



REGULAR MEETING
CITY COUNCIL

February, 1, 2021

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager
Louis E. Vinay, Jr., City Attorney

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

Interpreters
Danette Steelman-Bridges
Ernest Williams, IV

I. Call to Order – The Meeting was called to order in the Council Chamber at City Hall at 4:15 p.m. by Mayor Thompson.

II. Closed Session to Discuss an Economic Development Project as per General Statutes sec. 143-318.11(a)(4) – A representative of a private development company requested a meeting with the Council to discuss preliminary plans for a proposed project in the City of Morganton.

Upon motion by Councilman Jernigan, seconded by Councilman McSwain, and carried unanimously, the Council approved going into closed session, pursuant to N.C. General Statutes sec. 143-318.11(a)(4) to discuss an Economic Development project.

III. Recess – Leaving Closed Session at 5:45 p.m. the Mayor called a recess until 6:00 p.m.

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

V. Public Comment – The Mayor stated the guidelines for public comment and said speakers were to be called in order of sign-up for those who appeared in person; however, due to COVID-19 the Council was still accepting public comments via email, U.S. mail, or hand-delivered letters.

No speakers signed up, appeared, or sent letters/email.

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

VII. Invocation – The pre-recorded invocation was given by the Rev. Mike Chandler of Summit Church, Morganton.

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

IX. Service Pin – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting. Jeff Beach is employed in the Public Works Department as a Concrete Finisher / Streets. Beach was unable to attend the meeting and his supervisor will present Beach with a 20-year service pin at a later time.

X. Public Advocacy Issues and Strategies

a. Finance Director Jessie Parris updated Council with a Financial Report.

Parris shared a General Fund overview, where the City stands on tax collection rates, General Fund revenues, Enterprise Fund overview, utility billing update, and what the plans are for moving forward.

Parris stated the City is doing pretty well in the General Fund and expenditures overall are doing very well. She stated that interest earnings are not doing well, but recreation and sales tax revenues are, especially amid such a challenging year. Ad valorem tax collection is down. Utility Fund revenues are about the same this year as last year. Expenditures in the utility fund are doing great; everyone has done a good job containing what they could. Utility payments are showing about double the number of utility cut-offs from previous years and the City has negotiated more payment plans for past-due ad valorem taxes and past-due utilities than at any time in our history. Looking forward Parris stated the plan is to continue practicing conservative spending controls, continue tracking COVID-19 related expenditures, look at refinancing the Community House loan, and budgeting conservatively for fiscal year 2022.

b. The Mayor announced an upcoming Pop-Up Farmers Market at 111 North Green Street to be held Saturday, February 13th. The Mayor introduced Abby Nelson, MainStreet Manager who gave details about a downtown event titled Downtown Morganton Rocks: Fill Our Valentine's Box. She stated the MainStreet office is asking people to send their favorite business/business owner a Valentine in order to show their support for our Downtown Morganton Businesses. She said that Valentines can be dropped off in person in the Valentine's Box at 112 B West Union Street or you can send an email to info@downtownmorganton.com and a Valentine will be made for you.

XI. North Carolina Municipal Power Agency Number 1 Update – The City Manager stated the rate committee has begun planning for the next year. Preliminarily it looks like

we might be able to hold the wholesale rate which will be beneficial in setting our own retail rates.

XII. Consent Agenda – The City Manager presented the Consent Agenda and asked if any items should be removed from the Consent Agenda. No request was made.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and unanimously carried, the Consent Agenda was approved and each individual item adopted as stated, those being as follows:

- A. Approved Minutes for a Regular Meeting held on January 4, 2021 as submitted
- B. Approved the date for advertisement of unpaid real estate tax accounts for March 17, 2021.
- C. Approved a budget amendment (Ord. #21-05) in the amount of \$47,864 to recognize receipt of payment from a contractor for a water meter upgrade.
- D. Approved a budget amendment (Ord. #21-06) in the amount of \$355,741.26 to recognize COVID-19 CARES Act funding reimbursement.
- E. Approved a firearms trade with Smokefoot Trade and Pawn for \$8,000.00 store credit.

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

XIV. New Business

A. Public Hearings

1. Public Hearing and Consideration to Permanently Close and Abandon an Unopened Portion of Beach Street

The Mayor opened the public hearing at 6:26 p.m.

The City Attorney stated Airlie, Inc. or associated companies own a number of lots along or near Beach Street, including the tract on which the weekly Saturday Farmers Market is conducted. Airlie, Inc. has submitted a Petition to Close Abandoned Street, with supporting survey maps and other documents. The Petition seeks closure of that portion of Beach Street which is not and may never have been open for traffic or maintained as a public street, and which is currently covered by landscaping, and by a corner of a building constructed many years ago. This portion appears as a street 30 feet wide on a plat, and on the City's records. Airlie, Inc. is the sole owner of properties adjoining this unopened portion of the street, although other parties own properties on Beach Street which could be affected by this closing.

In order to continue use of Beach Street, which is the primary access to the current site of the Farmers Market and is the only street access to some of the properties to the east of the Morganton Station complex, Airlie, Inc. has offered to convey and dedicate to the City a portion of its property which is already paved for use as a parking lot and driveway, and which is already used as the connector to the lower portion of Beach Street. After reviewing the proposed dedication and its survey map, City staff agrees that this would be a suitable re-routing of Beach Street, and therefore proposes that the dedication be accepted, and that the City take over this area and maintain it as part of Beach Street.

A Resolution of Intent was adopted which set this public hearing. The hearing was properly advertised and noticed in accordance with N.C.G.S. 160A-299.

There being no public comment, the Mayor closed the public hearing at 6:28 p.m.

Upon motion by Councilman Hawkins, seconded by Councilman Jernigan, and carried unanimously, the Council approved permanently closing and abandoning the unopened portion of Beach Street (Ord. #21-08).

2. Public Hearing and Consideration of a Rezoning Request to Change the Zoning Designation for 26.83 Acres of Property Located at 410 Hogan Street from High Intensity District (HID) to Exclusive Industrial District (EID)

The Mayor opened the public hearing at 6:29 p.m.

Development and Design Director Phillip Lookadoo stated the property proposed for rezoning is located along Hogan Street. Adjacent properties are zoned HID to the south of the Norfolk Southern rail line and Low Intensity District (LID) to the north of said rail line.

The current and historic land uses of the property have been and are allowed in all industrial and most general business zoning districts. The City's 2030 Land Use Plan designates the subject parcel's future land use as Planned Destination Commercial. This designation is designed to include shopping, services, recreation, employment and institutional facilities serving the region and accommodated in the HID zoning district. At the time of the 2030 plan, Morganton Heights did not exist and this property was considered to have retail development potential.

The Planning and Zoning Commission, after much discussion and at their regularly scheduled meeting held on January 14, 2021, voted unanimously (8-0) to table this application, without prejudice, and develop a text amendment that allows distribution centers in the HID.

Because the Planning and Zoning Commission took no action the petitioner had the option to appeal the no-action to the Morganton City Council. On Friday, January 15, 2021, the applicant submitted in writing, via email, a notice of appeal.

Per the City of Morganton Zoning Ordinance, the appeal requires the City Council to conduct a public hearing regarding the rezoning request. Notices of the Public Hearing to be held at the February 1, 2021 City Council meeting were published on January 21 and 28, 2021 in the Morganton News Herald. The property was posted and adjacent property owners were mailed first-class notices on January 21, 2021.

Lookadoo stated that as with all rezoning requests, whether by appeal or by recommendation of the Planning and Zoning Commission, the City Council has the responsibility to hear the request. After the public hearing, the Council's options include approval, approval with conditions, denial, or referral back to Planning and Zoning Commission.

In any event, City staff concurs with the Planning and Zoning Commission on the need to work with the applicant to develop a text amendment that would amend the zoning ordinance to allow a use suitable to meet the applicant's needs in the HID where adequate infrastructure support is available. It may be appropriate to allow such uses in the HID with conditions. It is recognized by staff that certain land uses are very different in 2021 than in the past. The last year and COVID-19 have re-emphasized how certain land uses have become essential to everyday life.

•Alan Wood, BDI President and CEO, stated that the property is being considered for a project that would be of benefit to Morganton and Burke County. Wood stated this use would not impact traffic significantly. There is significant investment in this project. He feels this will be a stable operation and the jobs created would be beneficial to our area.

There being no further public comment, the Mayor closed the public hearing at 6:34 p.m.

The City Attorney explained that since the proposed zoning change would not be in compliance with the Mission 2030 Plan, the Council would need a motion stating such. However, while not in compliance with the Plan, a rezoning would actually fit with the general principles of the Plan. The City Attorney stated that P&Z members were concerned about traffic. He stated that if this were rezoned, Council may wish to bar through trucks on Hogan Street past the railroad tracks.

The City Manager stated that as we look at an older land-use plans we have to recognize that, as things change, our land-use plan may not take into account certain changes in how businesses now work. By the very nature of plans, land use plans are tools – they cannot be reviewed, redone, or updated as quickly as the business environment may change. The City Manager urged the Council to concur with staff and to ask P&Z to look at distribution centers especially.

Upon motion by Councilman McSwain, seconded by Councilman Hawkins, and carried unanimously, the Council recognized that while this rezoning request is not in compliance with the Mission 2030 Land Development Plan, the current and historic use of the property indicate that the highest and best use of this property are within the permissible uses listed with the EID zoning designation and that this rezoning would be appropriate even though it deviates from the Mission 2030 Plan.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council adopted an ordinance for a Zoning Map Amendment of 26.83 acres of property located at 410 Hogan Street from High Intensity District (HID) to Exclusive Industrial District (EID).

Upon motion by Councilman Hawkins, seconded by Councilman Jernigan, and carried unanimously, the Council concurred with and now requests that City staff research and draft an amendment to the zoning ordinance appropriately allowing distribution centers within the High Intensity District (HID), and present the proposed amendment to the Planning and Zoning Commission for review and recommendation to City Council.

B. Other Business

1. Consideration of a Resolution to Call for Public Hearing to Consider an Economic Development Agreement and Administrative Costs for a Building Re-Use Grant for Project Glides

The City Manager stated a company identified for confidentiality reasons as “Project Glides” currently owns and operates an industrial facility in the City of Morganton and plans to expand its operation. Project Glides plans to make a capital investment of about \$10,000,000 and to create 80 new jobs.

Burke Development, Inc. requests support from the City of Morganton for Project Glides. Burke County will apply for a State Building Reuse grant to assist with this expansion in the amount of \$500,000. Based on that amount, Burke County, the applicant, and the City of Morganton would provide the 5% match of \$12,500 each for a total of \$25,000. A grant administration contract with the Western Piedmont Council of Governments is necessary if a grant award is received.

In order to further support this expansion of an existing industry, Burke County and the City of Morganton will consider local economic development incentives equal to the equivalent of 50% of the taxes paid on the new taxable investment for five (5) consecutive years beginning in FY 2022-2023. Based on the estimated taxable investment of \$10,000,000 and on Morganton’s current tax rate of 57 cents, Morganton’s incentives would be \$28,500 annually or \$142,500 in total.

Upon motion by Councilwoman Cato, seconded by Councilman McSwain, and carried unanimously, the Council adopted Resolution #21-06 calling for a public hearing on

March 1, 2021, at 6:00 p.m., in Council Chambers, to consider adoption of an economic development agreement for Project Glides.

2. Consideration of Creating a CDBG-CV COVID-19 Revolving Fund

The City Manager stated that in summer/fall 2020, the City received CDBG-CV COVID-19 CARES Act funding totaling \$193,863 from HUD as a result of our CDBG entitlement community status. The CDBG committee recommended that City Council award these funds to non-profits to aid with direct expenses related to COVID-19, past due utility assistance, and past due rent assistance.

She stated the CDBG Committee met January 12, 2021 and discussed the remaining unallocated CARES ACT Funding. The unallocated funds total \$55,363. The Committee recommends setting this up in a revolving fund so we can react quickly if the agencies already working with utility/rent assistance need additional funds.

Lisa Helton, WPCOG Community Development Administrator, gave an update at the Council meeting on totals disbursed to date. She stated that \$138,500 awarded to local non-profits including the Outreach Center, Olive Hill CEDC, the Meeting Place, Burke United Christian Ministries, the House of Refuge, and Burke County United Way. These agencies have used these monies for utility assistance, rental assistance, or extra expenses at shelters due to COVID.

The City Manager stated this has been a tough time for everybody but these local agencies have really helped our community. She stated The Outreach Center has received \$51,000 and has spent \$51,000 on utility assistance, rental assistance, and direct expenditures; Olive Hill CEDC was awarded \$31,000 for rental assistance and they have spent \$10,298.75; The Meeting Place was awarded \$18,000 for operational costs for the shelter and \$18,000 has been spent; BUCM was awarded \$21,000 for utility/rental assistance, \$14,710.19 spent; The House of Refuge was awarded \$5,000 for operational costs and has spent \$5,000; BCUW was awarded \$12,500 for the Utility Assistance Program and to date has spent \$9,357.52 and staff says they will spend all the funds by the end of February. The City Manager stated these funds have been a god-send to our community and truly appreciates the partnership with these local agencies. The Manager expressed appreciation to the agencies for their hard work.

The CDBG committee voted to set March 1, 2021 as the date for all allocated but unspent funding to revert back. The committee will meet again after that day to consider reallocations or whether reverted funds will go into the pool. It was stated that reverting funds at this time did not prevent an agency from coming back later to seek funding for qualifying needs.

Councilman McSwain asked if there would be a limit on requests or how requests would be handled. Helton stated that \$5,000 would be made available for each agency request.

Upon motion by Councilman McSwain, seconded by Councilman Jernigan, and carried unanimously, the Council approved setting up a CDBG-CV COVID-19 CARES Act revolving fund for utility/rent assistance under the guidelines established by HUD with an initial amount of \$55,363, and to confirm March 1, 2021 as the reversion date.

3. Consideration of Award of Contract(s) for Electric Substation and to Approve a Memorandum of Understanding between the City of Morganton and North Carolina School of Science and Mathematics-Morganton (NCSSM-Morganton) for a Utility Easement

The City Manager stated that Council was well aware that staff has been working for several years to locate and design a new Electric Substation to replace the outdated Delivery 1. The City will be locating the new station, Delivery 7, on State-owned property within the 800 acres of the Broughton District. The station itself will be located on property controlled by NCSSM-Morganton. The transmission lines to the station will be from the Duke Energy transmission line already located on Western Piedmont Community College (WPCC) owned property by way of permanent easement.

Southeastern Consulting Engineers, Inc. (Southeastern) have provided engineering services to the City for many years. Because a new delivery substation is a major capital project and because some of the equipment needed for the station has current lead times of 40-weeks or more, WPCC and NCSSM-Morganton have allowed the City to begin survey and design work. In order to set out a path for preliminary design to begin, the City and NCSSM-Morganton have been working on a MOU to be agreed upon and approved by both entities. Staff is asking for Council approval of the MOU tonight. The NCSSM-Morganton Board of Trustees will also be considering this agreement.

Upon the completion of survey work and preliminary design by Southeastern, the City will provide the Board of Trustees of WPCC with a request for an easement in the vicinity of the existing Duke Energy easement already on the WPCC property.

Because of the very lengthy lead times on equipment associated with the new delivery station, Southeastern solicited bids on behalf of the City. Proposals were received on January 21, 2021 at 2:00 p.m. in the Council Chambers. The equipment was bid in eight different schedules. No single contractor bid on all eight schedules, but bids were received from 20 different contractors with 27 individual schedule bids. After review of the bid details, Southeastern recommends awarding the bids for equipment as detailed in the schedules in a total amount of \$1,493,069.00. This amount is budgeted in the 2020/2021 Electric CIP budget.

The City Manager reminded everyone that this significant capital investment is being paid for with the wholesale credit granted by NCMPA1. By using this credit, the City is able to do this project while having reduced electric rates for the past 2-years.

The City Attorney added that locating the particular site for this substation had been a long and challenging process, only accomplished through hard work by City staff and our consultants, and the particular cooperation of NCSSM.

The City Manager stated that it came down to this location or taking over a current business property.

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council approved the MOU between City of Morganton and NCSSM-Morganton for a utility easement and authority to allow the Mayor and City Manager to execute the agreement with any minor technical amendments required.

Upon motion by Councilwoman Cato, seconded by Councilman Jernigan, and carried unanimously, the Council awarded contracts to various providers in various amounts (as detailed) to purchase equipment for Delivery 7 substation in the amount totaling \$1,493,069.

4. Consideration of an Ordinance Establishing a Cultural Arts Commission and Appointment of Members

Sharon Jablonski requested the Mayor and Council consider establishing a Cultural Arts Commission per the 2018 Downtown Masterplan.

She stated that Council may recall that there was an entire Public Art Action Plan as a part of the Downtown Masterplan. The City hired a professional in the field of Arts Development by the name of Becky Hannum, Art Everywhere LLC, which was outside of the standard Stantec consultant teams. A Cultural Arts Commission is the next step in Morganton's growth and one of the main reasons she was so excited about the new Department of Cultural and Creative Development as it would finally give her time to work on developing a strong board and get several new projects off the ground.

The establishment of a Morganton Cultural Arts Commission is another step in securing the City's opportunities in arts as a sustainable economic driver. Julia Mode and Sharon Jablonski met with Councilwoman Wendy Cato, Councilman Butch McSwain, and City Attorney Louis Vinay. Jablonski shared the proposed Ordinance establishing a Cultural Arts Commission, along with an overview of the Cultural Arts Commission to provide information on the initial mission, vision and goals for the group. Finally, Jablonski provided a list of names after having spoken to each and they have agreed to serve if appointed.

Jablonski stated she was very excited about this Commission being established. She would like to reach out into the community with things like Poetry Month, revive the Cultural Arts District plan, and take on a "stories of our elders" video project. She stated there are fifteen people who are excited about being appointed and getting started working on this Commission.

Councilwoman Cato stated she had been in meetings with the State Arts Council which encouraged creating this commission. Councilwoman Cato stated they said this would be very important for the future.

Jablonski reiterated that this is very different from the directive and plans of the Burke Arts Council. The City Manager stated the Burke Arts Council will have a seat at the table because it's very important for these groups to function together for the community.

Councilman McSwain stated he wanted to be on the planning committee because he was skeptical of the need of a Cultural Arts Commission; but, stated he has been convinced.

Upon motion by Councilman McSwain, seconded by Councilwoman Cato, and carried unanimously, the Council adopted Ordinance #21-07 creating a Cultural Arts Commission.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council appointed the following members to serve on the Cultural Arts Commission:

For terms of three (3) years: Alison Dula, Khamkay Inthavong, Julia Mode, Kristin Steiner, and Hamilton Williams;

For terms of two (2) years: Lorinnsa Bridges–Kee, Leanne Brittain, Darren Lathan, Courtney Long, and Nancy VanNoppen;

For terms of one (1) year: Scott Coley, Meghan Liedkie, and Pascuala Pedro, and Deborah Jones, as Executive Director of the Burke Arts Council, ex-officio; and

For a term of one (1) year: Daniela Gomez, youth member.

As City staff representatives, ex-officio, Sharon Jablonski and Michael Berley.

5. Consideration of a Resolution Requesting the Support of the Local Legislative Delegation to Support Certain Amendments to the Charter of Morganton

The City Attorney and City Manager have reviewed the City's Charter and noted several items which we believe City Council should consider amending. Any amendments would require passage of a local bill by the General Assembly.

The suggested areas for amendment are as follows:

1. Revising Section 4-21 on appointment of the City Clerk. Currently, the Charter provides that the Council designate the City Manager as the City Clerk. However, a better procedure would be that the City Manager should appoint the City Clerk, with

specific duties spelled out in the Charter. This would clarify the difference and distinction between City Manager and City Clerk.

2. Concerning a vacancy in the office of Mayor, we suggest amending Section 2-14 to reflect the same language as in Section 2-5 on vacancy of a Council member, to require that the City Council fill the vacancy within ninety (90) days.

3. The City long ago gave up its authority to conduct municipal elections with a separate board of elections. However, Section 3-12 concerning the City election board is still on the books. This should be repealed.

4. Article IV, Chapter 2 on the City Manager should be amended to use gender neutral language.

5. The provision of Article IV, Chapter 5 on the appointment of advisory boards currently states that the Mayor has no vote in such appointments except in cases of ties. Of course, this is not the procedure that Morganton has followed for decades, and the Charter needs to be amended to reflect that our Mayor votes on all matters.

In order to accomplish these charter amendments, a request for a local bill to our State legislative delegation is in order. The proposed resolution would direct Staff to work with the local delegation to get a local bill introduced and passed by the NC General Assembly.

Upon motion by Councilman Jernigan, seconded by Councilwoman Cato, and carried unanimously, the Council approve Resolution #21-07 requesting that the North Carolina General Assembly adopt a Local Bill making certain amendments to the Charter of the City of Morganton.

6. Consideration of Appointments to Boards and Commissions

a. Morganton Housing Authority – The Mayor reappointed Bryan Black and Teresa DeHart to the Morganton Housing Authority Board for terms to expire February 1, 2026.

XV. Other Items from City Manager and City Council Not on Agenda – There were no other items presented.

XVI. Reports – Reports were distributed to Council.

XVII. Adjournment – The Mayor adjourned the meeting at 7:08 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved

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by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk