

MINUTES

Lowell City Council

Regular Meeting

Tuesday, May 9, 2023, 6:00 P.M.

I. GENERAL

A. CALL TO ORDER – Mayor Sandy Railey

Mayor Railey called the meeting to order at 6:03 p.m. Those attending in-person were Mayor Pro Temp Travis Smith, Councilmembers Phil Bonham, Candy Funderburk, Thomas Gillespie, and JoAnna Fulbright (came in at 6:12 p.m.). City staff present were City Manager Scott Attaway, City Attorney John Russell, Planning Director Joe Gates; Public Works Director Thomas Shrewsbury, Police Chief Carl Moore, Police Captain Jeff Harrison, GIS Analyst Todd Stroupe, Finance Director Lisa Nolen, and City Clerk Cheryl Ramsey. A quorum was determined at the beginning of the meeting. The meeting was teleconferenced to the public and the agenda and meeting materials were made available prior on the city's website. Members of the public were also present.

B. INVOCATION / PLEDGE OF ALLEGIANCE

Councilmember Gillespie gave the Invocation and led everyone in the Pledge of Allegiance.

C. ADOPTION OF AGENDA FOR THIS MEETING

Councilmember Bonham made a motion to approve the adoption of the agenda with the addition of 6E under New Business, seconded by Mayor Pro Temp Smith. The vote was unanimously in favor.

D. PUBLIC COMMENTS

1. Larry Simonds of 1603 Power Dr, asked why there was not a copy of the budget available. Mayor Pro Temp Smith stated the budget was released to the public before the meeting. Mr. Simonds then discussed the previous budget and complained about the water fees.
2. Alice Neal of 3006 Lowell Rd complained about the Gaston County fire tax and Lowell fire tax on her statement when she purchased a new car. She said the council serves the city and not the City Manager. She said the citizens should be the ones to determine the budget. Councilmember Bonham then explained to her and the audience that we are not voting on the budget tonight.

II. APPROVAL OF MINUTES

A. Minutes from Council Meeting Held April 11, 2023

Mayor Pro Temp Smith made a motion to approve the minutes, seconded by Councilmember Bonham. The vote was unanimously in favor.

III. SPECIAL PRESENTATION

A. Proclamation 02-2023 Public Works Week. Mr. Attaway stated that this is an annual proclamation to recognize Public Works employees. Councilmember Bonham made a motion to adopt Proclamation 02-2023 Public Works Week, seconded by Mayor Pro Temp Smith. The vote was unanimously in favor.

IV. CONSENT AGENDA

- A. Police Report
- B. Finance Report
- C. Public Works Report
- D. GIS Report
- E. Planning Report
- F. Parks and Recreation Report – April Parks and Recreation Report

Councilmember Funderburk asked Todd Stroupe, GIS Analyst, if he rode along with the Sanitation Workers. He said he rode along several times. She thanked him for doing that and said she sees him walking all the time for stormwater mapping. With no further comments, Councilmember Funderburk made a motion to accept the agenda, seconded by Councilmember Bonham. The vote was unanimously in favor.

V. UNFINISHED BUSINESS

A. **Public Hearing – Text Amendment to the LDO – Request to amend Table 17.1 Permanent Sign Standards and Criteria Request to amend Table 17.1 – Permanent Sign Standards and Criteria.** Request will address sign standards for Permanent Attached Signs and Permanent Freestanding Signs. Mayor Pro Temp made a motion to go into Public Hearing, seconded by Councilmember Funderburk. The vote was unanimously in favor.

Joe Gates then presented with a background of the amendment. He stated the Planning & Zoning Board at their April 4th, 2023, meeting, unanimously approved the proposed text amendment submitted by staff. This was to: 1. Increase the Sign Copy area allowance for permanent attached signs in certain zoning districts and 2. Add standards to permanent freestanding signs to address drive-through Signs. Councilmember Funderburk asked if this amendment will allow Hillbilly's Restaurant to get a sign now? Mr. Gates said yes. With no other questions, Councilmember Bonham made a motion to close the public hearing, seconded by Councilmember Funderburk. The vote was unanimously in favor. Mayor Pro Temp Smith then made a motion to approve Table 17.1 Permanent Sign Standards and Criteria Request, seconded by Councilmember Funderburk. The vote was unanimously in favor.

VI. NEW BUSINESS

A. **Presentation of the Draft Fiscal Year 2023-2024 Budget** – Presented by Scott Attaway. He described the required procedures in Chapter 1, Article 3 of the NC Statutes and the Budget & Fiscal Control Act in which the City Manager must transmit a budget ordinance and City Manager's Budget Message by June 1st of every year. It was submitted today, May 9th, 2023. As soon as Council has copies of the proposed budget, it then must be transmitted to the sunshine list, which is typically the Gaston Gazette. There is also a copy for the public here at City Hall. In addition, there will be a copy at the public library for review tomorrow and is currently posted online. Each Councilmember received a copy at 5pm today. He thanked Council for attending all the budget meetings and working with staff. He also thanked the Council for understanding the needs of the city by recognizing the deficiency of staff levels to address the needs of the citizens and infrastructure systems.

Mr. Attaway then presented the budget in its entirety. He discussed the reappraisals that are required of Gaston County to do at least every 8 years. They choose to do it every 4 years. By General Statute 159-119e, we must produce a revenue neutral tax rate. This asks, what is the rate estimated to produce the revenue for this upcoming fiscal year equal to the revenue of the current fiscal year. In that reappraisal, the values of property have gone up (real estate). Specifically, our revenue neutral tax rate resulting from the calculations set forth by the General Assembly, considers average annual growth between each year of the last four years or since the last reappraisal. This annual growth factor is 1.52%. The resulting ad-valorem valuation of the City of Lowell is \$575,551,625 up from \$361,210,816 or approximately 59.34%. The resulting revenue neutral tax rate is .282 cents per \$100 or 28.2 cents. He stated it is important to realize that of that increase, \$125 million dollars of that was from one building, the Newell Company. Of that \$125 million, the city is not capturing all the revenue because we did an Economic Development Administration (EDA) grant to get that development to come here. He said that is a 10-year agreement. Normally a \$125 million development would pay about \$618,000 in taxes annually. We are in the first 5 years and must pay back 85%. After they [Newell] pay their taxes, then we reissue the 85% refund as a part of the EDA, capturing a total of \$92,700. In year 6-10, it goes down to 70% of the return of the property tax payment to them and year 11, we'll capture the full 100%. Revenue Neutral allows us to count for large things that will infrequently happen, like annexations, but Newell's impact was not removed.

Councilmember Funderburk asked him to explain revenue neutral. He said it is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue of the current year or what you lower the tax rate to, in order to equal the same revenue you have for this year. This is with no growth including staff growth.

He stated that the value of a penny now in Lowell is \$58,297 of each penny of the \$.49 cent tax rate that comes up from approximately \$32-33,000 per penny in the past. We typically account for about a 98-99% collection rate of property tax payments but with the reappraisal this year, the collection rate that is budgeted is 90%. This is due to the possibility of appeals citizens have been going to hear at City Hall lately. The city offered four appeals times from Veterans and the elderly to dispute their appraisals. An estimated 10% in collections is representative of what other municipalities, including Gaston County, are doing. The proposed tax rate for the upcoming year is .49, as it is now, which provides 6.96 cents to the newly established Community Investment Fund (CIF). He then discussed projects we have identified in our CIF

for future projects. He then discussed projects we have identified in our Capital Improvement Plan (CIP) including a new Public Works Facility, new City Hall and Police land acquisition and the construction of that, Parks and Rec land property acquisition, Chemical Plant, and Harold Rankin Park. We just submitted \$1 million in grants and two \$500,000 each. We will have to match \$500,000 if we only receive one of the latter grants. If we get both, one would cancel out the part we would have to match. Also, the Carolina Thread Trail is noted because we received a \$127,080 grant to build about half of the trail in Lowell.

He then went over the strategic vision and goals and discussed what has been done in Lowell to attain those goals. He discussed the Community Investment Fund and American Recovery Plan (ARPA), SCIF and CDBG grants we received in more detail, revenues and expenditures, and new proposed positions. There will be no increases in water and sewer fees. Councilmember Funderburk asked about why we are going to make an Assistant Chief position and then where is the Administrative Sergeant position going? He said there is no new position in the Police other than the Administrative Assistant position. The Assistant Chief would be created, and the captain would still be in the department and the Administrative Sergeant would go away. Councilmember Funderburk asked if it would be an increase in salary? Mr. Attaway said yes. She then asked how did we come to need an Administrative Assistant, what is the need based on, the number of calls? She noted only about 50 calls the previous month and that it seemed pretty low. Chief Moore said that is some of the reasoning. The other is for the daily activities, for example Division of Criminal Information (DCI), handling evidence, and maintaining the training schedule. This would free up the other officers to do the work they need to do.

Mr. Attaway then continued with the expenditures for the City, Water and Sewer, which are below the median rates in North Carolina, Stormwater fees, and the Capital Fund.

Councilmember Funderburk asked how many new employees are proposed to be hired? Mr. Attaway said seven full-time and two part-time with one job under the added full-time positions working 30 to 40 hours. She asked if 401k is offered to part time. For the one job receiving 30-40 hours, they are receiving State Retirement benefits, but not 401k or health benefits.

Mr. Attaway continued and informed the council they have the budget ordinance that will be voted on in June and the department's individual spreadsheets. Councilmember Funderburk asked if we are getting two K-9's. Mr. Attaway said only one. She asked if it will be working 24 hours? Chief Moore said it will be a regular officer's shift and that officer will have the dog with him. If there is a major issue and we need the K-9, we can request the K-9 officer.

Mr. Attaway continued with the discussion of the budget and fees. There were no further questions at this time.

- B. **Budget Amendment #2** – This amendment will result in an increase of \$25,935.62 in the Maintenance & Repairs-Sidewalks appropriations for Sidewalk repairs. Councilmember Bonham made a motion to approve Budget Amendment #2, seconded by Councilmember Funderburk. The vote was unanimously in favor.
- C. **Set Public Hearing for Adoption of the City of Lowell Fiscal Year 2023-2024 Budget Ordinance.** Councilmember Funderburk made a motion to set the public hearing for adoption of the City of Lowell Fiscal Year 2023-2024 Budget Ordinance for June 13, 2023, at 6 p.m., seconded by Mayor Pro Temp Smith. The vote was unanimously in favor.
- D. **Consideration of Application for Committee Appointment – Tyler Shepardson.** Presented by Scott Attaway. Mr. Shepardson of 824 Ford Drive has shown interest in being involved with

the LCC (Lowell Community Committee) and has applied. This would be to serve for three years, ending December 31, 2026. Councilmember Bonham made a motion to approve Tyler Shepardson's application to the LCC, seconded by Mayor Pro Temp Smith. The vote was unanimously in favor.

- E. **CDBG-NR Grant to repair homes – Bid Tabulation.** Presented by Cheryl Ramsey. She went over the balance of the grant. She stated that this was the 2nd bid opening scheduled as the first one held April 17, 2023, elicited only one bidder. The bid opening held May 5, 2023, had the required three bidders and MAN Construction had the lowest bid. With no questions, Councilmember Funderburk made a motion to award the bid to MAN Construction for the remaining six homes, seconded by Councilmember Fulbright. The vote was unanimously in favor.

VII. Reports/Discussions

- A. **City Attorney Report** –nothing to report.

- B. **City Manager Report** -Scott Attaway gave updates on the following items:

1. CDBG-I project – met with Withers Ravenel today about the previous contractors not finishing the project and to strategize what we are going to do with the remaining funds. We have spent approximately \$600,000 of the \$2 million grant. We are trying to pick up other projects in that area such as man-hole rehabilitation or some other sewer lining projects. Thomas Shrewsbury is going to gather some things and see what else we can work on. The CDBG wants us to spend the money and we are trying to do that. We are also considering outside the initial approved project area which will take a lot of work and engineering certifications as was done when we first started in 2019.
2. Community Center – is underway and we are looking at some kitchen improvements in this budget year for the interior repairs needed. He has some quotes back for cabinetry and flooring and hopes to get that done to open the center back up. He also wants to publish the work done on the houses showing the before and after pictures and he is currently working on that.
3. McCord Park – thanked Public Works for the special projects they have done lately including the beautiful park across the street. As of today, they are about 95% done on the water fountain installation at the Community Center behind the basketball court. He said they had to dig down eight feet to put it in. It has a foot pedal for dogs and bottle filler on the top.
4. BBQ Cookoff will be held across the street at McCord Park on May 20, 2023, at noon. There are six participants in the event and representatives from Kyle Fletcher's, Hillbilly's, and LCC members will be judges. Judging will take place at 1pm, then citizens can take part in the BBQ afterwards. Activities include the ribbon cutting at noon, live music, and activities for kids.

C. MAYOR AND CITY COUNCIL GENERAL DISCUSSION

1. Councilmember Funderburk mentioned the passing of Sam Mitchem (former Planning Board Member and Council Member). She said the funeral will be held May 20, 2023, at 2 p.m. at

Woodlawn Church. She also said she loved watching the process of McCord Park coming together and stated the departments are going good and said she hears more positive remarks from citizens than negative.

2. Mayor Railey thanked everyone for coming and they are appreciated. She also mentioned the new proposed budget is available online and to call us [Council Members] with questions.

VIII. CLOSED SESSION – Councilmember Bonham made a motion to go into Closed Session at 7:28 pm, seconded by Councilmember Funderburk. The vote was unanimously in favor.

- A. To Discuss the Price and Other Material Terms of a Contract or Proposed Contract for the Acquisition of Real Property by Purchase, Option, Exchange, or Lease Pursuant to NCGS 143-318.11(a)(5)**

Councilmember Bonham made a motion to come out of Closed Session, seconded by Councilmember Fulbright. The vote was unanimously in favor.

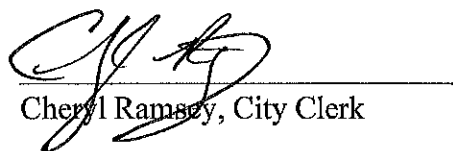
IX. ADJOURNMENT

Mayor Pro Temp Smith made a motion to adjourn the meeting, seconded by Councilmember Funderburk. The vote was unanimously in favor. The meeting adjourned at 7:40 pm.

ATTEST:



Mayor Sandy Railey



Cheryl Ramsey, City Clerk