

A G E N D A

HICKORY CITY COUNCIL

February 2, 2021



7:00 p.m.



AGENDA
www.hickorync.gov

If you have any questions about any item on this agenda or if you need more information about any item in addition to the information contained in the agenda package, please call the City Manager at 323-7412. For more information about the City of Hickory go to: www.hickorync.gov.

Hickory City Council
76 North Center Street

February 2, 2021
7:00 p.m.

- I. Call to Order
- II. Invocation by Reverend Dr. C. Pierson Shaw Jr., Bethany Evangelical Lutheran Church
- III. Pledge of Allegiance
- IV. Special Presentations
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes
 - A. Special Meeting of January 19, 2021. **(Exhibit VI.A.)**
 - B. Regular Meeting of January 19, 2021. **(Exhibit VI.B.)**
 - C. Special Meeting of January 20, 2021. **(Exhibit VI.C.)**
- VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.
 - A. Budget Revision Number 13. **(First Reading Vote: Unanimous)**
- VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.
 - A. Budget Revision Number 14. **(Exhibit VIII.A.)**
 1. *To appropriate a total of \$33,000 from Water and Sewer Fund Balance into the Short Road Sewer Project Capital Project Ordinance (#803304) for additional materials required on the project.*
 2. *To appropriate a total of \$30,000 in additional Solid Waste revenues received beyond the originally budgeted amounts during FY20-21; this amount is required for additional costs anticipated on grinding of increased volumes of yard waste during the current fiscal year.*
 - B. Approval of a Resolution to submit FEMA Grant Applications for Flood Mitigation Projects at Snow Creek Pump Station and the Northeast Wastewater Treatment Facility. **(Exhibit VIII.B.)**

Staff has identified opportunities to seek Federal funding to assist in making improvements to provide resiliency to critical infrastructure. The Federal Government provides funding through the FEMA Building Resilient Infrastructure and Communities

(BRIC) program. The BRIC grant program requires a 25 percent local match and provides funding to mitigate risks to infrastructure to better protect public investment and the environment. The projects will include the relocation of the Snow Creek Pump Station to a location out of the 500-year flood plain as well as hardening the facility against future flood events and stream bank restoration and influent pump station flood hardening at the Northeast Wastewater Treatment Facility. These projects have a speculated cost of \$4,775,315 and \$7,255,903 respectively. A contract with KCI Technologies to prepare grant applications was approved on November 10, 2020. The City was required to submit a grant application to the North Carolina Department of Public Safety and was approved on January 25, 2021. Staff requests Council's approval of Resolution to submit FEMA grant applications for flood mitigation projects at Snow Creek pump station and the Northeast Wastewater Treatment Facility.

- C. Call for a Public Hearing for Consideration of Amending Chapter 6, Section 6-3 of the Hickory City Code of Ordinances, the Proposed Ordinance will Amend the Current Downtown Fire Limits. **(Authorize Public Hearing for February 16, 2021, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building). (Exhibit VIII.C.)**

IX. Items Removed from Consent Agenda

X. Informational Item

XI. New Business:

A. Public Hearings

- 1. Hickory Regional Planning Commission Cancelled their Meeting due to a Lack of a Quorum for the Consideration of Rezoning Petition Number 20-06.

23 Storage, LLC has filed a petition to rezone a portion of a larger property to provide additional area for non-residential development. The subject property is currently split zoned; with the western ~5.8 acres zoned CC-2, and the eastern ~3.7 acres zoned R-4. The requested action would rezone ~1.2 acres of the center part of the property from R-4 to CC-2. Should this be successful; the western commercially zoned (CC-2) part of the property would increase to ~7 acres, while the residentially zoned (R-4) part of the property would decrease to ~2.5 acres. The general area is predominately classified High and Medium Density Residential by the Hickory by Choice 2030 Comprehensive Plan. This classification is intended to provide areas for higher intensity residential development. With the range of density at 12 to 20 units per acre. The western portion of the property, closest to NC 127 is zoned Corridor Commercial (CC-2), while the eastern portion of the property is zoned High Density Residential. If the property were to be rezoned as requested, the approximately 7 acres of commercial property could be developed to accommodate up to 37,000 square feet of non-residential floor area or up to 140 apartments. The approximately 2.5 acres remaining High Density Residential (R-4) could be developed for up to 50 apartments. The development intensities outlined above are absolute maximums and are likely to decrease due to infrastructure needs and other relevant items. The Hickory Regional Planning Commission did not have a quorum and were unable to conduct the public hearing on January 27, 2021 to consider the petition. Therefore, City Council cannot conduct their public hearing regarding this petition.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on January 22, and January 29, 2021.

B. Departmental Reports

- 1. Hickory Police Department Presentation on LEAD – Presentation by Deputy Chief Reed Baer

2. Next Steps Regarding Racial and Ethnic Disparities in Hickory – Presentation by City Manager Warren Wood
3. Appointments to Boards and Commissions

COMMUNITY APPEARANCE COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 At-Large (Outside City but within HRP) (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 Other Minority (Council Appoints) VACANT
 Other Minority (Council Appoints) VACANT
 Other Minority (Council Appoints) VACANT
 Differently-Abled and is African-American or Other Minority (Council Appoints) VACANT

HICKORY REGIONAL PLANNING COMMISSION

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)
 (Appointed by City Council)
 Brookford (Mayor Appoints with Recommendation from Brookford) VACANT

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 At-Large (Mayor Appoints) VACANT
 (Unexpired Term of Helen Devlin)

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 Ward 4 (D. Williams Appoints) VACANT

PUBLIC HOUSING AUTHORITY

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)
 Position 3 (Mayor Appoints) VACANT
 Position 9 (Mayor Appoints) (Unexpired Term of Rebecca Clements) VACANT

YOUTH COUNCIL

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)
 Youth Council Applicant Review Committee Recommends the Following Appointments:

FTF	VACANT
HCAM	VACANT
HHS	VACANT
Homeschool	VACANT

C. Presentation of Petitions and Requests

- XII. Matters Not on Agenda (requires majority vote of Council to consider)
- XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature
- XIV. Adjournment

***Hickory City Code Section 2-56. Public Address to Council:**

“When conducting public hearings, considering ordinances and otherwise considering matters wherein the public has a right to be heard, when it appears that there are persons present desiring to be heard, the Mayor shall require those opposing and favoring the proposed action to identify themselves. Each side of the matter shall be given equal time. Those opposing the proposed action shall be allowed 15 minutes for presentation, followed by 15 minutes for those favoring the action, with the opponents then to have five minutes for rebuttal and the proponents to then have five minutes for surrebuttal. Those persons on either side shall have the right to divide their allotted time among them as they may choose. The Council, by majority vote, may extend the time for each side equally. On matters in which the person desiring to address the Council does not have a legal right to speak, the Council shall determine whether it will hear the person. The refusal to hear a person desiring to speak may be based upon grounds that the subject matter is confidential, that its public discussion would be illegal, that it is a matter not within the jurisdiction of the Council or for any other cause deemed sufficient by the Council. Any person allowed to speak who shall depart from the subject under discussion or who shall make personal, impertinent or slanderous remarks, or who shall become boisterous while addressing the Council shall be declared out of order by the Mayor, or by vote of the Council, and barred from speaking further before the Council unless permission to continue shall be granted by a majority vote of the Council, under such restrictions as the Council may provide.”

**The City of Hickory holds all public meetings in accessible rooms.
Special requests for accommodation should be submitted by individuals
with disabilities at least 48 hours before the scheduled meeting.
Phone Services (hearing impaired) – Call 711 or 1-800-735-2962**

A Special Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, January 19, 2021 at 5:30 p.m., with the following members present:

	Hank Guess	
Tony Wood		
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Deputy City Manager Rodney Miller, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

Others Present: Western Piedmont Council of Governments Senior Data Analyst, Taylor Dellinger

- I. Mayor Guess called the meeting to order. All Council members were present except for Alderman Williams. Alderman Zagaroli arrived at 5:31 p.m.
- II. Presentation of a Study of Equity, Economic and Demographic Data for the City of Hickory

Mayor Guess advised Hickory City Council would hear a presentation regarding a study of Equity, Economic and Demographic Data for the City of Hickory. He advised that sometime back, he thought in August, members of the NAACP came to a City Council meeting and among other things they asked Council to look at the unemployment rate, the poverty rate, access to housing and healthcare and some other issues. Subsequently, Council members and representatives present had sessions and met with all of the Council members, and subsequently met with the City Manager. As a result of those meetings and those sessions they would hear a presentation by City Manager Warren Wood to outline some of those area, with the assistance of the Western Piedmont Council of Governments. He turned the meeting over to City Manager Warren Wood.

City Manager Warren Wood advised in October of this past year, the City contracted with the Western Piedmont Council of Governments (COG) to really dig into the racial disparities that exist within the community and to report those back. He appreciated everybody's patience, and he had met with the NAACP. There was a lot of digging on these numbers and they would review a 40-page summary tonight. There was a lot of information to go through. The report itself was 84 pages and it will be online January 20, 2021. If anyone wished to request a copy they could do so, and a copy would be provided. He advised that Mr. Taylor Dellinger was the Senior Data Analyst for the COG, and he was charged with putting all of this information together from a lot of different sources. He would discuss how the information was gathered and what the sources were and then he would discuss the presentation itself. He noted there were some revealing numbers within the report. He advised it was a 90-minute special workshop and if Council had any questions while Mr. Dellinger was presenting, they could stop and ask, otherwise they could wait until the end. If there was a need for clarification, they could stop Mr. Dellinger and ask.

Western Piedmont Council of Governments Senior Data Analyst, Taylor Dellinger echoed what Mr. Wood had said about everyone being patient to help get all the numbers together. It was not something that could be done in five minutes. You could tell by the data in the report. He talked about some of the sources in the data which came from the American Community Survey (ACS). That was one of their main sources of data. The 2020 census was not out yet. It was completed last year, but they were waiting on the results. A lot of the data that he would show on income, poverty, healthcare, and employment, that was their main source of data. He advised as he went through the presentation, he would discuss a little bit about some of the categories that the census uses to determine ethnic and racial groups and talk a little bit about what that data meant.

