



MINUTES
REGULAR MEETING
CITY COUNCIL

December 4, 2023

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager

Louis E. Vinay, Jr., City Attorney

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

Interpreters
Danette Steelman-Bridges
Ernest Williams, IV

- I. Call to Order in the Council Chamber at City Hall at 6:00 p.m.
- II. Public Comment – Mayor Thompson asked if anyone had signed up for Public Comment. No one signed up to offer any comments.
- III. Comprehensive Annual Financial Report - Presented by Allen Thompson with Thompson, Price, Scott, Adams & Co., P.A. – Mr. Thompson distributed a copy of the presentation of audit results to the Council. He advised that the City of Morganton is trending positively and stated that his firm is issuing a clean report. He shared the audit process, saying they did not encounter any problems in doing the audit. There were no findings or issues.

He continued by reviewing key numbers in the audit report. He stated that everything looked strong and is trending positively. He reviewed financial performance indicators of concern as set by the LGC. The concerns are generic. The first concern deals with transfers from the Electric Fund. The LGC uses the NC Eastern Power Agency guidelines as opposed to the policy that the City of Morganton is following. This does not apply because the City is following their own policy. The second concern that because accumulated depreciation is greater than 50% of fixed assets, the LGC feels that should be monitored. He stated that the

City of Morganton is monitoring and completing multiple capital projects. He stated that the City of Morganton is in good shape in regard to both concerns.

He closed by stating that he and his staff appreciated the opportunity to perform the City of Morganton's Audit.

- IV. Pledge of Allegiance to the Flag – Councilmember Hawkins led the Pledge of Allegiance.
- V. Invocation Given by Rev. Daniel Gutierrez – Iglesia de Dios Nueva/New Life Church of God
- VI. Organization of Council - The City Charter calls for the December meeting of the City Council following an election to be the organizational meeting.

- A. Swearing-in of Council Members – Judge Robert C. Ervin was present to swear in newly re-elected Mayor Ronnie Thompson and Council members Chris Jernigan and Butch McSwain. The Mayor introduced Judge Robert C. Ervin inviting him to administer the oaths of office.

Judge Ervin administered the Oath of Office to Mayor Ronnie Thompson. Mayor Thompson's wife, Anne, held the Bible during the oath.

Judge Ervin administered the Oath of Office to Councilmember Chris Jernigan. Councilmember Jernigan's wife, Janet, held the Bible during the oath.

Judge Ervin administered the Oath of Office to Councilmember Butch McSwain. Councilmember McSwain's grandchildren, Avery and Maggie, held the Bible during the oath.

- B. Election of Mayor Pro Tem – Upon nomination and motion by Councilmember McSwain, seconded by Councilmember Hawkins, and carried unanimously the Council elected Councilmember Wendy Cato as Mayor Pro Tem.
- C. Setting of Meeting Dates and Time - Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and carried unanimously, the Council adopted the first Monday of each month at 6:00 p.m., as the meeting time for the monthly council meetings, except the month of July, in which there will be no meeting.
- D. Appointment of Standing Committees by the Mayor – Mayor Thompson designated the following members to each Standing Committee:
- Finance: Ronnie Thompson, Chris Hawkins
 - Personnel: Wendy Cato, Butch McSwain
 - Streets: Wendy Cato, Chris Jernigan
 - Utilities: Chris Jernigan, Butch McSwain
 - Legislative: Butch McSwain, Chris Jernigan

VII. Introduction of Council

VIII. Public Advocacy Issues and Strategies

- A. Mayor Thompson announced the next public meeting for 2040 IMAGINE Morganton, will be on December 14, 2023, 5:30 p.m. to 7:00 p.m. in the Council Chambers. This will be a joint meeting of the Planning & Zoning Commission and the City Council. No action will be taken by Council at this meeting.
- B. Mayor Thompson announced the following Upcoming Events:

- **Downtown/City Hall**

Art in the Hall: December and January features a project report by TOSS. In a series of informational panels, the method and magic of community mural-making is illustrated in this "midway" review. There are another three murals planned for 2024 and folks are invited to join the initiative for round two! Community members can attend a listening session, paint party, host an artist, donate a wall, or volunteer during installation. Check out the TOSS website to get involved: <https://www.tosstudio.org/murals>.

Christmas Parade 2023: "Sounds of the Holidays"
Tuesday, December 5, 6:00 p.m. in Downtown Morganton.

Holiday Farmers Market: Saturday, December 9, 2023,

10 a.m. to 2 p.m. at 111 North Green Street.

- **CoMMA Performing Arts Center**

Thursday, December 7, 2023 at 7:30 p.m.

American Pride – Remember the Music of the Legendary Statler Brothers

Sunday, December 17, 2023 at 2:00 and 6:00 p.m.

World Ballet Series: Nutcracker (Not included in Season Package)

IX. Consideration of Changing City Council Meeting Date for January 2024

The Mayor stated that City Hall will be closed Monday, January 1, 2024, in observance of the New Year's Holiday.

Upon motion by Councilmember Cato, seconded by Councilmember Jernigan, and carried unanimously, the Council approved changing the scheduled City Council Meeting date from Monday, January 1, 2024 to Monday, January 8, 2024 at 6 p.m.

X. North Carolina Municipal Power Agency Number 1 Update

City Manager Sandy advised elections were held for the Power Agency Board in November. Whitney Brooks and John Styver were re-elected to the board.

XI. Consent Agenda – City Manager Sandy asked that the Council consider removing Item F be removed for more discussion.

Upon motion by Councilmember Jernigan, seconded by Councilmember Hawkins, and unanimously carried, approved removing Item F from the Consent Agenda. She presented the Consent Agenda Items A-E, excluding Item F.

Upon motion by Councilmember Hawkins, seconded by Councilmember McSwain, and unanimously carried, the Consent Agenda was approved and each individual item, except Item F, adopted as stated, those being as follows:

A. Consideration of Approval of Minutes – For a Regular Meeting held on November 6, 2023.

RECOMMENDED ACTION: Approved minutes as submitted.

B. Consideration of October 2023 Tax Releases in the Amount of \$68,955.90

RECOMMENDED ACTION: Approved October 2023 tax releases in the amount of \$68,955.90.

C. Consideration of Approval of Change Order #1 to Highfill Engineering Task Order #1 for the Silver Creek Pump Station Upgrade Project

RECOMMENDED ACTION: Approves and authorized Change Order #1 to Highfill Engineering Task Order #1 for the Silver Creek Pump Station Project under the Master Services Agreement in the amount of \$67,000.

D. Consideration of Award of Contract for Engineer Services for Delivery 5 Transformer Relay and Control Panel Replacement Project

RECOMMENDED ACTION: Awarded contract to Southeastern Engineering Services, Inc. for engineering services for Delivery 5 Transformer Relay and Control Panel Replacement Project, not to exceed \$30,000 and to authorize the Mayor and/or City Manager to execute such contract and any other necessary documents.

E. Consideration of Budget Amendment to Recognize Receipt of Insurance Reimbursement for General Fund

RECOMMENDED ACTION: Approved budget amendment in the amount of \$8,709.22 to recognize receipt of insurance reimbursement for damages to a Public Safety vehicle and equipment, lightning damage at the fire station and damages to Recreation vehicles.

F. Item Removed for Further Discussion. See discussion below in XII. Items Removed from Consent Agenda

XII. Items Removed from Consent Agenda

A. Consideration of Approval of a Budget Amendment to Transfer Proceeds from Sale of Property on Meeting Street to the Capital Reserve Fund

City Manager Sandy stated that in connection with selling the property on Meeting Street for the future development of a housing project, she asked that the proceeds from this sale be transferred to the Capital Reserve Fund to be used later after Council's approval to support a future Capital project. She asked City Attorney Vinay to explain the delay in closing on the purchase of property by 400 Meeting Street, LLC. He stated that the closing has not happened and will not happen for some time. The buyer requested that their attorney perform a full title search. An issue was discovered with the description on the deed during the title search. The buyers have asked to have this issue cleared up before proceeding with the purchase. This is a temporary delay and the buyers will continue to develop plans for the project. They have deposited the full purchase price with their lawyer and see this only as a temporary delay. City Attorney Vinay stated that the Council has the choice to tolerate a delay of potentially 5 to 6 months, or to cancel the entire deal.

City Manager Sandy stated that the buyers have hired an architect and are continuing to invest money in order to get the plans ready for review by the City. She also advised that for perspective, this is a \$25-30 million project. It takes time for a project of this magnitude to happen.

Upon motion by Councilmember Jernigan, seconded by Councilmember Hawkins, and unanimously carried, the Council approved a budget amendment in the amount of \$425,000 to accept a transfer from the General Fund from the sale of property on Meeting Street to the Capital Reserve Fund, once the sale is actually closed.

XIII. New Business

A. Other Business

1. Consideration of Budget Amendment to Accept Additional Dogwood Trust Grant Funding for Wastewater

City Manager Sandy stated that the Highway 181/Bost Road sewer project was over budget by more than \$1.5 million. When the contract was awarded, after negotiating with the low bidder, it was planned to make up the difference with an additional \$650,000 in ARPA funding and retained earnings from the Wastewater Fund. City Staff requested additional funding from Dogwood Trust for this overage. We have now received news that Dogwood Trust is willing to put an additional \$350,000 in the project.

A budget amendment in the amount of \$350,000.00 to accept the additional funding from Dogwood Trust is required. This will allow us to not use

wastewater retained earnings and to reallocate \$187,000 back into the ARPA Fund to be used for another project.

Upon motion by Councilmember McSwain, seconded by Councilmember Cato, and unanimously carried, the Council approved a budget amendment in the amount of \$350,000.00 to accept additional funding from Dogwood Trust Grant funding for the Hwy. 181/Bost Road Sewer Project.

2. Consideration of Award of Contract to Baker Grading for Bethel Park Restoration Project and Approval of Budget Amendment

City Manager Sandy stated this project includes the restoration of East Prong Hunting Creek and Fiddlers Run Creek through Bethel Park within the City of Morganton for the purpose of ecological enhancement and flood mitigation. The project also includes the replacement of approximately 0.71 mile of asphalt walking trail. Sealed bid proposals were received and opened by the Development and Design Services Dept. on Thursday November 16, 2023. Four bids were submitted for the project. The lowest responsive, responsible bid was submitted by Baker Grading and Landscaping of Old Fort, NC in the amount of \$1,559,867.50.

A budget amendment is required to accept \$500,000 in PARTF matching funds for the park improvements and appropriating remaining funds of \$236,058 which is needed for the City match portion of the Stream restoration project.

Upon motion by Councilmember Cato, seconded by Councilmember Jernigan, and unanimously carried, the Council:

- a. Awarded contract to Baker Grading and Landscaping of Old Fort, NC in the amount of \$1,559,867.50 to complete the Bethel Park restoration.
- b. Approved a budget amendment in the amount of \$500,000 to accept PARTF matching funds for park improvements and appropriate remaining funds in the amount of \$236,058 which is needed for the City match portion of the stream restoration project.
- c. Authorized the Mayor and/or City Manager to execute such contract and any other necessary documents.

3. Consideration of Approval of a Memorandum of Understanding (MOU) to Accept Environmental Enhancement Grant (EEG) Funding for the Bethel Park Improvements Project and Approval of Budget Amendment

City Manager Sandy stated that City Staff applied for an Environmental Enhancement Grant (EEG) to assist with the flood mitigation and renovation of Bethel Park. The application was for \$200,000. We have been notified that we have been awarded \$150,000. The funding will be used to aid in the restoration and ecological enhancement at the park.

In order to accept the grant, a Memorandum of Understanding (MOU) is required and a budget amendment is needed.

Upon motion by Councilmember Hawkins, seconded by Councilmember McSwain, and unanimously carried, the Council:

- a. Accepted and approved the Memorandum of Understanding from Environmental Enhancement to receive \$150,000 in grant funding for restoration of Bethel Park.

- b. Approved a budget amendment in the amount of \$150,000.
- c. Authorized the Mayor and/or City Manager to execute such contract and any other necessary documents.

4. Consideration of Award of Contract to Wildlands Engineering, Inc. for Bethel Park Construction/Admin/Observation

City Manager Sandy advised that Wildlands Engineering, Inc. which is on the City of Morganton's on call service list, will provide construction administration services to the City of Morganton (City) for the restoration within Bethel Park. These services will consist of:

Task 1 Construction Administration includes: Submittal Review, Response to RFIs from the contractor, Pay Application Review, and Grant reporting support to the City.

Task 2 Construction Observation includes: Site inspections associated with restoration with anticipated construction time of approximately 240 days, oversight of installation of critical structure and elements by contractor and onsite staff supervision.

Wildlands Engineering, Inc. is currently working with the City on the Restoration of Bethel Park with design, bidding, and grant support. Staff recommends awarding this contract to Wildlands Engineering, Inc. in order to continue progress on the restoration and maintain timelines associated with grant funding.

