

MINUTES
REGULAR MEETING
CITY COUNCIL

June 7, 2021

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager
Louis E. Vinay, Jr., City Attorney

Wendy Cato)
Christopher Hawkins) Council
Chris Jernigan)
Butch McSwain)

Interpreters
Danette Steelman-Bridges
Ernest Williams, IV

I. Call to Order – The Mayor called the meeting to order in the Council Chamber at City Hall at 6:00 p.m.

II. Public Comment – The Mayor stated the guidelines for public comment and said speakers were to be called in order of sign-up for those who appeared in person; however, due to COVID-19 the Council was still accepting public comments via email, U.S. mail, or hand-delivered letters.

No speakers signed up, appeared, or sent letters/email.

III. Pledge of Allegiance to the Flag – The Pledge was led by Councilman McSwain.

IV. Invocation – The invocation was given by the Rev. Wayne Johnson, Sr., Shiloh AME Church.

V. Introduction of Council – The Mayor introduced Council and staff.

VI. Retirement Resolution – The Mayor read a resolution honoring Robert L. Patton who retired from the City of Morganton on June 1, 2021 with 17 years 4 months' service. Robert retired from the Public Works Department as an Equipment Operator in various Public Works divisions.

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council adopted Resolution #21-23 honoring retiree Robert L. Patton.

Councilman McSwain presented the resolution to Patton. Patton stated his appreciation for his coworkers and time at the City.

VII. Service Pin – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting. Tim Knipp is Supervisor Maintenance Facilities with the Recreation Department and has been employed with the City for 20 years. Knipp was unable to attend the meeting and will be presented his pin at a later time.

VIII. Public Advocacy Issues and Strategies

a. The Mayor read a resolution Honoring the Freedom High School Lady Patriot Golf Team, the State 3A champions.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and carried unanimously, the Council approved Resolution #21-22 Honoring the Freedom High School Lady Patriot Golf Team.

Councilman Jernigan presented the resolution to the team and their coach Robert Scott.

Coach Scott congratulated the girls saying it was their hard work that brought them success this year; his only task was to hold them a little bit accountable. He stated appreciation for the recognition saying it's been a fun ride.

b. The Mayor recognized Western Piedmont Community College 2020 Alumnus of the Year – Morganton Public Safety Captain Jason Whisnant.

c. Human Relations Commission Update – The Rev. Wayne Johnson, Sr. presented an update on HRC activities.

Rev. Johnson began by thanking the Mayor for allowing him to serve another term on the HRC. He then stated that during the last update by the HRC they shared with Council their wish to work toward partnering with other community groups. Rev. Johnson stated the HRC is partnering with the NAACP to celebrate Juneteenth. The event will take place at CoMMA on June 19. He said they are preparing flyers and media about the HRC to share at the Juneteenth event so people will know there is a forum to bring forth issues to the Council.

He stated that one issue that has come before the Commission recently is about acts of violence based on race. He continued saying intolerance and hatred have become more commonplace across the country. He stated the HRC drafted an Anti-Violence Statement, which was read aloud to Council by Mrs. Gale Jones, Vice-chairperson of the HRC.

d. The Mayor read a proclamation recognizing National Homeownership Month. Councilman Hawkins presented the proclamation to Beverly Carlton, President/CEO, Olive Hill Community Economic Development Corporation, Inc. Carlton stated everyone deserves a place to live. She said that HUD is focused on helping people to retain and sustain their homes and by making sure people are able to stay in their homes. She stated the City has helped by giving funds, which has allowed Olive Hill to help individuals with rent and mortgage assistance during the pandemic. Carlton reminded citizens that Olive Hill is a HUD approved housing agency that works with people to help them toward homeownership.

Upon motion by Councilman Jernigan, seconded by Councilman Hawkins, and carried unanimously, the Council supported the proclamation recognizing National Homeownership Month.

e. The Mayor read a proclamation recognizing June 19 as Juneteenth Day in Morganton, which was then presented to Artie McKesson-Logan. Ms. McKesson-Logan stated her thanks for speedy response to proclaiming Juneteenth in Morganton. She stated that during the last year with the killings around our nation and the COVID-19 pandemic, she felt that something should be done locally to uplift the community. She said this was a request for all citizens of Morganton and she hopes this will begin a healing process to some degree. She stated that with this proclamation we join over 200 cities across the state celebrating Juneteenth.

f. Local Business Update: Unix Packaging Corporation – Ty Harrison, Plant Operations Manager for Unix, presented an update to the Council. Harrison introduced Unix Quality Manager Brian Geiger.

Harrison stated that Unix Packaging is a family owned business packing beverages from specialty boutique beverages to those nationally known. He stated he is often asked "why Morganton?" He stated that Morganton is a family oriented community; something their company takes seriously. He stated that it has been a perfect fit. He stated that I-40 is the 3rd longest stretch of highway so it makes sense logistically because it's easier to reach customers. He stated this will be their third site after Montebello, CA and Las Vegas, NV.

He stated they are creating partnerships here in Morganton, investing close to \$55 million and have already begun making an economic impact by using local materials and contractors. He stated there will be many employment opportunities. He said they

plan on running a 24/7 operation, installing 5 lines in the plant. They are looking to hire the first 100 employees for a July start-up date. He stated if someone is looking for a safe, clean, family oriented company with medical, dental, vision, sick-time, vacation, etc. Unix could be the place for them.

Harrison finished by saying how much Unix appreciates the support and warm hospitality they have received in Morganton and he looks forward to building community relationships.

g. The Mayor announced the following upcoming events stating, the Downtown Farmers' Markets continue on Saturdays from 8:00 a.m. – Noon at 300 Beach Street. He shared that there are a variety of live acoustic performances and kids' activities planned for the upcoming months and invited people to visit www.downtownmorganton.com for more details. He stated the Wednesday mini-markets are held from 11:00 p.m. – 2:00 p.m. at 111 North Green Street.

He announced that the Morganton Downtown Development Association is hosting a social at the Morganton Community House. Tuesday, June 22, 5:30-7:00pm. The event is free and hors d'oeuvres will be served. Recipients of the Downtown Distinguished Awards and this year's Lifetime Achievement recipient will be announced.

He reminded citizens of the upcoming Third Thursday Art Crawl which will be held on Thursday, July 15th from 5-7:30 p.m. at various venue locations across Downtown.

The Mayor announced that the Collett Street swimming pool, Martha's Park splash-pad, and Martin Luther King, Jr. splash-pad are now open for the summer.

