

Minutes for the Regular City Council Meeting

101 W. First Street, Lowell, North Carolina 28098

January 9, 2024, 6:00 PM - January 9, 2024, 8:41 PM

Roll Call: *(The following members were in attendance)*

- **Larry Simonds**, Mayor
- **Scott Bates**, Mayor Pro Tem
- **Phil Bonham**, Councilmember
- **DeWayne Chitwood**, Councilmember
- **Travis Smith**, Councilmember
- **Shane Robinson**, Councilmember

1. General

1A. Call To Order- 6:00 PM

Mayor Larry Simonds called the meeting to order at 6:00pm. City staff present were City Manager Scott Attaway, City Attorney John Russell, Police Chief Moore, Police Asst. Chief Harrison, Planning Director Joe Gates, Finance Director Lisa Nolen, Public Works Director Thomas Shrewsbury, Parks and Recreation Director Tori Dellinger, and Communications Director Cristy Cummings. 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 were also in attendance.

1B. Invocation / Pledge of Allegiance- 6:00 PM

Reverend Sigmon of the Lowell Free Will Baptist Church gave the Invocation. He also stated that he was looking forward to the New Year with the new council. Mayor Simonds then led the audience with the Pledge of Allegiance.

Mayor Simonds then stated that when he was the mayor before and as mayor now, he wanted to change things. He stated that before a song was played to honor all of our soldiers of the present and past for their sacrifices. A recording of How Great Thou Art was then played.

1C. Adoption of Agenda for this Meeting- 6:07 PM

The item was motioned To Approve by Travis Smith and seconded by DeWayne Chitwood with a passing result 5-0-1-0 Abstained by Larry Simonds

1D. Public Comments- 6:08 PM

1. Candy Funderburk of 600 Rogosin Blvd, Lowell, NC - She congratulated all of the new council members and asked and prayed that they, along with the City Manager and City Attorney work together as a team. She said there was a lot accomplished in the prior years and more to accomplish in the coming years. She was glad to see Butler & Stowe auditors here and reminded council that last year's audit was great. She mentioned the dye plant looks great and last year's budget was to move Public Works to that location. She hopes council will continue with that plan to move it there. She stated that the Boys and Girls Club and the property for the future Police and City Hall complex was purchased with ARPA funds not local taxes. She hopes council will work together for the future and the betterment of the citizens.

2. Darryl Tate of 307 Lynn St, Lowell, NC - He stated he complained of a water leak at around 7pm on November 13, 2023 around where they are building a new road near him, damaging his yard and some to his home. He called the Police Department for documentation of what had happened. He said for the next 3-5 weeks later he started having milky water and that his dogs wouldn't drink it. He is asking for an adjustment on his water bill. He then stated that he talked to someone about him cleaning his own drainage ditch and that the city could enslave his labor to trim the right-of-way. He said he read the 13th Amendment about slavery and indentured servitude. He said if you compel people to do labor they should be paid for it and eligible for workers comp if they fall. Mayor Simonds talked to him about the water run-offs in the North Point area. Mr. Tate said he had video. Mayor Simonds suggested he bring the video in to show Mr. Attaway and Mr. Shrewsbury to get it rectified.

3. Wayne Buchanan of 620 Geer St, Lowell, NC - He was upset about the flood warnings and waiting until the last minute on cancelling tonight's meeting. He also said that the meeting should be held at Holbrook where everyone can get in the room. Mayor Simonds said he thinks he's right and that is something he can work on. He asked Mr. Attaway about more chairs coming [in]. Mr. Attaway said the maximum capacity is 41 for this room per the Fire Marshall. Mayor Simonds asked how many we have tonight. Mr. Attaway said we have 41 seats out.

Mayor Simonds then asked if anyone else wanted to speak. With no other speakers he said he would be leaving early tonight because his wife has been diagnosed with Parkinson's and takes a pill at 8pm and he'd like to be there when she does. He then asked if he could make his comments now. Councilmember Robinson did not see a problem with him speaking now as it is

part of public comments. With no objections, Mayor Simonds continued with "the things that pulls at his heart strings". He said the thing that upsets him more than anything, is the water run-off fee as churches are being punished the most. He said he is not bringing this up for Mr. Sigmund's church [Pastor of Lowell Free Will Church] but stated the bill he gave him was over \$80 for one month and he could only imagine what the rest of the churches are paying. He said he doesn't have a problem with businesses paying a run-off fee because he uses it at his business of a car lot to wash cars and when Ranlo sends him a bill, he's happy to pay it because he can write it off on his taxes and he feels he is doing something for the town there. He said the water run-off there is only \$1.87 but Lowell is \$6.75 and we have a lot of seniors here where they can't afford it because of the taxes increased. We need to help them. He said he understands that the city needs people to work but we are paying \$2.35 million dollars for 34 employees for our town and he thinks that is excessive. He thinks we need to keep it in perspective where we can all afford to live here and look out for one another like we should. Another thing he wanted to bring up tonight, is complaints about Dogwood St where people are drag racing and Rogosin Blvd where they want street bumps and he doesn't see why we can't make them happy. He went back to zoning and things that affect everyone he said anytime this council votes on something it effects us all and we need to think a lot longer before we make a decision. He said we doing all this spending without due diligence. He said look at Church St and that we don't know how the street got in there to NorthPoint. He said he found out the other day from the Fire Department that they had to have two entrances and exits to get out of there. Now that they built this new street, from what he understands, the citizens will be allowed to use it, but he hopes and prays they get the telephone pole out of that other street going up to Cobb St. He said he doesn't know how it's going to affect us but we're going to have a traffic problem from now on.

Councilmember Smith then interrupted Mayor Simonds and said he'd like to stick to the agenda and all of this can be added as an item at later dates. Mayor Simonds said as long as he's mayor and he's not trying to be rude but wants to give a general outlay of what he wants to see done in the city. He said if it never happens that's up to the council, including you [to Councilmember Smith] and if it happens, that's up to the Council, including you [to Councilmember Smith]. Mayor Simonds said to Councilmember Smith that he appreciates his interest and wished he had taken the time during his tenure before. Councilmember Smith said he has taken plenty of time for the City of Lowell. Mayor Simonds stated to Councilmember Smith that he knows he has a problem, but he forgives him. Mayor Simonds said in the long run we're going to have a better city, a better meeting and you're going to have people that really care. He said he will never ever turn his back on a citizen just like the gentleman who had a genuine problem. He then went back to talk about

zoning. He said it is the most important thing we have in this city and the most expensive. he said we have two people controlling our zoning now but the zoning board has to bring it before council and he understands that. He then said he wants to bring up tonight about Saxony [Drive] where it was agreed to not move our sewer system. He asked Mr. Attaway if that was true or not.

