

MINUTES
SPECIAL MEETING
BUDGET HEARING
CITY COUNCIL

June 19, 2023

Ronnie Thompson, Mayor

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

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

Danette Steelman-Bridges, Interpreter

- I. Call to Order – The Mayor called the meeting to order in the Council Chamber at City Hall at 6:00 p.m.
- II. Announcement – Mayor Thompson stated that the City’s electric department will be finishing the installation of a transformer at the Water Treatment Plant this Wednesday, June 21st at 6 a.m. The plant will have to be shut down for approximately two hours to finish the installation process. There should not be any interruption of service or water pressure issues for customers. He thanked everyone for their continued support of the City of Morganton.
- III. Proclamation – Mayor Thompson read the proclamation for Youth Engagement Month. The proclamation was presented by Councilmember Cato and accepted by Malik Harris on behalf of the Burke County State of Youth.

Upon motion by Councilmember Hawkins, seconded by Councilmember Cato, and carried unanimously, the Council adopted the proclamation designating June 2023 as Youth Engagement Month.

- IV. Public Hearing and Consideration of the City of Morganton Budget for Fiscal Year 2023-2024

The Mayor opened the public hearing at 6:04 p.m.

City Manager Sandy reviewed the proposed 2023/2024 budget. The City Manager highlighted that the total budget for 2023/2024 is \$95,000,000 and that the Budget Ordinance establishes the tax rate at \$0.50 for general property tax, and \$0.12 for the municipal service district tax, per \$100 valuation. She also stated that there would be a 5% increase in water and sewer rates effective August 1, 2023, an electric rate decrease on average of 1.75% also effective August 1, 2023; no change in sanitation fees, and almost \$29,000,000 of capital spread across the funds. For CoMPAS there are no increases in TV or telephone fees, the internet speeds will be adjusted to better consolidate speeds and there may be changes in the fees associated with the internet speeds. She stated that the public hearing notice was published in The News Herald on June 8, 2023.

The Mayor asked for public comment. There being no public comment, the Mayor closed the public hearing at 6:06 p.m.

- A. Consideration of Adoption of the City of Morganton Budget for Fiscal Year 2023-2024

Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and carried unanimously, the Council adopted the Budget Ordinance (Ord. #23 - 15) for FY 2023-2024.

B. Consideration of Adoption of Schedule of Fees and Charges 2023-2024

Upon motion by Councilmember Hawkins, seconded by Councilmember Cato, and carried unanimously, the Council adopted the Schedule of Fees and Charges for FY 2023-2024.

V. Consideration of Approval of Year-end Budget Amendments 2022-2023

The City Manager stated that there are four separate budget amendments to be considered by the Council. The first is in the General Fund for \$221,771.25 for adjustments for economic development incentives, changes in professional services, capital expenditures and personnel costs. She stated that this does not require appropriations of fund balance and will be done with revenues received, except for the asset forfeiture monies received by Public Safety. Those funds can only be used for specific purposes.

The second budget amendment is for the Water Fund in the amount of \$76,000. This is for increased utility expenses and personnel costs for mid-year changes.

The third budget amendment is for the Electric Fund in the amount of \$230,000. The increase is for buying additional power and for capital costs.

The fourth budget amendment is for the Wastewater Fund in the amount of \$160,000. The increase is for various operational expenses and some personnel costs.

- A. Upon motion by Councilmember Cato, seconded by Councilmember Jernigan, and carried unanimously, the Council approved a budget amendment (Ordinance 23-20) for the General Fund in the amount of \$221,771.25.
- B. Upon motion by Councilmember McSwain, seconded by Councilmember Hawkins, and carried unanimously, the Council approved a budget amendment (Ordinance 23-19) for the Water Fund in the amount of \$76,000 for utility and personnel expenses.
- C. Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and carried unanimously, the Council approved a budget amendment (Ordinance 23-18) for the Electric Fund in the amount of \$230,000 for buying additional power and personnel costs.
- D. Upon motion by Councilmember Hawkins, seconded by Councilmember Cato, and carried unanimously, the Council approved a budget amendment (Ordinance 23-17) for the Wastewater Fund in the amount of \$160,000 for various operational and personnel expenses.

VI. Consideration of Approval of Pay Ranges/COLA Effective July 1, 2023

City Manager Sandy stated the new budget includes a 5% cost of living adjustment for full-time City employees and will recommend changes in pay ranges by the same 5% for recruitment purposes. Also, approving two new positions included in the budget: (1) Public Safety Executive Fire Officer and (2) Stormwater Administrator in Development & Design.

Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and carried unanimously, the Council approved pay ranges/COLA, for City employees, effective July 1, 2023.

VII. Consideration of Several Items Related to Bethel Park Phase II Stream Restoration

City Manager Sandy advised that the City has been awarded a grant from North Carolina Land and Water Fund (NCLWF) to assist with the Phase II renovation of Bethel Park. The grant is authorized for up to \$424,744. Phase II of Bethel Park restoration is a flood mitigation project which includes stream restoration of the Fiddlers Run Creek. The City of Morganton 2022/2023 budget includes \$89,463 in matching funds.

The City is working with Wildlands Engineering for technical assistance and engineering design services to complete Phase II. The City staff recommends contracting with Wildlands for design and permitting in the amount of up to \$112,542 for this portion of the park renovation. Construction documents and approvals will be presented to Council at a later date once design is complete.

In order to accept this grant and continue moving forward with Phase II of the Bethel Park renovation, the following is required:

1. Approval of a resolution accepting the NCLWF grant of up to \$424,744 (Resolution and draft grant agreement attached);
 2. Approve a budget amendment for the multi-year project for Bethel Park Phase II renovations in the amount of \$202,901.
 3. Award of a contract for design and permitting services to Wildlands Engineering for Phase II in an amount not to exceed \$112,542.
- A. Upon motion by Councilmember Cato, seconded by Councilmember Hawkins, and carried unanimously, the Council approved the resolution (Resolution 23-22) accepting the NCLWF grant of \$424,744 and authorized the Mayor and/or the City Manager to execute and issue those agreements on behalf of the City, together with the additional authority to make alterations, technical amendments and changes, as may be necessary, to implement each of the agreements.
- B. Upon motion by Councilmember McSwain, seconded by Councilmember Cato, and carried unanimously, the Council approved a budget amendment for the multi-year project budget for Bethel Park Phase II renovations in the amount of \$202,901.
- C. Upon motion by Councilmember Hawkins, seconded by Councilmember Jernigan, and carried unanimously, the Council approved the award of contract for design and permitting purposes to Wildlands Engineering for Phase II in the amount not to exceed \$112,542 and to authorize the Mayor and/or the City Manager to execute and issue those agreements on behalf of the City together with the additional authority to make sure alterations, technical amendments and changes, as may be necessary, to implement each of the agreements.

VIII. Consideration of Award of Contract for Stoney Place Cub and Gutter Improvements Project

City Attorney Vinay stated this project involves the installation of approximately 300 linear feet of curb and gutter and approximately 140 linear feet of sidewalk along Stoney Place.

Funding for this particular project would be from the City of Morganton Public Works Department Capital Improvement funds. Informal bid proposals were received and opened by the Development & Design Services Department for the Stoney Place Curb and Gutter Improvements project on Tuesday, May 16, 2023. Three bids were submitted for the project. The lowest responsive, responsible bid was submitted by Little Mountain Builders of Catawba County LLC in the amount of \$45,987. The

remaining two bids were \$103,368.00 submitted by Concrete Matters of Mooresville, NC; and \$30,140.00 submitted by Dalton Contracting, LLC of Clemmons, NC. After checking of references for Dalton Contracting, LLC, it was determined that they had been suspended from contracting with another municipality, and this company would be a non-responsible bidder.

Upon motion by Councilmember Jernigan, seconded by Councilmember Cato, and carried unanimously, the Council awarded a contract to Little Mountain Builders of Catawba County, LLC in the amount of \$45,897 to complete the Stoney Place curb and gutter improvements and to authorize the Mayor and/or City Manager to execute such contract and any other necessary documents.

City Manager Sandy made an additional comment advising that Stoney Place needs to be resurfaced and repaved, which is in the process to be done once this work is done.

IX. Consideration of Acceptance of an Easement Agreement to Install and Maintain Sidewalk and Curb and Gutter on Private Property Adjoining Stoney Place

City Attorney Vinay advised this request is for approval to enter into an agreement with Legal Entity Alpha, LLC, to install and maintain sidewalk, and curb and gutter, on the Stoney Place side of its properties located at 309-313 North Sterling Street. This LLC, owned by Jeff Francis, has three parcels that have street frontage on both streets. The agreement would require the company to pay \$11,670 (this check has been received) for 24 linear feet of driveway apron and 115 linear feet of sidewalk installed approximately 5 feet off the adjacent street right-of-way of Stoney Place, and to City standards. The agreement would give the City a temporary construction easement and a permanent easement for the sidewalk. After completion of the project, the City will provide an as-built survey of the project.

The overall City project involves the installation of new curb and gutter, a small portion of which would also be upon the Legal Entity Alpha property, to connect with existing infrastructure, grading, backfilling, and grassing/seeding between North Sterling Street and North King Street. The sidewalk portion requested by Mr. Francis will be done on his property for a distance of approximately 115 linear feet along Stoney Place. This project will be completed at the same time as our planned curb and gutter upgrades on Stoney Place.

Upon motion by Councilmember Hawkins, seconded by Councilmember Cato, and carried unanimously, the Council authorized an agreement with Legal Entity Alpha, LLC to install a sidewalk on its properties located on Stoney Place at the same time the City is completing Stoney Place Curb and Gutter Improvements Project; to give the City a temporary construction easement during construction; to give a permanent easement once installation is complete and to accept payment of \$11,670 from the owner for the sidewalk installation and to authorize the Mayor and/or City Manager to execute such contract and any other necessary documents.

X. Consideration of a Resolution Declaring Intent to Consider Closing a Portion of Plainview Street

City Attorney Vinay stated the City has received a petition from Dustin and Jessica Epley seeking to close and abandon a section of that street sometimes known as "Plainview Street", off Alpine Street. The petition is in proper form, and the required \$1,000 fee has been paid. The resolution will be published for four consecutive weeks in the News Herald. A public hearing on the closure will be conducted at the August 7, 2023 regular City Council meeting.

Plainview Street has never been open as a street and is not used for any public traffic.

City staff cannot identify any possible municipal use for this street, and has no reason to oppose the petition. If Council wishes to proceed, it must adopt a Resolution of Intent, calling for a public hearing at the next Council meeting, which in this case would be August 7, 2023.

Upon motion by Councilmember McSwain, seconded by Councilmember Cato, and carried unanimously, the Council approved a resolution (Resolution 23-23) declaring the intent to consider closing a portion of Plainview Street and to call for a public hearing on the closing to be held at the August 7, 2023 Regular Council Meeting.

XI. Consideration of Amendment to the Parking Ordinance

City Attorney Vinay stated the Downtown Parking Committee met Wednesday, May 3, 2023 to discuss changes to parking on South Sterling Street between McDowell and Erwin Streets. The request of parking changes came from a business owner and property owners along that block of South Sterling Street. The item on the agenda included a request to change four spaces in front of 408 and 410 South Sterling Street from All-Day Free Parking to 2-Hour Parking.

During the discussion, it was acknowledged that this block of parking is unique to downtown as it has several businesses and residences that do not have access to private or public parking lots in close proximity, leaving the need to retain most of the block as All-Day Free Parking. This area of downtown is becoming more vibrant with new retail businesses and development so that consideration of more time limited parking is necessary. The downtown parking committee made the following recommendation:

Change the four parallel parking spaces on the right-hand side of South Sterling Street, closest to the Erwin Street intersection, from All-Day Free Parking to 2-Hour Parking.

Upon motion by Councilmember Cato, seconded by Councilmember Jernigan, and carried unanimously, the Council approved changing the time limits for parking in the last 4 parallel spaces on the south bound side of the 400 block of South Sterling Street from All Day Free parking to 2-Hour parking, by amending Section 135, Parking Zones, of Appendix 1 of the Code of Ordinances of the City of Morganton through addition of a new sub-section (6a) (Ordinance 23-16).

XII. Consideration of Award of 3-Year Contract for Permitting and Code Enforcement Software

City Manager Sandy stated the Development & Design Department currently utilizes iWorQ Systems software for permitting and code enforcement.

The new contract adds another module “workflow” to the current permitting and code enforcement process. It will enable the Department to increase capability to have additional form letters produced for invoicing, code enforcement, permits, zoning, etc.

The cost of the software will increase from \$5,296 per year to \$9,796 per year for the added functionality. This increase is included in the 2023/2024 budget.

Upon motion by Councilmember McSwain, seconded by Councilmember Hawkins, and carried unanimously, the Council approved the award of a 3-year contract to iWorQ Systems for permitting and code enforcement software with added functionality at a cost of \$9,796 per year to be effective on July 1, 2023, and to authorize the Mayor and/or City Manager to execute such contract and any other necessary documents.

XIII. Consideration of Award of Contract for Design Verification, Bid Phase Services and Construction Administration for the Silver Creek Sewer Pump Station Upgrade Project

City Manager Sandy stated that the Silver Creek sewer pump station is the largest in our system and handles all wastewater generated in the western part of the City. This upgrade project will address the need for infrastructure rehabilitation and a pump capacity increase to meet the current demand and anticipated growth in the area.

The proposed cost for design verification, bid phase services and construction administration for the Silver Creek Sewer Pump Station Upgrade Project is \$388,500. The City has received \$1.1 million from the State toward this project and will use this money to pay for professional services described in this contract.

Highfill Engineering has provided a scope-of-work that would cover all the steps to complete all the design related work for a fee not to exceed \$388,500. This is being funded by an appropriation from the State. Highfill Engineering is on our list of on-call engineering firms.

Upon motion by Councilmember Jernigan, seconded by Councilmember Hawkins, and carried unanimously, the Council approved and authorized a contract with Highfill Engineering (Task Order #1), to be effective July 1, 2023, to provide design verification, bid phase services and construction administration for the Silver Creek Sewer Pump Station Upgrade Project not to exceed the amount of \$388,500 and authorized the Mayor and/or City Manager to execute necessary documentation.

XIV. Consideration of Award of Contract for Engineering Services for a Capacity Analysis at the Wastewater Plant

City Manager Sandy stated that as a condition of our new wastewater permit, a plant capacity study is required. This will serve as a new baseline for other plant studies in the future and determine if the process has capable infrastructure in place to address challenges in treating our waste stream. (i.e. potential new industries and increased flow from city growth).

Garver Engineering has provided a scope-of-work to complete the capacity analysis. The proposed fee for a capacity analysis at the wastewater plant is \$146,057. This funding is included in the 2023/2024 budget.

Upon motion by Councilmember Hawkins, seconded by Councilmember Cato, and carried unanimously, the Council approved and authorized a contract with Garver Engineering (Task Order #1), to be effective July 1, 2023, to provide engineering services for a capacity analysis at the wastewater plant for a fee not to exceed \$146,057.

XV. Consideration of Approval of a Master Agreement for Professional Engineering Services with McGill Engineering Services

City Manager Sandy advised the City of Morganton maintains a list of on-call engineering consultants to assist with large projects and studies. City Staff received a Statement of Qualifications from McGill Engineering Services and after evaluation of their submittal and an in-person meeting, staff recommends adding the firm to our list of on-call engineering consultants.

McGill is a local engineering firm that offers a variety of services such as water and sewer, electric, civil, parks and recreation, sidewalks and streetscapes, environmental, and stormwater. The professional support of these services will be a valuable asset for the City of Morganton to complete projects, gather data, and comply with regulations.

McGill has been very successful in acquiring funds for projects all over NC, SC, and VA. The support of a successful firm to provide funding becomes vital to the future development of Morganton. McGill has a successful history working in our area and we feel adding them to the City of Morganton's on-call services list broadens the City's ability to plan for design and construct large projects.

Upon motion by Councilmember Jernigan, seconded by Councilmember McSwain, and carried unanimously, the Council approved to add McGill Engineering Services to the City's on-call list of engineering consultants and approved and authorized a Master Services Agreement with McGill for providing professional engineering services.

XVI. Consideration of Approval of a Contract with Garver Engineering (Task Order #2) to Provide Engineering Services for a Disinfection Study at the Wastewater Plant

City Manager Sandy stated that currently the City uses chlorine gas at the wastewater plant for disinfection of plant effluent to meet the discharge permit requirements. Faced with rapidly rising chlorine costs, supply shortages and the need for safer technology used in the process, a disinfection alternatives study is prudent. The 2023/2024 budget includes \$50,000 for this study.

Upon motion by Councilmember McSwain, seconded by Councilmember Cato, and carried unanimously, the Council approved and authorized Task Order #2 to be effective July 1, 2023 under a Master Services Agreement with Garver Engineering for \$38,830 to provide services for a disinfection study.

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

XVIII. Adjournment –The meeting was adjourned at 6:37 p.m.

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

City Clerk