The Mayor invited citizens to join the Council for the Martha's Park Ribbon Cutting to be held on Thursday, June 17 at 11:00 a.m.

He announced the City Recreation Department would host Fourth of July Fireworks again this year. He said the fireworks display will be held on Sunday, July 4, 2021, at night fall with fireworks being shot from the grounds of Freedom Park. The park will be closed to the public to ensure the safety of fireworks operators and the public. People wanting to see the fireworks should find parking in the parking lots of nearby businesses along Independence Boulevard, Wamsutta Mill Road, and North Green Street/N.C. 181.

•The Mayor announced the following upcoming events at CoMMA: "A Very Magical Family Reading Night with Mark Daniel". Thursday, June 10th with 100% of ticket sales benefitting the Burke Literacy Council.

He reminded citizens of the Juneteenth Celebration, Saturday, June 19, sponsored by the NAACP and the Morganton Human Relations Commission at CoMMA.

Another show at CoMMA will be "Jason Allen King and Tara Brown: A Night of Comedy". Thursday, June 24th with 100% of ticket sales benefitting The Outreach Center.

And finally CoMMA will host an Open House on Sunday, June 27, 1:00 – 4:00 p.m. He stated there would be backstage tours, a History of CoMMA Exhibit, Twist-the-Balloon Man, as well as refreshments. This is a free event and door prizes will be awarded.

IX. North Carolina Municipal Power Agency Number 1 Update – The City Manager said there were no current updates.

X. Consent Agenda – The City Manager presented the Consent Agenda and asked if any items should be removed; no request was made.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and unanimously carried, the Consent Agenda was approved and each individual item adopted as stated, those being as follows:

- A. Approved minutes for a Regular Meeting held on May 3, 2021 as submitted.
- B. Approved a budget amendment (Ord. #21-23) in the amount \$6,000 to recognize receipt of payment for reimbursement of services for waterline improvements at Clontz Drive.
- C. Approved the amended 2021 CDBG Amended Project Budget Ordinance #21-19 which will be added to the infrastructure line item.
- D. Reappointed Jennie McNeilly as Tax Collector for a period of June 1, 2021 through July 1, 2022.

And approved Resolution #21-21 adopting an Order Directing the Tax Collector to Collect Taxes.

E. Adopted a resolution directing the Tax Collector not to collect minimal property tax amounts of \$5.00 or less, and to ignore very small tax amounts of \$1.00 or less, underpaid or overpaid. (Res. #21-20)

F. Approved the ending of the “2021 Covid-19 Emergency Leave for Employees Extension” effective June 7, 2021 at 11:59 p.m.

G. Approved a firearms trade with Smokefoot Trade and Pawn for \$5,505.00 store credit.

XI. Items Removed from Consent Agenda

XII. Presentation of Proposed Budget for FY 2021-2022

Presented by Sally Sandy, City Manager – following is the text of the Manager’s budget message to Council.

June 1, 2021

Honorable Mayor and Members of the City Council
Morganton, North Carolina

In accordance with the North Carolina Local Government Fiscal Control Act, the recommended budget for fiscal year 2021/2022 is presented for your consideration. The budget document represents balanced revenues and expenditures. Supporting our vision and implementing our Masterplans for the betterment of Morganton requires leadership and the ability to look toward the future. Each City department contributes to the whole and is vital to the team. The capital budgets include equipment replacements, facility and infrastructure investments, and park improvements. The budget summary by fund is included below.

Statistical Summary

Fund Description	Revised Budget FY 20-21	Requested FY 21-22	Increase/ (Decrease)	
			Dollars	Percent
General Fund				
- Operations	22,050,455	20,176,641	(1,873,814)	-8.50%
- C.I.P.	2,365,336	3,689,890	1,324,554	56.00%
- Powell Bill (less capital)	551,987	353,048	(198,939)	-36.04%
Total General Fund	24,967,778	24,219,579	(748,199)	-3.00%
Water Fund	6,311,859	9,216,825	2,904,966	46.02%
Electric Fund	32,394,397	29,778,491	(2,615,906)	-8.08%

Wastewater Fund	6,180,996	10,693,680	4,512,684	73.01%
CoMPAS CATV Fund	5,945,464	6,151,196	205,732	3.46%
Cemetery Trust Fund	33,200	16,500	(16,700)	-50.30%
Subtotal:	75,833,694	80,076,271	4,242,577	5.59%
Less Interfund Transfers	(764,199)	(794,458)	(30,259)	3.96%
Total Budget:	75,069,495	79,281,813	4,212,318	5.54%

Not included in the summary above, but presented within this document, is the budget for the Intergovernmental Service Fund. This fund is an internal service fund and represents costs already accounted for within the General and Enterprise Funds. Inclusion of this fund in the statistical summary above would include these expenditures twice.

One year ago it was impossible to imagine that COVID-19 would still be impacting every aspect of our daily lives. In preparing for the 2021/2022 budget, we have continued the approach of balancing fiscal responsibility with the duty to keep Morganton moving forward. This approach served us well last year and allowed us to reinvest, repair facilities and begin exciting new projects that represent our vision.

The completion of Phase III at the Soccer Complex, the progress of the downtown greenway and the incredible transformation of the Courthouse Square prove that our actions supersede our words in our dedication to reinvesting in our community's success. The proposed budget for fiscal year 2021/2022 reaffirms this commitment.

Fiscal year 2021/2022 will include planning for the receipt of American Recovery Act (ARA) funding. At the time of this writing, it is believed that Morganton will receive \$4.8 million in ARA funding. This funding will be accounted for in a separate special revenue fund. Preliminary discussion concerning use of these funds include street resurfacing, sidewalk repairs, expanded internet capabilities, and sewer infrastructure. I recommend using these funds to invest in assets that will serve the citizens for years as opposed to operating expenses. These funds will be budgeted for specific projects once receipt and amounts are confirmed.

In fiscal year 2020/2021, the City staff negotiated an unprecedented number of payment plans for past due utility payments and ad valorem taxes. CDBG entitlement COVID-19 funding of \$131,000 was distributed to assist with past due utilities, rental assistance, and aid to non-profits. In spite of these and other economic challenges the end of year financial results of 2021 were positive. Conservative budgeting and extremely conservative spending contributed to this year-end result.

The 2021/2022 total budget is \$79,281,813 and is \$4,212,318 or 5.5% higher than the revised budget for fiscal year 2020/2021. Large capital projects whose duration spans more than one fiscal year are being accounted for in project funds to prevent skewing budget to budget comparisons in the future. However, the Water and Wastewater Funds have very large projects that account for this year-to-year increase.