Before Mr. Attaway could answer, Councilmember Bonham interrupted and said this is way out of line. Mayor Simonds asked 'to ask about the sewer line?'. Councilmember Bonham said "if you want to discuss the sewer line, then we can put that on the agenda and discuss where he can get the background information from the Manager prior to the meeting". He said 'because you have to leave early, now you are taking over the meeting and venting anything you want to vent when the rest of us are here for this agenda.' Mayor Simonds said 'good. I was given permission to speak, so I'm going to speak. Listen, don't make me rule you out of order, I think a lot of you, but what I'm talking about is strictly business for the city. This moving the sewer line is strictly business. The zoning board said they could do it." He again asked Mr. Attaway if they can move it or not? Mr. Attaway said 'they can move it for a development that is not occurring any longer, so if a different development comes in that same property, they would have to come back [to us] again because the application they filed was based off a certain building size that produces a certain calculation of sewer gallons that would be a by-product of that facility and that is what the Planning Board then the council approves." He thinks it was around 34,000 a day of sewage that it would produce and that is what they [Planning and Zoning Board] approve. He said the likelihood that another development coming in would exactly match that gallon size, is highly unlikely. He confirmed to Joe Gates on if we rescinded authorization after we found out that the development was not on the table anymore. Mr. Gates stated said "yes and that that was a Preliminary Capacity Assurance Review (P-CAR). Basically what this is, per our Utility Allocation policy, it is a multi-step process. The P-CAR action is the very first step and Mayor, if you will remember, we had this conversation while it was going on, in that this is the initial "look". What the P-CAR does is the developer asks [the city] do you even have capacity in your system for us to proceed before we spend money on engineering and all of those things. That is as far as that process got [with this developer]. Once the plan went away, then like the City Manager said, the steps did not go any further. In order for someone to actually receive full allocation and for that number of gallons to be taken off the availability, they would have to receive a final capacity assurance review, which is the review by our engineering firm and they would have to pay associated fees within a certain number of days. The payment of those fees is what actually solidifies the allocation and then takes it off the availability". Mayor Simonds said he has tried to talk to Joe before and could never get him and [inaudible]. He said "I do not want those warehouses built down there. I don't want any

sewer line to ever be moved and that's what you stated [to Mr. Attaway]. It was called Operation Husky. It was taken off the table and you told the council that everything was gone, never to be brought up. I talked to a lady in McAdenville and she said the same thing. So that's what I'm going against and I think within the next 30 days or so with a little bit of study, that the council needs to come back and say no, nothing is every going to move our sewer unless we have to move it because that's our sewer line. That's how the city gets the sewer to our plant, so why would we ever allow anyone to move our sewer lines and why would we ever allow 274 potential warehouse buildings to be built down there. That's what my question is. You say you're going to have 30, 40,000 gallons of water a day? I don't know, maybe you will but they'll have to work around that. That's why zoning is important. City Manager's job is important. The Council's job is important. My job is important and the citizens need to be informed of what's going on. Saxony only has a two lane road. Can you imagine 274 warehouse doors like they had out here on North Point on that little street. We need to do better. We need to have due diligence and think about whatever we are going to do because everything we do effects all of us. I didn't mean to take up so much of your time but thank all of you. I want this brought up within the next 30 days and put on the agenda for a vote."

Councilmember Smith said "Larry speaking of property in McAdenville...that is not in Lowell, moving and replacing that sewer line was going to save you, the citizens \$1.2 million. I just wanted to put some facts out there. Mayor Simonds said that is not a fact, that's a joke. It's not going to save us any money." Councilmember Smith said "you're a joke, that's a fact". Mayor Simonds said "I'm not a joke, I'm your mayor, but anyway, that was a joke for them to come out and tell you they are going to spend \$1.2 million and benefit the people of Lowell. That's the biggest lie that's ever been told. That is our sewer line and we don't want it moved. If the council wants it moved let the council vote it up or down. Thank you and have it in 30 days and that's all I have tonight." He then asked for the next thing on the agenda.

2. Approval of Minutes

The item was motioned To Approve by DeWayne Chitwood and seconded by Travis Smith with a passing result 5-0-1-0 Abstained by Larry Simonds

2A. December 12, 2023 Regular City Council Minutes- 6:19 PM

Councilmember Bonham said he had comments about the minutes. Mayor Simonds asked if there was a change? Councilmember Bonham said there was no change but "I think that we need to be very careful on how we speak and the language we use. I think we need to make sure that we are respectful to others at all times and it is our job to do so. Pg. 6 of the minutes, bottom paragraph,

quoting Mr. Mayor "they had this guy on video, he looked like, I don't know what mafia people look like, but he doesn't look like he is the type of person I'd want to do anything for me." I can't tell you what to think but all this money you're trying to save, we'll be eaten up in legal fees if you keep language up like that." Mayor Simonds said he didn't think so. Councilmember Bonham continued saying "we need to calm it down and keep it professional". Mayor Simonds said "I think professionalism would be not to go down to Georgia and hire someone to tell us what we need in Lowell. I think that's professionalism." Councilmember Bonham asked "so you think that language is appropriate for a city council meeting?" Mayor Simonds said "I think what I said was and I don't know if you like it or not, but if it came from my mouth, I'm not going to say I didn't say it. I said it yes but I also think that people need to know what's going on in this town and be transparent. You show me a video and tell me what goes on in this city? That's not how it works and to tell me they know more in Georgia than we do up here, how crazy is that. To me, you ought to be questioning that, not what I said but that's up to you, you can question anything. If you want to reflect that in the minutes that's fine.

Councilmember Smith also wanted to speak on the minutes. He said "talking about giving people what they want, Larry was quoted in the minutes of our December 12th meeting "the only other thing that I'm not ever going to do is going into Executive Session," which is closed session, "I'm not ever going to Executive Session. I'd like to see that streak broken one time, but I understand that council's have that right to go into Executive Session to discuss whatever they like. But as far as Larry, I'll never go in closed door sessions unless someone has died, tragically killed on the job or something we need to keep quiet ye, but not to set policy and to govern."" Then we get an email December 29th explaining that Larry wants us to go into a special meeting which was January 3rd. That special meeting was sent straight to Closed Session by Mayor Simonds." Mayor Simonds said "I didn't want to go into Executive Session but we had to discuss what we did but the motion should have been to tell the city manager not to hire anymore, that's what it was all about. Let's be honest with the people. Don't be dishonest. I don't like going into Executive Session and never had but I had to that night because the attorney said we had to and I went along with it. People need to know how important it is to stop hiring all these people in the city. That should've been brought up that night and we should've had a vote that night and I'm not on the council, you are [to Councilmember Smith]. But anyway that's the jest of it. I love this town. I don't like going into Executive Session but that had to be done that night. I'll never apologize for what's legal...he's our attorney and I guess we have to listen to him sometimes.

With no other comments, the vote to approve the minutes were unanimously approved. See motion above.

3. Special Presentation

3A. Presentation of the FY 2022-2023 Financial Statements - Audit - by Butler and Stowe, CPA-6:34 PM

Presented by Sheila Thornton with Butler and Stowe. She stated that the audit for the year ending June 30, 2023 was completed in October 2023. It was submitted to the Local Government Commission (LGC) for approval in October as well and accepted by them in November. The opinion of Butler and Stowe was that this was a clean opinion, which means the city has met the audit requirements of the NC General Statutes. Mayor Simonds interrupted and asked her how much it cost to do this audit. Ms. Thornton said around \$42,000 for a single audit which is done to meet requirements when you spend federal money and Lowell has done that with the CDBG grants and the SCIF. Mayor Simonds asked how much did we audit for the money we received from all these outside funds? He asked how much was it last year, \$35,000? Ms. Thornton said yes around that amount because there wasn't a single audit that year. Mayor Simonds asked what funds were audited for the increase of funds? Ms. Thornton said the two CDBG funds and the SCIF fund all had to be... Mayor Simonds interrupted and asked if she had that in her records for the audience because people need to know since they are never going to see this. Ms. Thornton said she has what was spent and proceeded to look in her documents. She said \$1,151,273 was spent. Mayor Simonds asked what was that for? Ms. Thornton said the CDBG grants and SCIF and the ARPA monies. Mayor Simonds asked "how much was the total budget for Lowell whenever you audited, whatever they gave you back, you just looked over whatever was sent to you correct?" Ms. Thornton said you have to look at the individual funds to see the budgeted numbers [proceeds to look for the numbers]. Mayor Simonds said "I would think it would take more than just you appearing and telling us what because this should've been done before we ever got here [new Council board]. They had ample time to do it and ample time to make the changes to contracts and things like that. This is going on January and the audit should've been done in October correct [to Mr. Attaway]? Mr. Attaway said we typically have it done by the October 31 deadline. Mayor Simonds asked who it is turned over to? Ms. Thornton said the LGC and it was done on time. Mayor Simonds said "these folks don't know you're saying Local Government Commission unless you say Local Government Commission that's why we all need to know what we're doing". He asked her "how much did you find in the total amount, how much did we spend for 2022-2023?" Ms. Thornton said that was the Federal money spent. Mayor Simonds said he is talking about the overall picture. Ms. Thornton directed everyone to Exhibit 2 and stated

