

MINUTES  
REGULAR MEETING  
CITY COUNCIL

February 7, 2022

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 4:45 p.m.

II. Closed Session to Discuss Economic Development Matters as per General Statutes sec. 143-318.11(a)(4) and to Consult with the City Attorney in Order to Preserve the Attorney/Client Privilege as per General Statutes sec. 143-318.11(a)(3)

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council approved going into closed session pursuant to N.C.G.S. sec. 143-318.11(a)(4) to discuss economic development matters, and to consult with the City Attorney in Order to Preserve the Attorney/Client Privilege as per General Statutes sec. 143-318.11(a)(3).

Council and session attendees moved to Conference Room 4.

Council came out of closed session at 5:48 p.m.

III. Recess – The Mayor called a recess until 6:00 p.m.

IV. The Mayor reconvened the meeting in the Council Chamber at 6:00 p.m.

V. 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.

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

VII. Invocation – The invocation was given by the Rev. Latrese Lyerly, New Hope in Christ Church.

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

IX. Service Pin – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting. Those employees that have been with the City for 20, 25, 30 years and above are recognized for their commitment and longevity to this organization. The Mayor recognized the following:

- Ryan Lander, Major III, Public Safety, 20 years' service, received his pin from Councilwoman Cato. Major Lander stated that it's hard to believe it's been 20 years. He said looking over his career he has seen peaks and valleys. There have been many people, throughout public safety and the whole City, who have helped him navigate through the valleys.

- Sarah Ellis, Evidence Custodian, Public Safety, 20 years' service, received her service pin from Councilman Jernigan. Sarah stated thanks to the City for giving her a start in her career and she said she appreciates the opportunity.

X. Public Advocacy Issues and Strategies

a. The Mayor announced the upcoming City Council Workshop will be held on Friday, February 25, from 8:15 a.m. to 4:00 p.m. at the Morganton Community House.

The Mayor announced the Desirae Lee – Art in the Hall showing going on through February and March.

The City Manager thanked all City crews who helped during the recent snow event. Special thanks were given to Public Works and Recreation. She said the downtown sidewalks were cleaned sooner than ever. She said the Electric Department lucked out with this event as there were no outages.

b. The Mayor said the ACC Chili Cook-off will be a drive through held on Thursday, March 10 from 11:00 a.m. – 1:30 p.m. in front of the Community House.

The Mayor then announced the upcoming shows at COMMA which include Ryan & Ryan on February 12, The Other Mozart on February 18 and The Joshua Show on February 26.

XI. North Carolina Municipal Power Agency Number 1 Update – The City Manager said the rate committee has begun their work for next year.

XII. 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 as submitted for a Regular Meeting held on January 3, 2022.
- B. Approved tax releases in the amount of \$104.46.
- C. Approved a budget amendment (Ord. # 22-06) in the amount of \$50,000 to recognize receipt of private donations from Mrs. Linda Wall and the Wall Lumber Company for the Shuey Park restrooms renovation project.
- D. Declared surplus Public Safety rifles to allow the rifles to be traded in for replacements.
- E. Declared 2011 Autocar Xpeditor VIN # 5VCACL8F7BH212066 as surplus and allowed it to be sold on GovDeals and approved budget amendment (Ord. #22-05) in the amount of \$70,000.
- F. Approved a budget amendment (Ord. # 22-04) in the amount of \$2,161,125 to establish the project fund for the Dogwood Health Trust grant.
- G. Approved a budget amendment (Ord. # 22-03) in the amount of \$176,499 to appropriate fund balance in all funds in order to cover increased projections in health insurance rates effective January 2022.
- H. Approved a contract with Nexsen Pruet, PLLC, for provision of lobbying services for 2022-2023.

XIII. Items Removed from Consent Agenda – There were no items removed from the Consent Agenda.

XIV. New Business

A. Public Hearings

- 1. Public Hearing and Consideration of a Request to Rezone 2.13 Acres of Property Located at 0 Old Jamestown Road from Exclusive Industrial-District (EID) to High Intensity District (HID)

The Mayor opened the public hearing at 6:11 p.m.

Phillip Lookadoo, Director of Development & Design, stated this property is currently zoned Exclusive Industrial District (EID). An application was submitted to rezone the property to High Intensity District (HID). The property encompasses approximately 250 feet of road frontage along Old Jamestown Road, however, only 50 feet of that road frontage is accessible by the public. It is adjacent to HID zoned parcels to the east and north and EID zoned parcels to the west and south.