Our long standing partnership between the City of Morganton and other governmental partners in the areas of economic development, airport service, public library services and now public transportation continue. In the 2021/2022 budget proposal these entities are funded as follows:

Burke Development, Inc. (BDI)	\$ 127,752
Burke County Library	273,459
Foothills Regional Airport Authority	47,137
WPCOG	24,046
DIG Incentive	42,564

Greenway Transportation	14,000
Total	<u>\$ 528,958</u>

The BDI contributions fund operations and local incentives to industry. Local incentives to industry are included at \$49,858. The Foothills Airport requests includes funding for operations and \$36,917 for capital. The capital request is to accumulate local matching funds for federal grants for airport improvements in the future.

The library request of \$273,459 includes a capital improvement request of \$48,459 for repairs. The budget proposal includes \$14,000 to continue funding the public transit route in Morganton. Finally, the City continues to budget \$5,000 a year to do routine maintenance on the library grounds which is in addition to the requested amount in this schedule. The DIG amount of \$42,564 is for Alpine Mill a recently completed mixed-use project and the Downtown Fairfield hotel. These projects represent large investments in our community.

The funding associated with these partnerships equates to the value of 3.06 cents on our tax rate.

In the next few pages, I want to give a summary of each fund including assumptions regarding revenues for next budget year. Each proposed budget includes a Capital Improvement Program (CIP). Each fund requires an appropriation of fund balance or retained earnings to balance. In no case is the use of these savings at a level that raises concerns.

General Fund

The General Fund is home of traditional government services – public safety, sanitation, street maintenance, engineering, inspections and zoning, Main Street, recreation, and administrative functions. This is where community development meets economic development. The City has control over only two revenues – local property taxes and Solid Waste fees. The NC General Assembly and economic factors have tremendous effect on the remainder of the significant General Fund revenues.

Sales taxes, occupancy taxes, ABC revenues, grant funds and other State-collected revenues are critical to the funding of the General Fund activities.

The 2021/2022 proposed General Fund budget is \$24,219,579. This is \$748,199 less than the revised budget for 2020/2021. The goal of providing quality service at the most affordable price possible, continuing to invest in quality of life activities and pursuing initiatives that will attract new development and new people to our City is still critical to the budgeting process.

After a year where delivery of services and revenues were impacted by mandated COVID-19 shutdowns and restrictions, we long for some return to normalcy. In the current fiscal year, the General Fund had over \$750,000 of unexpended salary/benefit funding. Unfilled positions, and very little seasonal employee hiring, and some employee lay-offs contributed to this budget surplus.

As recreational programming opens up and as the Community House and CoMMA return to more normal schedules, the funding for an adequately staffed workforce is necessary.

The 2021/2022 General Fund budget includes funding for operations and the capital improvement program (CIP). The budget includes separate Capital Project funds for large, multi-year projects. Equipment replacements, park improvements, vehicle purchases, infrastructure improvements, and funds to continue masterplan implementations are included. The City staff continues to pursue grant and public/private partnership opportunities to finance and pursue capital projects. General Fund CIP totals \$3,689,890.

This includes equipment replacements, vehicle replacements, and mowing equipment replacements in several departments. These types of replacements total over \$1,788,000 in the General Fund with \$1,008,000 being financed. Financing rates remain very attractive.

Other CIP projects budgeted include improvements at the MDPS firing range, replacement of body-worn cameras, Tasers, and radios. Main Street will replace the downtown music system for \$40,000 and have access to \$75,000 for restaurant recruitment in the form of low-interest loans.

Recreation will be replacing Shuey Field restrooms and investing \$863,390 at Bethel Park. Grant funding of \$431,695 is being pursued for this phase of improvements at Bethel Park. This begins the flood mitigation process. Finally, funding of \$30,000 for roof repair at the Historic Burke County Courthouse is included. Burke County will match this amount to complete the repair.

Local Controlled Revenues – General Fund

•Ad valorem Tax – The 2021/2022 proposed budget includes a recommendation to hold the current tax rate of \$0.57/\$100 value in place which staff believes will generate \$9,625,000 or 40% of the general fund. One cent on the tax rate generates approximately \$173,101. Collection rate assumed is 98% for 2021/2022.

•Downtown Special Tax (MSD tax) – The 2021/2022 proposed budget includes a recommendation to hold the current downtown special tax rate at \$0.14/\$100 value which staff believes will generate \$130,000 or 20% of the 2021/2022 Main Street expenditures. Assumed collection percentage is 98.5%. One cent on the downtown tax rate generates about \$9,910.

•Solid Waste User Fees – The budget includes \$1,370,000 in solid waste user fees based on no increase in the \$12/month fee for residential service and no change in commercial service fees.

Simply Green continues to provide recycling services in the City and we encourage citizens to contract with them. Morganton residents have full access to Burke County's four manned convenience centers.

•Motor Vehicles Tax – The 2021/2022 budget includes \$260,000 from the motor vehicle tax of \$20.00 per vehicle per year. This revenue is being used to pay back \$255,300 of advanced funding from the capital reserve fund in 2018/2019 for significant storm water repairs on South Sterling Street.

Revenues not Locally Controlled – State Collected

•Sales Tax – This revenue is greatly affected by economic conditions. As COVID-19 hit in the last quarter of fiscal year 2020, uncertainty around sales tax was huge. Fortunately, the super conservative estimates for 2020/2021 proved to be too conservative. Sales taxes on on-line purchases, stimulus funding to individuals, strong food purchases and home improvement projects have contributed to a budget surplus of \$1.4 million in sales tax this year. This continues the trend of increasing revenues that we were experiencing pre-COVID. The budget proposal includes a projected 3% increase or just over \$5 million in sales tax for 2021/2022.

Sales tax revenues are super important for our capital projects, enhancement projects, and our cultural activities. Our retail mix and our ability to be a regional retail attraction remains important.

I could not address sales tax without reminding everyone that shopping local supports our brick and mortar retailers which supports a stronger local economy. COVID-19 has re-emphasized the convenience of on-line shopping which could have an impact on our local retailers. Don't forget to shop at our local stores.

- Utility Franchise Tax – Budget includes \$1,587,670 which is a decrease of almost \$75,000 from current year. This revenue continues to decline with no belief that this trend will reverse.