Mr. Dellinger presented a PowerPoint and discussed the demographic data for the City. He referred to the chart on the PowerPoint starting with a breakdown of the different race and ethnic groups in Hickory and how that was changing over time. He referred to the slide which contained two graphs. The first was from the 2010 Census, which was the last complete count that they had. He also had a chart on the bottom that showed population by race from the 2014-2018 American Community Survey. He gave some background on the American Community Survey, it replaced the old census long form that they had until 2000. The advantage of the American Community Survey was that it was conducted every year. But since Hickory has less than 65,000 residents, they take five years-worth of surveys from City residents, and they smushed them into a combined total. That is why it said 2014-2018. He discussed some of the race and ethnic categories. He referred to the slide and pointed out the 2010 Census and a category that said White alone, non-Hispanic or Latino. He explained what that was since that was the largest ethnic group in the City at 68 percent in 2010, or 67.6 percent in 2014-2018. There were actually two questions on the census that people mark. The first question they ask was race. They could choose White, African American, other, Asian American, they could actually choose more than one category. That was why they would see in some of the slides two or more races or mixed race. They could also check "other" race. A lot of Hispanics in the community would check "other" race because they don't see Hispanic in the first question, they would actually check other. The second question that they ask was "Are you Hispanic or Latino or not?" And they check that box. When you see White alone, non-Hispanic, it means they checked White and then they checked, non-Hispanic. That was the largest group. He pointed out the 2014-2018 estimate was 67.6 percent. He pointed out the 2014-2018 numbers, the Hispanic or Latino, 12.8 percent was actually larger than the African American population estimate at 11.6. If that verifies in the 2020 census, Hispanics would actually be the largest minority group in the City. They won't know that for sure until the results come out, but

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regardless, the percentage of the two groups was pretty close. "Other" race went from 5 to 8. Again, they have a lot of Hispanics that check that box. Asian American went from 3 to 5.5. He advised these are the categories that the US Census Bureau uses to designate race ethnic groups, so that was what he was using in the report. He advised the did break down the City by census tract that the Census Bureau uses. However, some of these tracks were partially in the City, partially in the County or, in the case of 211, actually part of it was in Burke County and 313 was in Caldwell. That study area was actually 80,000 people. The City's population was about 40,000. That was to give everyone an idea of the study area when they see the maps in the report. He advised in the table that he showed they saw the overall percentages, but within those census tracts, they could actually see different percentages in a smaller area of race groups. He looked at tract 109 for instance, that went from Lenoir-Rhyne over to Highway 70 just south of downtown and over to about Highway 321, so it was kind of the Ridgeview area, and a little bit beyond that. He pointed out a wedge which was actually over 50 percent, so over half the population in track 109 was actually African American, and in track 110, it was about 50 percent White, 50 percent other groups, so those two areas have the largest minority percentages. Other census tracts in the study were 90-95 percent White. He advised it showed within the City there was wide differences in the percentage of minority population.

Mr. Dellinger discussed median age. He referred to the PowerPoint and pointed out the group that said White and one that said White, only non-Hispanic. That was because there were two different questions that they could ask on the American Community Survey (ACS), that was why they had that included there. He focused more on the White alone, non-Hispanic. He pointed out that median age was in the middle forties, and it's also had been going slowly up over time as the population of the City ages. African American median age had gone up to 42.3, so the African American population of the City was also trending older. Contrast that with the Hispanic and Asian American median ages, they were only in their twenties, so those two groups were much younger. That age difference, and they would see throughout the presentation, made a big difference in terms of income, renter verses owner, and even healthcare.

Mr. Dellinger discussed income and poverty statistics. He referred to the slide and explained the numbers were showing an income distribution for different race and ethnic groups within the City of Hickory. White, non-Hispanic households, 24.2 percent, that meant that 24.2 percent of households of White, non-Hispanic earned less than \$25,000. Asian American was a similar percentage, a little bit higher at 28.5 percent, Hispanic 39.1 percent. About half of African American households in the City had household incomes of \$25,000 or less. One thing that was interesting in the study if they look at the Asian American households that earn more than \$100,000, it was 24.1 percent, it was a smaller group because it was 5.5 percent of the City residents. But by percentage it was actually slightly higher than White, non-Hispanic households. That was one thing that was a little bit surprising in the study.

Mr. Dellinger discussed how it had changed over time. He referred to the slide and explained the 2014-2018 ACS numbers and then he went backwards and looked at the previous five years or the 2009-2013 ACS. He discussed how it had changed. First for all households, for all the City, he pointed out it had gone up 18.4 percent in that time period, which was good again. He pointed out this was pre pandemic. They don't have the number for exactly today because the data runs through 2018. Looking at that time period, it was an 18.4 percent increase. He discussed how that the break down was for the different groups. White alone, non-Hispanic, it was a 14.6 percent increase from 46 to 53, Asian American showed a big jump 26 to 66. That was an increase of over 100 percent. He explained what was behind that. This could be an issue with the survey that the sample size was not big enough, and it could be skewing the numbers. They were just reporting what the Census Bureau was showing them. Some of the other groups, looking at African American, it showed that their median household income actually fell by 5.2 percent between the two time periods. It fell from 26 to 25. For Hispanics there was a drop of 4.9 percent from 30 to 29. There was definitely differences between the different race and ethnic groups in terms of median household income.

Mr. Dellinger discussed poverty, because that was an important part of the study as well. He referred to the slide and pointed out 2014-2018, pre pandemic. There were differences between the groups in terms of poverty. The total population of Hickory in 2014-2018, the poverty was 16.3 percent of residents. He advised the poverty threshold varied depending on the number of people in the household, the age of the people in the household and how many kids or dependents. He gave an example, family of four, two adults, two kids, the poverty threshold in 2020 was about \$25,000. Total population 16. White alone, non-Hispanic or Latino, 11.6, so it was lower than the City average. If you look at African American, Hispanic and Asian American, they're going to be in the twenties for their rate. One thing they wanted to do in the study was comparisons, so you can't think of Hickory in a bubble you have to think about what the comparison areas look like in terms of percentages for comparison purposes.

Mr. Dellinger discussed a comparison of the percentage of African American, Asian American, Hispanic and White, non-Hispanic or Latino in households with annual income below the poverty threshold. The comparison areas that they used in the report were Catawba County, Hickory MSA the four unifour counties, Alexander, Burke, Caldwell and Catawba, the State average percentage for North Carolina and then the United States. That was the comparison areas that they used in the study. He referred to the slide and explained it group by group. The African American poverty

rate for the City 28.2. That compared versus other areas was higher than Catawba County's, the County was 22.1, just a couple of percentage points higher than the region 25.7, North Carolina was 23.5, and the US poverty rate for African Americans was 24.2 according to the 2014-2018 ACS results. Asian American poverty rate for the City was 23. It was higher than the County and the region and was about double what the North Carolina and United States rate was. He pointed out a majority of Asian Americans in the City of Hickory were Hmong and compared to the US and North Carolina there would be more Chinese American, Japanese Americans, and they tend to have higher incomes. That was part of the reason why you see the disparity there. Hispanic population, Hickory's percentage was lower than the County in the region and the State and was just a couple points higher than the US. White, non-Hispanic, 11.6 was a little bit higher than the County, a little bit less in the region and within a percent or a percent and a half of North Carolina and the US. He pointed out with the Asian American rate you have to keep age in mind as well. The Hmong residents here also tend to be younger than the older residents in other parts of the State in the US, so that was a factor as well. He referred to a slide which showed household income distribution, looking at the change over time, he pointed out in this graphic looking at the less than 10 and 10 to 15,000 households, there was actually fewer of those households in 2014-2018 than in 2009-2013. Also, there was a decrease in the 25 to 34, you see a drop of 48 percent. There were increases in the 35 to 50, 50 to 74, and 75 to 99. It appeared that some of the lower income households were moving into higher income brackets over that time period.

Mr. Dellinger discussed healthcare statistics. He noted there was a lot more in the report on healthcare, and that was a very important issue right now with COVID going on. He took one slide out of that section to present. He advised it was the change between 2009-2013 and 2014-2018 ACS. He pointed out there was fewer uninsured over that time period, which was really good news. That was what they want to see. For the City as a whole, it dropped from 19 to 12. He noted decreases in all of the different race ethnic categories. For instance, Hispanic 2009-2013 almost half were uninsured. The rate was still 31.3-percent which was still very, very high. Why is it so high? He referred to the median age was in the middle twenties, so there was a lot of younger Hispanics. It could also be language barrier issues to get signed up for insurance there. He could see that as a possibility, but it was still trending in the right direction. African American uninsured 18.6 to 13.2. So again, heading in the right direction at least through 2018.

Mr. Dellinger discussed employment statistics. In this section was the percentage of population in the labor force. This was going to be driven by a couple of factors. First of all, the relative age of the ethnic or race groups. If the ethnic race group tends to be older, they would expect the percentage in the labor force to be lower because a lot of those residents might be 65 over and they were retired. That was part of the reason why if you see the numbers for White, non-Hispanic or Latino at 61, African American at 57.2 those two age groups are older, because they were older you would have less labor force participation. He referred to the slide and pointed out the Hispanic or Latino percentage in the labor force, it was over 75 percent. That was a very significant portion of the labor force in the City. He also pointed out with this slide that these were City residents. They were not saying these were workers that are coming into the City to work. The way the American Community Survey works, it was asking questions of residents, not necessarily jobs that were being taken from people who live in the City or outside the City and come into commute. But a 75.6 percent labor force was a really high percentage. Asian American 71.7. Going back to the previous slide the median age was much lower, so they would anticipate a higher labor force participation rate.

Mr. Dellinger discussed a comparison of the percentage of African American, Asian American, Hispanic or Latinos and White, non-Hispanic or Latino, age 16 and over in the labor force. He referred to the charts on the slide and advised the percentage of African American 16 and over for Hickory was 57.2 percent. How does that compare versus other areas? For Catawba County, the labor force participation with 63.1, the region was actually slightly higher, and North Carolina and US were in the low sixties around 62.5, 62.7. Why was Hickory's lower? Again, because that age demographic was a little bit older, so there were more retirees in that group. That seems to be the primary reason why there was a four or five percentage point difference there. Asian American 71.7 for Hickory. It was slightly higher than the County, a percentage or two less than the region, but about the same. It was higher than the State and the US. It was going back to that median age that he showed. It tends to be a younger demographic and they were going to have more participation in the labor force. Hispanic 75.6, that was higher than all the comparison groups. That was good. White, non-Hispanic, 61 for the City and about the same as the County. It was higher than the region. The four County region tends to be older. Think Catawba County or the City, so they would expect that to be a couple of percentage points less and that was what the data showed. Hickory's percentage for labor force White, non-Hispanic was about the same as the State as well, 61.2. It was just a little bit less than the US average.

Mr. Dellinger discussed unemployment rate. In the labor force they basically had two categories there. Either they were in the labor force and employed, or they were in the labor force and counted as unemployed. He explained in order to be counted as unemployed they had to be actively seeking work when they filled out the survey. Or they believe that they were, so they checked the box that said, "I'm unemployed, but I'm actively seeking work". If they were not actively seeking work or let's say they were a full-time student or they were retired, they were not going to be in the labor force, so they don't get counted in this percentage. It was only the percentage in the labor force that was seeking work. That was what he was showing here. If you look at the percentages

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for the City, it was 8.4 percent over this 2014-2018 time period. Again, this was pre pandemic. White, non-Hispanic or Latino was the same percent, 8.4. African American unemployment rate was about 4 percentage points higher than both the City and White, non-Hispanic or Latino. Asian was 10.9. If you looked at the Hispanic unemployment rate, it was only 3.9 much, much lower. Not only was that group engaged in the labor force, but a high percentage of them were employed or at least they were during this time period.

Mr. Dellinger discussed housing differences. He focused on owner occupied versus renter occupied. He looked at owner occupied. What they were asking here was the percent of householders by race or ethnic group that were in an owner-occupied house. He explained that owner occupied meant either they own the house outright or they have mortgage payments. They were not paying rent they were paying a mortgage, or it was paid off. Looking at the percentages of the different groups, White alone, non-Hispanic or Latino 62 percent of householders in the group, where the householder is that group, they own a house. If you look at Hispanic in comparison, 28.6 was much less again. Part of that reason was it was going back to that age demographic. Median age was in their twenties, you don't have as many homeowners that are in their twenties. You are going to have more homeowners that are in their thirties, forties and fifties. Asian American, 41 and African American, 42.3. He discussed the renters and noted that it was going to be flipped because you are either an owner or you are in a renter occupied. Renter occupied meant you were paying a monthly rent. White alone, non-Hispanic or Latino, 38 percent. That made sense because 62 for the other category. Hispanic or Latino, 71.4 percent of the householders that were Hispanic rent. Asian American, 58.2. African American, 57.7.

Mr. Dellinger compared the percentage of African American, Asian American, Hispanic and White non-Hispanic or Latino householders in owner occupied units. He referred to the slide and advised African Americans, Hickory 42.3 homeowners; Catawba County, 47.2; Hickory MSA 49.7. One thing you had to keep in mind was the City was going to have more rental units than the County or the region does. That was a factor as well. If you have more rental units, you were going to have a higher percentage of renters. That makes sense. The State was 45.7 and then the US was 41.8. If you looked at homeowners, the City was actually pretty close to the US average in that. He pointed out that 41.8 of Asian Americans were owner occupied householders. That age group was younger, so they would expect a lower percentage. That was why it was lower than all the other comparison groups. Hispanic 28.6. It was the lowest of the groups, but the age group was younger, and Hickory has more rental units than the County or the City by percentage. White, non-Hispanic, was 62 compared to the other areas that were in the low to mid-seventies. Again, the City had more rental units as a percentage, so they would expect it to be a lower percentage.

Mr. Dellinger discussed renter occupied. He discussed the same four categories African American, Asian American, Hispanic and White, non-Hispanic in renter occupied units and did a comparison. Looking at the groups it was flipped. African American, 57.7 renter, it was higher than the County or the region or the State, but it was very similar to the US. That was one interesting finding of the study. Asian American householder's 58.2 percent rent. That was higher than all the comparison groups. It was a flip of the other chart. Hispanic or Latino, 71.4 percent were in renter occupied units, higher than the other comparison areas. White, non-Hispanic, 38 percent also higher than the other comparison areas. Not surprising because it was a flip of the numbers that they just saw.

Mr. Dellinger discussed the value of owner-occupied units doing a comparison to keep everything in perspective. The median owner-occupied housing value in Hickory in 2014-2018 was \$167,900. He explained this was not necessarily what people get in their tax assessment bill it was what they thought their house was worth when they filled the survey out. There was a question on there that said fill in the range and they fill in what they think their house was worth. Not necessarily what the tax assessor said. Hickory was higher than the County and the region. He noted the region was only \$128,200. He explained that Alexander, Burke and Caldwell's value of their occupied units was less than the County. It was driving the regional average down. Hickory's numbers were very close to the State at \$165,900. It was less than the US at \$204,900. Of course, our standard cost of living here was less so we would expect the median value to be less, and that was typical of a lot of areas in the southeastern United States.

Mr. Dellinger discussed educational attainment. He referred to three charts on the PowerPoint. He pointed out on the slide a comparison of African American, Asian American and Hispanics age 25 and older, looking at adults here, based on their educational attainment level. On the census, the ACS they asked the question about their educational attainment. He explained here there was two different bars. One bar was reflected if they check the box that says high school or higher and then the other bar reflected bachelor's degree or higher. He discussed African American educational attainment levels. For Hickory, high school or higher African American, 78.7, very comparable to the County and the region, pretty similar, it was a little bit less than the State and the US. He noted they would see that a lot in the numbers of the State in the US numbers were going to be higher. Bachelor's degree or higher for 25 older was 6.3 percent, again, it was fairly close to the region and the County, it was however less than the State and the US. Bachelor's degree or higher was more like the low twenties. Asian American high school or higher 25 and older, 77.6. Similar again to the County and the region, but it was less than the State and the US. Bachelor's degree or higher, Hickory was much higher than the County and the region at 34.7, compared to 23 and 20. However, it was less than North Carolina and United States, where the percentage bachelor or higher was going to be in the low to mid-fifties. For Hispanics, high school higher 62.6 percent, that was higher

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than the County and the region and the State. It was just a few percentage points less than the US average. However, the bachelor of 4.5, similar to the State and the region, but was about 10 percent less than the State or the US. He explained why it mattered. There was definitely a relationship between education and earnings and lifetime earnings. He referred to the chart on the slide. Looking at less than high school, median earnings was only around 20. Every step you go up median earnings go up. High school goes up to \$23,200. Some college or associate degree went up to \$29,000, and bachelor goes up to \$45,000 and the graduate or professional degree goes up to \$55,000. It clearly showed the value of education in terms of earnings. He added that he liked showing this at presentations for high school students, even in zoom, their eyes really lit up when he talked about the value of education and earnings. It was kind of the show me the money question and their eyes really light up. That was why he tried to include this in a lot of presentations.

Mr. Dellinger discussed educational achievement looking at end of grade (EOG) tests for 3 – 8, end of course for the high school 9 – 12, and then he had a slide about high school graduation rates that he added. He talked about the percentage of students by race ethnic group. He showed two different districts, St. Stephens High School District, he decided to include this in the study because the majority of students that attend the St. Stephen's District, whether elementary, middle or high school actually were Hickory residents. Even though they were in the County system, their residence was actually in the Hickory City limits, that was why he included it. He showed the percentage for the different schools in the St. Stephens feeder district. St. Stephens Elementary, for instance, 41 percent of those students were Hispanic. He referred back to a slide where he talked about the median age, and the Hispanics median age was much less, it was reflected in the school enrollment numbers as well. Looking at Murray about half of those students are Hispanic. African American percentages tend to be much lower for the St. Stephens schools and St. Stephens High School district. Only one was above 10 percent and that was St. Stephens at 16. White students, Campbell and Snow Creek aren't in St. Stephens, it was the majority of students, but Murray and St. Stephens it was not. He discussed the Hickory Public Schools and their percentages which was a little bit different. Looking at all the schools, only two of them in 2018-2019. Over half of the students in those schools were White, the others were less than 50 percent. He looked at the Hispanic percentages, with the exception of Jenkins and HCAM they were all above 20 and in fact, Longview was 33. It was actually the largest group at that school. African American percentage of students, varied some, but for most schools, it was going to be in the lower twenties, Oakland, Viewmont and Northview was in the mid-teens. He discussed the end of grade test. He explained the reason why he had showed the slide and the enrollments for 2018-2019 and not 2019-2020 or this school year was there weren't any EOGs last school year because of the pandemic. They don't have any data on that. He had to go back to get the last year of available data. The high schools had already taken the end of course testing for first semester. The end of grade test had not happened this year, so that was why he didn't have those numbers either, because they don't have results yet. He referred to the slide and explained this was the end of grade and it was the percentage of students that performed at or above grade level, which would be a level three on the test. He pointed out the North Carolina percentage. Looking at three different groups, Hispanic, African American and White. They didn't have Asian on this because there were not enough students in those groups to get enough data, and that's why they only had the three groups. He discussed African Americans, 42.3 percent of third through eighth grade students in North Carolina were at or above grade level, so they received a level three or higher. Hickory Schools 3 - 8 was 37.1, Longview definitely exceeded that 54.6 and the lowest was Jenkins at 19.7. The two middle schools 6- 8, Grandview 30.7, Northview 33.6. Hispanic the State average was 50 for end of grade, third through eighth combined. Hickory schools was 56.9, that was above the State average. Longview did really, really well at 71.3, the other feeder schools were in the 50s and the two middle schools, Grandview 56.5 and Northview 50.4. White students in North Carolina, 72.9. Hickory's was a little bit above that. Again, Longview had the highest at 81.3. The other feeder schools tended to be in the seventies. Grandview for White was 66.9 percent at or above grade level and for Northview was 78.6.

Mr. Dellinger discussed the St. Stephens district numbers. He referred to the slide and pointed out the State numbers, the County schools, and the different grades, either 3 - 6 or Arndt was 7-8. Theirs was a little bit different as far as how they break their elementary/middle schools down. He discussed the three groups, In North Carolina, African American was 42.7 percent at or above grade level. At the County schools it was 44.5, just a little bit above the State. There was some variation between the schools. He pointed out Snow Creek was 44.4 versus 31.4 at Clyde Campbell and Murray, and then for Arndt Middle it was 53.9 percent. Hispanic students for the State was 50.1, the County schools 53.4, so it was a little bit above the State average. Snow Creek had the highest percentage of 63, the other feeder schools generally were in the forties and low fifties and Arndt was 54.9. White students in North Carolina, 72.9, County system was a little bit less than that at 69.4. The numbers for the feeder schools, generally either side at 70 except for Webb Murray at 61.3 and Arndt was 76.2, approximately three quarters past. He explained end of course tests composite score, which meant that the student had to be at or above grade level a level three or higher. The reason why it said composite was it was possible that they took two courses that had an end of course tests. They have to pass both of those to count. If they passed one and they didn't pass the other one, then they don't count, that was why it said composite. State 34 percent African American students at or above grade level. Hickory schools was 17. HCAM 38.9, Hickory High 13.1, Catawba County Schools 43.8, St. Stephens was 34.7. About at the State average for St. Stephens. Hispanic 42.8 percent had a level three or higher, Hickory schools it was

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33.9. HCAM was smaller so there was a much smaller enrollment, but their level of passing was higher than Hickory High School at 48 versus 32. Catawba County schools 46.7, so it was a few percentage points higher than the State. The St. Stephen number was 41.2. For White students, North Carolina was 64.7, the Hickory system, 62.6, so it was just a little less. The HCAM percentage was actually lower than the Hickory High percentage at 63.5. The County School system 64.7 and St. Stephen High, 67.8.

Mr. Dellinger discussed high school graduation rates. He referred to the slide and displayed a chart which was high school graduation rates for students that started in 2016-2017 in the ninth grade and they would have graduated the end of last school year 2020 because we're currently in the 2021 school year, and the seniors haven't graduated yet. This was the latest data that they had. He displayed the North Carolina percentages. African American graduation rate was 85.2; Asian American 94.4; Hispanic, 81.7; and White, non-Hispanic, 90.7. Hickory High African American graduation rates 77.6; Asian was actually 95 plus; Hispanic 92.9, much higher than the State on that and White non-Hispanic was 86.7. For St. Stephens African American, 81.3; Asian American, 94.4; Hispanic, 80.4, close to the State average and White, non-Hispanic, 87.8. He advised the school data did not come from the American Community Survey; it came from the North Carolina Department of Public Instruction (DPI). That was where they got all of the graduation rates and the end of grade and end of course testing from DPI's website.

Mr. Dellinger discussed minority owned business data. This came from a different data source. Data Axle was the source. He advised they were the old Info USA or info group they had changed their name several times in the last few years, but they actually had a database that looks at businesses across the United States and one of the categories they have was the race or ethnic group of the owner. Looking at minority owned business statistics for the City, Data Axle had 3,156 businesses. He explained some locations in Hickory was one business, but they have more than one location, they only counted it once. They didn't count it three times if they had to three locations. It was only one per business, even if they had multiple locations. They also tossed out government, and non-profits because those were not commercial businesses, they were non-profits. When they took those out and got rid of the duplicates, they came up with 3,156. He referred to the slide and pointed out the different percentages. Total minority of businesses that came up with an even 300 was 9.5 percent. That was a little bit lower than the national average. There were different studies on it, and most of them tended to be in the middle or the upper teens as far as National for minority owned businesses. He broke the 300 down by what percent of that 300 was owned by different ethnic minority groups. For Hickory about two thirds of the minority businesses were owned by Asian Americans, and about 30 percent were owned by Hispanics, and then the other groups made up the last 10 or 11 percent.

Mr. Dellinger advised that City Manager Warren Wood had a few slides to discuss.

City Manager Warren Wood commented that was a lot of data, and that was 40 pages. The report itself was 84 pages. He advised that it would be made available on the website. There were a handful of communities around the Country that had done this broad kind of look and even fewer that were the size of Hickory. Most of them were larger jurisdictions. It was revealing to say the least. There was a lot in there and there was a lot to be concerned about, and a lot to work on. There was a lot of major takeaways, but he only discussed a few. Obviously, the City was becoming more racially and ethnically diverse based on the numbers they had seen. White population, and African American populations were oldest and aging faster than the others. There was a large household income gap between African Americans and Hispanics on one side, and Whites and Asian Americans on the other side. There was a large educational achievement gap between African Americans and all other groups. There was a large educational attainment gap between African Americans and Hispanics versus Whites and Asians. Getting yourself out of poverty, the surest way to do that, was to prepare yourself for a good paying job if it was available. That was what they work on every day, economic development and growing the population and growing the tax base. The good news was after years of stagnation we're finally growing. If the City were facing those challenges in a community that wasn't growing, it would be even more daunting. There was opportunity and a lot of room for improvement. The City's economy was growing and so was economic opportunity, and they need to make sure that everybody in the community had the opportunity to participate in the economic successes that they had been having, and obviously that currently was not the case. Mr. Scott Millar, with the Catawba County Economic Development Corporation (EDC) group said that the County needs 500 people a year added to the workforce, new people, just to maintain. That was retirees and people moving. That was just to maintain what we have. There was opportunity there. Over the last few years, the EDC had landed 2,000 new jobs. They City doesn't incentivize anything that doesn't pay at least above the average Catawba County wage, which was \$44,000. ITM the average wage was \$65,000. They are bringing jobs to the community that would help lift people out if they were prepared to participate in the economy. That was the challenge. In addition to that, there were 8,300 vacant jobs in the metro area. Before COVID there were 4,400 vacant jobs, so there was even more opportunity. He didn't know if it was the unemployment benefits that people were sitting on the sidelines until later. They didn't exactly know, but they know that the vacant jobs in the metro area had more than doubled since COVID.

Alderman Seaver asked when he said they needed to have 500 people, was that just for Hickory.

City Manager Warren Wood advised that was Catawba County, Hickory was a big part of that. Hickory was the employment hub, so that was disproportionately on the City. He discussed some next steps related to all this. The City needs to make sure that everybody in the community had access and knowledge of what they need to do to prepare themselves to participate in this economy. The City's economy had changed drastically over the last 20 years. It was much more automated now. It was much more sophisticated in terms of skill sets that were required. In order to not to get left behind and the numbers get even worse they have got to make sure that there was an effort out there that they were engaging these populations. He advised that K-64 was set up to do just that. K-64 was set up to go into schools and outside of schools and inform people about opportunities that were here in Catawba County and what they need to do to prepare themselves to be a part of that and how much those jobs pay, the skill sets that are required, etc. They need to engage them and really understand what they have seen out there. What are the obstacles that people are encountering in terms of being more successful? That was one of the main missions for CVCCs Workforce Solutions Complex. He mentioned that Dr. Johnny Scott was brought on to work on diversifying CVCCs student body population. They had met with him, and that was his mission. The COG runs career centers. There was a career center in every County in the four County region, and they work with people on individual basis. They go in and find out what their obstacles are. You don't have a GED, you have transportation issues, you've got a criminal record. What are the things that are keeping you from participating or being more successful in the workforce? That was where he got the 8,300 vacant jobs. They manage all that. They've got all that on a website. All that information was out there. They need to engage these entities and find out more about what the gaps are in the community that are preventing people from being more successful and what can the City do to help people overcome that. That was particularly in the disadvantaged communities that they saw a snapshot of. When they identify those gaps, they will come back. Probably what they would do was have them come here and have conversations and talk about these things. Then they would come up with a list of recommendations and strategies that they might employ to help work on this. This wasn't a one and done sort of thing, they would continue. He thought when the census numbers came out, there would be better numbers in terms of looking at cleaner data from census to census. The timing on that would be this coming year. He noted this was the baseline, this was the first time. They learned some things going through this and will fine tune it. They may add some categories. Some of these, you start wanting to peel the onion back and really trying to figure out more about what was going on and needing more data. This was just the first swipe at it.

City Manager Warren Wood advised another request that the NAACP had was what the makeup of the City of Hickory was in terms of their workforce. He referred to the PowerPoint and showed a snapshot as of today. He advised about 11 percent White and he pointed out down the list that the City was underrepresented in every minority category, Hispanic the most. A year ago, the City established an employment diversity task force or committee internally amongst various racial groups. What could they do to broaden the depth of the diversity in the City's applications? They were doing that now in an effort to diversify the workforce. They want the City's workforce to look like the City. It looked like the metro area, it doesn't look like the City obviously. They had identified some things, as an example, the Fire Department had a hiring requirement that you had to have certain certifications in order to be considered for a firefighter position. Typically, those are White people in volunteer departments. They changed the process. Now they have the applicant pool. They don't require all those certifications they will send you to school to get those. The Police Department had been doing that, and that had really helped them to diversify as well. That was just one example of some changes that were made in the organization. He asked Council for questions or comments.

Alderman Zagaroli asked of the 8,300 jobs that were going unfilled, what the breakdown was of the kind of jobs.

City Manager Warren Wood advised about a third of those jobs were jobs that people would move here to take. It was across the board, healthcare, manufacturing.

Mr. Taylor Dellinger advised if they look at the breakdown of the 8,300, actually, a lot of these jobs were in healthcare. You might not think with COVID going on that that was where a lot of the openings would be, but they actually were. Healthcare was a big one. Manufacturing production was another area. There were hundreds of jobs, and of course, they were varying rates of pay and experience and skill sets, so that would be a second area. There were other areas even with stem careers, engineering, mathematical, there were openings there, even things like landscaping, ground keeping things like that. Also, things like HVAC, home repair and construction. It was really a variety of different fields. The key was how you connect those jobs with the workforce that was available for those jobs and getting those skills matched up to where they were ready to start on day one. Whether it was from the high school student going into the labor force or with a little extra training from CVCC all the way up to adults maybe trying to change career. That was kind of what the Workforce Development System was all about. Of course, the Workforce Board was housed at the COG. He mentioned that Ms. Wendy Johnson was the expert on it and Mr. Anthony Starr, the Executive Director was present and also knew information on it. Any questions about that they would be glad to answer. Wendy Johnson knew a lot about it, and she was the expert.

Alderwoman Williams asked who was invited to the session. She asked if they had invited the school systems, and superintendents.

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City Manager Warren Wood advised they notified the school system, the NAACP, Centro Latino, representatives of the Hmong community. It was a long list.

Alderman Williams advised she saw a former school board member present.

City Manager Warren Wood added the County schools.

Alderman Williams thought one of the glaring things was nobody could say we have to address this, not to start maybe at the community college, college level, but what was happening in K through 12. That gap was incredible. When she was on the school board and they worked on closing that achievement gap, it just seemed to be even more.

City Manager Warren Wood commented he couldn't believe the African American end of grade number at Hickory High.

Alderman Williams replied you couldn't really attempt to even do the job matching until they really raised that standard and closed that gap. She thought that would be the next step to include a little bit in the education system.

Mayor Hank Guess commented that they had 30 minutes until the City Council meeting. He imagined that there were a ton more questions. This was the first that any of Council or anybody in the room had heard this presentation. He mentioned it was an 80-page document. Nobody had reviewed it more than Mr. Taylor Dellinger had. It was going to take some time for them to review that and to be able to answer questions that people might have. He knew he had questions. He was sure there was folks in the audience that had questions. He didn't know that they were prepared tonight for the questions because of two things, one because of time and the other because they had not had the opportunity to be able to decipher this information. He didn't want to answer questions simply because there was a lot of information and at this point, he didn't know that anybody other than Mr. Taylor Dellinger or Mr. Anthony Starr would be able to answer those questions factually.

A citizen in the audience asked about the dropout rates and the graduation rates.

Mr. Taylor Dellinger explained that information looked at was the ones that started in ninth grade did they finish all four years. For example, they were a senior and they dropped out in the first semester of their senior year. Because they dropped out, they did not finish. Because they did not finish, they would not be counted as a graduate.

Mayor Guess commented obviously that was a tremendous amount of data. He thanked the Western Piedmont Council of Governments, particularly Mr. Taylor Dellinger. He especially thanked City Manager Warren Wood. Mr. Wood initiated the conversation after he had a conversation with folks from the NAACP. He engaged Western Piedmont Council of Governments. And obviously that was the best source of information that they had. And they could see, they had put together a tremendous presentation and there was a lot of data to be deciphered. He thought that was their next step before they went any further for everybody to have that opportunity that wanted to be able to review and ask those questions. They would be happy to answer the questions, but right now he didn't feel was the appropriate time to be able to do that, because simply they hadn't had the time to review it. That was where they were at right now.

Alderman Seaver advised that he served on the Western Piedmont Sister City Association, and they had been in discussion with their Sister City area, Altenburger Land, Germany, workforce solutions was one of the major things they had discussed, and education was another one that was upcoming. It was supposed to be a WebEx meeting in December to discuss that and maybe set up some exchanges with the Sister City area students. But COVID had put a slow down on that for another year or so. It was amazing they were discussing some of the same type topics with Germany and workforce solutions was one thing that they thought they were interested in getting here to see what we're doing. They had discussed it. He thought that was Mr. Ron Elmore at ASU.

Business Services Manager Dave Leonetti confirmed it was Ron Elmore from the Small Business Technology Development Center.

Alderman Seaver advised Mr. Elmore was in on some of those meetings with them too. It was a discussion going on worldwide. That was exciting and inspiring. They were all trying to get their heads together on the best way to do some of these things.

Mayor Guess asked for any other comments or questions from Council.

Reverend Roberts commented this was something to throw in their heads to think about. The City, black churches, NAACP, other civic groups and fraternities, etc., need to come together with a capital campaign. In that capital campaign look at the number of kids that are being suspended, how frequently, how often, how long, the number of kids that had been placed in ISS, (in school suspension), have a serious plan put together to work with Western Carolina, Appalachian State, Lenoir-Rhyne, Johnson C. Smith, Winston-Salem State and CVCC, so that they could begin to

target that lowest demographic graphic shown, to begin to put them on a plan or path so that they could change that. If they were really going to be effective about that. They need to be intentional working together so that they could make that happen, because the jobs that they were bringing, he commended them. He had been sitting here and listening for the last couple of years and they had done a lot to bring some companies here, some businesses here and some good paying jobs. Unfortunately, none of these people have got the education, and that was the biggest part. They have got to get real serious about that in terms of working on how they were going to start targeting, it may be too late for the current seniors, but they can target that elementary group and begin now putting them on a track that was going to get them in the position to do what they need to do to continue to help our City, because it was sad, a travesty, to see the disparity between African Americans and other groups. He wanted them to be thinking about that seriously.

Mayor Guess thanked Reverend Roberts. He thought that they had a tremendous asset. The asset that they had was the folks that were in the room and the folks that were not able to be here tonight but were plugged in and were engaged. That was the tremendous asset that the City has, the community and the people that they have in the community that were engaged. He thanked everyone for their attendance. He thanked NAACP President Sam Hunt specifically and the NAACP for bringing this to their attention. Obviously, there was work to be done by everyone and they would continue moving forward and see where it takes them.

III. There being no further business, the meeting adjourned at 6:38 p.m.

Mayor

City Clerk

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, January 19, 2021 at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Deputy City Manager Rodney Miller, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present with the arrival of Alderman Williams at 7:03 p.m.
- II. Invocation by Reverend Bob Thompson, Corinth Reformed Church
- III. Pledge of Allegiance
- IV. Special Presentations
 - A. Presentation by Public Works Director Steve Miller and Mr. Forrest Jones, from the Town of Garner and North Carolina Streets APWA President.

