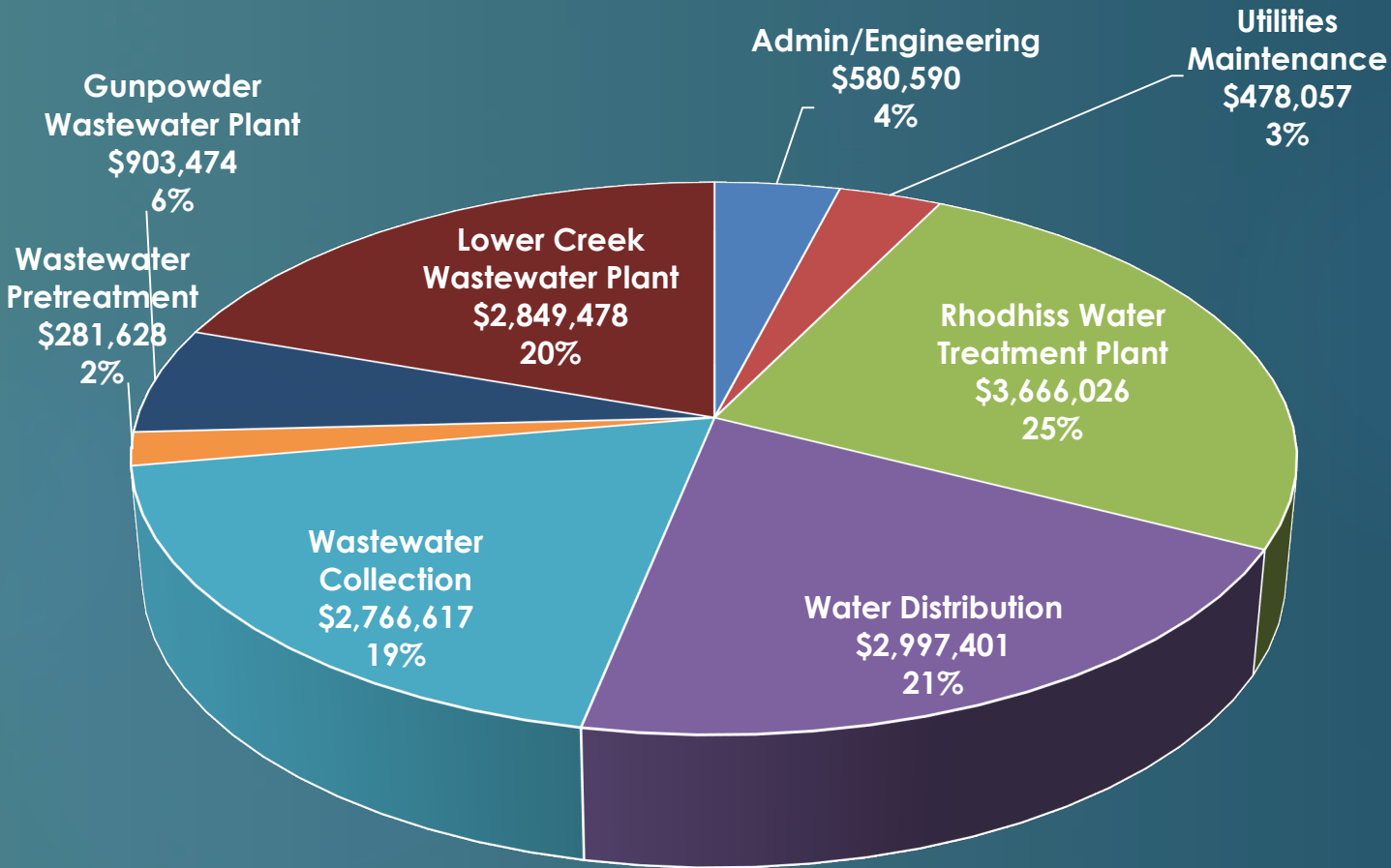
- ▶ Includes **3.75%** increase in water and sewer rates approved earlier this year.
  - ▶ The rate increase for a typical customer with 5,000 gallons of usage is anticipated to be **\$2.12** per month.
- ▶ Includes a **5%** increase in bulk/resale water and sewer rates.
- ▶ The City uses the annual Consumer Price Index (CPI) as a guide for rate changes. The CPI - Water/Sewer and Trash Collection Services was **4.4%** in February of 2026.