- Powell Bill – This is the state collected revenue distributed to municipalities annually to be used exclusively for public street maintenance purposes. The projected distribution for 2021/2022 is \$422,500 or \$19,800 less than current year. Needless to say this will not go far. This revenue continues to decline. The eroding gas tax, Highway Trust fund declines, and the push to electric vehicles all affect this source of revenue. A year of staying at home also affects this revenue.

The 2021/2022 budget includes replacing a street sweeper for \$325,000. Resurfacing and sidewalk repair/replacement are budgeted at \$175,000. As mentioned earlier, staff recommends using ARA funding to boost our ability to do resurfacing and sidewalk work.

The General Fund budget proposal includes an appropriation of fund balance of \$124,911. This represents less than the value of one-cent on our tax rate and keeps us well above our 15% Council adopted fund balance policy. Using this appropriation to balance the budget comes on the heels of adding to fund balance in 2020/2021. Better than expected sales tax revenues and extremely conservative spending contributed to the fund balance addition in the current year. Additionally, one-time COVID relief funding of \$469,000 passed through Burke County to the City also contributed to positive financial results.

Water Fund

At the end of fiscal year 2020 and for the first few months of fiscal year 2021, the usage in the Water Fund was down 16%. The slow easing of COVID-19 restrictions and relaxing of stay-at-home orders and school re-openings have slowed the decline in water usage. For fiscal year 2021-2022, we are projecting a slight recovery with revenues at a 7% decline from 2021.

Revenues projected for 2021/2022 are just over \$5 million. An appropriation of \$134,325 of retained earnings is required to balance the projected budget. The business office continues to work with customers to set up payment plans for past due balances. Qualifying customers have been assisted with CDBG COVID-19 funds distributed to local non-profits for this purpose. There are still funds available to assist with past due accounts.

Due to continuing economic challenges, no water rate increase is proposed even though our rate plan calls for an increase. The policy change affecting fixed charges for meter-metered customers was scheduled to begin July 1, 2021. That change has been postponed until January 1, 2022 due to the continued pandemic related challenges for landlords. The rate changes for master-metering will be grandfathered over three years, so only 1/3 of the cost will go into effect in January 2022. Once the individual fixed costs go into effect, the meter-meter fixed charge will no longer be billed.

The proposed CIP is \$4,435,000 and includes routine maintenance items in the distribution system and at the water plant. The \$3.5 million coagulation and sedimentation upgrade at the water plant which was postponed last year is included in this budget proposal. Staff is still working to secure federal funding at low or 0% interest for this project. Engineering is being completed. This project can only move forward with some type of financing and Local Government Commission approval.

Electric Fund

Once again, the message surrounding the Electric Fund is positive. Even as customers have required payment plans to pay past due balances and as usage has remained down, especially in commercial customers, the Electric Fund remains in a strong financial position.

Effective July 1, 2021, the NCMPA1 is holding wholesale rates steady. This follows two years of wholesale rate decreases and billing credits. Because the projection for fiscal year end June 2021 is positive and in our continuing efforts to support our customers in uncertain economic times, it is recommended that we pass on an average 2% decrease to our customers effective with the billing date of August 1, 2021.

The rate reductions will range from 2% to 7% depending on the type of customer. Annual savings will range from a household amount of \$27 to commercial savings between \$500 and \$5,000. Industrial customers will receive savings of 2% on average.

Passing on these savings and planning for a slow return to normal in some of our customer classes, require an appropriation of retained earnings of \$530,291. There are adequate reserves to use this savings, especially as the projections for fiscal year end 2021 include adding \$750,000 to rate stabilization and \$747,000 to retained earnings.

The proposed 2021/2022 CIP of \$831,532 includes equipment purchases, distribution system upgrades and other routine maintenance items. This is on the heels of an aggressive CIP of \$5,700,000 in 2020/2021. The replacement of the Rand Street substation is the largest project in that balance at \$3 million. The 2021/2022 projects include upgrading an industrial customer substation and upgrading the primary and back-up circuits to CHS Blue Ridge – Grace Hospital.

Wastewater Fund

In many ways, the Wastewater Fund mirrors the Water Fund. Wastewater usage is predicted to be down about 11% from fiscal year 2021. Due to the fact that there are fewer wastewater customers than water and that several customers are sewer metered, the Wastewater recovery from COVID-19 shutdowns lags the water recovery.

The proposed budget is \$10,693,680 which is a significant increase over the current year. The \$4.5 million increase includes a large CIP of \$6,025,000. The \$5.2 million for the upgrade/expansion of the Silver Creek Pump Station represents 85% of the proposed capital plan. Staff is seeking \$600,000 in grant funding and low-interest or 0% loans to fund this project. We are also exploring any available federal infrastructure for this project. An appropriation of retained earnings of \$171,680 is required to balance the budget.

The sewer business continues to require significant system upgrades. Annual debt service in this fund for next year is \$1,907,056.

Just like in the Water Fund, no increase in sewer rates are budgeted. The master-metering billing changes will be postponed until January 1, 2022 and phased in for existing customers over three years.

CoMPAS Fund

The proposed budget for CoMPAS for fiscal year 2021/2022 is \$6,151,196 which is slightly higher than current year. An appropriation of retained earnings of \$135,496 is required to balance the budget. There are no proposed rate increases for internet or phone in this budget.

Rates for TV service will increase in January 2022. A \$5.00 per month Broadcast Surcharge will be added to pay for increases in the costs for the local channels. The required 3-year contract for these channels was negotiated in fall 2020 and our negotiations were slightly better than expected allowing this increase to be less than expected.

Commercial/business internet customers and phone customers continue to choose CoMPAS. The projection to add 25 new business customers over the next year and 30 residential customers each month of 2021/2022. Internet rates for commercial customers are being adjusted. Our national consultant recommends condensing our speed offerings to commercial customers to remain competitive. Some classes of

commercial customers are getting increased speeds at reduced fees effective with the August 2021 billing.

Internet revenues are projected to grow by \$205,000 while video revenue is declining by \$125,000 in 2021/2022 over current collections.

The video or TV business continues to slip but still less than national averages. We are planning to lose 300 video customers next year. Programming costs remain significant and at \$2,250,000.

Finally, the proposed CIP is \$910,000 and includes routine expansion funds for the delivery system. The digital conversion will be complete in August/September 2021. Proposed CIP also includes another internet upgrade of \$450,000 and \$176,000 for a new billing system. The current billing system is 29 years old. We have certainly gotten our money's worth but an upgrade is necessary.

Cemetery Trust Fund

The Cemetery Trust Fund is a fund designed to accumulate funds for maintaining the City owned cemetery and providing perpetual care for that property. The budget for 2021/2022 is \$16,500. Lot and niche sales and marker sales are budgeted at \$15,500 next year. No one-time funding from the original fund is being used this year.

Intergovernmental Service Fund

The Intergovernmental Service Fund includes the Warehouse and Garage and Information Resources Management Services (IRMS). The total budget for these services for 2021/2022 is \$2,619,491 which is \$168,729 more than last year. These departments provide services to the other funds.

The IRMS budget is \$1,439,091. IRMS projects continue to span multi-budget years. Contracted services which include support costs for hardware and software are \$608,580 or 43% of the IRMS budget. Technology is intertwined and critical in most aspects of our operations. Adequate service to our customers depends on technology. CIP is budgeted at \$283,000 and includes routine purchases and connectivity costs a work order management software and the first installment of Record Management Software for Public Safety.

The Warehouse and Equipment Services budgets are \$495,000 and \$685,400, respectively. The garage budget includes an increase of \$125,000 for fuel purchases and a CIP of \$143,000. The CIP is a washing station at the garage is required for our permitting and is estimated to cost \$125,000.

Personnel Issues

The 2021/2022 proposed budget includes a recommended 1% COLA for all full-time employees effective July 3, 2021. A 3% merit increase for eligible full-time employees as of February 26, 2022 is also included. The total costs with benefits for these increases is \$347,993 city-wide.

The mini-review of the market comparisons for 1/3 of our positions was performed for Public Safety and Electric departments. The review resulted in adjustments in order to remain competitive with market. The adjustments total \$154,584 and are in the proposed budget to become effective January 2022. Market adjustments for Water Resources, D&C Operator were reviewed due to market competition. The budget includes \$14,266 in adjustments to be effective July 1, 2021. Part-time hourly rates were reviewed and \$43,166 is included in the General Fund budget for market adjustments.

No new positions are requested. Two position reclassifications are proposed. Both are in the General Fund. Total funds for these reclassifications are included at \$13,000. The

positions are Animal Control Officer to Evidence Technician and Public Works Sanitation Truck Driver to Sanitation Supervisor.

Employees continue to contribute at \$50.00 per month toward health insurance and 6% of salary for retirement benefits. The total cost budgeted for insurance benefits next year for active employees is \$2,069,035. Law enforcement separation allowance has increased by \$20,253 due to several retirements and is funded at \$261,027 next year. The increased cost of retirement for sworn and un-sworn personnel is included at \$172,315 city-wide.

The dedicated City employees continue to be our number one asset in delivering services. The last fifteen months have required employees to be adaptable and flexible. I am proud of the way our employees have operated during the COVID-19 crisis. They were willing to shift to new job responsibilities, work abbreviated schedules in some cases, work additional hours in some cases, and use new PPE. Our services cannot be delivered while working from home. During COVID-19 our employees have been present and committed to serving this community. Our citizens have enjoyed continuity of critical services.

Summary

This budget message not only addresses the challenges for 2021/2022 but it also relates those challenges to the past year. Vaccines, improved therapeutics, and more relevant knowledge of COVID-19 offer us hope that we can put the pandemic behind us, however, all is not “normal” yet.

As I enter my annual budget season reflection and couple it with my reflection of movie memories, I have only one conclusion. “Life is like a box of chocolates – you never know what you are gonna get.” As Forrest Gump seeks answers about his destiny from his dying mother, she offers those famous words. I can think of no better way to describe the days since March 2020 and no more appropriate way to recognize the brightness of Morganton’s future in the days ahead.

When I think about life’s box of chocolates, the last year and a half has been like the weird creamy fruit piece of candy you chose by accident and want to spit out as soon as you bite into it. For the past 15 months, we have experienced the daily COVID dashboard, shuttered businesses, the painful loss of our neighbors and family members, mask wearing, empty sports fields, empty schools, a closed CoMMA, an empty Community House, no traffic on our sidewalks, empty stores, struggling businesses, social isolation, empty churches, more Zoom meetings than I can count and so much more. These experiences are definitely the piece of candy you don’t want.

Now as I consider where we are in spring 2021 and even more importantly, how this budget is designed, I am thinking of the chocolate covered caramel candy in the center of the box. This perfect blend of chewy caramel and milk chocolate causes us to chew slowly and savor that flavor. The surprise of the caramel candy, reminds us of the good things in life. The caramel candy represents the choices that inspire us to continue moving Morganton forward to achieve our vision. With this choice we get to enjoy shows at CoMMA, in-person graduations, busy retail shops, and in-person dining, less obituaries in the paper, a dinner at the Community House, loud cheers at a baseball game, in-person worship, the sounds of children splashing in the pool, maskless smiles on faces, and even less Zoom meetings.

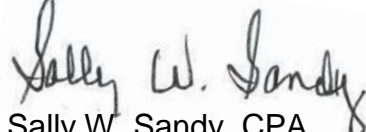
The proposed 2021/2022 budget conservatively advances our community investment. It supports efforts to achieve our masterplans. It allows City employees to deliver services to the citizens of Morganton at reasonable costs. It keeps in our focus, the goal of making Morganton the place we choose to live, work, and play.

I want to thank the department directors for their common sense approach to this budget. I could not do this without the assistance of Jessie Parris, Finance Director, and her staff. Jessie brings bright new perspective and a sound judgement to this

complicated process. Thanks to the City Council for your input and your commitment to Morganton.

Finally, to our Community, hang in there. Look around and see the progress we are making in being the community of choice. Take the time to see and enjoy all that Morganton has to offer – as you choose your piece of candy from that box of chocolates – choose Morganton.

Respectfully submitted,



Sally W. Sandy, CPA
City Manager

The City Manager stated that they had great help from the Staff and Council during the process. She stated that Council gave direction and help which shows they believe in our community. She thanked Jessie Parris for her common sense and support during the budget process.

Finance Director Jessie Parris thanked the Council for their support and the opportunity to work with the City Manager and learn from her during the process.

Councilman McSwain stated his appreciation for the great job staff did on the presentation as well as the staff work this year.

Upon motion by Councilman McSwain, seconded by Councilman Jernigan, and carried unanimously, the Council called for a public hearing and vote on the proposed budget on Monday, June 21, 2021, 6:00 p.m. to be held in the Council Chamber at City Hall.

XIII. New Business

A. Public Hearing

1. Public Hearing and Consideration of a Rezoning Request for 8.566 acres of Property Located at 131 Stonebridge Drive from Medium Intensity District (MID) and Low Intensity District (LID) to High Intensity District (HID)

The Mayor opened the public hearing at 7:03 p.m.