Mayor Guess asked Public Works Director Steve Miller to the podium to introduce the special presentation.

Public Works Director Steve Miller introduced Mr. Forrest Jones, from the Town of Garner, and the President of North Carolina APWA Streets Division.

North Carolina Streets APWA President Forrest Jones advised he was now the Past-President. He advised he currently serves as the Director for the Town of Garner. He was present on behalf of the APWA to do one of the fun things he liked to do in this position and role, and that was to recognize outstanding folks for their performance and things over the years. He also thanked and recognized the City's staff for submitting nominations and taking time to recognize these people. He asked Mr. Bobby Hatley to join him at the podium. He advised probably a year and a half ago this was an opportunity he had with APWA. Each year their Association received nominations from across the State for several of their annual awards. This year was no different, in spite of COVID they still went out and kept their awards and scholarships programs intact. He was proud to say they had applications for all of them. They were able to meet and selected a winner. This year Mr. Hatley was recognized for the Streets Achievement Award. This was an award where they really look to recognize folks for their outstanding performance, the contributions they make to their community and to employees as well. He advised the City had a great jewel in Mr. Hatley. He mentioned a couple things about Mr. Hatley. He had worked with the City for over nine years. He started with the City as an equipment operator. Since that time, his qualifications and experience had earned him several promotions and now he serves as the Street Division Supervisor. He had been able to take advantage of a number of educational opportunities including the Roads Scholar Program. He was recently recognized for that accomplishment before Council. He takes an innovative approach to his work. A while back he led a project on a pipe repair that was 17 feet in the ground and managed to do that without ever having entered the pipe. Some things that were highlighted about Mr. Hatley was he was an effective communicator with both employees, as well as town residents. His supervisors have shared that they often hear feedback about Mr. Hatley, but what struck him the most was that if he represents the rest of the City's employees. We are on the right track. And if they could get the general public to make that kind of comment about staff, he thought that went along way to show their commitment, and his commitment, and their investment in him as well. He presented the award to Mr. Hatley from the APWA NC Streets Divisions Chapter. Mr. Jones read the award "The 2020 Streets Achievement Award presented to Bobby Hatley, City of Hickory in recognition of outstanding achievements and contributions to the public work profession. January 2021, Hickory, North Carolina".

Mr. Bobby Hatley commented that this was definitely a surprise. He appreciated it greatly and looked forward to being able to serve the City for upcoming events that they have. He also a thanked his boss Carolina Kone who had been really helpful through everything and also Steve Miller. They had given him some opportunities and had took some chances to make things like the 17-foot pipe job happen. He thanked everyone.

Photos were taken of Mr. Bobby Hatley, Mr. Forrest Jones, Ms. Carolina Kone and Mr. Steve Miller.

Mr. Forrest Jones thanked Council for the opportunity.

Council Members thanked Mr. Jones.

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Mayor Guess commented it was always great when they get to recognize their employees, but it was even better when other people recognize them from across the State. They were certainly privileged at the City of Hickory to have had that happen on numerous occasions. Not just to Mr. Hatley but to all the coworkers, they greatly appreciated the job that they do each and everyday and often times goes unrecognized. He thanked staff again.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

A. Regular Meeting of January 5, 2021

Alderman Patton moved, seconded by Alderman Zagaroli that the Regular Meeting Minutes of January 5, 2021 be approved. The motion carried unanimously.

VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderman Patton moved, seconded by Alderman Williams that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

A. Approval to Amend the Traffic Ordinance to Reduce the Posted Speed Limit Along 12th Street NE, 39th Avenue NE, 12th Street Court NE, 13th Street NE, 39th Avenue Place NE, and 13th Street Place NE to 25 MPH. (First Reading Vote: Unanimous)

B. Budget Revision Number 12. (First Reading Vote: Unanimous)

VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderman Seaver moved, seconded by Alderman Zagaroli approval of the Consent Agenda. The motion carried unanimously.

A. Approved Change Order Number One with Chatham Civil Contracting LLC in the Decreased Amount of \$144,598.56 for Construction Services Related to the Trivium Court and Trivium Parkway Road Development Project.

Trivium Corporate Center is the business park recognized in the Bond projects to receive money from bond proceeds for development. The City, Catawba County and Catawba County Economic Development Corporation have worked on development of the project to a condition that is receptive to marketing. Change order number one represents a correction to the value of the construction contract based on corrective quantities and delaying final topcoat on the road surface to a more suitable time. This change order represents a reduction in the overall contract with Chatham Civil Contracting, LLC in the amount of \$144,598.56. Staff recommends Council's approval of change order number one with Chatham Civil Contracting, LLC, in the decreased amount of \$144,598.56 for construction services related to the Trivium Court and Trivium Parkway (NCDOT U-6238) road development project.

B. Approved a Resolution Approving the Town of Catawba Local Water Supply Plan.

Staff requests Council's approval of a Resolution approving the Town of Catawba (PWS: 01-18-040) local water supply plan. North Carolina General Statute §143-355 (1) requires all public water systems to have a local water supply plan that is intended to give a report of the water system current demands and a projection for future demands. This analysis is required to be performed and reported annually by public water suppliers with major updates every five years that require the passage of a Resolution approving the document by the governing body/board. The City of Hickory Public Utilities Department developed the Town of Catawba local water supply plan due to the City of Hickory owning, operating and maintaining this public water system. The City Council of the City of Hickory is the governing body responsible for the providing these services due to this relationship. The Town of Catawba local water supply plan has been reviewed by NCDENR and has been found to be in compliance with NCGS §143-355 (1). Staff recommends Council's approval of this Resolution approving the Town of Catawba (PWS: 01-18-040) local water supply plan.

RESOLUTION NO. 21-04
RESOLUTION FOR APPROVING LOCAL WATER SUPPLY PLAN
Town of Catawba PWS 01-18-040

WHEREAS, North Carolina General Statute 143-355 (1) requires that each unit of local government that provides public water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the Town of Catawba, has been developed by City of Hickory Public Utilities Department and is approved by City of Hickory City Council as owners of the Town of Catawba PWS 01-18-040; and

WHEREAS, the City Council finds that the Local Water Supply Plan has been deemed to be in accordance with the provisions of North Carolina General Statute 143-355 (1) through review by NC DENR-DWQ Planning Staff and that it will provide guidance for the future management of water supply for Town of Catawba, as well as useful information to the Department of Environment and Natural Resources, Division of Water Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hickory that the Local Water Supply Plan entitled, 2019 Local Water Supply Plan, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the City Council intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years, in accordance with the statute and sound planning practice.

C. Approved a Resolution Approving the City of Hickory Local Water Supply Plan.

Staff requests Council's approval of a Resolution approving the City of Hickory (PWS: 01-18-010) local water supply plan. North Carolina General Statute §143-355 (1) requires all public water systems to have a local water supply plan that is intended to give a report of the water system current demands and a projection for future demands. This analysis is required to be performed and reported annually by public water suppliers with major updates every five years that require the passage of a Resolution approving the document by the governing body/board. The City of Hickory Public Utilities Department has performed the analysis and evaluation of the water use patterns and the available treatment capacities for the entire City of Hickory distribution and collection systems. This plan is intended to reflect the current use patterns of the available water supply and then project forward 50 years to determine if system demand will surpass available capacity at any point in that period. This is one component of the North Carolina Water Supply Master Plan for the entire State. This evaluation is required to be performed, updated and reported annually to NCDENR with major updates required every five years. The City of Hickory local water supply plan does not reflect an exceedance of available supply over this planning period. The City of Hickory Local Water Supply Plan has been reviewed by NCDENR and has been found to be in compliance with NCGS §143-355 (1). Staff recommends Council's approval of this Resolution approving the City of Hickory (PWS: 01-18-010) local water supply plan.

RESOLUTION NO. 21-05
RESOLUTION FOR APPROVING LOCAL WATER SUPPLY PLAN
City of Hickory PWS 01-18-010

WHEREAS, North Carolina General Statute 143-355 (1) requires that each unit of local government that provides public water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the City of Hickory, has been developed and submitted to the City Council for approval; and

WHEREAS, the City Council finds that the Local Water Supply Plan has been deemed to be in accordance with the provisions of North Carolina General Statute 143-355 (1) through review by NC DENR-DWQ Planning Staff and that it will provide guidance for the future management of water supply for the City of Hickory, as well as useful information to the Department of Environment and Natural Resources, Division of Water Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hickory that the Local Water Supply Plan entitled, 2019 Local Water Supply Plan, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the City Council intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years, in accordance with the statute and sound planning practice.

- D. Accepted the Non-Warranty Deed from Norfolk Southern Railway Company for Two Outparcels.

The City of Hickory is constructing a City Walk as one of the bond projects. The City Walk path, originally designed to run from Lenoir Rhyne University to 9th Avenue NW, was extended to run from 9th Avenue NW to Old Lenoir Road to ultimately connect the City's Riverwalk. A portion of the extension will run down 11th Avenue NW to connect with the path on Old Lenoir Road. To construct the extended path, the City had to acquire certain property rights from owners of affected parcels along the designated path. Norfolk Southern Railway Company ("Norfolk Southern") is the owner of two such parcels. Norfolk Southern is conveying outparcel number one of approximately 0.314 acres with a proposed acquisition on 11th Avenue NW and outparcel number two of approximately 1.254 acres with a proposed acquisition on Main Avenue NW to the City in a Non-Warranty Deed. The railway is reserving an access easement for ingress and egress across an existing driveway that extends along the northernmost portion of outparcel number one. Staff recommends Council accept the Non-Warranty Deed from Norfolk Southern Railway Company for outparcel number one and outparcel number two.

- E. Approved on First Reading Budget Revision Number 13.

ORDINANCE NO. 21-03
BUDGET REVISION NUMBER 13

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2021.

SECTION 1. To amend the General Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Government	10,000	-
Culture and Recreation	31,754	-
TOTAL	41,754	-

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental Revenues	31,754	-
Other Financing Sources	10,000	-
TOTAL	41,754	-

SECTION 2. To amend the Water and Sewer Fund within the FY 2020-21 Budget Ordinance the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	42,040	-
TOTAL	42,040	-

To provide funding for the above, the Water and Sewer revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	42,040	-
TOTAL	42,040	-

SECTION 3. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- IX. Items Removed from Consent Agenda – None
- X. Informational Item
- XI. New Business:
 - A. Public Hearings
 - B. Departmental Reports:

1. Quarterly Financial Report – Presentation by Deputy City Manager Rodney Miller

Deputy City Manager Rodney Miller presented a PowerPoint presentation. He discussed the quarterly financial report for the second quarter of July 1st through June 30th fiscal year. Halfway through the fiscal year already, believe it or not. He discussed some of the highlights and gave a general overview of the City's finances. Obviously, as he had reported before, the City's general fund was the main operating fund of the City. On the revenue side there had been quite a bit of activity, \$9 million dollars in property tax revenue came in in December. He referred to the PowerPoint and pointed out the ad valorem taxes. The City's budget was almost \$31 million dollars. He reported through December 31st, they had collected almost \$24.3 million dollars. He noted on the slide were the City was last fiscal year. Obviously, the additional development that reported over the last several quarters, those new developments, both on the commercial side and residential were now paying taxes. That was the primary reason. He remained cautiously optimistic on these numbers. Obviously, they had gotten past January 19th, past the January 5th or 6th deadline from Catawba County, each of the County's tax departments. He did not have numbers for that yet. He advised you never know if folks paid on December 31st or January 1st or vice versa from year to year, but it's certainly a good sign that the number this year was higher than last year. He wouldn't know that until he closed the month of January. The City gets those revenues in bulk, really through December, and then beginning in January they get those large payments on a monthly basis between now and the rest of the fiscal year. He would have a better update when they close January 31st to know what those property tax revenues really ended compared to last year, because we'll get another four or five million dollars in January.

Mr. Miller discussed other taxes that was primarily the City's sales taxes. He referred to the PowerPoint and advised those were slightly up compared to the year before. Again, another good sign. He thought that City Manager Warren Wood had mentioned previously that this recession that technically we're still in both in Hickory, and in the country, we had survived, and we have been somewhat immune to that in most areas, primarily property taxes and sales tax. They City had not had the huge shutdowns of manufacturing facilities that they experienced in prior recessions. He knew in the retail world they had certainly taken a hit on the restaurant side, but car sales and furniture sales had been considerably up, and that was what had kept those sales taxes afloat. A little higher on other taxes. He discussed intergovernmental which was the hotel/motel occupancy tax. That industry had also been drastically affected, as more and more folks are having zoom and WebEx meetings and not traveling as much. Catawba County and Hickory were certainly a destination. They had some events in the Convention Center, but basically it had been non-existent for the most part. They were getting some bookings, or at least calls about booking later this year. Hopefully after the vaccine was readily available, and we could hit that herd immunity by this summer, they were certainly hopeful that those numbers could increase. He discussed permits, fees, sales and services. That was a category of multiple functions and receipts including recreation revenues, library revenues and parking tickets. A lot of those had declined and or diminished between now versus last year, primarily due to COVID.

Mr. Miller discussed investment earnings. He advised December had not posted in that month figure, so it would be a little bit higher. He explained what had happened there. He promised Council that the Finance Department was investing those dollars. He advised on his last slide that the interest rate the City was receiving, though, was significantly lower. The City cannot invest, and he emphasized that, into the stock market. Everyone's 401Ks and 457 and S&P 500 index, keep it on a personal level, but the City of Hickory cannot invest in that, nor should we, because when it goes down, we need to preserve the principle of those City taxpayer funds. What happened in that over the year was last year interest rates were still good halfway through the year. Those longer securities that had matured, those higher 1.5% and 2% coupons had matured, and they had been reinvested with those 25, 30 and 40 basis point securities. The City was still investing, but you take what was a higher security and replace it with a much lower security. Finally, with that number, he advised that obviously, the \$9 million dollars in December, those dollars would be invested, and they hadn't had a chance to earn a lot of interest. They would see that over the coming quarters.

Mr. Miller discussed miscellaneous revenue and other financing sources. Not much had changed since the last quarter. He explained that was a number of things; you balance the budget, he thought \$1.6 million dollars of fund balance was used to balance the budget. They took \$800,000 in rural tax dollars for the new engine five Fire Department truck. They took a million dollars from Capital Reserve. They used some fuel reserve money and they took the money from

Outward Bound that was dedicated and applied it to Bruce Meisner Park. That was really what that \$10 million dollars made up there. He referred to the PowerPoint and pointed out the revenues were still higher than expenditures, a little bit less than last year at this time. He showed the property tax revenue and pointed out a couple things. He was hopeful, cautiously optimistic, at this point in time, they don't know how many people have paid and whether they paid December 31st or earlier this time than last year. They won't know that again until another week or two. Almost five percent increase was certainly better than a decrease. He advised the 13.19 percent, that fiscal year the City raised the property tax rate. That was not 13 percent of growth, that was the tax rate increasing, which caused that revenue to increase. On the sales tax side, he advised the City had continued that growth. He was very pleased about that and certainly thankful for the folks, as he mentioned selling cars and furniture and home supplies. He had been in Lowe's and Home Depot a couple times too and they were getting some business. Those improvement projects certainly were helping this particular number. Meals, restaurant meals, they were taking to go meals. He knew for one Backstreets, Brian says they hadn't missed a beat, even with the takes out as far as his revenues for this year.

Mr. Miller discussed building permit activity. A couple things had gone on here, the City's residential growth and activity continued to increase. They had seen 208 permits in residential compared to 187 last year. Alternatively, commercial permits had decreased. It said 48 percent, but on the value primarily if you look at the commercial value one of those was \$20 million dollars last September. That was the Preston Ridge permit. If you take that number out, that \$20 million dollars out of the 50, you have got 31 to 22. Not bad. What Council probably remembered was the City had an agreement with MDI. He promised Council that their permit was going to be about \$100 million dollars. That was really going to skew the numbers to the positive once they get their permit in hand. He was not too concerned about commercial. He also mentioned commercial permits and he thought that the Preston Ridge permit, he thought Brian Frazier in Planning told him, there were eight commercial permits for Preston Ridge which were in this number here, and the value was over \$20 million dollars. It took eight different permits because they had multiple buildings. That was the number of commercial permits even though it was residential, it was considered a commercial permit. He advised 61 single family dwellings through December. They were on pace to exceed 100 single family houses this year. He referred to the prior presentation and advised they need 500 new people to come to Catawba County every year. A 100 single family houses certainly helped that, but they could see there was still a deficit. They need even more than that but were certainly headed in the right direction. He referred to the PowerPoint and pointed out the residential numbers. He thought they knew all of those projects. Those were all in some form of construction. There were a couple things going on in Mountain View that were new to the list. There was an Eye Care off of McDonald Parkway. He knew they probably recognized the Dollar General that was under construction, as well as several projects in Trivium, both Stonemont and ITM, which Corning had already gotten their CO, and then they added Cataler as well. They were due to start any time now. He didn't put all of the residential projects on there. He pointed out Snow Creek which had been approved. They had only done the grading they had not started anything beyond that. The Home2Suites hotel was on hold, obviously due to COVID. They were waiting on Atriax and their plans and their construction to start. Lake Park off of 321, that spec building looked really, really good, and they were hopeful for it to get completed. And Bruce Meisner Park had also been graded and they would start seeing a building come up soon. Again, a healthy amount of building activity. He challenged Council or anyone else to show him what kind of activity they had in the last two recessions. It just wasn't there. In fact, our tax base was declining, and it was not so far at this point.

Mr. Miller discussed the water and sewer fund. It was a \$38 million dollar fund. In the annual budget there was not a tremendous amount of change. They felt fairly good about the revenues. The major category of sales and services was slightly behind last year, but they would catch that up as people start to use more water in the spring and the summer. Investment earnings was a little bit higher than the general fund. They had a little more money in the bank, so they had learned \$28,000 compared to the 302. He noted some fund balance and some financing that the City had with State revolving loans. On the expenditure side, they could see that they had spent more than they had received, which just meant that had used more fund balance in that fund at this point of the year. That was common. If you look at last year, they were at almost \$3 million dollars. He pointed out the Capital number. They had spent almost \$3.5 million dollars in Capital just the first half of the year, compared to only \$250,000 the year before. Nothing to be alarmed about in the water and sewer fund it was very healthy. It

had great employees and leadership and they think they would finish in the black again for the water and sewer fund.

Mr. Miller discussed the investment report. He mentioned the City's average yield for their securities was about a half a percent. They were not going to earn a lot of money on that. That was what it was as of December 31st. He pointed out that all of the City's investments had earned almost \$900,000 so we are investing dollars, there were monies in separate funds, primarily the City's capital project funds and water and sewer, and they were earning money almost to the tune of \$875,000. He referred to the PowerPoint and displayed a description of the City's securities. The money that he mentioned in property tax revenues, that \$9 million dollars was sitting right there, basically in cash. It was earning, he thought, one basis point, in case Council was wondering which was better than under your mattress. It was very, very safe, and it was earning a slight amount of income there. He referred to the PowerPoint and noted that the City had spent all of the 2018 bonds. They were almost finished with City Walk and Riverwalk was commencing. They had \$4.8 million dollars as of December 31st left in their 2019 bonds. He advised perhaps when he comes before Council in April, they may have a plan, or at least at their staff retreat, as to when they were going to issue the final \$10 million dollars of bonds. They had issued \$30 million dollars, they had \$10 million dollars to go, probably sometime in the May, June, July timeframe. He asked Council for any questions.

Alderwoman Patton asked Mr. Miller if once he got the numbers from the County for the property tax if he could come back at the first meeting in February and let Council know what that number was.

Mr. Miller advised he was happy to or he could email that information to Council or send it through the Managers Communication. He wanted to close the month of January and he would be happy to send that out to Council so they would have it, he would give them what those numbers were.

Mayor Guess asked for any other questions or comments for Mr. Miller. Mayor Guess quoted City Manager Warren Wood "this is the first recession that we haven't participated in". That was a good quote.

2. Appointments to Boards and Commissions

COMMUNITY APPEARANCE COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
At-Large (Outside City but within HRP) (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Other Minority (Council Appoints) VACANT
Other Minority (Council Appoints) VACANT
Other Minority (Council Appoints) VACANT
Differently-Abled and is African-American or Other Minority (Council Appoints) VACANT

HICKORY REGIONAL PLANNING COMMISSION

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)
(Appointed by City Council)
Brookford (Mayor Appoints with Recommendation from Brookford) VACANT

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
At-Large (Mayor Appoints) VACANT
(Unexpired Term of Helen Devlin)

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Ward 4 (D. Williams Appoints) VACANT

PUBLIC HOUSING AUTHORITY

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)
Position 3 (Mayor Appoints) VACANT
Position 9 (Mayor Appoints) (Unexpired Term of Rebecca Clements) VACANT

YOUTH COUNCIL

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)
Youth Council Applicant Review Committee Recommends the Following Appointments:

FTF
HCAM
HHS
Homeschool

VACANT
VACANT
VACANT
VACANT

Mayor Guess commented that some of these boards haven't been meeting as regularly as they would have if we haven't been in a pandemic, but they were making efforts for those that were necessary to be able to meet and to continue on. If anyone was interested in any of the vacancies, they could let himself or any member of Council know, and they would point them in the right direction as far as that was concerned.

C. Presentation of Petitions and Requests

- XII. Matters Not on Agenda (requires majority vote of Council to consider)
- XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature
- XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(4) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Mayor Guess moved, seconded by Alderwoman Williams, that Council go into closed session to consult with the attorneys to discuss the items below. The motion carried unanimously.

- 1. Approval of Closes Session Minutes of October 20, 2020 and November 3, 2020 - NCGS §143-318.11(a)(1)
- 2. Discussion of Potential Economic Development - NCGS §143-318.11(a)(4)

Council convened to closed session at approximately 7:26 p.m.

Council reconvened to open session at approximately 7:52 p.m.

No action was taken upon return to open session.

- XV. There being no further business, the meeting adjourned at 7:52 p.m.

Mayor

City Clerk

January 20, 2021

A Special Joint Meeting of the City Council of the City of Hickory, Catawba County Board of Commissioners and Trivium Corporate Center, Inc. Board of Directors was held at the Hickory Metro Convention Center, Located at 1960 13th Avenue Drive SE, Hickory, North Carolina, on Wednesday, January 20, 2021 at 4:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Deputy City Manager Rodney Miller, City Attorney John Crone, Deputy City Attorney Arnita Dula, Communications Specialist Sarah Killian, Executive Assistant City Manager Yaidee Fox, Governmental Affairs Analyst Sarah Prencipe, Executive Assistant Deisy Zavala Vazquez, Public Works Director Steve Miller and Public Utilities Director Shawn Pennell and City Clerk Debbie Miller.

Catawba County Commissioners present were: Chair Randy Isenhower, Kitty Barnes, Sherry Butler, and Austin Allran

Trivium Corporate Center, Inc. Board of Directors present were: President Warren Wood, Chair Randy Isenhower, Mick Berry, Hank Guess, Scott Millar, Attorney Jodi Stewart and Clerk to Trivium Corporate Center, Inc. Board of Directors Deisy Zavala Vazquez

I. Welcome

Mayor Guess welcomed everyone to the meeting. He introduced himself and advised he was the Mayor of the City of Hickory. He advised this was a joint meeting and public hearing for the Catawba County Board of Commissioners, City of Hickory City Council, and Trivium Corporate Center Board of Directors. He especially thanked Mandy Pitts Hildebrand and the staff at the Metro Convention Center for the use of the facility and for being so cordial in setting things up, of course, they have help from other staff. He thanked everyone for being present.

II. Convene City of Hickory Council, Confirm Quorum - Mayor Hank Guess

Mayor Guess called the meeting to order. All Councilmembers were present except for Alderman Zagaroli. A quorum was present.

III. Convene Catawba County Board of Commissioners, Confirm Quorum - Chairman C. Randy Isenhower

Catawba County Board of Commissioners Chair Randy Isenhower called the meeting to order. All Commissioners were present except for Barbara Beatty. A quorum was present.

IV. Convene Trivium Corporate Center Inc. Board of Directors - Board Chair C. Randy Isenhower

Trivium Corporate Center Inc. Board Chair Randy Isenhower called the meeting to order. All of the board members were present except for Barbara Beatty and David Zagaroli. A quorum was present.

A. Elect Trivium Corporate Center 2021 Officers – President Warren Wood

Trivium Corporate Center Inc. Board Chair Randy Isenhower advised the first order of business, through the Trivium Corporate Center's bylaws was the election of a new slate of officers for Trivium Corporate Center.

President of the Trivium Corporate Center Inc., Warren Wood advised the proposed officers for the Trivium Corporate Center for 2021 were Chair Hank Guess; Vice Chair Randy Isenhower; President Mick Berry; Secretary Scott Millar, Treasurer Rodney Miller, and Clerk Deisy Vazquez.

Mr. Randy Isenhower moved, seconded by Mr. Hank Guess approval of the proposed officers. The motion carried unanimously.

V. Trivium Corporate Center Overview and Vision – Scott Millar, President, Catawba County EDC

Mr. Scott Millar, President of the Catawba County Economic Development Corporation (EDC) commented it was always a pleasure to come before them to talk about economic development opportunities. He mentioned this one had been superseded slightly by the fact that the Governor of North Carolina approved the North Carolina pieces of the recruitment package for a company called American Fuji Seal. He advised they would conduct a public hearing referenced to the incentives specifically and the considerations that were involved in the development of the program.

Mr. Millar reminded everyone of the Trivium Corporate Center purpose, the developments that were planned behind the opportunity that had been quite successful today. He advised the development of Trivium Corporate Center started in about 2012 with the discussion with many landowners. It was seven primary tracts of land along Startown Road with the concept of a 270-acre development for a class "A" business park that would have berms and landscaping, and other amenities that would differentiate this park from others in Western North Carolina. Clearly, the 50/50 partnership between the City of Hickory and Catawba County had done well. In July of 2018, there was an

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announcement officially of the beginning of the Trivium Corporate Center Park. At that time, it was named Park 1764. The concept there was to create jobs and facilities like none other in Western North Carolina. They had been very successful. In September of 2018, Corning was announced in the facilities. About a year later ITM was announced, which was a German pharmaceutical company that was located on a parcel next to Robinwood Road. Since then, they had announced a Japanese company, Cataler. The middle of this year they announced the partnership with an Atlanta based development firm to build a 200,000 square foot speculative building that was expandable to 350,000 square feet for opportunities that we have never had here before because of the size of the ceiling heights and the quality of the spec building partnership that they had entered into. In December American Fuji Seal was announced. He asked Ms. Julie Pruett, with the Catawba County Economic Development Corporation (EDC) to the podium. Ms. Pruett represented the EDC in the recruitment process for this company. She would explain what American Fuji Seal was.

VI. American Fuji Seal Introduction and Overview Catawba County EDC

Ms. Julie Pruett, Director of Business Recruitment, Catawba County Economic Development Corporation (EDC) discussed American Fuji Seal and their proposed project in Trivium Corporate Center. She advised American Fuji Seal was a Japanese global manufacturer of labels, pouches and packaging machinery. She referred to a bottle of water, the label around a bottle of water was an example of the type of product that they manufacture. She referred to a pouch she was holding which contained facial cleanser in it, that was another example of the type of product that they make. She mentioned if anyone had had microwaveable soup, pasta, or macaroni and cheese, the label on that container was another example of what they make. They make a myriad of different products. They also do that for a lot of different industries, the beverage industry, dairy industry, the home and personal care product industry as well as the pharmaceutical industry. She advised it was a really great company. They started working with them in early summer and they came in and looked at several different sites in Catawba County. In addition to Trivium they also looked at the Corporate Center, the empty data campus, and they looked at several locations in North Carolina, South Carolina, Texas, and Ohio. It was a very competitive project. They were very excited that they liked a site in the Trivium Corporate Center. Their proposed project was to construct a 250,000 square foot building on a site in Trivium Corporate Center. They plan to invest a minimum of \$52 million dollars in building and equipping the facility. They plan to create 101 new jobs, paying an average salary of just shy of \$49,000. In comparison to Catawba County's average wage, just shy of \$44,000, it was well above the average wage in Catawba County. She mentioned it was a great project and they were wonderful people to work with. Very thorough. It was touch and go a few times. They were very excited to bring the project to the boards for their consideration.

VII. American Fuji Seal Incentive Proposal – Scott Millar, President, Catawba County EDC

Mr. Scott Millar, President of the Catawba County Economic Development Corporation (EDC) advised they had utilized a matrix to score the attributes of different projects. He explained it was a scientific based program that helps them to understand and compare a project to profit. Whether it was an existing industry expansion or a new project. They developed this matrix and there were different attributes that got different levels of points. If it was a targeted industry, for example, it would get a certain number of points as a result of being within that targeted industry. If it was a very high value, if they thought that the income as a result of that project and as a result of the huge investments was there, certainly it would get more points than one that would not. The matrix had been used for approximately ten or more years to evaluate and compare projects across the opportunities that they had developed. Almost every municipality in the County uses this matrix as well as the County itself. Using the standard scoring matrix that they had developed, and this same standard structure, this project as a result of the commitment that Ms. Pruett discussed, this project scored a very high level five with roughly 86 points. If you gave it some special attributes because of targeting the project would score very low in level six. Level six was a sliding scale grant that had seven years-worth of incentives. A level five grant had five years-worth of incentives on a sliding scale. Using those calculations and the investment and the job numbers that were provided, the incentive package that they calculated for the project to be within the normal perimeters of what they had approved for other projects as well, a level five would be \$2.27 million dollars-worth of incentives that would be awarded to the company. A level six would be \$2.64 million dollars-worth of incentives. He advised that was the target amount of the incentives that they would feel comfortable with. The standard for this project.

Mr. Millar referred to a PowerPoint presentation and referenced the area on the slide where the logo for American Fuji Seal was located. He advised they combined two lots in order to facilitate the size of this project. He pointed out one of the two lots and the area where Lutetium Circle had been planned to connect over to Robinwood Road through the middle of this site. He referred to the other lot and noted it was also part of the site. In order to develop this site and provide it for the company they had to get rid of Lutetium Circle connection over to Robinwood Road. That, by itself, as well as the water connection that would have been along that road, saved them \$1.4 million dollars-worth of infrastructure costs that would have been a part of the development of this park had they not combined this site. That was an attribute in itself because of getting rid of that cost that was expected in development of the park. He referred to the PowerPoint and advised the lower section of that site would now be a standalone parcel of approximately 16 acres. It would be situated about 30 feet below where American Fuji Seal would be on Robinwood Road. This would be another lot that would be available for sale. Calculating this at the target number of \$2.5 million dollars-worth of incentives, in order to recruit the company, they calculated free land and grading stipend for the company in that total value that fit within the perimeters that he discussed. The total value of the proposed incentives was \$2.551 million dollars, which was inline with those guidelines and would be considered normal for the recruitment package that he was presenting. He referred to the PowerPoint and pointed out the location of Robinwood Road, and where Lutetium Circle and

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Trivium Parkway were located on the Corning side of the park. He advised the property they were proposing to be granted to the company was roughly 25.4 acres. He noted the area that was of lesser value because it was substantially lower than the road that would be there, and the company needs an area for a sediment and pollution control system. Water would run off of this site into that area and that would be their responsibility for management of the stormwater that would be coming off of the site into that facility.

Mr. Millar explained the determination of the value of this incentive for the consideration for the business center. The land at approximately 25 acres, the value of \$45,000 per acre and there was 20.8 acres on the development portion of this parcel. Making the grant of that land worth \$936,000. The other area, which was not developable except for the stormwater system, approximately 4.6 acres, at \$25,000 an acre, adding \$115,000 worth of value to the land grant that they would be giving to the company. That calculated the investment for the land itself at just a little over a million dollars, \$1,051,000. On top of that they were proposing a grading stipend. The estimated costs for grading the site was well over \$2 million dollars. Putting a million and a half into reimbursement to them for the development of that, as long as it stays within the incentive perimeters, they proposed a million and half dollars spent evenly between Catawba County and the City of Hickory, \$750,000 for each party. They had established a timetable that the reimbursement would be due when the foundation was started on the facility so they would not be paying upfront for that site development. Totaling that, you get the total package of \$2,551,000. He reminded everyone that was the incentive. Some of the other incentives were based on future grants received. In this instance, the community, City, County, whatever tax receipts were derived as a result of the development of this, 100 percent of those would accrue to the governing bodies present. No future grants as a result of this project. They also calculated using the depreciating numbers associated with this project that the payback for this would be between five and six years. That was just from property tax receipts. They were allowed to calculate all the tax receipts that would accrue as a result of the project and they were allowed ten years to calculate those according to statutory guidelines. They felt like it was a very conservative payback setup. Mr. Millar advised it was a performance-based incentive, it was contractually based. The contracts contained claw back provisions that say if the company does not do this and does not act as they have committed to, they have the ability to claw back the entire incentive package should that happen. He asked for approval of the Resolution(s) and Agreement(s) by each of the boards as a means to facilitate final signing of the agreements. He asked for any questions.

VIII. Questions by Elected Bodies/Trivium Board

Catawba County Board of Commissioners Chair Randy Isenhower asked the Catawba County Board of Commissioners if they had any questions. There were none.

Mayor Guess asked if there were any questions from Hickory City Council or the Trivium Board. There were none.

IX. Joint Public Hearing

- A. Hickory City Council
- B. Catawba County Board of Commissioners
- C. Trivium Corporate Center Board of Directors

Mayor Guess declared the Public Hearing open for Hickory City Council.

Catawba County Board of Commissioners Chair Randy Isenhower advised this was duly and properly published and he declared the Public Hearing open for the Catawba County Board of Commissioners.

Chair Hank Guess for the Trivium Corporate Center Board of Directors declared the Public Hearing open.

Mayor Guess asked if anyone wished to speak against or for the proposal.

No one appeared to be heard.

Mayor Guess closed the Public Hearing.

Catawba County Board of Commissioners Chair closed the Public Hearing for the Catawba County Board of Commissioners.

Chair Hank Guess closed the Public Hearing for the Trivium Corporate Center Board.

X. Consideration and Action Steps

- A. Hickory City Council
- B. Catawba County Board of Commissioners
- C. Trivium Corporate Center Board of Directors

Mayor Guess moved, seconded by Alderwoman Patton approval of the economic development agreement as presented by Mr. Millar between the City of Hickory, Catawba County and American Fuji Seal and any related Resolutions and Documents pertaining thereto and to authorize the Mayor or the City Manager of the City of Hickory to execute any and all documents including but not limited to, the economic development agreement as presented or any corrections thereto necessary to complete the substance of the Resolution and the underlying transaction. The motion carried

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unanimously. Mayor Guess advised that all Council members were present except for Alderman Zagaroli.

Resolution No. 21-06

Resolution Authorizing Economic Development Incentives for American Fuji Seal, Inc.

WHEREAS, American Fuji Seal, Inc. (herein referred to as "the Company") requested incentives to cause a minimum investment of \$52,000,000 in construction and equipping a new facility at 1801 Lutetium Circle, Newton, NC by December 31, 2025, and the creation and maintenance of a minimum of 101 jobs by December 31, 2026, with a requirement to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below, and that the total average wage of the jobs will be above the Catawba County average wage of \$43,920.

NOW, THEREFORE, BE IT RESOLVED by the Hickory City Council, Hickory, North Carolina, as follows:

- 1) The Hickory City Council authorizes the transfer of approximately 25 acres owned by Trivium Corporate Center Inc., a non-profit jointly developed and funded by Catawba County and the City of Hickory, to the Company, and provide a grading payment of a maximum of \$1,500,000 to the Company in order to reimburse the Company for the cost of grading the Project Site, conditioned on the company's minimum investment and maintenance of \$52,000,000 and 101 new jobs which will pay above the median average hourly wage in the County. The conveyance of the property will stimulate the local economy.
- 2) The fair market value of the property as of the date of this resolution is approximately \$45,000 per acre for the Primary Development Property and \$25,000 per acre for the Stormwater Development Property.
- 3) The facility will generate property tax revenues over the next 10 years in an amount at least sufficient to return to the City the fair market value of the property and the maximum grading payment.
- 4) The Hickory City Council directs the Mayor to execute a contract and any necessary resolutions or addenda between the Company and the City under these terms and conditions and authorizes the Mayor to execute these documents.

Catawba County Board of Commissioners Chair Randy Isenhower asked the Catawba County Board of Commissioners if there was a motion to approve the economic development agreement as presented by Mr. Millar between the City of Hickory, Catawba County and American Fuji Seal and any related Resolutions and to authorize the Chairman to execute any documents including to but not limited to, the economic development agreement necessary to complete the substance of the Resolution and the underlying transaction.

Commissioner Allran moved approval of the economic development agreement. The motion carried unanimously.

Trivium Corporate Center Inc. Board Chair Hank Guess Mayor Guess moved, seconded by Vice Chair Randy Isenhower, approval of the conveyance of property as presented by Mr. Millar and the described economic development agreements between the City of Hickory, Catawba County and American Fuji Seal and any related Resolutions pertaining thereto and to authorize the President to execute any and all documents necessary to complete the substance of the Resolution and the underlying transaction. The motion carried unanimously.

Mayor Guess commented on behalf of the City of Hickory they were certainly pleased to have American Fuji Seal in partnership with the City of Hickory and Catawba County.

Catawba County Board of Commissioners Chair Randy Isenhower commented this was another great collaboration within the County. We are very fortunate that during a pandemic this development as proven successful. We now have three plus continents, so we need Australia.

XI. There being no further business, the meeting adjourned at 4:27 p.m.

Mayor

City Clerk

BUDGET REVISION # 14

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2021 and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the Water and Sewer Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	33,000	
TOTAL	33,000	-

To provide funding for the above, the Water and Sewer revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	33,000	
TOTAL	33,000	-

SECTION 2. To amend the Solid Waste Fund within the FY 2020-21 Budget Ordinance, the expenditures shall be changed as follows: :

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	30,000	
TOTAL	30,000	-

To provide funding for the above, the Solid Waste revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Sales and Services	30,000	
TOTAL	30,000	-

SECTION 3. To amend the *Short Road Sewer Project Capital Project Ordinance (#803304)* within the Water and Sewer Capital Projects Fund, the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Water and Sewer Capital Projects	33,000	
TOTAL	33,000	-

To provide funding for the above, the Project revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	33,000	
TOTAL	33,000	-

SECTION 4. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

Adopted this ____ day of _____, 2021

Mayor

Clerk

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COUNCIL AGENDA MEMOS

To: City Manager's Office
From: Shawn Pennell - Public Utilities Director
Contact Person: Shawn Pennell - Public Utilities Director
Date: February 2, 2021
Re: Application and Resolution for Northeast WWTP Effluent Line and Snow Creek Pump Station FEMA Grant

REQUEST

Staff requests Council approval of a Resolution to submit FEMA grant applications for flood mitigation projects at Snow Creek pump station and the Northeast WWTF.

BACKGROUND

The Public Utilities Department identifies areas within the City of Hickory service area annually for condition assessment and improvement. This practice has been established so that Staff for the Public Utilities Department may evaluate portions of the System annually to determine necessary repairs and improvements in manageable portions. Due to the increased frequency of significant damaging flood events, Staff has identified opportunities to seek Federal funding to assist in making improvements to provide resiliency to critical infrastructure.

The Federal Government provides funding through the FEMA Building Resilient Infrastructure and Communities (BRIC) program. The BRIC grant program requires a 25% local match and provides funding to mitigate risks to infrastructure to better protect public investment and the environment. Due to the significant damages and environmental impact resulting from flooding events over the past several years, these projects qualify for grant funding.

ANALYSIS

A contract with KCI Technologies to prepare grant applications was approved on November 10, 2020. The City was required to submit a grant application to the North Carolina Department of Public Safety in order to be included in the state's application for Federal funds. These applications were approved by the North Carolina Department of Public Safety on January 25, 2021.

These flood mitigation projects will include the relocation of the Snow Creek Pump Station to a location out of the 500-year flood plain as well as hardening the facility against future flood events and stream bank restoration and Influent Pump Station flood hardening at the Northeast WWTF. These projects have a speculated cost of \$4,775,315 and \$7,255,903 respectively.

RECOMMENDATION

Staff requests Council approval of Resolution to submit FEMA grant applications for flood mitigation projects at Snow Creek pump station and the Northeast WWTF.

BUDGET ANALYSIS:

Budgetary Action

Is a Budget Amendment required?

Yes

No

LIST THE EXPENDITURE CODE:

Reviewed by:

WOP

Shawn Pennell
Initiating Department Head

01/27/20/21
Date

Deputy City Attorney, A. Dula

Date

Asst. City Manager Rodney Miller

1/28/21
Date

Asst. City Manager, R. Beasley

1/22/21
Date

Finance Officer, Melissa Miller

1/28/21
Date

Purchasing Manager

1-28-21
Date

Date

Recommended for approval and placement on _____ Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).

City Manager, Warren Wood

1-28-21
Date

**RESOLUTION BY THE CITY COUNCIL OF
THE CITY OF HICKORY**

- WHEREAS, The Federal Emergency Management Agency (FEMA) in the U. S. Department of Homeland Security is offering a program known as Building Resilient Infrastructure and Communities (BRIC)Program; and
- WHEREAS, the BRIC Program aims to shift the federal focus away from reactive disaster spending and toward research-supported, proactive investment in community resilience; and
- WHEREAS, FEMA anticipates BRIC funding projects that demonstrate innovative approaches to partnerships, such as shared funding mechanisms, and/or project design; and
- WHEREAS, the BRIC Program's funding is tied to Presidential disaster declarations with a 6 percent set-aside from disaster grants; and
- WHEREAS, the City of Hickory carefully considers grant programs that assist the City in achieving projects and programs that are priorities for the community; and
- WHEREAS, actions taken through this Program may result in lower flood insurance premiums through the Community Rating System, increase ratables and improved resiliency; and
- WHEREAS, this program is available to certain municipalities in the State of North Carolina; and
- WHEREAS, this grant program requires a 25 percent local match from the municipality.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF HICKORY:

That the City of Hickory, the **Applicant**, formally approves a grant application to the **U.S. Department of Homeland Security for the FY 2021 FEMA Building Resilient Infrastructure and Communities (BRIC) Program** and authorizes submission of the grant application to the U.S. Department of Homeland Security.

That the City Manager Warren Wood, the **Authorized Official**, and their successors so titled, are hereby authorized to execute and file an application on behalf of the **Applicant** for a loan and/or grant to aid in the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State or Federal agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 2nd day of February, 2021 at the City of Hickory, North Carolina.

(Signature of Chief Executive Officer)

Warren Wood

City Manager

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Clerk of the City of Hickory does hereby certify: That the above/attached resolution is a true and correct copy of the resolution, as regularly adopted at a legally convened meeting of the City of Hickory duly held on the _____ day of _____, 20____; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____.

(Signature of Recording Officer)

(Title of Recording Officer)

COUNCIL AGENDA MEMOS

To: City Manager's Office

From: Arnita M. Dula

Contact Person: Arnita M. Dula

Date: 1-26-21

**Re: Call for a Public Hearing on Proposed Amendments to Chapter 6 Buildings Section 6-3
Fire Limits of the Hickory City's Code of Ordinances**

REQUEST

Staff requests Council to call for a public hearing on February 16, 2021 to consider amendments to Section 6-3 of Chapter 6 of the Code of Ordinances.

BACKGROUND

In accordance with N.C. G.S.160D-1128, which was previously codified as 160A-435, the Hickory City Council established fire limits or a fire district in the downtown area by ordinance. The fire limits impose certain requirements on building construction in the designated downtown area. The limits, which primarily require the use of certain building materials for new construction and renovations to buildings within the designated area, are in place to protect the safety and well-being of the public. Council last amended the ordinance that establishes the fire limits in 2020.

ANALYSIS

Upon further consideration of current building structures in the downtown area and projected economic development and growth in the downtown area, amending the designated fire limits outlined in Section 6-3 is proposed. Advances have been made in requirements for building construction materials and methods, including improved safety features, for new construction, as well as renovations of existing buildings. Properties inside and outside of the proposed amended limits will still be subject to current North Carolina Building and Fire Codes.

RECOMMENDATION

Staff recommends Council call for a public hearing on February 16, 2021 to consider proposed amendments to Section 6-3 of Chapter 6 of the Hickory Code of Ordinances.

BUDGET ANALYSIS:

Budgetary Action

Is a Budget Amendment required?

Yes

No

LIST THE EXPENDITURE CODE:

Reviewed by:

Initiating Department Head

Date

Deputy City Attorney, A. Dula

Date

Rodney Miller
Asst. City Manager Rodney Miller

1/28/21
Date

R. Beasley
Asst. City Manager, R. Beasley

1/28/21
Date

Melissa Miller
Finance Officer, Melissa Miller

1/27/21
Date

Ramon McHargue
Deputy Finance Officer, C. McHargue

1/27/21
Date

Date

Recommended for approval and placement on _____ Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).

W. Wood
City Manager, W. Wood

1-28-21
Date