# Water & Wastewater Revenues

Revenue Sources



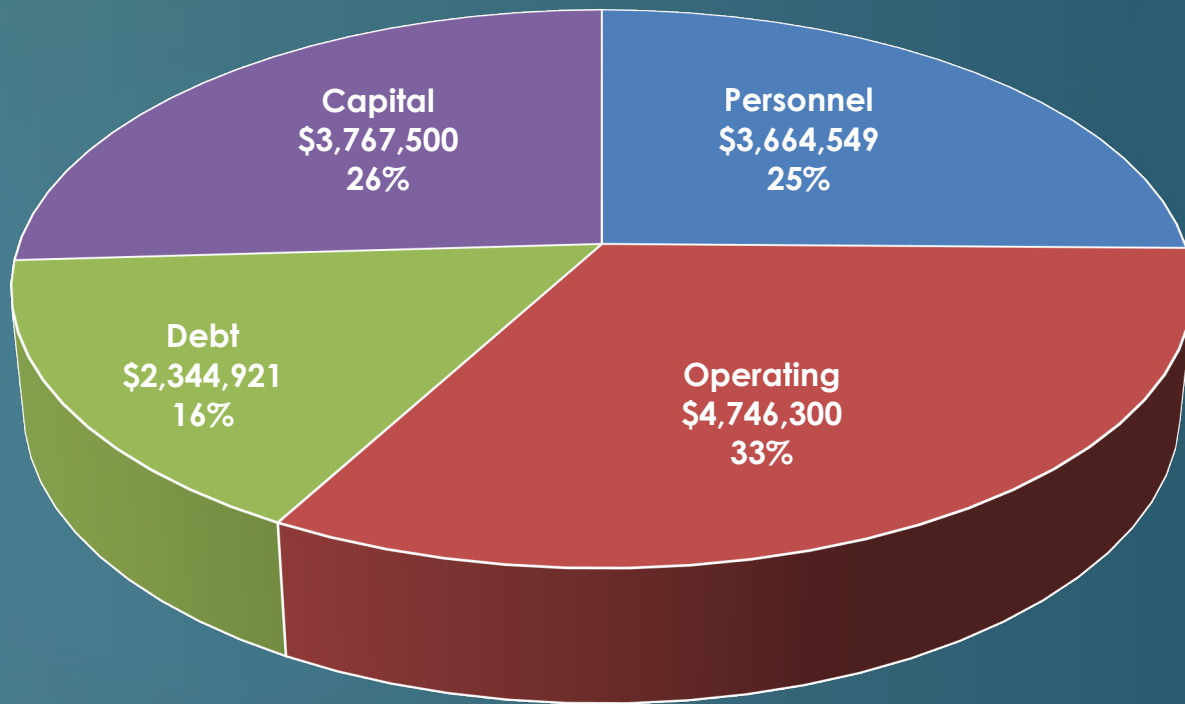
# Water & Wastewater Expenses



# Water & Wastewater Fund Spending by Category

13

City of Lenoir, NC  
[www.cityoflenoir.com/budgetproposal](http://www.cityoflenoir.com/budgetproposal)  
May 19, 2026



# Multi-Year Capital Projects

14

The City of Lenoir has received substantial funding for multi-year capital projects from a variety of sources:

- ▶ American Rescue Plan
- ▶ State-directed appropriations
- ▶ Community Development Block Grant (CDBG)
- ▶ Numerous other grants
- ▶ Private donations

# Multi-Year Capital Projects

15

Examples of ongoing capital projects include:

- ▶ Fire Department sink-hole repair
- ▶ Finley Avenue Water Improvements
- ▶ Hospital Avenue Sidewalk project
- ▶ Gateway signs
- ▶ Cybersecurity infrastructure
- ▶ The Campus at the Historic Lenoir High School
- ▶ Harper Avenue Streetscape Project
- ▶ Lenoir-Valdese Water Interconnection

# Highlights

16

- ▶ **Core services** are continued with revenue projections estimated in a realistic, conservative manner. The projections include consideration for the continued uncertainties of the future economic environment.

# Highlights

17

**Employee Compensation:** The City, like most employers, is experiencing workforce challenges in the recruitment and retention of employees.

- ▶ As the top strategic priority, the budget includes a Cost of Living Adjustment (COLA) of **2.5%** for all employees plus **\$2,000** added to base pay for all full-time employees.
- ▶ This budget continues to fund the holiday longevity bonus program for all employees.

# Highlights

18

**Employee Compensation:** The budget funds the mandated increase in the NC Local Governmental Employees' Retirement System (LGERS) employer contribution rate

- ▶ The law enforcement rate will increase from 16.10% to 17.10%, while the non-law enforcement rate will rise from 14.35% to 15.22%.
- ▶ The City's group health insurance premiums will increase by approximately 2%, while maintaining the current plan benefit levels.

# Highlights

19

- ▶ **Employee Compensation:** It is proposed to begin a NC 401K Plan contribution match of up to 1% beginning July of 2026 for non-LEO employees. All sworn law enforcement personnel received a state-mandated 5% NC 401K Plan contribution.
- ▶ **Insurance:** The cost of the City's property and liability insurance will increase by 8% while the workers' compensation insurance will decrease by 6%.

# Highlights

20

## Personnel Changes

- ▶ Overall, the total full-time employee count is reduced by two positions (275 to 273), with one school resource officer being eliminated due to county staffing and one full-time aquatics position being eliminated and replaced with additional part-time staff.
- ▶ Though the proposed budget fully funds the police telecommunications division, it is anticipated that some, if not all of this division, will be shifted to Caldwell County per our consolidation agreement within the fiscal year.

# Highlights

21

## Personnel Changes

- ▶ The proposed budget includes a new Budget and Financial Analyst position to assist with supporting long-term financial planning, financial forecasting, trend analysis, reporting, analytical and capital project assistance, and procurement. This position would replace the Special Projects Director position due to a re-organization of that position's duties.
- ▶ Further, the proposed budget includes a new Fire Fighter III pay grade to provide additional structure to the department's employee development program.

# Highlights

22

## Employee Development

- ▶ It is recommended increasing the tuition reimbursement program from \$2,200 to \$3,000 per year for course work beginning after July 1, 2026.

# Highlights

23

- ▶ **Street Resurfacing:** The budget allocates **\$430,000** to continue implementation of our Pavement Plan, a \$10,000 increase. The State Powell Bill funding is expected to remain stable in the coming year.

In addition, the budget includes **\$150,000** in funding for strategic paving for various Council priorities.

# Highlights

24

## Downtown

- ▶ Funding is included to support our Downtown Master Plan, to expand downtown decorations, and to add planters.

# Highlights

25

- ▶ **Code Enforcement:** The budget includes *more than \$103,000* for building demolitions, foreclosures and *\$34,000* in funding for contracted Western Piedmont Council of Governments (WPCOG) Code Enforcement Services (two days per week/four hours per day) to assist with nuisance and code enforcement in response to the City Council's priorities.
- ▶ There is also a *\$10,000* increase in operating funding allocated for additional commercial code enforcement.

# Highlights

26

- ▶ **Technology:** There is funding for computer and information technology upgrades throughout the organization to enhance and improve operations and security.

# Highlights

27

- ▶ **Environmental:** The budget continues to fund the outsourcing of management and oversight of our Federal Phase II Stormwater Program to the Western Piedmont Stormwater Partnership.
- ▶ ***The budget funds all debt obligations.***

# General Fund Capital

28

**\$1,649,400**

an increase of \$88,675 from FY 2025-2026

- ▶ Vehicles for various departments
- ▶ Equipment upgrades for the Police and Fire Departments
- ▶ Sweeper Truck
- ▶ Backhoe
- ▶ Playground Equipment at the Rotary Soccer Complex and Mulberry Recreation Center
- ▶ Lenoir Aquatic and Fitness Center improvements

# Water & Sewer Fund Capital

29

**\$3,767,500**

an increase of \$743,500 from the previous year

- ▶ Repairs and renovations at the Water Treatment Plant
- ▶ Repairs and improvements for distribution and collections systems
- ▶ Replacement pick-up trucks
- ▶ Vacuum truck
- ▶ Updates and maintenance to the Wastewater Treatment Plants

# Downtown MSD Capital

30

**\$35,000**

for additional holiday decorations

# Summary

31

- ▶ The Recommended FY 2026-2027 Budget is balanced and addresses Council's priorities.
- ▶ The proposed budget increases employee compensation and continues to prioritize code enforcement.
- ▶ Staff is focusing on general fund capital priorities, and the budget allocates more than \$3.7 million for water and sewer capital improvements to maintain the integrity of the system.
- ▶ This budget will allow the City to maintain and enhance current service levels.

# Thank You

32

- ▶ Donna Bean, Finance Director
- ▶ Department Directors
- ▶ Team Lenoir
- ▶ City Council



Our primary goal, each and every day, via our employee-led customer service initiative, remains to provide “**Service Beyond Measure.**”

Come “**Create With Us**” in Lenoir!

# Next Steps

33

- ▶ **Budget Work Session:**  
Thursday, May 21, 6:00 pm
- ▶ **Public Hearing:** Tuesday, June 2, 6:00 pm
- ▶ **Budget proposal online** at  
[www.cityoflenoir.com/budgetproposal](http://www.cityoflenoir.com/budgetproposal)

City of Lenoir, NC  
[www.cityoflenoir.com/budgetproposal](http://www.cityoflenoir.com/budgetproposal)  
May 19, 2026



CITY OF **LENOIR**  
NC ★ CREATE WITH US