Development and Design Director Phillip Lookadoo stated the property proposed for rezoning is located along Stonebridge Drive, the new address assigned being 131 Stonebridge. Adjacent properties to the north are zoned HID, to the south are zoned MID and LID (See attached Current Zoning Map).

The future land use designation, as stated in the Mission 2030 Land Development Plan, is “Residential Medium Density” and “Planned Residential Mixed Use.” Adjacent properties, to the north are designated to be “General Business/Commercial” and “Residential Mixed Use,” and to the south “Planned Residential Mixed Use.”

Lookadoo stated a concern of the Planning and Zoning Commission was traffic capacity, and the effect of a potential HID development on this property. As neither Staff, Planning and Zoning Commission or City Council is allowed, per the City of Morganton Zoning Code (Section 2.2.8 Step 2 D), to consider a specific development proposal but rather the potential effect of the entire proposed zoning district, staff calculated the potential effects of a hypothetical multi-family development:

Stonebridge Drive is a Minor Arterial and currently carries an average of 3,500 vehicles per day (AADT). The capacity for this road is 9,700 vehicles per day. A proposed development could potentially locate 137 dwelling units on the site, given all necessary development conditions are present. This would likely add 800 additional vehicles per day. Using a conservative number of 2,000 additional vehicles per day would still return

a satisfactory Level of Service of D (Level used by NCDOT to determine capacity) or above.

An additional concern was the potential impact were development to occur in the 100-year floodplain. Any development occurring in the floodplain would be required to obtain a floodplain development permit in compliance with Section 9-5000, Flood Damage Prevention Ordinance of the City of Morganton Municipal Code.

Lookadoo stated the Planning and Zoning Commission, at their regularly scheduled meeting held on May 13, 2021, voted (8-1) to recommend this zoning change and future land use map amendment.

There being no public comment, the Mayor closed the public hearing at 7:09 p.m.

Councilman McSwain asked if this was downstream from Bethel Park and wondered what would be the impact on the park. Lookadoo stated part of the process would be getting an okay from NCDEQ and would be required to have no impact.

The City Attorney clarified this is not the same creek that flows through Bethel Park.

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council amended the City of Morganton Future Land Use Map to reflect that the subject parcels of this rezoning request are hereby designated as "General Business/ Commercial", thereby allowing the request to be consistent with the Mission 2030 Land Development Plan.

Upon motion by Councilman Jernigan, seconded by Councilman McSwain, and carried unanimously, the Council adopted an ordinance for a Map Amendment of 8.566 acres of property located at 131 Stonebridge Drive from Low Intensity District (LID) and Medium Intensity District (MID) to High Intensity District (HID).

B. Other Business

1. Consideration of Establishing Filing Fees for Municipal Elections

The City Attorney stated that by statute, the regular municipal elections this year will be held on Tuesday, November 2, 2021.

He said that Notice of Candidacy must be filed by each person offering himself or herself as a candidate with the Burke County Board of Elections no earlier than 12:00 Noon on the first Friday in July (July 2, 2021) and no later than 12:00 Noon on the third Friday in July (July 16, 2021). The filing may be completed by mail; however, the Notice of Candidacy must be received by the Board of Elections before the filing deadline stated above regardless of the time notice was deposited in the mail.

Even though the City has contracted with the Burke County Board of Elections to conduct our municipal elections, the City Council retains the authority and duty to set the filing fee for candidates who file for a City office. Pursuant to N.C.G.S. 163-294.2(e), the filing fee shall be fixed by the governing board of the City not later than the day before candidates are permitted to begin filing notices of candidacy. By statute, the minimum filing fee is \$5.00; however, the City Council has authority to set the filing fee at no more than 1% of the annual salary of the office sought unless 1% is less than \$5.00. Based on the annual salaries for the offices of Mayor and City Council, the 1% maximum is greater than \$20, and a \$20 filing fee is therefore appropriate.

The elections to be held this year are for Council District 3 (seat currently held by Chris Hawkins) and Council District 4 (seat currently held by Wendy Cato).

Upon motion by Councilman Jernigan, seconded by Councilman McSwain, and carried unanimously, the Council approved setting the filing fees for each City Council seat to be elected in 2021 at \$20.00.

2. Consideration of Agreement to Participate in the 2021-2023 Western Piedmont Stormwater Partnership (SWP)

The City Manager said the Stormwater Partnership was formed to assist the local governments in our region who are obligated to manage stormwater runoff under the Phase II NPDES (National Pollutant Discharge Elimination System) Stormwater Permits. The Partnership is an ongoing collaborative effort led by WPCOG to collectively and adequately fulfill the Education and Outreach requirements and the Public Involvement and Participation requirements of active Phase II Stormwater Permit holders with a minimal burden on local government staff. The participating governments share equitably in the cost and benefits of the program. This year there is an increased cost associated with an additional element of public outreach and participation, fulfilling Minimum Control Measures One and Two of our National Pollutant Discharge Elimination System Phase Two permit. In addition, costs associated with this contract are reflected in a biannual contract with the local governments. Morganton's share will total \$12,370. These fees will be billed in eight equal quarterly payments of \$1,546.25.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council approved the agreement to participate in the 2021-2023 Western Piedmont Stormwater Partnership at a cost of \$12,370, and to authorize the Mayor and City Manager to execute all necessary documents, including any technical corrections.

3. Consideration of a Resolution Authorizing an Application for a Grant from the Environmental Enhancement Grant Program

The City Manager stated the Parks and Recreation Department is responsible for recreation within the City and as such strives to provide the best possible service, parks and facilities, in the most effective manner.

The Environmental Enhancement Grant Program offers to eligible local governments, grants for the improvement of air, water, and land quality.

She stated that a new granting cycle by the North Carolina Attorney General's Office is now available and it is time to apply for such grants. The grant request will be for \$200,000; a local match is not required. The EEG Program encourages applicants to seek additional funding sources and partners for proposed project and, before applying, the Parks and Recreation Departments needs to have the support of City Council.

This grant would be used for the restoration project of Bethel Park, and Recreation Director Rob Winkler feels this would be an excellent funding source.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and carried unanimously, the Council approved Resolution #21-18 authorizing an application for a grant from the Environmental Enhancement Grant Program.

4. Consideration of Award of Contract to Carolina Power and Signalization, Inc. for High Voltage Pole Line at Electric Substation Delivery 7

The City Manager said the City has contracted with Southeastern Consulting Engineers, Inc. for engineering and design services for the new substation known as Delivery 7. As part of those services they handled the bid process for the electrical substation replacement project. The project requires a new pole line for high voltage service from Duke Energy's line on the adjacent property.

Four contractors were solicited for bids on the construction of the Substation High Voltage Pole Line Project. Three contractors responded with bids. The lowest responsive bid was submitted by Carolina Power and Signalization, Inc. of Fayetteville, NC, in the amount of \$81,009.00. In reviewing the bids, it was noted that this contractor also had the lowest bid for rock excavation per cubic yard at \$490.00/CY. This is an added cost if they happen to run into rock while setting the poles. Adequate funds are

available in the budget for this project. Southeastern recommends the contract be awarded to Carolina Power and Signalization, Inc.

Upon motion by Councilman Hawkins, seconded by Councilman Jernigan, and carried unanimously, the Council awarded a contract to Carolina Power and Signalizations, Inc. of Fayetteville, NC in the amount of \$81,009.00 for the construction of the high voltage pole line and authorized the Mayor or the City Manager to execute and issue those agreements on behalf of the City, together with the additional authority to make such alterations, technical amendments and changes as may be necessary to implement the agreement.

5. Consideration of Award of Contract to Sumter Utilities, Inc. to Construct Electric Substation Delivery 7 Off Fleming Drive and Approve a Budget Amendment

The City Manager said that for several years, City staff has been working with our consulting engineers, Southeastern, to locate, design, and build a new electric substation to replace Delivery 1 on Rand Street which is 100 years old.

The site for Delivery 7 will be on land off Coal Chute Road. By way of a Memorandum of Understanding (MOU) and a permanent easement with North Carolina School of Science and Math (NCSSM) the substation will be located on part of the NCSSM-Morganton campus. It will be served by Duke Energy's high voltage line on Western Piedmont Community College (WPCC) property which is adjacent to NCSSM property.

Bids for this project were received at City Hall on May 27, 2021 at 2:00 p.m. Six (6) bids were received. Bid tabulation is attached. After review by Southeastern for responsiveness and completeness, Sumter Utilities, Inc. out of Sumter, SC is the lowest responsive bidder at \$1,695,447. This price includes \$50,000 in contingency funding.

She stated the price is \$395,000 over budget. The cost increase is indicative of today's pricing and the challenges in getting materials in a timely manner. As a matter-of-fact, suppliers will only guarantee pricing on electric wire for 24-hours currently.

The City Manager added that timely completion of this project is critical to ensure available and reliable power. Due to the credit of \$2.4 million received from NCMAPA1 on wholesale costs this fiscal year, the City has adequate funding to do this project. It is a critical piece of infrastructure and delaying the contract will only add more to the costs. Staff recommends award to Sumter Utilities, Inc. at a price not to exceed \$1,695,447.

She stated that a budget amendment in the amount of \$395,000 is needed to increase the budgeted expenses for the construction of Delivery 7.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council award a contract to Sumter Utilities, Inc. in an amount not to exceed \$1,695,447 to construct Electric Substation Delivery 7 and to allow the Mayor and/or Manager to execute the contract and make technical changes as necessary.

The Mayor asked for clarification on the age of the Rand Street substation. The City Manager stated that it is about 100 years old. She said with the new station, not only will there be upgraded equipment and more space, but also an opportunity for more capacity.

Councilman McSwain asked about having to complete this work before the opening of NCSSM. The City Manager stated there is one stipulation in the MOU, which was needed for the permanent easement, is for the work to be completed by the opening for NCSSM next year.

Upon motion by Councilman McSwain, seconded by Councilman Hawkins, and carried unanimously, the Council approved a budget amendment (Ord. #21-22) in the amount of \$395,000 to increase budgeted expenses for the construction of Delivery 7.

6. Consideration of Amendment to the Wilkie Construction Contract for the Courthouse Square Project and Approve a Budget Amendment

The City Manager said the City entered into a contract with Wilkie Construction for the Courthouse Square Project in the amount of \$2,718,416.00 in September 2020. At the time the contract was awarded, staff worked with the contractor to value engineer several items to keep the project within budget and the financed amount.

Since the start of the project, private funding has been raised to be able to add back some of the value engineered items. The Bio Cell at \$26,000 and installation of sod at \$29,146 are being added back to improve the quality of the project. This requires Council to amend the Wilkie contract by making the total \$2,773,962.

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council approved amending the contract with Wilkie Construction by \$55,146 for the Courthouse Square Project in order to allow the creation of a bio cell and installation of sod instead of seeding.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council approved a budget amendment (Ord. #21-21) in the amount of \$55,146 to recognize private contributions received for the creation of the Bio Cell and placement of sod on the Courthouse Square.

7. Consideration of Award of Contract to T&K Utilities, Inc. for Water Line Connections at Broughton Hospital on Patrick Murphy Drive and Approve a Budget Amendment

The City Manager stated that construction of the new Murphy's Farm apartment complex will require the cutting of an existing water line, operated as part of the old Broughton Hospital water system, which serves the Vocational Rehabilitation Center and nearby structures located between Enola Road and Patrick Murphy Drive ("the State facilities"). The State has asked that the City take over provision of water service to these facilities, and the City is willing to do so, provided either the State, or the developer (Homes Urban, LLC) pay the costs. (By policy, however, the City will pay one-half the cost of the new meter, up to \$10,000.) Thanks to the persuasive efforts of Mary Penny Kelley at Hometown Strong, the State agrees to pay \$75,000 toward the costs of the new meter and associated infrastructure, while Homes Urban agrees to cover any balance.

The best way for the City to provide water to the State facilities is to take over an existing Broughton fire service water line which runs along Patrick Murphy Drive, and install a new meter and double-check assembly near the VR building to complete this connection. Because of the routing of the water line, and the best location for the new meter pit, the City requires easements both from the State and from Western Piedmont Community College, and these parties have already agreed to provide such easements.

Because disconnection of the old water line is necessary to permit Homes Urban to proceed with construction of the apartments, which is already underway, connecting the State facilities to City water service is an urgent matter. The City deems this an emergency situation, requiring expedited contracting. T&K Utilities was already under contract with the City to install a sewer line extension to provide capacity for the Murphy's Farm development, and thus was already mobilized on-site for utility work. Therefore, City staff negotiated with T&K, which company offered to perform the necessary work for \$70,130. This sum does not include the cost of the meter itself—of which the City will pay one-half, up to \$10,000.

