# Minutes for the Regular City Council Meeting meeting

101 W. First Street, Lowell, North Carolina, 28098. June 13th, 2023, 6:00 PM - June 13th, 2023, 8:07 PM

Roll Call: (The following members were in attendance)

Sandy Railey, Mayor
Travis Smith, Mayor Pro-Tem
Candy Funderburk, Councilmember
Phil Bonham, Councilmember
joAnna Fuibright, Councilmember
Cheryl Ramsey, City Clerk
Thomas Gillesple, Councilmember
Scott Attaway, City Manager
John Russell, Jr, City Attorney
Podium, Support

#### 1. General

1A. Call To Order - 6:00 PM

Mayor Sandy Railey called the meeting to order at 6:00 pm. City staff present were City Manager Scott Attaway, City Attorney John Russell, Public Works Director Thomas Shrewsbury, Police Chief Carl Moore, Police Captain Jeff Harrison, GIS Analyst Todd Stroupe, Finance Director Lisa Nolen, Parks and Recreation Director Cristy Cummings, and City Clerk Cheryl Ramsey. A quorum was determined at the beginning of the meeting. The meeting was teleconferenced on YouTube for the public and the agenda and meeting materials were made public on the city's website as well as in person. Members of the public, including other City employees were also present.

1B. Invocation / Pledge of Allegiance - 6:01 PM Councilmember Gillespie gave the Invocation and led everyone in the Pledge of Allegiance.

1C. Adoption of Agenda for this Meeting - 6:00 PM

Councilmember Funderburk thanked GIS Analyst for his work with mapping the City of Lowell. She stated she sees him walking all the time and wanted to acknowledge him. Mr. Attaway asked everyone for patience as this is the first time broadcasting on YouTube and the first time using the new software for the handling the meeting.

The Item was motioned To Approve by Travis Smith and seconded by Candy Funderburk with a passing result 5 - 0

1D. Public Comments - 6:03 PM

1. Larry Simonds of 1603 Power Drive, Lowell, NC complained of the City Manager [Scott Attaway] not being transparent to the citizens, particularly about the project on Saxony Drive being called off. He wanted Mr. Attaway to explain it now. Mr. Attaway stated that this subject was already planned for discussion during the regular portion of the meeting. Mr. Simonds then stated there was no due diligence on the part of Council when they voted for this in April. He then complained about the \$500,000 taxes received from the gateway 85, the City of Lowell will only receive \$85,000 a year. He then complained about councilmembers that live in Lowell and renting property, the budget, and the purchasing of water and sewer lines on Saxony Drive or 'Project Husky'.

# 2. Approval of Minutes

The Item was motioned To Approve by Candy Funderburk and seconded by Travis Smith with a passing result 5 - 0 2A. Approval of Minutes 5-9-23 - 6:06 PM

### 3. Special Presentation

3A. Presentation of the 2023 City of Lowell Employee of the Year to Thad Buchanan - 6:08 PM

Mr. Attaway acknowledged that this started last year where Department Heads would nominate employees for their exceptional work throughout the year. Last year Sue Lowe was the nominee and this year we honor Thad Buchanan from the Water and Sewer Department. Mr. Buchanan has been an employee of the City for a number of years and his work ethic and positive attitude were key factors in his selection as Employee of the Year for 2023.

Thomas Shrewsbury, Public Works Supervisor concurred with Mr. Attaway and stated Mr. Buchanan has been a key member of the department and stepped outside of his boundaries in helping all other departments of the City. He said other staff in Public Works look up to Mr. Buchanan and aspire to be like him professionally and how he conducts himself. Mr. Buchanan was then presented with a Employee of the Year plaque and pictures were taken. Mr. Attaway added that Mr. Buchanan will be throwing out the first pitch at the Honey Hunters baseball game this Friday as part of their Lowell Appreciation night.

3B. Proclamation Recognizing the Historical Significance of Juneteenth and Proclaiming June 19, 2023 as Juneteenth - 6:13 PM Mayor Railey read the Proclamation to the audience.

The Item was motioned To Approve by Thomas Gillesple and seconded by Candy Funderburk with a passing result 5 - 0

## 4. Consent Agenda

The item was motioned To Approve by Candy Funderburk and seconded by Thomas Gillespie with a passing result 5 - 0

- 4A. Planning Report 6:17 PM
- 4B. GIS Report 6:17 PM
- 4C. Police Report 6:17 PM
- 4D. Finance Report 6:17 PM
- 4E. Public Works Report 6:17 PM
- 4F. Parks and Recreation Report 6:17 PM

#### 5. Unfinished Business

5A. Public Hearing for Adoption of the FY 2023-2024 Budget Ordinance - 6:18 PM
Mayor Railey exclaimed Public Hearing is in session. Mr. Attaway stated the budget was presented in the last council meeting on May 9th. He noted that there were some clerical updates. On the fee schedule, under Construction Inspections for Subdivisions and repeat inspections (more than two), staff added in that the developer will be Issued a failed inspection notice. If City Engineers have to be paid to re-inspect multiple times, there will be a way to capture that cost for Lowell. There was also an error under the Administration Budget where there were two Christmas decorations line items. It didn't change anything for the total Administration budget nor the budget ordinance. It was reallocated to where it was supposed to be under Beautification. This year a line item called Christmas decorations was added back, making it clear that a certain amount of funding is necessary for this time of the year (Christmas lights, trees, etc.). Mayor Railey then asked for Councilmember Funderburk to read the email received by a citizen.

 An email was sent to the City Clerk by Carolyn Watt of 1022 Marguerite Drive, Lowell, NC. It was read aloud by Councilmember Funderburk. Ms. Watt stated after looking at the proposed 2024 budget, it appeared some of the tax revenue from the reevaluation could be used to reduce the taxes by 3 to 5 cents and still have an excess in the general fund. She believed that the increase will be a hardship to many of our citizens. A decrease would show the city is working for the good of the residents.

Mayor Railey asked if Councilmembers had comments. Councilmember Funderburk mentioned the budget allows for seven full time and two part time and a K-9 dog as well as changes to be made, upgrades and giving employees a 5% COLA (Cost of Living Adjustment). She felt at this time we didn't need all of these positions. She said this is a five-year plan and feels like we will need all these positions [at a certain time] but not in this budget. Also, her concern in the last three or four years is to give our citizens at least a three cent tax reduction. She said she looked through the budget several times and believes it can be reduced by three cents by taking it out of the CIF, which is a good fund we started for future building of the new Public Works, City Hall and Police Department, infrastructure, plus a lot more. If we take three cents out, it will be .46 cents instead of .49 cents. She said she went over her documentation with Mr. Attaway and was told it could be done but we would have to change some things. She said we could still put money in the CIF, however, it wouldn't be \$406,403 but \$233,738. That is still a lot to go into the CIF and would still allow for a tax cut for citizens. She mentioned that she like others are on a fixed income. She said when the Fire Department went to the County, she thought we would get a tax cut then but we did not. She said now, since we are getting this extra money in, it would be a great time to lower the tax for our citizens so they will know we care.

Councilmember Gillespie said he agreed with Councilmember Funderburk. He stated that it seemed like she did her homework and a decrease is not going to hurt us. He said we can't do it all in a five year period and sometimes it takes a little time to get things done.

Mayor Railey then opened the hearing for public comments:

- Larry Simonds of 1603 Power Drive, Lowell, NC. He said that he is ashamed of each one of you
  [Councilmembers] and accused them of being unable to count. Mayor Railey interrupted him and asked him to
  speak more respectful to council or be asked to leave. He said the citizens are paying double taxes and how
  much water we are buying per month. He said the taxes needed to be cut down to .40 cents. He then
  mentioned the Gateway 85 project again.
- 2. Ed Jackson is not a resident of Lowell but owns properties in the city stated that he was proud of all councilmembers. He said the town has been good to him for the last 50 years. He has seen good council boards and council boards that think we should live in the 30's and 40's. He said he's seen where a new council has been nominated and immediately fired the sitting City Manager or Police Chief during that time, leaving the town in disarray as well as former councilmembers making life hell for the City Manager. He said he listened last month to every detail the City Manager discussed about the budget. He stated that last year, you got a 14% increase in the tax base by eliminating the Fire department. This year without Newell [new industrial building], the tax base has increased about 28%. He said he is glad to see you planning ahead because we need to catch up, but he honestly thinks, for safety sake and the care of the citizens, it would be smart to look at a \$.03-.04 cent reduction in the tax rate. Part of what the City Manager has laid out for all these new positions are based on a bit of a timeline. There are things that are coming on now with all the stuff with Spencer Mountain. He said he's talked to the property owners and have had contact with the company who is now under contract to develop the other 400 or so homes over there. He said they told him it would be a miracle if Lowell got a tax break based on the Spencer Mtn. property in less than three years. He thinks for the safety of the people and this council, that is doing a good job, to look at a tax rate reduction as it will help a lot of people and not necessarily hurt the city. If you need to raise it a penny or two in the budget with a justified need, that would be great.
- 3. Patrick Mumford with the Gaston Business Association of 601 W. Franklin Blvd., Gastonia, NC. He stated he was able to attend one of the [budget] retreats and he wanted to start with how impressed he is with the thoughtfulness that was put into all this. Clearly there are a lot of different routes you can take when setting a tax rate, current pressures as well as the growth pressures coming in addition to listening to the concerns of the people that have spoken today. What happens to the next generation, what is here in Lowell to bring them back? You are wrestling with some tough issues. Where you land is not as important as the process you've taken to really be thoughtful about balancing current needs, long term needs, infrastructure investments, etc. He said he's read through the budget and believes the City Manager did a great job of laying it all out and yes some things can be brought down or bumped up but he thinks sticking to your strategy that you've laid out for the future of this community is clearly important and compelling. So wherever you land, he hopes it is in a place of understanding future needs, debt service or debt capacity. Growth is not going to stop and Lowell is a wonderful community that is attractive to a lot of people and he hopes it continues to be so. He suggests to prepare this community for the future and our children so it continues to grow in a way that multiple generations can benefit from your good decisions. He thanked them for their interest in listening to everyone's comments and the approach taken to have a balanced, intentional setting of the tax rate that will serve the current constituency as well as the future of this community.
- 4. Mark Jordan, President and CEO of the Montcross Chamber of Commerce. He acknowledged that he does not live here but he has members who live here and do business here and that's who he represents as well as you as a [Montcross] partner. He said they appreciate the partnership that they have. He is really here tonight to express that "we, as people, have to put trust in the leadership and the professional staff". He said they see the challenges and what you have to go through and they admire the accomplishments. He is here tonight to speak in favor of the budget and the City Manager's recommendations for the FY23-24. He also applied the

leadership provided in many ways, particularly for their stewardship of tax dollars under Council's supervision and guidance. He also applauded council for understanding that this city is growing and will continue to do so, for establishing a fund that will ensure that growth. He stated that the strong debt policies and modeling have served the city well. He stated the city's fiscal position is positive today due to councils conservative fiscal management and strict adherence to adopted fiscal policies. He thanked them for making our entire county stronger.

# Comments from Council:

- 1. Mayor Pro Temp Smith stated that this is a future building budget. Lowell is going to change and we all know that so we have to prepare so we don't get caught in the dark a year from now and not be prepared. We prepared for an 18% water increase because we had to as there was no way around it but we squashed that plan and we will eat that cost. We spent 20 hours in meetings to cover all of this and he thinks they went great and they learned a lot. He thinks it's a great budget and will fulfill the needs of this city, presently and for the future. Councilmember Funderburk said we could also cut the tax rate by \$.03 cents and fund everything. Mayor Pro Tem Smith didn't believe that was correct. Councilmember Funderburk said for this budget, not the future or what we went over [during the budget retreats] where certain projects could be delayed. She asked the City Manager if everything in this budget could pass with the \$.03 decrease in the tax rate? Mr. Attaway said yes, dropping \$.03 cent out of the Community Investment Fund (CIF) however it would effect the five year General Fund CIP. She said where you could put less money in the CIF, Mr. Attaway said yes. He said that Public Works was slated for 2024, City Hail and the Police Department complex in 2028 and they would all get shifted [to later years].
- 2. Councilmember Gillespie thanked the speakers for coming. He stated he had great respect for our corporate sponsor, Ed Jackson, when he said \$.03 cents wouldn't hurt. He said if you go down S. Main St., you will see the work and investment that he and other business associates are putting into this city. He is an active corporate citizen of Lowell and Councilmember Funderburk has done her homework and he really feels that you can't do it all overnight but it can be done and we are moving in the right direction. He told Mr. Jackson that he appreciates him and his word means a lot to him, as does the Chambers [of Commerce]. He said we need to help our citizens as well as grow our CIF fund but he thinks Mr. Jackson is right that we can do this but it doesn't have to be overnight.
- 3. Councilmember Bonham said as it relates to the CIF, it is his opinion that it needs to be funded now and any reduction would just rely on future councils to approve an increase to fund something which would put us exponentially behind the timeline in that we need new buildings today. We're not funding something in 2024 if we take \$.03-.04 cents out of the CIF. It doesn't automatically move it to 2025, assuming you will approve an increase next year. It's not a lot of math and we have an obligation to do what we need to do today. As much as he would like to say he would want to decrease the tax rate, what we have to do to be good stewards of this city is approve the budget as it is and regardless of whether or not he is up for election in November, he is not voting in fear. He was elected to do a job and is here to do the job for the citizens served, election or not. He said we have to approve this budget as presented. Councilmember Funderburk said it is only \$172,665 difference from the budget that would not go into the CIF for a \$.03 cent tax reduction.

There was a need for a brief recess requested by the Mayor at 6:44 pm. The meeting reconvened at 6:50 pm 4. Councilmember Gillespie stated that some of the facts presented tonight had nothing to do with elections. He said we vote our conviction and our heart and that reelections are in the hands of the people. With no other comments, the Mayor closed the Public Hearing.

The Item was motioned To Approve by Travis Smith and seconded by Phil Bonham with a passing result 3 - 2 Opposed by Candy Funderburk, Thomas Gillespie

#### 6. New Business

Mr. Attaway stated that staff advertised a request for qualifications (RFQ) for the Water System Asset Inventory and Assessment Project that is a \$150,000 grant that the city received to map the water line infrastructure of the city from NC Department of Quality. We received one response back to the RFQ from Wooten Engineering Firm. The city has worked with this firm in the past on the prior sewer asset inventory assessment grant and they did a good job. It is staff's recommendation to approve them. Councilmember Bonham asked out of curiosity how many did we send requests out to and what, in your opinion, is the reason we only received one response? Mr. Attaway said the city received several responses asking who prepared the RFQ because this grant allows an engineering firm to help us prepare it. Once they were told it was Wooten, they [other businesses] decided not to submit an RFQ.

The item was motioned To Approve by Travis Smith and seconded by Phil Bonham with a passing result 5 - 0

6B. Resolution RS 5-2023 to Accept Carolina Thread Trail Grant in the Amount of \$127,080 - 6:58 PM

Mr. Attaway stated that we did receive the grant to construct approximately half of the Thread Trail in Lowell, NC along the South Fork River. This resolution is to receive those funds.

The item was motioned To Approve by Candy Funderburk and seconded by Thomas Gillespie with a passing result 5 - 0

6C. Contract Amendment for CDBG-NR Construction Management Services - 7:00 PM

Mr. Attaway stated that we are using Centralina to manage the CDBG-NR or rehabilitation of homes previously Identified and the Community Center. We're in the beginning stages of the last set of homes now with the award for repairs done at the May 9th council meeting. There have also been delays with the repair of the Community Center in ordering of sashes and exterior doors. These two projects will push us past the original contract with Centralina so this is an extension of said contract. This budget revision will be for \$9,548 all paid from the CDBG grant funds. A motion is needed to extend the contract with Centralina.

The Item was motioned To Approve by Phil Bonham and seconded by Candy Funderburk with a passing result 5 - 0 6D, Budget Amendment #3 FY 2022-2023 - 7:02 PM

Lisa Nolen, Finance Director, gave an update of using ARPA funds of \$50,000 with the grant match for the Carolina Thread Trail Grant just received.

The item was motioned To Approve by Phil Bonham and seconded by Thomas Gillespie with a passing result 5 - 0

6E. Amended Grant Project Ordinance - ARPA - 7:04 PM

Lisa Noien stated that this is to update the grant project ordinance due to the \$50,000 that was just approved for Budget Amendment #3. This is the recommendation to ensure compliance with this grant. Mr. Attaway added that we have a monitoring visit coming up next week under ARPA, that is routinely done with Centralina to make sure we are staying in compliance.

The item was motioned To Amend by Travis Smith and seconded by Phil Bonham with a passing result 5 - 0

6F. Consideration of Banking RFP and Selection of Bank for the City of Lowell - 7:06 PM

Mr. Attaway said it was brought to council's attention to check into a banking relationship after losing the bank we used to use recently. He turned it over to Lisa Nolen to discuss our fiscal policy. She said according the policy in Article 5, Cash Management, Part D. Banking Relations, Section 2. Review of Banking Relationship, the Council will review the banking relationship(s) at their discretion, but at least every five years. Per Fiscal Policy. Article V. Cash Management, Par D Banking Relations, Section 1. Bank Selection, banking service providers will be evaluated and selected by Council through a competitive proposal process. She stated staff submitted a Request for Proposal (RFP) to local banks for review for consideration of providing banking services for the City of Lowell. Staff directly solicited eight local banks via email. Per statute, this was also advertised in the paper and posted on the City's website. Staff emailed the RFP on April 3, 2023 to local banks to facilitate the bidding process. She listed [in the memo to the City Manager] the timeframe for completion of the RFP process. Staff received RFPs from four local banks and the scoring metrics was attached to the memo. A meeting was conducted with the selection committee to score appropriately. Based on the metrics, First Horizon scored the highest for the city's needs and financial commitment. Staff recommends First Horizon for the City of Lowell to provide the best return on investment for lowell's idle funds.

Councilmember Funderburk asked if this is because Truist moved or we had to do this anyway because of the five year deadline? Mr. Attaway said we are supposed to do this every five years per our fiscal policy and he has found no record of when it was last done and because of that, determined that there was a better option. Councilmember Gillespie asked if Mrs. Nolen is satisfied with First Horizon. She said yes, they will provide us with the most return

on our investment, even with the cost of them providing our banking services. Mr. Attaway added that location was one of the major deciding factor in that they are all within four miles of City Hall. Some of the items measured were very close, but the annual cost of the account and the return on investment on the idle funds pushed First Horizon out on top.

The Item was motioned To Approve by Candy Funderburk and seconded by Thomas Gillesple with a passing result 5 - 0 6G. Request to Set Public Hearing - Text Amendment - Article 8, Section 8.4-10 (E) (2) General Standards and Specifications - 7:13

Mr. Attaway stated this is request to set a public hearing at the July 11, 2023 Council meeting to hear and approve this text amendment applicable to the Industrial Zoning District. He [Joe Gates, Planning Director], discovered, with the Planning Board, that the corner lot sized setbacks of existing industrial developments do not really offer redevelopment of industrial tracks to plan along our main corridors. The amendment is to reduce the corner lot setback on a side street from 80ft to 40ft.

The Item was motioned To Approve by Candy Funderburk and seconded by Travis Smith with a passing result 5 - 0 6H. Consideration of Bids for Former Yorkshire America Demo Backfill Erosion Sediment Control - 7:15 PM Mr. Attaway stated this is not ready for deliberation tonight as there were not enough bid proposals and will be revisited in July. No actions were needed. Councilmember Bonham asked if this the last requirement before contracts are awarded to move forward. Mr. Attaway said yes, we have to get the erosion control contractor out there so they can set up the initial self fencing barriers, taking down buildings in clusters at multiple pieces at a time and their own measures for doing that. Councilmember Bonham said for those that may not know, the erosion control is a large piece but it came later in that they were not aware of this requirement initially when schedules were set. It was more of a 'by the way, what do you have to mitigate this' for example. Mr. Attaway said yes that is correct, it was not in the original bid document packet for the demolition award.

#### 7. Reports / Discussions

7A. City Attorney Report - 7:17 PM None at this time.

7B. City Manager Report - 7:18 PM

- Spencer Ridge Development (formerly Pulte)- The city has received submittals for Lenoir Homes to build that
  development along North Main and Spencer Mountain Rd. It will now be referred as the Spencer Ridge
  Development instead of Pulte. They have submitted their preliminary capacity assurance for water and sewer
  and we are working through that with the city engineers and staff. Some of those items will come before
  council soon.
- 2. Beacon Properties in McAdenville the property owner did pull out of this project. We will be revoking that preliminary capacity assurance initially approved for the sewer service.
- 3. McCord Park still working on some items here. Landscaping is nearly done but there are a couple items that will be addressed in the fall. We are currently working on a policy for renting this area as several businesses, gyms, etc have requested to use it.
- 4. NC Fellowship Program This is a project from the UNC School of Government. We are very excited to have been awarded this fellow that will begin in August and continue for 11 months. He brought Emiyah [Watkins] in last Friday to discuss projects she will be doing when she begins after training she has in July at Chapel Hill. She will be working across all departments. She is a Political Science major and has a minor in Law from Wingate University. She will be at the August council meeting for introductions.
- 5. CDBG update We are getting close on the Community Center as mentioned before and a small hold up in ordering the exterior doors and a couple windows. We did find that one the six houses we were expecting to do will no longer be done because it exceeding the \$70,000 dollar threshold that the State allows for rehabilitation. This particular amount was over \$100,000 and also exceeded the tax value of the home.

- 1. Councilmember Fulbright thanked Scott for the hard work that he put into the budget, the budget retreats we had, the preparation, the guests/speakers invited to help us understand this budget. In the end, we have to remain consistent in what we are doing and we have to stay focused on where we want to go. She said there is a lot of disagreement about the \$.03 cents but we also know if we chose to do that how far that would set us back. [Speaking to the audience] The bottom line is that your councilmen, your Mayor are only titles and if you are not enough with it, you will never be enough without it.
- 2. Councilmember Bonham said even though this project as we know it is now dead, he wanted to address Project Husky, next to Lowell Elementary. He wanted to touch on this because it is our responsibility as things come up to try our best to get people to understand the facts. There are some that want to spew garbage and not listen to the facts. He said just to make clear about this sewer thing everyone is making a big deal about, we agreed to grant them sewer access contingent upon them meeting specific requirements. Sewer, not water, sewer, period! That was to tap into our wastewater treatment plant, which has capacity. If we kill that, that does not kill the project as they will go in a different direction and tap into McAdenville. The difference with this particular project is that this was a business decision where we can either grant them access where they would pay to move our sewer line and upgrade to do what they need to do in that space or we decline the request and they go to McAdenville. In our lease agreement with the property owner, we [City of Lowell] would have to pay to move that sewer line that they were going to do anyway. So before stuff gets out there that we are doing this or that, understand the facts and where you are getting your information from. Secondly, he thinks that the City Manager and staff does a great job and he appreciates all the hard work they do. We know that people aggravate you [City Manager] and he is not opposed to giving anyone that asks, information asked for but does not believe in bullying and harrassment nor facilitating bullying and harrassment. There are some things out there now that we need to look at further on where they came from and how they were directed into here but we are going to get to the bottom of it.
- 3. Councilmember Funderburk said she disagrees sometimes and sometimes she has not been nice about it and apologized if she has not been nice to anyone on this council. She said she is very passionate and just wants to help citizens that she has talked with after doing the figures [regarding the budget]. She said it was ok to disagree but we are going to move along. Just because she disagrees with salaries or what have you doesn't mean that she doesn't like the staff that represents. She said we have good staff, a good City Manager, a good Mayor and council but just because she disagrees doesn't mean she is upset. She didn't like it and that is ok and it will be ok. She stated she is up for reelection but this wasn't done because for reelection purposes. She said she doesn't even know if she'll run or not. She loves this city and if she can ever do anything for our citizens, all they have to do is email, call or text and they know she will get back to them.
- 4. Mayor Railey thanked everyone for coming tonight. This is usually a tough meeting for Council. She said sometimes they get yelled at and she hopes she did not intimidate anyone for using the gavel earlier. Thank you to everyone for coming and their support. She said they try hard to make hard choices that are not always pleasant but you vote us in here to do a job and that's what we have to do. Good, bad, and the ugly. She thanked Scott and his staff for their hard work. She also apologized for having to step out of the meeting earlier too. She then stated we would have a five minute break at 7:30 before closed session. Closed Session reconvened at 7:36.

## 8. Closed Session

8A. To Discuss the Acquisition of Real Property Pursuant to NCGS 143-318.11(a)(5) - 7:29 PM
The item was motioned To Approve by Travis Smith and seconded by Phil Bonham with a passing result 5 - 0

#### 9. Adjournment

9A. Meeting Adjournment - 8:06 PM

The Item was motioned To Approve by Phil Bonham and seconded by Candy Funderburk with a passing result 5 - 0

ATTEST:

Mayor, Sandy Railey