\$5,305,159 was spent, including the Federal money spent. Mayor Simonds asked if this is including the water and sewer. Ms. Thornton said yes. Mayor Simonds asked how much we paid the City of Gastonia for water? Ms. Thornton said \$451,443. Mayor Simonds asked how much did we take in? Ms. Thornton said \$1,591,865. Mayor Simonds said that's about three times of what we have taken in. He asked her if she had the water run-off fees and is that including that? Ms. Thornton said she thinks that is on page 69 at the top under the operating revenues. Mayor Simonds asked for that amount. Ms. Thornton said that is included in the \$1,591,616. Mayor Simonds asked if that was broken down for the water run off. Ms. Thornton said there is water and sewer fees for \$1,367,629; water and sewer taps \$3,750; development fees \$145,380; activation fees \$15,450; reconnection fees and late charges \$59,407, a total of \$1,591,616. Mayor Simonds said we spent \$451,443 to the City of Gastonia, where we get our water from? Ms. Thornton nodded yes. Mayor Simonds said he didn't mean to interrupt, just wanted to get the highlights for what it costs to live here.

Ms. Thornton continued her presentation and discussed a few highlights. She said the city ended the year with combined assets exceeding liabilities by \$10,346,681 and this is the net position. Mayor Simonds interrupted and asked if this is the assets of the city. Ms. Thornton said you have assets in excess of your liabilities so that is your net position. She continued and stated the unassigned fund balance of the City's General Fund at June 30, 2023 was \$3,737,187 and that represents funds that are available to the city council that is not restricted. She said that is an important number and can be found on page 8. She said the enterprise funds ended the year with an operating income of \$227,516 and the combined assets of the city at June 30, 2023 total \$13,461,900. This represents an increase of \$1,405,541 over the prior year. Mayor Simonds asked her if she is talking about the value of the homes and the real estate of Lowell or just the assets as far as the sewer. Ms. Thornton said no, that would be just the assets that the city owns, so houses wouldn't be represented there. Mayor Simonds said you set the tax rate in June 2022, correct and how much? Ms. Thornton said \$.49. Mayor Simonds asked if the total assets it was taxable, how much? Ms. Thornton said the property rate valuation at June 30, 2023 was \$372,000,281. Mayor Simonds asked how much did you report, \$1.6 million? Ms. Thornton said it should be in the statements that shows the total levy as \$1,824,177. Mayor Simonds said he thinks we are projected to have \$1,485,481 or something to that effect. He said citizens don't really understand but he does because he's in business. He said "when you project the budget, you really don't know how much the budget is going to be, I agree 100%. When you overstate the expenditures and you understate the revenues, you'll always have a big difference. Just like this year, we had all this new revaluation and our tax rate stayed the same plus we have an additional 8.5 cent fire tax.

Do you have any record of where we are right now?" Ms. Thornton said she had not looked at anything since June 30th. Mr. Simonds said "what we have today and I guess the reports you gave us, we're collecting taxes now, how much do you project for our upcoming year in the budget [to Mr. Attaway]?" Mr. Attaway said we budgeted an amount but he doesn't have the budget in front of him because he did not know that information would be requested but he can get it for him. Mayor Simonds said "I pride myself on what I say about budgeting. What you should do, and I'd think you'd agree Ms. Thornton since you've been doing this a lot longer than I have, I guess as for as budgeting, is come to the facts. It's hard to budget something that you really don't know, but the simplest way to budget is go back to your previous audit and go forward because that's a true amount of what you spend. Then you come back and you add all your employees and all your projections or whatever you want to do. If you would be so kind and tell me what is our total budget for employee salaries and benefits in your audit for that year?" Ms. Thornton said she'll "have to give it to you by fund but for the water and sewer fund since that is the last thing we were looking at, the salaries and benefits budgeted and actually it's going to include anything under water and sewer operations at \$1,313,000. Mayor Simonds said and "you said we took in \$1,537,000, I believe. What's the budget for the staff upstairs or administration?" Ms. Thornton stated that she has it broken down between general government and that number is \$996,649, Public Safety is \$1,165,000 but that is going to include some things other than salaries. That's the total budget for those departments and that is how it has to be represented on here. She doesn't have it just for salaries. Mayor Simonds said is that not about \$3.5 million? Ms. Thornton said that's close. Mayor Simonds asked how much we spent in Professional Services? Ms. Thornton said that is not broken out on the statements. Mayor Simonds said he thought that was separate. Mr. Attaway said it is separate on the budgets as a separate line item on the chart of accounts. Mayor Simonds asked how much we spent on professional services? Mr. Attaway said he does not have that in front of him. Mayor Simonds said if we are passing the audit, he wants to know how much we spent. He asked Mr. Attaway how long it would take to get that? Mr. Attaway said about five minutes. Mayor Simonds said he "just wants everything to be what it's supposed to be, not to be that we have a surplus, but to help the citizens with their taxes and water and sewer. What the law really states is that you're supposed to have 7% fund balance, what is our fund balance?" Ms. Thornton said the "total fund balance that is unrestricted was \$3,257,615 and that is the amount that you can spend. Everything else is restricted in fixed assets, capital assets, cemetery, stabilization by state statute or some other functions of restricted money, those have to be set aside. So the unassigned number is probably what you're looking for and that is \$3,257,000" Mayor Simonds asked if grant money is separate too? Ms. Thornton said yes. Mayor Simonds

asked what is the surplus amount? Ms. Thornton said \$3,257,000. Mayor Simonds said "that's a little bit high, don't you think?"

Councilmember Bonham said the council in past years passed in budget meetings to maintain a 50% balance. He asked Councilmember Robinson if he was on the council at that time.

Councilmember Robinson said it changed at the time he was on there. Councilmember Bonham said he "believed it was 50% that was agreed upon at that time to be fiscally responsible. Now, I don't know that we are here to approve this, this is just the audit that is presented to us so no approval is necessary. I believe that going through this step by step and breaking down each department is part of our budget process that we'll handle in our budget meetings. I don't know that breaking everything tonight line item by line item is the appropriate thing to do." Mr. Attaway said that there will be a motion to accept the audit. Mayor Simonds said all he wants to know are the figures and he understands what he [Councilmember Bonham] is saying. He said "50% of the fund balance is hideous. This is 2024 and we have people losing their homes in Lowell that can't pay their taxes and they need relief. We have churches that you tax with this water run-off fee is a joke. We need to stop and look the whole picture. We have, how many, 1800 water customers?" Mr. Attaway said approximately, with almost 1500 of that residential. Mayor Simonds started calculating the amounts then asked "what is the average for what the citizens pay on their month-to-month water bill versus what the businesses pay and that it should be broken down in three phases: churches, residential, and then the commercial. It's not that hard to do because the bills come in every month and I guess you would tally it like they do anything else. When I start my business, I know what I've got to spend, know what I need to pay, and I know how to operate my business and that's the way citizens should be respected the same way. We should know where our money is all the time and when a citizen calls up here and asks a question, answer it. It's real simple. You can give them any answer you want but let them be a part of their own government. I think in the future, it will be that way because we have a board that's concerned. I'm concerned and the citizens are very concerned and they wouldn't have elected me if they weren't concerned and that's a fact." He said "he loves this town and all of you and it doesn't take long to do the right thing. I know you have a problem with that Mr. Bonham. You go with whatever the City Manager tells you, but as far as getting out here on your own and understanding what I'm trying to help you with tonight, is to help you in the future. I won't always be here but I want you to understand how government is supposed to work. Just like in the Police Department, you think that Chief knows how to operate over there unless it's budgeted and allowed for him to spend? Same way at Public Works, Water and Sewer? The City Manager has to oversee the whole thing. His job is to take care of all the citizens and report back to the council of any changes, whatever

happens. That way it's an easy process, no one has to look over anyone's shoulder if we all knew what the truth is. That's what we are doing tonight, to get to the bottom facts and how much money it costs to operate this city, operating costs. I want each councilmember to participate, not just me." He then asked Councilmember Robinson if he had any questions about the audit. Councilmember Robinson said he would like to let her [Ms. Thornton] continue to present it. Councilmember Chitwood agreed. Mayor Simonds apologized and stated he thought she was pretty much finished. He asked her to continue.

Ms. Thornton said the only thing she wanted to point out was that there was a financial performance indicator that we needed to talk about tonight. She said there are certain ratios that are run when they do the financial statements through the Local Government Commission website and there was one thing that showed up on the water and sewer funds. She said it looks like the net book value of those assets is dropping so the LGC wants a response to that and she has talked to Scott and Lisa [Nolen] about that. She believes they have written something up and didn't know if they have talked about it with council but it is something that needs to be put in writing and sent back to the LGC so it doesn't hold up next year's audit. Mr. Attaway said it's in the agenda tonight. Mayor Simonds said "relative to what she said, do we have any grant money for water and sewer?" Mr. Attaway said "we do, we are in the middle of a \$400,000 pre-construction engineering grant right now and then we received notification that we are going to receive \$8.25 million for water and sewer projects from the State." Mayor Simonds said "that's in the future, what are guaranteed right now?" Mr. Attaway said "those two." Mayor Simonds asked "when will we actually see it?". Mr. Attaway said he and Lisa are working on it and thinks it will be a draw down situation with that grant. Mayor Simonds said that would be a great opportunity for us to clean some of this stuff up they asked us to do. Mr. Attaway said it would and he listed that in the response [to the LGC].

Councilmember Robinson asked Ms. Thornton if the budget was approved and sent in October, how come the council didn't approve it until the end of October? Ms. Thornton said it has to go through the LGC and approve it first so they can't present it to the council until that is done. She said that happened in November and then with December being the change over, it just didn't work out for them to come in December. Mr. Attaway added that the LGC responded back on November 29th and then there was a special meeting with the prior council on December 4th and he asked if Ms. Thornton could present then because we also received the request to respond about the cash asset ratio but Ms. Thornton was out of town. He said it was already on the books to do the audit presentation for the January council. He said typically, if you look back at previous

agendas, it is presented in the January or February months. Ms. Thornton said it was February last year but it is whenever it works on the schedules. She added that council has 60 days from now to respond once it is presented to the council. Mayor Simonds said to the council "so we don't have to respond tonight. What we need to do is really critique things as far as going forward because we've been blindsided by everything because we're new and there is no way we're going to know everything and will never know anything if we don't ask questions." He said "we need to itemize what they send to you [Ms. Thornton] or who the council decides to hire. When you present something rather than just numbers then no one identifies what the numbers are for. Just saying this is in this department whatever, but it would be nice to know how much was expenditures for gas, bonuses, for giving someone a debit card. We need to stop spending unnecessarily unless we know what's going on. I think that is the present way the government is set up as Manager-Council form of government. Once you pass the budget, you hand it to the manager and that's it, where I was always the Mayor-council form where we had stipulations on like how much is spent and restrict all this stuff like boom [snapped fingers] bought a piece of property for \$78,000 and none of the citizens know about it and things like that or boom [snapped his fingers] bought this Methodist Church property, boom [snapped his fingers] bought the Boys and Girls Club and all this stuff adds up. You know who pays for it, even though you get grants, it's still tax payers money. I want everything in black and white and don't think that's a big request. Every month, when we get our financial statement, I want to know verbatim, what was spent for what and where the money came from and we followed it all the way down to the end of the year. It's a simple process and a little more work that ya'll are used to but I think as Mayor, I want to know where the money is going and I feel like council does as well." He then asked council if they had any more questions. There were none and he thanked Ms. Thornton for coming.

Councilmember Bonham made a motion to accept the audit as presented, seconded by Councilmember Smith. Councilmember Robinson said the budget was just presented to him tonight and he is hesitant to vote on it when he just got it. Mayor Simonds said the retreat is January 29th and he personally feels that it would be a good opportunity for everyone to take their audit, look through it, study it, and then come back. Councilmember Bonham asked if we are approving what they've done or accepting what they've done as he thinks it is two different things. He said he is "not trying to be difficult but this is the audit and they've already done it, what we do moving forward is in a new budget session. The audit is the audit and we can dispute something that we may find we don't agree with." Mayor Simonds said "once you pass the audit then that's it." Councilmember Bonham said again that the audit is the audit. Councilmember Robinson asked "so you are saying we are accepting it, not approving it?" Councilmember

Bonham said correct, we are accepting their audit, not approving anything. Mayor Simonds asked if you are accepting it, are you not approving it. He asked the attorney what is the difference? Mr. Russell said with the audit, if you are not ready to approve it because you have some questions or there are some things I want redone. If the question is budgeting and going forward, that is what you'll address in the budget retreats. The question is this acceptable for the status of the city's financial affairs as of June 30th. He said there are certain deadlines that need to be met like the response issue that needs to be met. If you are ready to do that, then you can do that now. If you want more time, there is a motion to defer for consideration if you want. Mayor Simonds said there is no rush to do it tonight. He said he would feel more comfortable, with the things he's highlighted and how the actual monies go, like debit cards. He mentioned the city vehicles and money spent to upkeep them. He wants to see how the city operates and this is the first audit and it should be the former council's audit but we're having to adopt and know nothing about it. He thinks as respect for the new council, he would like some time. Mr. Attaway asked if we could defer to Ms. Thornton for some of these questions. He said he thinks we are ok with the FPIC (Financial Performance Indicators of Concern) agenda item or the response letter correct? Ms. Thornton said she had to bring it up at this meeting per LGC, she had to let council know there was the one thing that needed a response, which you have 60 days to reply to that. She said this audit has been approved by the LGC already so there is no approval [for council] involved, it is just an acceptance. Mayor Simonds said but you are accepting whatever has been written. Councilmember Bonham said we can't manipulate it, any of it and it is what it is. Ms. Thornton agreed. Mr. Attaway said that they [Butler and Stowe] are independent auditors.

Mayor Simonds said "they are the auditors and we are the council and I think this council should be respected in what you are spending, how much you spent, not that anything is wrong. What I was saying before that would have made sense was for you folks to have adopted your own mess rather for us to come in here and have to prove it." Councilmember Smith said we have 60 days to get back to the LGC correct? Ms. Thornton said just on that one response. She said there is no response for the audit as it already approved. She said you would have to submit a revised audit to the LGC which would create a lot of questions and you don't want that. Mayor Simonds said this audit can be changed if we find something that differentiates from what you are stating. He asked can it be changed. Ms. Thornton said you have to have an auditor sign off on it because it has to be audited. Mayor Simonds said "what we need to do to protect all of us, the citizens, the board, is to have a forensic audit compiled by an outside identity to come in and study this stuff and tell us exactly where our money has gone and would only cost us about \$15,000. The whole city of Ranlo paid \$15,000 for their audit and we paid \$42,500. I'm not fussing at you [Ms.

Thornton], make all you can, but as a new board, I think I want us to save every penny we can. Not saying that you did anything wrong. I don't know what the going rate is but I know from talking to other municipalities and what they pay. I would just like to research it and have a forensic audit done before we pass anything and recommend that to the board. It's not up to me since I don't vote but I really feel good that just one time for us to sit back and audit ourselves to be fair to you, old council, new council. I don't see anything wrong with it and that way we can look at every check that's been spent, every check for the millions of dollars that have been spent at the chemical plant, the 78,000 spent for a small parking lot. It just makes me feel better and I don't mind waiting and hope the council would make that motion before they adopt this to have a forensic audit done because we have plenty of time. It wouldn't take more than 60 days to audit what's already been done. I'd go back to 2010 and go forward to see where our money has gone.

Councilmember Bonham said he "doesn't have an issue at all for wanting to know where every penny went and thinks that is an internal thing but as far as this audit is concerned it is a micro view and if you had history of issues dating back, but there is nothing. We've been clean for how many years? Maybe some minor issues here and there but good audits. My point is if you want to tie up city resources to go through a forensic audit to produce what it is you want to produce, which my understanding is you want to know where every dollar is, that can be held internally and the dollars are going to match up just like this does here. If you had red flags going everywhere, we don't have any of that. This is an acceptance of this audit that was approved by somebody else so accept this and move on and when we get into budget meetings, request this and give Mr. Attaway plenty of time to give you the break down of the general ledger of where everything went and look at it that way. But bringing in another audit from a 3rd person because this one is not good enough according to you, is just a waste of time and taxpayers dollars. There are no red flags other than yours." Mayor Simonds said "when you go to the doctor, you go for a physical and that's what I'm calling for, getting a forensic auditor. I don't know what the council is going to do but if we move out of this meeting tonight without doing that, you're saying that whatever's in this audit, you are essentially approving because you can't go back and change nothing". He again recommended to the board a forensic auditor because we never had one. There was some back and forth with Councilmember Bonham and Mayor Simonds. The City Attorney said there is a motion on the floor. Mayor Simonds said "and we are discussing it but he appreciated his interest". Councilmember Smith said it is not up to you and asked if we could continue the vote. Mayor Simonds said that is the problem with you all, you just want to hurry up and vote. He asked for calmness and asked if a break is needed. He asked for a substitute audit for the city to get a forensic audit and then after everything is checked out verbatim, then we will accept it.

Councilmember Smith asked if anyone wanted to make that motion. No one answered. Councilmember Bonham made the motion again to approve the audit, seconded again by Councilmember Smith. The vote failed with Councilmembers Bonham and Smith voting yea and Mayor Pro Tem Bates and Councilmembers Chitwood and Robinson voting nay.

At 7:06pm, Mayor Simonds stated he was leaving. Councilmember Robinson made a motion to excuse the Mayor, seconded by Mayor Pro Tem Bates. The vote was unanimously in favor.

At 7:07pm, Mayor Pro Tem Bates made a motion for a five minute recess, seconded by Councilmember Chitwood. The vote was unanimously in favor.

The item was motioned To Accept by Phil Bonham and seconded by Travis Smith with a failed result 2-3-1-0 Opposed by DeWayne Chitwood, Shane Robinson, Scott Bates Abstained by Larry Simonds

4. Consent Agenda

Councilmember Robinson made a motion to approve the consent agenda, seconded by Councilmember Chitwood. Councilmember Robinson asked about the financial statement. He was looking at the budget item stating that we spent 61%. Mr. Attaway said explained that there is 58% in the fiscal year remaining and that is the percent of revenue needed to equal the budget. Councilmember Robinson asked if that was the same with expenditures? Mr. Attaway said yes. With no other discussion, the vote was unanimously in favor.

The item was motioned To Approve by Shane Robinson and seconded by DeWayne Chitwood with a passing result 5-0-0-1 Absent was Larry Simonds

4A. Finance Report- 7:12 PM

4B. Public Works Report- 7:12 PM

4C. Planning Report- 7:12 PM

4D. Parks & Recreation Report - 7:12 PM

4E. Geographic Information System (GIS) Report- 7:12 PM

4F. Stormwater Report- 7:12 PM

4G. Communications Report- 7:12 PM

4H. Police Report- 7:12 PM

5. Unfinished Business

5A. Location of Budget Retreats- 7:17 PM

Mr. Attaway said that it was established at the last council meeting two budget retreats for the FY25 budget and those [dates] were January 29th and March 1st but we did not discuss the location. He asked council for a location and a time frame. He said last year, we used the River Room in McAdenville from 8:30 to 3:30 and maybe 8:30 to 5pm on the first day to ensure we had enough time to discuss the vision etc. He wanted to get the location and time in order to draft an agenda. He said he knows there was discussion about having it here [City Hall] and that is fine too. Councilmember Robinson said he didn't mind having it here [City Hall], Councilmember Smith agreed. Councilmember Bonham said he didn't mind having it here but we owe it to the City Manager and all of staff plenty of time to prepare for everything we want to see, including a break down of everything and where it went, then let's give that direction now. Councilmember Robinson said he believes the budget session is for the future and not necessarily the past. Councilmember Bonham said correct, to understand why the budget is what it is and if you want line item stuff, to give staff plenty of time to prepare.

Councilmember Robinson made a motion to have the Budget Retreats here from 8:30 to 3:30, seconded by Councilmember Smith. The vote was unanimously in favor.

The item was motioned To Set by Shane Robinson and seconded by Travis Smith with a passing result 5-0-0-1 Absent was Larry Simonds

6. New Business

6A. Consideration of Black Mountain Software- 7:22 PM

Mr. Attaway asked that we table this item and that we may ask the representatives to attend the January 29th or March 1st retreats or one of the upcoming council meetings. He said we are waiting on confirmation from the League of Municipalities rep that was going to present this with Lisa [Nolen] but because of the weather she decided to come another day. Councilmember Smith made a motion to table 6A under New Business, seconded by Councilmember Chitwood. The vote was unanimously in favor.

The item was motioned To Table by Travis Smith and seconded by DeWayne Chitwood with a passing result 5-0-0-1 Absent was Larry Simonds

Councilmember Smith made a motion to table 6A under New Business, seconded by Councilmember Chitwood

6B. Cash Asset Ratio Letter to Local Government Commission- 7:23 PM

Presented by Mr. Attaway. Mr. Attaway stated that this is the letter he was referring to with Ms. Thornton with Butler and Stowe. He stated he and Lisa reviewed this and sent it to Ms. Thornton for her review to be sent to the Local Government Commission (LGC) for the cash asset ratio issue. He said that Lowell's water and sewer condition of assets was a 0.32 for the year ended June 30, 2023, whereas, the .50 is what the LGC is looking for as a minimum. He said the majority of the council needs to sign off on this within the required 60 days of the audit presentation or from tonight. In the letter, Mr. Attaway stated that he noted multiple wastewater and treatment plant repairs, capital equipment purchased that was approved in this budget year. He had the Planning Director pull all the linear footages from all of the new developments that have been approved or have had some type of construction review or construction. He called the council's attention to the last table within the letter where Lowell is increasing percentages to the infrastructure totals. He emphasized the large increase of assets for the 8 inch public water lines, an increase of nearly 73%. In the letter, Mr. Attaway also mentioned the awards in the form of grants or loans the city will be receiving to aid in construction.

Councilmember Robinson asked how they figure the percentage or is their a formula or any breakdown used? Ms. Thornton with Butler and Stowe said she doesn't know right off but it is based on the original cost less any depreciated return, so that's your net foot value. That is compared to the total assets as a whole. The water and sewer net foot value is becoming less and less every year so the percentage is going down. They want to see it at .35, she believes. They know that Lowell will have to replace some things soon, so they just want you to address it. Councilmember Robinson asked when we see we're at 11% as far as pump stations, that's going to be a new asset, 21% of the 4 inch main, all this is basically new assets that is going to increase the ration?" Ms. Thornton said yes, that is going to get that percentage up.

Councilmember Bonham asked if this also needs to be tabled until we accept the audit as it is if this is part of the audit? Mr. Attaway said this has to be submitted to the LGC now within 60 days of the presentation. It was added to the agenda in anticipation that it would be approved and sent to the LGC. He said this letter is only for the FPIC response not accepting the audit. He said the LGC has already accepted the audit whether this council has or not. He said this must be returned within 60 days or could effect the city. Councilmember Robinson and Councilmember Bonham had a brief discussion on the audit acceptance and the letter.

The item was motioned To Accept by Travis Smith and seconded by Phil Bonham with a passing result 5-0-0-1 Absent was Larry Simonds

6C. Consideration of Change Order #7 from Trifecta Demolition- 7:30 PM

Mr. Attaway handed council results of an newly discovered underground storage tank (see agenda packet). He showed the pictures from the site where repairs are needed. He then discussed the storage tank where it was determined to have a sludge in it. The sludge was tested and needs to be removed. The pit, about 2 feet deep, was filled in with stone. He said, our intention, with DEQ's guidance, was if you notice a contaminant to remove it because you're going to have to probably remove it later and we've been doing that so far. This one was filled in without it being taken out, but he wanted to bring it to council's attention as a possible addition to the change order to leave the concrete pit in place but get the contaminant out or remove the pit. To just remove the sludge, this would be an additional \$2400 [option #2 in the packet]. If the contents and concrete pit is removed that would be \$5170 [option #1 in the packet]. Danny Watson with LaBella suggested going with the latter option. Mr. Attaway asked when will the project be complete, not including this work. Mr. Watson said they are pretty much complete and listed the things that need to be finished. He said the rain has caused the delay. He said with the approval tonight, they should be complete within two weeks. Mr. Attaway feels that even with the new discovery, they should be finished by the end of January. Mr. Watson agreed. He asked Lisa Nolen if it is correct that we have currently spent \$1,894,004 of the \$2 million grant received. Mrs. Nolen, said yes and that it included the change order.

Councilmember Smith said we still have plenty of money to get this done right, correct? Mr. Attaway said yes but you could get a grader out there and find something significant. There is still a superfund purse on this property, so if they need to open it back up at the state level for some major grading concern, then we can ask the state to use some of its foreclosure funds on that clean up, if it came to that. Councilmember Bonham said so what we have in hand versus what we spent including this, we'd have \$100,000 left. Mr. Attaway said that that is assuming we are going to spend out all the nearly half a million dollar erosion control contract which Danny is keeping a track of and they were projected to come far under that amount. They are only able to bill what they are using and doing out there on that erosion control. Councilmember Chitwood asked if the erosion control is part of that \$1.8 million. Mr. Attaway said yes and there are still some pay applications to come but there will be a little money left. Mr. Watson explained this further. Mr. Attaway said the next step would be to close out this job, whether we do this change order or not, do the erosion control, get the contract paid out, come back to you and tell you what the balance is of the grant. Tomorrow, we have to submit an update for the SCIF grant and if we met our goals when we received the \$2 million. We are moving along on the last two goals and we are going to try to design the Public Works facility with any remaining funds. He said we'll talk about that

before hand and during the 29th [budget retreat #1]. He thinks by the 29th, we will be pretty close to having those pay outs completed.

Councilmember Bonham asked if option #1 is in a place where we will have to demo in the future? Mr. Attaway said it's a conceptual master plan and not a design plan that we've adopted.

Councilmember Bonham said is this something that we have to do and it doesn't matter what it is, it has to go or is this something off to the side and maybe or maybe not [that it will have to be demolished]. Mr. Attaway said it's kind of off to the side. Councilmember Smith asked if the pit is just going to be covered up after it's drained or is that far down to where it has to be dug up. His question is do you go ahead and spend the \$2500 to get rid of it. Mr. Watson gave the description of the location. Councilmember Smith said if we get down the road for planning this site, and find that it needs to be removed, that additional \$2500 to remove it could be much higher then. He is suggesting removing it now.

Councilmember Robinson asked if the results have come back from the tests. Mr. Watson said yes and there were issues leading to them recommending the removal of the sludge and the quote includes disposal of the contaminants. Mr. Attaway said in the weekly meetings, the County landfill is on the call, so they stay up-to-date on all environmental reports done by the engineer. The landfill has not accepted this particular item yet, and more costs could incur if they do not. Mr. Watson should be able to follow up with Mr. Attaway tomorrow to determine if the landfill will accept the sludge. Councilmember Chitwood asked if this is something we should table until we know the results? Mr. Attaway said you run the risk of them demobilizing at that point and they will be gone because we are at the end of the project and they will start working on their other projects. He said you can approve this with a little bit of an allowance of about \$1000 in case they come back and say it will be more to take it to an incinerator [instead of landfill]. Councilmember Robinson asked Mr. Watson what his best estimate is if this isn't able to go to the landfill. Mr. Watson did not specifically say an amount but didn't think it would be greater than \$10,000 but said we would have enough in our budget. Councilmember Smith said regardless of Gaston County taking it, we have to get rid of it. Councilmember Robinson asked Mr. Attaway if the \$1.849 million includes all 19 items with the exception of the additional option? Mr. Attaway said yes. Councilmember Chitwood asked Mr. Attaway if there is still money left in the grant. Mr. Attaway said yes. Councilmember Robinson asked Mr. Watson if the substantial rain we had today will uncover additional things we didn't know? Mr. Watson said they will look at it more this week. He said there were a few things they came up with the last significant rain, so they will have to just check it this time and follow back up with council if anything was noticed.

Mr. Attaway asked Mr. Watson about the other underground storages found and if they have sent those contents off for testing before they quote? Mr. Watson said they have and they are waiting. Mr. Attaway told council if you did the best value of the 1-19 items, then added the full removal of the sludge pit with the walls and everything, you are at \$78,820 if you want to add in an allowance if the county does not take the sludge. Judging by their costs, he would say, you would be safe adding \$10,000 for both of those underground storages found. Councilmember Bonham made a motion to allow the manager to approve up to \$89,000 for change order #7, proposals for services, seconded by Councilmember Smith. The vote was unanimously approved.

The item was motioned To Approve by Phil Bonham and seconded by Travis Smith with a passing result 5-0-0-1 Absent was Larry Simonds

6D. Request to set Public Hearing - Master Sign Plan Application - 831 S. Main Street, Lowell, NC- 7:54 PM

Mr. Attaway gave a brief background. Mr. Gates stated the car dealership was built before this ordinance, they submitted an application for a Master Sign Plan that would replace an existing wall sign at the Gastonia Chevrolet, Buick, GMC dealership. He said this was recommended for approval by the Planning Board at their November 2023 meeting and for a public hearing to be set on February 13, 2024. Councilmember Smith asked if they are just redoing the sign they already have? Mr. Gates said correct, the sign currently says McKenney and they would like to change it to Gastonia, but because the total amount of signage exceeds our maximum, he is required to bring it in front of the Planning Commission and this board to reaffirm that you are ok with a total overall larger sign package. He said the application is actually for a slightly smaller total wall signage. Mayor Pro Tem Bates asked if they already changed it out or waiting [to change it]? Mr. Gates said they are waiting and explained the request further. Councilmember Robinson asked if tonight they were just setting the public hearing. Mr. Gates said yes. Councilmember Robinson said he "knows we ran into this same issue with Newell, with the exception that Gastonia gave them the permit to put their sign up which technically wasn't in Gastonia so they had to come back to the City of Lowell. With that being said, it seems like maybe we need to look at some of these ordinances and not make it so difficult for some of these business to have to come ask for a special permit. I think these are things we can look at, not tonight but moving forward since this is the second sign in probably 2, 3 months."

The item was motioned To Set by DeWayne Chitwood and seconded by Shane Robinson with a passing result 5-0-0-1 Absent was Larry Simonds

To set the public hearing for the February 13, 2024 council meeting.

6E. Request to set Public Hearing - Amendment to the Code of Ordinances Section 33.16- 7:59 PM

Mr. Attaway stated that this is to correct a discrepancy found in the Code of Ordinances versus the Lowell Development Ordinance (LDO) where they both discuss the Planning Board membership and they are conflicting. The LDO is the newer ordinance but we have an issue because we have a six member board right now but it says we should have a seven member board and we have two applicants applying for that 7th spot. We wanted to set a public hearing to get that corrected. Joe Gates explained further (also noted in agenda packet). Ultimately, he wants to make sure we have our ordinance in line before adding any new members.

Councilmember Robinson said he is assuming we are not going to allow anyone in the ETJ (extraterritorial jurisdiction), since we eliminated it, which we should have for the simple fact that this board would vote on things that would effect people that could not vote for this council. He asked Mr. Gates if these two were the ones being eliminated from being appointed. Mr. Gates said yes, it is coming up because we do not have the ETJ and all seven members must be citizens of Lowell which would match our current LDO and appointed by the city council.

The item was motioned To Set by Shane Robinson and seconded by DeWayne Chitwood with a passing result 5-0-0-1 Absent was Larry Simonds

To set the public hearing for the February 13, 2024 council meeting.

6F. Lowell Community Committee Membership - 8:03 PM

Tori Dellinger, Parks and Recreation Director, presented. Mrs. Dellinger stated this item is to remove Tyler Shepardson from the Lowell Community Committee due to the LCC attendance policy. Mr. Shepardson was sent a letter and Mrs. Dellinger spoke with him regarding the matter. He was very understanding but his work schedule wouldn't allow the participation.

The item was motioned To Approve by DeWayne Chitwood and seconded by Phil Bonham with a passing result 4-0-0-1 Absent was Larry Simonds

To approve the removal of Tyler Shepardson from the Lowell Community Committee.

6G. Consideration of Lowell Community Committee Application- 8:05 PM

Presented by Tori Dellinger. Mrs. Dellinger stated that Candy Funderburk has submitted her application for consideration to be a part of the Lowell Community Committee. If confirmed, her appointment will be a three year term ending December 31, 2027. Mrs. Dellinger added that there are currently six members and they can have up to eight members. Mayor Pro Tem Bates asked if the whole process including background check has been done? Mrs. Dellinger said yes.

Councilmember Chitwood said he believes Mayor Pro Tem Bates asked that was because the

application says that the applicant will submit to background checks but not that one was performed for her to ensure we do the same thing for each person. Mayor Pro Tem Bates agreed and said he was not questioning Mrs. Funderburk, just questioning the process. He said he has seen where background checks are pending before they come to council. He asked that background checks be done prior to bringing them to council to avoid having to repeat the process if a negative result come up. Mrs. Dellinger said she'd get with Cheryl [Ramsey] on the process of the background. Mr. Attaway will let them know of the process at a later date.

The item was motioned To Approve by Travis Smith and seconded by Phil Bonham with a passing result 5-0-0-1 Absent was Larry Simonds

6H. Consideration of Budget Amendment #11- 8:09 PM

Mr. Attaway said we received more money than expected from a grant from Caromont and asked Tori Dellinger to elaborate. Mrs. Dellinger stated Caromont has been a premier sponsor of City of Lowell events and recently we received an event sponsorship check for \$5,500 but the city only budgeted \$5,000. This amendment accepts the \$500.

The item was motioned To Approve by Phil Bonham and seconded by DeWayne Chitwood with a passing result 5-0-0-1 Absent was Larry Simonds

6I. Lowell CDBG-NR Legal Services Contract- 8:13 PM

Presented by John Russell. Mr. Russell explained the CDBG-NR (Community Development Block Grant-Neighborhood Revitalization) grant. He said the initial request when it the grant was received in 2020 was to do preliminary title search but we left off the contract "other CDBG-NR services may be required". Once the title searches were done the grant administrator wanted him to draft the deed restrictions, facilitate with the closing, review the contract for the third party doing the actual repairs. He said they indicated there were funds left in the grant to pay for that and submitted an invoice, then was told the contract needed to be amended. So this is to amend the initial language. He said all of the funds are paid out of grant funds, not general funds. Fees total \$1,411. Mr. Attaway said this is to approve Resolution 02-2024.

The item was motioned To Approve by DeWayne Chitwood and seconded by Scott Bates with a passing result 5-0-0-1 Absent was Larry Simonds

7. Reports / Discussions

7A. City Manager Report- 8:14 PM

1. Water Sewer CIP and Fee Study Kickoff meeting was held last week and staff is retrieving documents for Withers Ravenel. Will take a couple weeks to get that back to them. He is still

trying to get them to the March 1st budget retreat or the work session in March to present the findings and to work through some of the CIP with council.

2. Creech report for Boys and Girls Club - this 90 page document was distributed to council in December. He said we will look at that at the January 29th budget retreat. He asked them to review it. If it is not discussed at the January 29th meeting, then it will be added to the February 13 council meeting.

3. Personnel update: Posted two positions two weeks ago- Utility Billing Supervisor and Police Officer. They will remain open until filled. The third position was listed as a Utility Tech and that will be updated to a Streets Technician. he will keep them posted. We have extended an offer for the Administrative Assistant position for the Police Department and that person has accepted. Chief Moore said she starts on January 16th.