The property has direct access from Old Jamestown Road which is designated as a local street. Water and sewer are both available to the site.

The City's 2030 Future Land Use map indicates that the most appropriate land use for the subject parcel is General Commercial/Retail which is consistent with the HID zoning designation. The EID zoning designation does not permit most retail uses and only permits some general commercial uses. This rezoning would be consistent with this plan.

The Planning and Zoning Commission, at their regularly scheduled meeting, held on January 13, 2021, voted 5-0 in favor of a motion stating that the proposed rezoning is consistent with the Mission 2030 Land Development Plan and to recommend approval of this request to City Council.

There being no public comment, the Mayor closed the public hearing at 6:13 p.m.

Upon motion by Councilman Hawkins, seconded by Councilman Jernigan, and carried unanimously, the Council recognized that City of Morganton Future Land Use Map reflects that the subject parcel of this rezoning request is currently designated as "Commercial/Residential Mixed Use" and therefore the rezoning to HID is consistent with the Mission 2030 Land Development Plan.

Upon motion by Councilman McSwain, seconded by Councilwoman Cato, and carried unanimously, the Council adopted Ordinance #22-07, a Map Amendment of 2.13 acres of property located at 0 Old Jamestown Road from Exclusive Industrial District (EID) to High Intensity District (HID).

2. Call for a Public Hearing to Consider an Economic Development Agreement for Local Incentives and Consideration of Approval of a Resolution to Apply for a Building Reuse Grant / Project Highlander

The City Manager stated that a well-established regional manufacturing business has recently acquired a manufacturing facility in Morganton, and intends to renovate and upgrade that location, including improved internal arrangements, a new loading dock, and upgraded utilities. This company, identified for purposes of confidentiality as "Project Highlander", estimates the total cost of this work at \$5.2 million, and anticipates creating 100 new jobs with pay meeting or exceeding the average county wages.

The Rural Infrastructure Authority recommends a building re-use grant of \$200,000 for this project, which represents \$2,000 for each of the 100 new jobs. BDI has asked the City of Morganton to be the applicant to the State for this grant. Burke County would also participate, by sharing equally in the 5% local match which would be required. The City and County would each pay \$5,000 toward the \$10,000 total administrative costs to achieve the match.

Additionally, Project Highlander is applying for a \$250,000 OneNC grant to assist with the upfit of the new facility. There is a 25% or \$62,500 local match required for this grant. The City of Morganton and Burke County will share in the local match as described in the local economic development agreement.

Upon motion by Councilman Jernigan, seconded by Councilman Hawkins, and carried unanimously, the Council approved an application for a building re-use grant in the amount of \$200,000 for the expansion of the business identified as Project Highlander.

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council called for a public hearing (Resolution #22-08) to be held at the March 7, 2022, City Council meeting to consider a local economic development incentive for a match to a \$250,000 OneNC grant for Project Highlander.

### 3. Call for a Public Hearing to Consider a Local Economic Development Incentive Agreement for Project Bravo

The City Manager stated that a well-established local manufacturing business intends to renovate and upgrade its manufacturing facility in Morganton. This company, identified for purposes of confidentiality as "Project Bravo", estimates the total cost of this work at \$4,100,000 and anticipates creating 25 new jobs with pay meeting or exceeding the average county wage.

The Rural Infrastructure Authority recommends a building re-use grant of \$200,000 which represents \$8,000 for each of the 25 new jobs created by this project. BDI has asked Burke County to be the applicant to the State for this grant. The City and County would each be responsible for one-half of the 5% local match of \$10,000 or \$5,000 each to pay the administrative fees for this grant.

Project Bravo has applied for a OneNC grant of \$75,000 to assist with the expansion. A 25% local match or \$18,750 is required and will be shared by the City and Burke County as described in the local economic development agreement.

Upon motion by Councilman Hawkins, seconded by Councilman McSwain, and carried unanimously, the Council called for a public hearing (Resolution #22-07) to be held on March 7, 2022, at the regular City Council meeting to consider a local economic development incentive for a match to a \$75,000 OneNC grant for Project Bravo.