Upon motion by Councilmember McSwain, seconded by Councilmember Jernigan, and unanimously carried, the Council awarded a contract to Wildlands Engineering, Inc. in the amount of \$149,531.00 for Bethel Park Construction/Admin/Observation, and authorized the Mayor and/or City Manager to execute such contract and any other necessary documents.

5. Consideration of Budget Amendments to Appropriate Retained Earnings for the Water and Electric Funds for Easement Purchases

City Manager Sandy stated that a budget amendment in the amount of \$25,000.00 is required to appropriate retained earnings for purchase of water and electric easements at intersection of Independence Blvd. and Hwy. 70. The cost of easements in each fund is \$12,500.00.

Louis Vinay, Jr. stated that the easements for the existing utility lines are not defined, and there is a need for these written/recorded documents.

Upon motion by Councilmember Cato, seconded by Councilmember Jernigan, and unanimously carried, the Council approved budget amendments in the amount of \$12,500 each for the water and electric fund, to appropriate retained earnings for purchase of water and electric easements at intersection of Independence Blvd. and Hwy. 70.

6. Appointments to Boards and Commissions

a. Recreation Advisory Commission

This is a City Council appointment.

Mayor Thompson advised that there is a current vacancy on this commission. Sonya Y. Reid has expressed interest in becoming a member of the Recreation Advisory Commission. Ms. Reid would like to serve in our community.

Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and unanimously carried, the Council appointed Sonya Y. Reid to the Recreation Advisory Commission for a term to expire on June 30, 2026.

b. Foothills Regional Airport Authority

According to North Carolina General Statute, the Foothills Regional Airport Authority shall consist of eight members who shall be residents of either Burke or Caldwell County. Each of the governing bodies shall appoint two members, one of which shall be an elected official and one a citizen representative. Current terms expire at the end of December.

Councilman Butch McSwain and Robert A. Pruett have been consistent members of the Airport Authority and both are willing to continue serving. If reappointed their terms will expire on December 31, 2025.

Upon motion by Councilmember Jernigan, seconded by Councilmember Hawkins, and unanimously carried, the Council reappointed Councilman Butch McSwain and Robert A. Pruett to the Foothills Regional Airport Authority for terms to expire on December 31, 2025.

c. Burke County Tourism Development Authority

Terms for the Burke County Tourism Development Authority (TDA) expire on December 31. The City has one representative on the TDA who serves a 2-year term. Rob Winkler has been an active participant and a consistent member of the TDA and is willing to continue serving.

If recommended for reappointment and approved by the County Commission the term will expire on December 31, 2025.

Upon motion by Councilmember Cato, seconded by Councilmember McSwain, and unanimously carried, the Council recommended Rob Winkler to the County Commission for consideration of reappointment on the Burke County Tourism Development Authority for a term to expire on December 31, 2025.

7. 30-Day Notice Boards and Commissions

a. Fireman's Relief Fund Board

The terms for Council appointee Council appointee Jessie Parris and Public Safety appointee Israel Gibson are set to expire next month. These members have been excellent participants and wish to continue serving. Reappointments will be made at the January 8, 2024 meeting.

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

a. Historic Properties Commission

This is a Council appointment.

City Manager Sandy stated that, due to an oversight, an appointment should have been done in November.

The term of HPC Board Member Mark Barrier expired in November. He has been an excellent participant on the Historic Preservation Commission and has agreed to continue serving.

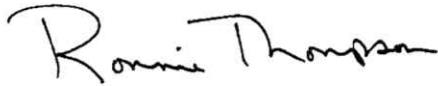
Upon motion by Councilmember Hawkins, seconded by Councilmember Jernigan, and unanimously carried, the Council reappointed Mark Barrier to the Historic Properties Commission for a term to expire on November 8, 2026.

Upon motion by Councilmember Hawkins, seconded by Councilmember Jernigan, and unanimously carried, the Council reappointed Mark Barrier to the Historic Preservation Commission for a term to expire November 8, 2026.

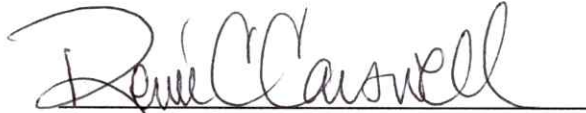
XV. Reports – No reports were given.

XVI. Adjournment – Mayor Thompson adjourned the meeting at 6:48 p.m.

Preparation of Minutes. These minutes were prepared by Renee C. Carswell, City Clerk. 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.



Ronnie Thompson, Mayor



Renee C. Carswell, City Clerk