4. Facilities update: Today with all the rain, we had some flooding downstairs here at City Hall. He thanked Public Works for everything they did today for cleaning the floors, pumping water out and getting drains unclogged. He said we will be looking for some drainage solutions around this building because we always have problems with the back staircase. The roof repair at Boys and Girls Club has received some quotes. He said we knew of these issues when we bought the building. Those repairs will be coming soon.

5. Wastewater Treatment Plant - there was a spill on the East 1st St lift station today due to the power being cut and the city not being notified. This is one of the many lift stations that does not have a generator. He said we are working on some grant funds and possibly use some of the \$8.4 million to put generators at all of our lift stations. Also there is an unknown amount, but the main lift at the plant was overrun from the rain today and there is a spill down there. He will get council all of that as soon as he receives it from the Wastewater Treatment Plant Operator and Thomas Shrewsbury.

6. Ipads were circulated to council today so you all have access to that, new city emails and 365 accounts

7. Thanked the Citizen Academy participants for coming and their interest in the City

8. Upcoming Events - Tindol Suburu is having a Gaston Business Association (GBA) Chamber event and Natalie Tindol wanted to make sure councilmembers were aware of the invitation. There is also an elected officials dinner and reception through the GBA on the 17th of January at the Gastonia Conference Center. He attended the Mayor/Manager Breakfast last week and talked

about some of the topics and projects that may effect Lowell. Councilmember Smith asked if our mayor attended. Mr. Attaway said he did not. Mr. Attaway said there is a New Delegate Orientation for Centralina on February 6 and he will confirm that with them and let council know. Councilmember Bonham asked if Geraldine is facilitating the budget retreat this year. Mr. Attaway said yes.

7B. City Attorney Report- 8:20 PM

No report.

7C. Mayor and City Council General Discussion- 8:20 PM

Councilmember Robinson said he would like to discuss, at the budget retreat, the bulk pick up and options of a monthly pick up rather than every three months. He would also like to look at all the costs associated with Stormwater.

Councilmember Smith thanked everyone for coming.

Councilmember Bonham said, regarding Mrs. Funderburk application to LCC. He said he "believes we do everything by the book and the right way. We don't bypass or circumvent or whatever is easiest but by the book. That being said, moving forward I would hope regardless of any personal issues that come up, I would like to see us stick to the agenda for the meeting. If we need to make some changes, let's do it before hand by following the procedures and do those things and not this "I'll do this and whatever I want to do, when I want to do and yall get over it" and then leave kind of thing.

8. Closed Session

8A. Approval of Closed Session Minutes from December 12, 2023- 8:22 PM

The item was motioned Convene into Closed Session by DeWayne Chitwood and seconded by Travis Smith with a passing result 5-0-1-0 Abstained by Larry Simonds

8B. To Discuss Personnel Matters Pursuant to N.C.G.S. 143-318.11 (6)- 8:23 PM

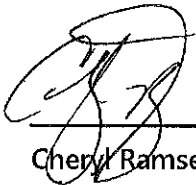
The item was motioned To Approve by Shane Robinson and seconded by Travis Smith with a passing result 5-0-1-0 Abstained by Larry Simonds

9. Adjournment

9A. Meeting Adjournment- 8:38 PM

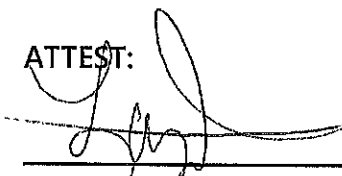
The item was motioned ReConvene into Regular Session by Phil Bonham and seconded by Travis Smith with a passing result 5-0-0-1 Absent was Larry Simonds

The item was motioned To Approve by Phil Bonham and seconded by Travis Smith with a passing result 5-0-0-1 Absent was Larry Simonds



Cheryl Ramsey, City Clerk

ATTEST:



Larry Simonds, Mayor

City Of Lowell
Budget Amendment #11
Budget Ordinance FY 23-24

BE IT ORDAINED by the City Council of the City of Lowell, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2024:

Section 1: To amend the General Fund, estimated revenues are to be changed as follows:

General Fund:
Revenue:

	<u>Decrease</u>	<u>Increase</u>
10-3303-0000 Grant-Recreation		\$500.00

This will result in an increase of \$500.00 in the General Fund estimated revenues, bringing the revenues budgeted for FY 23-24 from \$5,007,973.93 to \$5,008,473.93.

Section 2: To amend the General Fund, the appropriations are to be changed as follows:

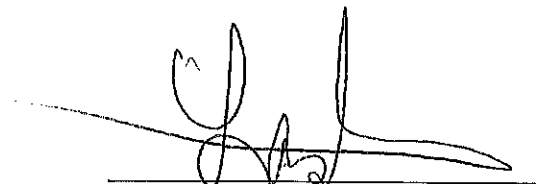
General Fund:
Expenses:

	<u>Decrease</u>	<u>Increase</u>
10-6120-3310 Special Events		\$500.00

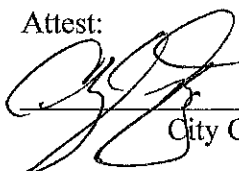
This amendment will result in an increase of \$500.00 in the Parks & Rec. appropriations for Special Events in FY 23-24 from \$40,000.00 to \$40,500.00.

Section 3: Copies of this budget amendment shall be furnished to the Clerk of the City Council, and to the Budget Officer and the Finance Officer for their direction.

Adopted this 9th day of January, 2024.



Mayor

Attest:


City Clerk



RESOLUTION RS 2-2024 TO AMEND CDBG-NR CONTRACT FOR LEGAL SERVICES

WHEREAS, on or around March 9, 2021 the City of Lowell entered into an Agreement with Mullen Holland & Cooper to provide legal services with respect to a Community Development Block Grant – Neighborhood Revitalization grant received by the City to assist with rehabilitation of eligible homes within the City limits; and

WHEREAS, as a result of the Grant, eight (8) homes ultimately received funding for improvements and rehabilitation, subject to the requirements that the homes remain owner occupied and other limitations for the grant funding period; and

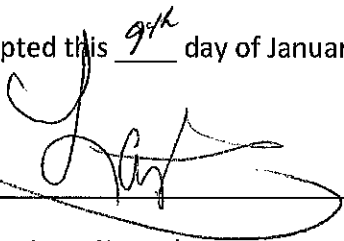
WHEREAS, the Contract and Agreement for legal services provided that the scope of the Agreement covered title searches and limited title opinions necessary for the release of grant funds, but did not specifically include in such scope of services “other legal CDBG-NR services as may be required” and

WHEREAS, at the request of the grant administrator, Mullen Holland & Cooper has performed such other legal CDBG-NR services, including drafting and recording the Deeds of Trust and other closing documents, preparing the construction agreements for selected third-party vendors; and facilitating the closing process for the citizen – grant recipients; and


WHEREAS, the balance of legal services is \$1,411, and the Grant Administrator had indicated the availability of grant funds and willingness to pay the outstanding amount from such funds, with an Amendment to the scope of the Agreement as provided above.

NOW THEREFORE, BE IT RESOLVED that the Scope and Term of the Contract for Legal Services executed on or around March 9, 2021 between the City of Lowell and Mullen Holland & Cooper PA be amended to include “such other legal CDBG-NR services as may be required.”

Adopted this 9th day of January, 2024.



Mayor Larry Simonds



City Clerk Cheryl Ramsey