4. Call for a Public Hearing to Consider Allowing Burke Economic Development, Inc. ("BDI") to Grant Property in the Burke Business Park as a Local Incentive for Project It's About Time

The City Manager stated that a national manufacturing business, identified for purposes of confidentiality as Project It's About Time, has acquired a manufacturing facility in Morganton, which it has renovated, expanded and upgraded. This company now hopes to expand its operations by building a large new industrial facility in the Burke Business Park off Kathy Road, owned by BDI. The company estimates the total cost of its proposed new facility at \$25,000,000 and anticipates it would create approximately 72 new jobs with pay meeting or exceeding the average county wages.

In order to entice this company to build its facility in the Burke Business Park, BDI proposes to convey the necessary land (about 23 acres) without consideration. BDI sees such an inducement as entirely reasonable, since the Park has been in existence more than 15 years with no development. Attracting this first user will help to bring other users to the park. BDI was established as a joint effort of the County of Burke, the City of Morganton, and three other towns in Burke County. All of these funding partners would have to agree in order for BDI to gift this property as proposed.

Such a grant/gift of publicly owned land must be considered an economic development incentive under North Carolina law. Even though the City's involvement would be indirect—through BDI—a public hearing is required before approval. The County and the other towns are also being asked to consider such approvals.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council adopted Resolution #22-06 calling for a public hearing on March 7, 2022 at the regular City Council meeting to consider whether the City should endorse plans of BDI to grant and convey approximately 23 acres of property in the Burke Business Park as incentive for that industry identified as Project It's About Time.

B. Other Business

1. Consideration of an Amendment to the Schedule of Fees and Charges

Finance Director Jessie Parris stated that the City has provided an Electric/ Cable bill discount for low income senior citizens and disabled persons for many years. However, it was recently brought to her attention that we have not updated our income qualifying amounts for at least the last 8 years. As you know, these limits are updated annually on a federal level.

Upon further research, the City's limits are considerably low and outdated – making qualifying for this helpful program difficult to a majority of our low income seniors and disabled citizens that are Electric/ Cable customers.

The City has two federal low-income housing limits on which to base our program amounts. The first is the HUD low-income limits for the Hickory- Lenoir- Morganton Metro area, updated in June each year – which is the same limits that apply to our CDBG programs. The second is the federal Homestead Exemption rate that applies to low income seniors and disabled persons for property tax exemptions, also updated annually.

It is staff's recommendation to align the City's Electric/ Cable customers discount income qualifying limits to the HUD program's limits. As we are a CDBG entitlement city, and comply with these income limits for multiple program uses currently, we find this to be a justifiable approach. We would like to implement the 2021 limits immediately, upon Council approval, and update the limits each year in June, in order to allow the program to be the most beneficial for our low- income elderly and disabled persons Electric/ Cable customers.

The Mayor asked when this discount would take effect. Parris stated there were quite a few applications on file and her staff would be in contact with those persons. In the future this will be looked at each year and be adopted as part of the regular budget process.

The City Manager stated she was excited to put this on an annual review. She said this is not something the City has to do, there is no requirement to offer discounts, but she cannot imagine not offering this to our citizens.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council approved the amendments to the Schedule of Fees and Charges as related to Electric and Cable discounts for low-income Senior citizens and disabled persons.

## 2. Consideration of Award of Contract for Grant Application Services for Phase II and Phase III of the Bethel Park Restoration Project

Development & Design Director Phillip Lookadoo stated that over the last 10 years Bethel Park has sustained flooding and extensive erosion issues. Streams have been redirected and banks eroded so much that recreation facilities have been compromised. Preliminary studies and planning for this Park were set in motion from the 2017 Comprehensive Recreation Master Plan. The foundation for the 2017 Recreation Master Plan was public input from focus groups and the general public. One of the most frequently identified topics was Bethel Park, more specifically the flooding of the park on a regular basis. One of the recommendations of the 2017 Recreation Master Plan is "Bethel Park Drainage Improvements." In fact, in the "Project Priority and Phasing" section of the master plan; the recommendation is to "Initiate Planning and Design for Bethel Park Drainage Improvements" in years 0-3.

Lookadoo stated that one of the City's on call engineering firms, Wildlands Engineering, at the request of the City, conducted an ecological and storm water improvements study regarding Bethel Park.

The City, as a result of this process, was awarded, in December 2021, a North Carolina Land and Water Fund (NCLWF) Grant, in the amount of \$488,694. The 2021/2022 budget includes City funds of \$431,695 to match this award. The City is awaiting the final grant agreement to approve and begin Phase I.

In evaluating the federal funding available currently, staff believe, there is opportunity to get funding for future phases of Bethel Park improvements, including land acquisition. Wildlands Engineering is prepared to assist us. The costs proposed for completing and submitting the grant applications for Phase II and III is \$5,800. This will be paid out of the professional services for on-call engineering.

The Mayor asked if Wildlands would be doing the application for both phases. Lookadoo stated they would be working on the applications for both phases.

Councilman McSwain stated this is the park we get the most comment on, particularly after a rainy stretch. He said it is exciting to see something start to be developed.

Upon motion by Councilman McSwain, seconded by Councilman Jernigan, and carried unanimously, the Council awarded a contract for \$5,800 to Wildlands Engineering for completing and submitting applications of behalf of the City of Morganton for the NCLWF Restoration Grant and the NCLWF Acquisition Grant.

### 3. Consideration of Approval of an Agreement with Uptown Services to Ready CoMPAS to be able to Access Funding from the Infrastructure Investment and Jobs Act of 2021

The City Manager stated that in late 2021, the Infrastructure Investment and Jobs Act was enacted, creating significant investment of \$65 billion to help close the digital divide and ensure that all Americans have access to reliable, high speed, and affordable broadband. The Broadband Equity, Access, and Deployment (BEAD) Program is a subset of this act and appropriates \$42.45 billion for states, territories, the District of Columbia (D.C.), and Puerto Rico (P.R.) to utilize for broadband deployment, mapping, and adoption projects.

In early January 2022, the U.S. Department of the Treasury issued the Final Rule for the ARPA program, which also includes federal funding for certain broadband projects. While this is a different program from BEAD, we anticipate that rules and requirements associated with ARPA will carry over to BEAD when states submit their BEAD program guidelines to the NTIA. Of particular interest is the elimination of the 25mgbs threshold for the ARPA grant eligible service area qualification, previously used to define "underserved." Our expectation is that the states will not revert back to the 25mgbs threshold for BEAD given this significant paradigm shift.



Dave Stockton of Uptown Services will follow a series of carefully designed tasks to prepare the information for and complete the required proposal submissions for the BEAD program. The funding request initiative will be a collaborative effort between Uptown and City staff as appropriate to fulfill the state-level requirements and contents of the funding proposals. Uptown will focus on a) identifying the ideal business plan for use of these capital funds relative to improving the City's broadband operation and meeting community needs as it relates to broadband technology, b) completing tasks necessary to submit documentation supporting the plan to the state office, and c) supporting staff as needed in presenting and defending the proposal submission to the state.

City staff believes there is an opportunity to access these funds to accomplish converting the CoMPAS delivery system into a fiber-to-the-home system. Uptown Services has proven invaluable to developing a business plan for CoMPAS. The costs proposed are not to exceed \$47,000. Funding is available in the 2021/2022 budget.

The Mayor stated that Dave Stockton has been our consultant for quite a while. The City Manager stated that years ago when CoMPAS was floundering, Stockton gave the City a business plan and by following the plan CoMPAS has had a turn-around which allows the City to continue to look forward. The City Manager stated that continuing to be able to control our broadband destiny and offer reliable high-speed service in a rural community is important to economic development.

The Mayor stated what excited him was this takes the City closer to being able to offer fiber to the home. Councilwoman Cato stated internet speed was one of the top questions people ask about when moving to the area.

Upon motion by Councilman Hawkins, seconded by Councilman Jernigan, and carried unanimously, the Council awarded an agreement with Uptown Services and authorized an amount not to exceed \$47,000 for this assistance.

#### 4. Consideration of Appointment to Boards and Commissions

##### a. Planning and Zoning Commission

P&Z Commission member Kevin Kee has moved and is unable to continue on the board. Erin Kizer has expressed interest and has completed a "Request for Appointment" application.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council appointed Erin Kizer to fill an unexpired term on the Planning and Zoning Commission. This term will expire on June 3, 2023.

b. Human Relations Commission

Malik Harris, a student at Freedom High School, has expressed interest in membership on the Human Relations Commission. There is an open space for a Freedom student.

Tiana Sims is a new Burke County School Board member. The HRC has a position open for a member of the School Board and Ms. Sims has expressed interest in membership.

The Mayor appointed Malik Harris to the Human Relations Commission for the 2021/2022 school year.

The Mayor appointed Tiana Sims to the Human Relations Commission for a term to expire in May 2025.

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

XVI. Reports – Reports were distributed to Council members.

XVII. Adjournment –The Mayor adjourned the meeting at 6:39 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, 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.

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Mayor

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City Clerk