A budget amendment in the amount of \$84,251.99 is required to recognize receipt of payment for reimbursement of services of the water line connection for the Murphy's Farm Project on the Broughton property.

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council awarded a contract to T&K Utilities, Inc. in the amount of

\$70,130.00 for the construction and installation of a meter vault, water meter and associated infrastructure to allow the City to take over provision of water service to State of North Carolina facilities located between Enola Road and Patrick Murphy Drive.

Upon motion by Councilman McSwain, seconded by Councilman Jernigan, and carried unanimously, the Council approved a budget amendment (Ord. #21-20) in the amount of \$84,251.99 to recognize receipt of payment for reimbursement of services regarding the water line connection for the Murphy's Farm Project on the Broughton property.

8. Appointments to Boards and Commissions

- a. Board of Adjustment – This is a City Council appointment.

The Mayor stated there are two terms expiring. George Baily and Hugh Lowe have terms expiring on June 3, 2021. Hugh Lowe no longer lives within the City of Morganton, jurisdiction therefore one alternate position is vacant. Mr. Lowe served on the Board of adjustment for several years and we appreciate his service. This vacancy will be for 2nd alternate position.

George Baily has been a consistent member of the Board of Adjustment and wishes to continue serving on this Board

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council reappointed George Baily to the Board of Adjustment as 1st alternate for a term to expire on June 3, 2024.

- b. Cable Commission – This is a City Council appointment.

The Mayor stated there are two terms expiring: Dorian Palmer (at-large) and Jim Coleman (WPCC). Dorian Palmer is moving out of the city limits and will not be eligible to serve. Staff is in contact with Jim Coleman to see if he wishes to continue to serve.

This also leaves one "at-large" vacancy as well as the NCSD appointment on the Commission. Staff is actively working on contacting potential members.

These appointments will be made at a future Council meeting.

- c. Community Appearance Advisory Commission – This is a Mayoral appointment.

The Mayor stated there were three terms expiring: Judy Lane, Barbara Norvell and Cheryl Gratton. Barbara Norvell is unable to continue serving at this time.

Both Judy Lane and Cheryl Gratton have been consistent members of the Community Appearance Advisory Commission and are willing to continue serving on this Commission. It is recommended by staff that they be reappointed with terms to expire on June 1, 2024.

There have been no applications for this advisory commission. Current members would like to see more diversity (age, class, race and gender) within their membership to insure they are representative of our community.

The Mayor reappointed Judy Lane and Cheryl Gratton to the Community Appearance Advisory Commission for terms to expire on June 1, 2024.

- d. MainStreet Advisory Board – This is a Mayoral appointment.

The Mayor explained that the Main Street Advisory Board works with the Main Street staff to oversee and advise on the development of Downtown Morganton. The board is made up of business owners, property owners, and interested individuals.

He said that at this time there are five (5) members whose terms are expiring: Jennifer Whittington, Clark Erwin, Keith Suttles, Julia Mode, and Tamera Starnes.

Of the five expiring, 3 are unable to continue serving, Jennifer Whittington, Tamera Starnes and Clark Erwin. Keith Suttles and Julia Mode have been consistent members and have expressed willingness to continue serving on the advisory commission.

Other current advisory members who have requested stepping aside to allow others to participate include Jerry Norvell (2022), Ginny Erwin (2022), Dianne Reihl (2023), and Judy Willis (2023).

Over time the staggered terms have become uneven. It is suggested that appointments/reappointments be made in order to have a more equal number of members in each class.

There will be a total of 7 vacated seats on the board. Applications for appointment were received from Bill Steiner, Polly Leadbetter, Keith Whitaker, Tal Stephanides, Nancy VanNoppen, Mary Ann Koziel, and Ashley Bunner.

The Mayor reappointed Keith Suttles and Julia Mode to the Main Street Advisory Board with terms to expire on June 30, 2024.

The Mayor appointed Bill Steiner, Polly Leadbetter, and Keith Whitaker for terms to expire on June 30 2024.

The Mayor appointed Tal Stephanides, Mary Ann Koziel, Ashley Bunner, and Nancy VanNoppen for terms to expire on June 30, 2022.

e. Planning & Zoning Commission – This is a City Council appointment.

The Mayor stated there are three terms expiring: Eric Engstrom, Waits Gordon, and Bill Lennon.

He said these three have been consistent members of the Planning and Zoning Commission and are willing to continue serving on this commission. It is recommended by staff that they be reappointed with terms to expire on June 1, 2024.

This leaves two vacancies on the Board. One is a County appointment and one is a County alternate position.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council reappointed Eric Engstrom, Waits Gordon and Bill Lennon to the Planning and Zoning Commission for terms to expire on June 3, 2024.

f. Recreation Advisory Commission – This is a City Council appointment.

The following individual has a term expiring: Ruth Roseboro.

Ruth Roseboro has been a consistent member of the Recreation Advisory Commission and is willing to continue serving.

An application was received from Chandler Moore and it is recommended that he be appointed for a term to expire on June 30, 2024.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and carried unanimously, the Council reappointed Ruth Roseboro to the Recreation Advisory Commission for a term to expire on June 30, 2024.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and carried unanimously, the Council appointed Chandler Moore for a term to expire on June 30, 2024.

9. 30-Day Notice Boards and Commissions

a. ABC Board – The term of ABC Board Member Marc Sholar is expiring in August. Mr. Sholar has been an excellent participant on the Alcoholic Beverage Control Board and is willing to continue serving. The Council chose to reappoint Mr. Sholar rather than waiting until the August meeting since the Council does not meet in the month of July.

Upon motion by Councilman Jernigan, seconded by Councilman Hawkins, and carried unanimously, the Council reappointed Marc Sholar to the ABC Board for a term to expire August 1, 2024.

XIV. Other Items from City Manager and City Council Not on Agenda

XV. Reports – Reports were distributed to Council.

XVI. Closed Session to Discuss an Economic Development Project as per General Statutes sec. 143-318.11(a)(4)

The City Manager stated that Louis Vinay, City Attorney will update City Council on a proposed economic development project.

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council approved going into Closed Session as per General Statutes sec. 143-318.11(a)(4) to discuss an economic development project.

The Council retired to Conference Room #1 for Closed Session at 7:36 p.m.

The Council returned to open session at 8:31 p.m. There was no other action taken.

XVII. Adjournment –The Mayor entertained a motion to adjourn the meeting. The motion was made by Councilman Jernigan, seconded by Councilman McSwain, and approved unanimously the meeting was adjourned at 8:32 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk