A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, October 20, 2020 at 7:00 p.m., with the following members present:

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

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Assistant 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 7:06 p.m.

II. Invocation by Alderman Seaver

III. Pledge of Allegiance Led by Girl Scout Troop #10356

Girl Scout Troop #10356 led the Pledge of Allegiance.

IV. Special Presentations

V. Persons Requesting to Be Heard

A. Mr. Mike Beasley, Sandy Ridge Baptist Church Fallen Heroes – Discussion of Wreaths Across America.

Mr. Mike Beasley gave a quote from the Bible where Jesus was speaking to his disciples before his crucifixion that came from John 15:13, “Greater love has no one than this to lay down one’s life for one’s friend.” He thanked Council for the opportunity to speak. He was present on behalf of the Fallen Heroes Ministry of Sandy Ridge Baptist Church. As a ministry they were reaching out to Council and the community for help and support for a worthy mission called Wreaths Across America. On December 19th at Woodlawn Memorial Gardens at 11:00 a.m. they will be having a ceremony to lay wreaths on the graves of veterans who had served their country in one of three ways. They had served for a certain time, whether volunteer or being drafted. They had served their country as a career. And thirdly, those certain individuals who had died while in service to the nation. Not counting the two mausoleums located at Woodlawn, there were 357 laid to rest at Woodlawn. This was a huge undertaking, and there were many moving parts to make this an honoring time. He shared a quote that they use in their ministry from the 30th President of the United States, Calvin Coolidge. He said, “The nation that forgets its defenders will itself be forgotten”. Let our community be known as the one who did not forget their defenders. Their ministry mission was simple, make sure the families of our fallen know that the sacrifice made was not and would not be forgotten. The City of Hickory and Catawba County are a great place to live and raise a family. This year had been a tough year on everyone, no doubt, but when you do something for someone else it gives you a purpose. The ministry started with the death of Marine Gunnery Sergeant Chris Eckard. It was at the entrance of Woodlawn when someone close by said, “What is the government going to do to make sure Chris was not forgotten.” He turned and said, “It is not their responsibility, it is ours”. The time was now to honor all who served our country. Donations from individuals and businesses were a big help, but they also need help laying the wreaths that day. There will be some staging the day before this event. Extra patrolling in the cemetery or possible security of the grounds through the night would be greatly appreciated. There was always those who seek to do wrong for an honorable cause. One of their speakers that day would be their Pastor Bill Sturm, who was present tonight. He also serves as an Army Chaplain in the reserves and they looked forward to what he would have to say that day. The rest of the ceremony was still being finalized. They want this time to honor God and those veterans buried at Woodlawn. He had already spoken with Brian Murray with the Fire Department, and he would make sure to have a truck there so they could hang the flag from it. They truly appreciated his effort to get that done. He advised he had invitations for each Councilmember and Deputy City Clerk Crystal Mundy would be given those to them. He advised it was a packet with more information about the day and contact information for him should Council have any questions. He thanked Council for their time and for allowing him to speak of how God was using this ministry to speak into the lives of families whose loved ones had paid the ultimate sacrifice. They also pray God will now allow them to connect with families whose loved ones served our country during peacetime and conflicts. He thanked Council for their time.

Mayor Guess asked if anyone else wished to speak. No one else appeared.

VI. Approval of Minutes

October 20, 2020

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

A. Budget Revision Number 6. (First Reading Vote: Unanimous)

VIII. Consent Agenda: All items below 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.

City Manager Warren Wood requested Item “G” be removed from the Consent Agenda.

Alderman Patton moved, seconded by Alderman Seaver approval of the Consent Agenda except for Item “G”. The motion carried unanimously.

A. Approved a Resolution Authorizing Preparation of Assessment Rolls and Public Hearing on Preliminary Assessment Roll for Street Improvements Petition Number 20-01 (Curb and Gutter for 638 28th Avenue Court NE, Hickory). A petition was submitted on February 20, 2020, approved by City Council on March 3, 2020, and the project was completed on September 28, 2020. (Authorized Public Hearing for November 3, 2020.)

RESOLUTION NO. 20-37
RESOLUTION AUTHORIZING PREPARATION OF ASSESSMENT ROLL AND PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL NO. 20-01

WHEREAS, the curb, and gutter project along a portion of 638 28th Avenue Court NE, Hickory has been completed and it has been determined that the project consisted of 155 linear feet of curb and gutter at $42.17 per linear foot and 18 linear feet of driveway at $69.92 per linear foot for the property located at 638 28th Avenue Court NE, Hickory.

NOW, THEREFORE, BE IT RESOLVED:

THAT, the property whose owners that have not paid their proportionate part of the project shall be assessed at the rate of $42.17 per linear foot of curb and gutter, and $69.92 per linear foot of driveways;

THAT, the Clerk be and she is hereby ordered to prepare an assessment roll or ledger to show the names of persons assessed as far as they can be ascertained, the amount assessed against them, respectively, with a brief description of the lots or parcels of land assessed, and

THAT, the clerk shall file the Preliminary Assessment Roll in the City Clerk’s Office available for public inspection and shall publish and notify property owners of the public hearing as required by North Carolina General Statute 160A-227.

THAT, a public hearing will be held at 7:00 p.m. in the Council Chamber of the Municipal Building, located at 76 North Center Street, Hickory, North Carolina, on the 3rd day of November, 2020, for the purpose of hearing all interested persons who appear with respect to any matter covered by the Preliminary Assessment Roll.

B. Approved a Microenterprise Grant Agreement with Nuology Spyritytech in the Amount of $4,000.

In its 2015-2019 Consolidated Plan for Housing and Community Development, the City of Hickory identified increasing entrepreneurship opportunities as a high priority need. This led to the creation of a program to provide microenterprise grants to businesses looking for funding necessary to take their business to the next level. This continues to be a focus of the 2020-2024 Consolidated Plan. The 2019-2020 Community Development Block Grant (CDBG) Annual Action Plan has $27,000 allocated towards assistance for entrepreneurial activities. According to the US Department of Housing and Urban Development, a microenterprise is a business that has fewer than five employees, one of whom is the owner of the business. The program offers grants of up to $4,000 for low to moderate income business owners for business property, inventory, necessary fixed assess, marketing and business promotion, or other improvements approved by the Business Development Committee. Applicants are required to submit a business plan and have a counseling session with a local business support organization. Bene Ra Speret has applied for a Microenterprise Grant to support and enhance his start-up
business, Nuology Spyrytech. The business will develop and distribute a unique diffuser/infuser for multiple therapeutic modalities, including aroma, sound and vibration for holistic and natural healing. The Business Development Committee reviewed the application and recommends approval of the grant in the amount of $4,000. Staff recommends City Council’s approval of the Microenterprise Grant agreement with Nuology Spyrytech.

C. Approved Change Order Number Two to the Agreement for Professional Services with Kimley-Horn Associates, Inc. for Additional Services Related to the Book Walk South Project EB-5938 in the Amount of $33,559.58.

Staff requests Council’s approval of change order number two to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of $33,559.58, contingent upon North Carolina Department of Transportation (NCDOT) concurrence. The Book Walk Project is one of the projects envisioned in the bond referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Highway 70 in the general area of shopping and commerce. This project has received NCDOT funding at an 80/20 ratio, NCDOT and City respectively. Change order number two for Book Walk South identifies additional services, intentionally omitted in the original contract, that include lighting plan/coordination and construction phase services. The City of Hickory’s portion of fees will be funded by bond proceeds. Staff recommends Council’s approval of change order number two to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of $33,559.58, contingent upon NCDOT concurrence.

D. Approved Change Order Number Three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for Additional Services Related to EB-5937 in the Amount of $33,559.58.

Staff requests Council’s approval of change order number three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of $33,559.58, contingent upon North Carolina Department of Transportation (NCDOT) concurrence. The Book Walk Project is one of the projects envisioned in the bond referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Highway 70 in the general area of shopping and commerce. This project has received NCDOT funding at 80/20 ratio, NCDOT and City respectively. Change order number three for Book Walk identifies additional services, intentionally omitted in the original contract, that include lighting plan/coordination and construction phase services. City of Hickory’s portion of fees will be funded by bond proceeds. Staff recommends Council’s approval of change order number three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of $33,559.58, contingent upon NCDOT concurrence.

E. Approved a Cemetery Deed Transfer from George W. Brown, Jr. to Mary E. Starnes, Oakwood Cemetery, Plot J., Lot Nos. 1 and 2, Section 53. (Prepared by Morphis Law & Mediation, Henry S. Morphis).

F. Approved on First Reading Budget Revision Number 7

ORDINANCE NO. 20-51
BUDGET REVISION NUMBER 7

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 Ordinances noted herein.

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Other Financing Uses</td>
<td>75,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>77,500</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Intergovernmental Revenues</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Other Financing Sources</td>
<td>75,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>77,500</td>
<td>-</td>
</tr>
</tbody>
</table>
SECTION 2. To amend the Water and Sewer Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Financing Uses</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>80,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Financing Sources</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>80,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

SECTION 3. To amend the McLin & Lyle Creek Wastewater Capital Project Ordinance (#803305), the expenditures shall be changed as follows:

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water and Sewer Capital Projects</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Financing Sources</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

SECTION 4. To amend the Solid Waste Fund within the FY2020-21 Budget Ordinance, the expenditures shall be changed as follows:

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Protection</td>
<td>1,664</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,664</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Revenues</td>
<td>1,664</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,664</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

SECTION 5. To amend the Bruce Meisner Park Capital Project Ordinance (#620008), the expenditures shall be changed as follows:

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Capital Projects</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>150,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FUNCTIONAL AREA</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Financing Sources</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>150,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

SECTION 6. 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.

G. Removed from the Consent Agenda and Discussed Under Departmental Reports, Approved the Bid, Awarded the Contract and Authorized the City Manager to Execute the Contract with WC English, Inc., for the Riverwalk North Carolina Department of Transportation EB-5939 Project in the Amount of $7,185,655.25.

Staff requests Council’s approval of the bid, award of the contract, and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of $7,185,655.25, contingent on North Carolina Department of Transportation (NCDOT) approval. The Riverwalk NCDOT project will contain an entrance from Old Lenoir Road, parking and access to the trail system, as well as an elevated walkway over Lake Hickory that interacts with existing City of Hickory amenities. Lighting on the bridge, retaining walls and all necessary drainage piping are included in this project. This project was advertised on September 6, 2020 and bids were received on October 8, 2020. Three bids were received from contractors and the results are as follows: WC English, Inc. - $7,185,655.25; Dane Construction - $8,501,959.75; and
IX. Items Removed from Consent Agenda – Item “G”

City Manager Warren Wood requested that Item “G” be moved to the first item under Departmental Reports. He advised they had a video from Miguel Rosales that he did himself, the City didn’t commission him to do it. He requested Council view the video and Assistant Public Services Director Shawn Pennell would do a brief presentation on this item.

X. Informational Item

XI. New Business:

A. Public Hearings


The City of Hickory, in complying with the U.S. Department of Housing and Urban Development’s requirements, has prepared the CAPER, for submission to HUD. The CAPER outlines the City’s Community Development Block Grant (CDBG) expenditures from July 1, 2019 through June 30, 2020. Staff requests Council’s consideration of the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER).

This public hearing was advertised in a newspaper having general circulation in the Hickory area on October 6, 13, and 20, 2020.

City Manager Warren Wood asked the City’s Community Development Manager Karen Dickerson to the podium to present Council with the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER).

Community Development Manager Karen Dickerson presented a PowerPoint presentation. She discussed the 2019-2020 Consolidated Annual Performance and Evaluation Report, or as they call it the CAPER. She advised the City of Hickory was an entitlement community and as an entitlement city, they receive Community Development Block Grant (CDBG) funds every year, and because of this, they were required to submit a performance report of how they had spent that money and also what goals that they accomplished in that particular program year. This CAPER, currently under consideration, covered July 1, 2019 to June 30, 2020. She highlighted their project expenditures. They spent just over $109,000 on street resurfacing; they spent $59,365 for improvements at Taft Broome Park; spent another $40,000 for improvements at Cliff Teague Park, and that project covered multiple years, Council had seen them report on it before, but they had some final updates. They increased entrepreneurship opportunities with their microenterprise grants and small business loans, just over $3,000 in microenterprise and right at $24,000 for small business loans. She mentioned they did some street resurfacing. They resurfaced 7th Avenue SW from 9th all the way down to just before the floodplain. She advised they couldn’t use federal dollars in the floodplain, so they stopped just before the floodplain. She referred to the PowerPoint and displayed before and after photos. She noted applicable they included bike lanes or share roads. She showed another image of that before and after. She showed a photo of the park shelter at Taft Broome Park, they included a picnic shelter, benches, grills, a new water fountain, and new picnic tables. She showed before and after photos of that location. She noted the grills in that park were old, so they swapped out single grills for the double extra wide grills. She showed pictures of the old and new water fountain. She didn’t know how old the original one was, but the new one was nice and green and fit into the park nicely.

Ms. Dickerson discussed Cliff Teague Park improvements. The final aspect of this park project was the resurfacing of the tennis court. There was not a tennis court on that side of town, so they wanted to make sure that this one was improved upon. She referred to the PowerPoint and displayed a photo during the renovation and a photo of the new surface.

Ms. Dickerson discussed some other activities that they do. Preserving the City’s housing stock. They spent almost $65,000 to improve low-moderate income homeowners to assist with repairs to their homes. That was strictly from their HUD money. They also do urgent repair funds, which was a different pot of...
money that was not included in that. They spent about $50,000 last year in addition to that $65,000. Their administration of the housing rehab program was almost $7,000 and that was to fund staff costs related to the implementation of the housing rehab program. They spent just over $1,700 to promote fair housing. That was to do newspaper ads and to inform citizens. They did some social media blast for Fair Housing Month in the month of April. And almost $69,000 was used for program administration for 2019-2020 year. That was to fund all of that and the program administration for all the aspects of the HUD Grant.

Ms. Dickerson referred to the PowerPoint and displayed an image of a home. The photo on the left was prior to the City rehabilitating it and the photo on the right was after. With this home they did a new roof. There was a lot of lead paint, so the entire exterior of the house was repainted. They also give money to public services. They gave $10,000 to ALFA; $6,000 to Exodus; $6,000 to Family Care; $10,000 to Family Guidance; $6,000 to the Soup Kitchen; and another $6,000 to the Patrick Beaver Learning Resource Center.

Ms. Dickerson discussed upcoming projects. They were currently working on environmental assessment for the Taft Broome Park Improvement. This park improvement was a parking lot across from the library and the park. With the library expansion they saw that this was a good opportunity to create some overflow parking, so they were in the midst of doing the environmental assessment for that. They were continuing to street resurface in low to moderate income neighborhoods. They had already completed that project, it was 17th Avenue NW which was done just within the last two weeks. They continued to promote small business loan program and microenterprise grants to increase entrepreneurship in the City of Hickory. They had a demolition grant or rehabilitation of substandard structures in low to moderate income neighborhoods to help with neighborhood stabilization. Also continuing their housing rehab and continue to support the local nonprofits to help the homeless and needy in the community. Also, the two affordable houses that were on City-owned property that were nearly complete. They have a certificate of occupancy (CO) on the first one and the other one was within a week of having that as well.

Mayor Guess asked for any questions.

Alderwoman Patton asked when she thought they were going to move into the two homes.

Ms. Dickerson responded right now they have the certificate of occupancy for the first one. They partnered with the Family Guidance Center because they were the local HUD Housing Counseling Agency. They were managing a loan pool called the Community Partners Loan Pool through the Housing Finance Agency. They get the applications for the clients and then turn them over to Family Guidance and then they had been working with those folks. Right now, they have two that we’re going to the bank to get the loans. They must work through that process. So hopefully she would love to have closing by the end of the year at the very latest.

Mayor Guess commented very exciting and a very good use of those funds.

Councilmembers thanked Ms. Dickerson.

Mayor Guess explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.


2. Approved the Joint Economic Development Agreement with Merchants Distributors, Inc. – Presentation by City Manager Warren Wood.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on October 9, 2020.

City Manager Warren Wood discussed the Joint Economic Development Agreement between the City of Hickory and Merchants Distributors, Inc. He presented a PowerPoint presentation. He advised this was the Economic Development Agreement related to the project that was recently announced. He referred to the PowerPoint and displayed a rendering of the 200,000 square feet
that would be added on to the existing facility in Caldwell County. He advised they were moving towards automation of their warehouse operation and he noted how it was reflected in the picture, the degree to which that was going to be the case. He shared some background information about Merchants Distributors Incorporated (MDI). It was founded in Hickory in 1931 by Moses George, a Lebanese immigrant and his two sons. It was a privately owned company with their headquarters here in Hickory. They distribute food and non-food items to more than 600 stores across the US. When you drive down the road out of State you see MDI trucks all over the place. They were distributing wide and far. They also export to over 20 countries and they have other services that include retail automation, advertising and retail pricing to the all price hosting. He referred to the PowerPoint photo and advised it was in Caldwell County just off 321 across the river. They would be adding onto the eastern part of the existing building there. He referred to the PowerPoint photo and displayed a rendering to give Council an idea of the 200,000 square foot expansion that they were going to be doing at that facility. MDI was the largest property taxpayer in the City of Hickory. The total assessed value of their property was $136 million dollars. Not only the highest it was the highest taxpayer by far. The next highest on the list was 30 percent lower than that and that was Corning. The current facility was about 1.2 million square feet. MDI owned about 480 acres inside the City limits of Hickory in Caldwell County. They employ about 1,200 full-time and 1,400 part-time employees at that facility. He commented they all knew that it was a major operation and a great corporate citizen.

City Manager Warren Wood discussed the project. Hickory was in competition for this project with sites in both South Carolina and Georgia. MDI had chosen Hickory and were to make a $120 million dollar investment in both real and business personal property, which would include the 200,000 square foot new warehouse at that facility and include installation of new logistics and automation technology. The bulk of the investment was going to be in the business personal property. The building itself will be about $20 million dollars and the balance would be that new technology that they were going to install. The project would create 111 new jobs and pay an average annual salary of just over $51,000 a year, which was well above the Caldwell County average wage, which was $40,000 per year. In addition to the 111 new jobs they would be retaining 120 existing jobs and creating an additional $5.7 million dollars in new payroll annually for the area. Over the next 12 years this project would grow the State economy about $305 million dollars. He gave Council an idea of the participation and incentives. North Carolina was providing up to $1.3 million dollars in incentives over 12 years related to jobs. Caldwell County was providing a 75 percent tax incentive for 10 years and $462,000 for new and retaining jobs. He noted that the City of Hickory did not incentivize job creation or job retention. Caldwell County does. The City's incentive would include providing on average 77.5 percent tax incentives for eight years, which was less obviously than their 10. And a half of a million dollars in infrastructure grant. The City provides water and sewer services to MDI. That was how they go it. MDI asked that the City's incentive package to some degree mirror what Caldwell County did. Which was what the City typically did with Catawba County, so that was how they came to that. Most of the City’s economic development agreements (EDA) originate with Catawba County EDC, but this project was in Caldwell County. He recommended to go eight, and again Caldwell was doing it. MDI must meet their $120 million dollar investment threshold by December 31, 2023. He explained the way that works. They had to demonstrate that they have invested $120 million dollars in that project. All that $120 million dollars doesn't automatically translate in the new tax base, but there would be an increase in the tax base. On the job creation side, again they must produce 111 new jobs with this project by December 31, 2025. He advised the City's average incentive grant on the taxes paid was 77.5 percent over eight years, plus the half a million dollars infrastructure grant. There were claw backs in the contract if MDI were to default their commitment. He referred to the PowerPoint and showed a chart which was the first year, the highest year, 90 percent incentive grants. They were remitting 90 percent of the taxes they pay in the first year, and then it declines and then levels off at 75 percent to year eight. The City would provide...
infrastructure on the grant in the amount of half a million dollars to assist with extension of onsite and offsite utilities to the facility. MDI was planning on doing a groundbreaking in the coming months and they would like City Council to be in attendance. They were concerned about doing something now, like an announcement together, but they think in a few months they would be comfortable with having a groundbreaking at the facility. It was the largest, dollar wise, economic development project that the City had ever had.

Mayor Guess asked for any questions from Council. He commented first they were obviously grateful that MDI chose to be here, obviously, not only South Carolina, or Georgia, but they could have gone anywhere they wanted to. The City was just so grateful and thankful that they chose to remain here. He commended staff. He advised the audience that this kind of stuff just doesn't happen overnight as the City Manager had alluded to this was the largest economic development announcement, probably in the City's history. Obviously, that doesn’t happen without a lot of partnerships and without a lot of people working together, and particularly those that are on the City's staff, that works behind the scenes and make this kind of stuff happens. He knew that he had been a long process, but it had certainly been worthwhile. On behalf of the entire Council he thanked staff for all the work and the time and effort that had been put into this project. They were grateful and thankful. It addressed all their goals, economic development, growing jobs, growing population and growing our tax base. This certainly addressed all three of those goals and they were extremely grateful for that.

City Manager Warren Wood thanked the Caldwell County folks. He advised they were good to work with, and it was a pleasure to work with them on this project as well and MDI obviously.

Mayor Guess commented it was a win, win, win for everybody. He asked for any further discussion on that. Mayor Guess declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Alderman Seaver moved, seconded by Alderwoman Patton approval of the Joint Economic Development Agreement with Merchants Distributors, Inc. The motion carried unanimously.

B. Departmental Reports:

1. Item “G” from the Consent Agenda - Approved the Bid, Awarded the Contract and Authorized the City Manager to Execute the Contract with WC English, Inc., for the Riverwalk North Carolina Department of Transportation EB-5939 Project in the Amount of $7,185,655.25.

Staff requests Council’s approval of the bid, award of the contract, and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of $7,185,655.25, contingent on North Carolina Department of Transportation (NCDOT) approval. The Riverwalk NCDOT project will contain an entrance from Old Lenoir Road, parking and access to the trail system, as well as an elevated walkway over Lake Hickory that interacts with existing City of Hickory amenities. Lighting on the bridge, retaining walls and all necessary drainage piping are included in this project. This project was advertised on September 6, 2020 and bids were received on October 8, 2020. Three bids were received from contractors and the results are as follows: WC English, Inc. - $7,185,655.25; Dane Construction - $8,501,959.75; and James R. Vannoy & Sons - $8,952,259.76. Staff recommends Council approval of the bid, award of the contract and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of $7,185,655.25, contingent on NCDOT approval.

City Manager Warren Wood advised Council this was approval of the bid, award of the contract and authorizing the City Manager to execute the contract with WC English Inc. for the Riverwalk NCDOT Project in the amount of $7,185,655.25. He advised Council would need to act. They received a video from Miguel Rosales who was a world-renowned designer that represented the bridge and what it was going to look like. He did this on his own, the City did not ask him to do that, but they wanted to show City Council and the public what was involved with that. He asked Assistant Public Services Director Shawn Pennell to the podium to present this item to Council.
Assistant Public Services Director Shawn Pennell presented a PowerPoint presentation. He advised as City Manager Warren Wood had said this was the Riverwalk NCDOT (North Carolina Department of Transportation) funded portion. He referred to the PowerPoint and displayed a photo of the over water Riverwalk. He advised as City Manager Warren Wood had said this was the Riverwalk NCDOT funded portion. He referred to the PowerPoint and displayed a photo of the over water Riverwalk. He advised this was for the approval that City Manager Warren Wood had previously mentioned in the amount of $7,185,655. The project was originally bid in October 2019. It came in over budget. All the bids were $13 million dollars in December 2019. City Council rejected those bids. Staff was then tasked with partnering with Freese and Nichols, Design Workshop, and Miguel Rosales to redesign and to get this project in budget. They felt like they had done so with staff. He advised the contractor was WC English. Portions of this construction included an entrance to Old Lenoir Road, parking and access to the trail system, as well as an elevated walkway to Lake Hickory, it interacts with the existing City of Hickory amenities, the lighting of the bridge, retaining walls, and all the necessary drainage for this project. Staff recommended approval of this project.

City Manager Warren Wood showed the video which displayed renderings of the Riverwalk. He commented that would give Council an idea of what that was going to look like.

Mayor Guess asked if Council needed to approve this item.

City Manager Warren Wood responded yes, as it was written in the consent agenda. He reiterated that this was originally way over budget at $13 million dollars. Miguel Rosales said in redesigning it that he was going to give the City something that he and the City could still be proud of. And he had. It had to come in below $7.4 million dollars, and it did.

Alderman Seaver asked what the width of the walk was.

Assistant Public Services Director Shawn Pennell advised ten feet.

Alderman Seaver commented the perspective in the video was a little off. It looked like the height of some of the people were taller than the width of the bridge.

City Manager Warren Wood commented the walk itself was ten feet but with the railing and all that under it was a little wider than that.

Alderman Zagaroli asked if they were going to allow bike traffic on it.

City Manager Warren Wood responded that would be a policy decision by City Council. They were starting to get those questions, what sorts of modes of travel were City Council going to allow. That was something that Council would have to address from a policy perspective.

Alderman Williams asked what the timeline was.

Assistant Public Services Director Shawn Pennell advised upon approval by DOT, which was the first of November, then upon signing of the contract purchase order it would be a 550-calendar day contract.

Mayor Guess asked for any other questions, comments or concerns.

Alderman Patton moved, seconded by Alderwoman Williams, approval of Item “G” of the Consent Agenda. The motion carried unanimously.

RESOLUTION 20-38

A RESOLUTION AWARDING A CONTRACT TO WC ENGLISH, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF HICKORY AND ANY CHANGE ORDERS WITHIN THE BUDGETED AMOUNT FOR THE PROJECT KNOWN AS RIVERWALK NORTH CAROLINA DEPARTMENT OF TRANSPORTATION EB-5939

BE IT RESOLVED BY THE HICKORY CITY COUNCIL OF THE CITY OF HICKORY:

Section 1: The contract for construction of the Riverwalk North Carolina Department of Transportation (NCDOT) Project EB-5939 be awarded to WC English, Inc., in the amount of $7,185,655.25 as stated in the contract.
Section 2: The City Manager is hereby authorized to execute on behalf of the City of Hickory a contract with WC English, Inc., in the amount of $7,185,655.25 and any change orders within the budgeted amount for the City of Hickory for Riverwalk NCDOT Project EB-5939 and Concurrence in Award, provided the award of the contract is approved by the North Carolina Department of Transportation.

Section 3: The resolution shall become effective upon adoption.

2. Quarterly Financial Report – Presentation by Assistant City Manager Rodney Miller

City Manager Warren Wood asked Assistant City Manager and Chief Financial Officer Rodney Miller to the podium to present Council with the quarterly financial report.

Assistant City Manager Rodney Miller presented a PowerPoint presentation. He advised Council he would be presenting the first quarter financial report for the new fiscal year that began on July 1, 2020. He noted that he had skipped a quarter. The fourth quarter, which would be the end of Council’s fiscal year presentation. Three Council members serve on the audit committee. They met last week with the auditors, and the full Council would hear their presentation on November 17th. They would come and present on that date. November 3rd was Election Day, so they didn’t want to extend the meeting any longer, so they would come back on the 17th and Council would hear the fourth quarter. For now, he skipped the fourth quarter and went into the current fiscal year, which was July, August and September of 2020.

Assistant City Manager Rodney Miller referred to the PowerPoint presentation and showed a chart of the general fund. It was the City’s main operating fund. He advised there was a couple of concerning numbers on this chart. He asked Council to compare the year to date actual column compared to where the City was last year and keep in mind COVID, wasn’t or they didn’t think was with us in July, August and September of last year. Comparing that time to now obviously, we’re in the middle of the pandemic, and what they would hear as a little precursor at their November meeting for the fourth quarter, the City took a hit in some of their revenues. He thought City Manager Warren Wood had explained all that to Council as they were going into the budget for this fiscal year. Fortunately, staff’s predictions came true in that they thought that April, May and June were going be the worst quarter. And then they hoped that they were going to start coming out of that, coming off the trough, and then going back up. He was happy to report that they thought that was where they were headed, and he showed Council some evidence of that. He referred to the chart and pointed out the numbers for the first three months of the fiscal year compared to the first three months of last year. He noted they were up about a half a million dollars in ad valorem taxes. They did not raise the tax rate this year. He explained it was two things. They don’t know when the taxpayers pay, but he thought the bigger answer was the economic development activity that Council was seeing around town. That would have been activity prior to January 1st. Whatever the tax office listed as of January 1st those tax bills came out in July and people were starting to pay that. That was a good sign. Under other taxes he mentioned the City’s sales taxes for April, May and June declined. He noted that they had recovered some in August and September, but occupancy taxes were also in that. The hotels were really, really struggling. In fact, Crowne Plaza remains shut down now and others are still operating at a percentage of their capacity and occupancy for the prior year, so they did take a hit. In the other revenues a couple were down, and a couple were up, until you get to investment earnings. He advised it was also one of those bad times that with interest rates so low, all of the City’s idle cash and dollars that they have, they typically invest those to try to earn a return in some investment earnings on those dollars. Unfortunately, the interest rate market was low. That was good for a consumer, because they could go buy or borrow for a house or for a car at low interest rates compared to the last decade or two. But the City’s investment earnings suffer from that.

Assistant City Manager Rodney Miller discussed the other financing sources. The main reason for last year was if Council would recall with the City’s bond projects, the general fund had to front some dollars for some of these projects. The end of last year they issued the City’s second bond issue, $135 million dollars. That bond issue, when the City got the money from the bonds, they paid the general fund back. Last year those were bonds paying the general fund back and giving the general fund $4 million dollars. They don’t have that this year. So that was not necessarily a bad decline. They just received those monies that they had fronted the prior year to the general fund. That was one explanation.
That explained, while if you look at why the City's revenues were so much lower than last year, that was the primary driver for that, three million dollars and that was the three million difference there. That explained one side of the equation. The other equation was expenditures. He noted $18.4 million dollars this year so far, compared to $14.5 million dollars last year. That was a dollars of components to that. One was speaking of the bonds they issued last year. On September 1st, just a little over a month ago, they made the first debt payment on those 2019 bonds. Principal and interest were about $1.1 million dollars. That was expenditures that they paid this year, they had planned for that, that they did not spend last year. Two more things related to the Trivium Business Park. Mayor Guess and Alderman Zagorot were on the Trivium committee purchased the last big portion of the land of the Margaret Lutz heirs property, which was about two million dollars. The City paid a million and the County paid a million. That was a million dollars that they paid in July, that they didn't pay last year. The final thing was Meisner Park. The contract from Meisner Park to start out there was brought to Council in August or September. He thought that it was late August. Council approved that contract. The City had the money from the Outward-Bound donation, but they had to appropriate that $900,000 which made that number go up on the expenditure side, because they didn't transfer that to the Capital Project Fund to pay for that project. He hoped that explanation sufficed to show the $7 million dollars. He advised Council to not dwell on that. Those were expected dollars, and not something that they felt like they were systemically broke with the City's revenues and expenditures.

Assistant City Manager Rodney Miller discussed property tax revenues. He referred to the PowerPoint and pointed out on a chart in 2020 the City had a 17 percent increase in property tax revenues, and this was for the first quarter July through September, compared for each of those years. The reason for that was they raised the property tax rate in 2020. Hence that was why they had such an increase. This year they had that $500,000 increase, again for those two reasons. Maybe some people paid early mortgage companies and checks probably came in early. But he thought the primary reason was because the City's economic development structure in the city remained robust. They felt like that it has dodged the pandemic bubble so far. Sales tax revenues had an increase the last two years through July, August and September. He pointed out they technically only have July and August so far. He mentioned that sales tax revenues come in 45 days after the end of the month, so the City had only received July and August revenue, so it was just two months. It was certainly a positive amount, but it was not a trend. Two months was not a trend. They were remaining cautious on any salary increases that may or may not occur this fiscal year. They had frozen those. Major capital improvements had also been held, until they see that this was more of a trend instead of just two months of activity.

Assistant City Manager Rodney Miller discussed the City's building permit activity. He referred to the PowerPoint and pointed out some of the numbers. The residential permits, which were the number of permits that people come in and pull permits for residential was up, commercial was down in number. They had a pretty robust year last fiscal year first quarter, not so much this first quarter of this year. What really mattered was the dollar amounts. Mr. Miller explained in residential they were at $8 million dollars, which were at $2 million dollars. In residential value for the first three months of last year, they were at $11 million dollars so far this year. Commercial was 42 last year and 19 so far this year. As City Manager Warren Wood had shown in the MDI presentation, $120 million dollars in value was about, if not more, what they City gets in a whole year. That permit had not been pulled that MDI was going to pull. When they sign the contracts and get things done, they'll pull a permit for what they're going to do for that building. That was not reflected in this number. Number two last year, what was in this $42 million dollar number the City was at $50 million dollars three months into the fiscal year the City was halfway through a whole year's worth of activity. It happened to be Preston Ridge apartment complex. Those 318 apartments with the commercial included in it, that permit was in this $42 million dollar number last year. They hope to get a lot of those this coming year in the next nine months of this fiscal year. If you take that $20 million dollars out, they were right on pace where they were last year, which was his point. And when you add in MDI obviously, they were going to shoot over $100 million dollars with their announcement. He referred to the chart on the PowerPoint and pointed out the numbers of residential down the left-hand side. He advised the middle numbers on the chart included some projects that were already complete, Mavis Tire, self- storage at the old Lowes facility on Highway 321, Los Compadres Restaurant was completed. He had started off Sandy Ridge Road. He advised he or Planning Director Brian Frazier could answer questions about these projects as well. He noted the projects at Trivium, Corning had been taken off the list because it was finished. ITM, Cataler and Stonemont, the grading was well underway, and they were planning to come up out of the ground real soon. Atria was expected to start their project
on Main Avenue South as their new corporate headquarters right along City Walk. Lake Park 321 which Council approved at their last month’s meeting; he had a picture of what that looked like. He advised based on the hotels, they had a plan for a new Home2Suites, but that project was on hold now, obviously, with the pandemic that we’re in.

Assistant City Manager Rodney Miller discussed the water and sewer fund. He advised they would compare the year to date actual compared to where they were last year. He noted intergovernmental revenues were a little lower, but the actual water and sewer sales were higher than the year before. He referred to investment earnings, and advised they would see again the same thing, the interest rates were lower, so they were achieving significantly lower investment earnings. Miscellaneous revenues were up. In other financing sources, that $2.3 million dollars was money that they had appropriated from Capital Reserve, a separate fund, which was why it was a revenue to the water and sewer, to pay for the Lenoir-Rhyne/Highland water project. That was what that was last year. They did not appropriate any capital reserve money this year. On the expenditure side, he pointed out the expenditures were slightly lower than last year. He advised they had a deficit situation through September, meaning their expenditures exceeded their revenues through the first quarter. That was not unusual. In fact, the water sales typically pick up in the spring, and they’ll go primarily March through June, when you’ll really see the water volume in the water sales.

Assistant City Manager Rodney Miller discussed the investment report. He pointed out the main number, overall, their investments are earning about a half a percent less on their investments. Six months ago, they were about 1.5 percent. They had really declined since he came before Council last time. They had only earned $48,000 overall investment earnings, and normally that was $100,000 at this point, almost $150,000. They have $77 million dollars in investments in these types of securities and or debt instruments that the Local Government Commission in Raleigh allows the City to invest in. He referred to the breakdown on the PowerPoint. He mentioned the GO bonds. The 2018 bonds had all been spent, that $15 million dollar issue. The second $15 million dollar issue, they had spent all but about $8 million dollars, so almost half of the second 2019 bond issue. They expect to issue the third and final round sometime next summer, June, July, or August, once that calendar materializes.

Assistant City Manager Rodney Miller referred to some photos on the PowerPoint. He showed photos of One North Center, the Woda project or the Center Crossing project, Corning located in the Trivium Business Park, the Lake Park Development’s 40,000 square foot spec building, another photo of One North Center, Preston Ridge Development with the CVCC portion along the front and the residential side, Gates at Highland, and the Lodge over behind the Neighborhood Walmart on Highway 70. He noted that the Lodge picture was an old one because it was complete, and people have started to move in and were leasing that facility. He asked Council for any questions.

Mayor Guess asked if Council had any questions. There were no questions.

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 HRPA) (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Other Minority (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Other Minority (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) Other Minority (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council) 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)
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

Alderwoman Williams welcomed two students from Lenoir-Rhyne University in attendance.

Alderwoman Patton commented with the investment that MDI was doing, on top of just that investment, they were just one of the very best community minded family businesses here in town and they do a great deal for the City, and she appreciated all they do.

Mayor Guess congratulated the 2020 Business Well-Crafted Award winners. He thought there was eight of them total. They appreciated them. He advised that US News and World Report ranked Hickory among the top 50 places to live in the US. That was certainly recognition that they were very proud of as well. They looked at things like the job market, housing affordability and quality of life here in Hickory. Hickory ranked in the top 50. He thought that was quite an accomplishment there, so they were proud of that as well.

Alderman Seaver mentioned the COVID-19 report from Catawba County, three of the largest infection dates numbers, two out of three of those had been in October, this month. If you look at the curve it didn’t flatten out long, it had started back up about the same slope that it was. We are not out of the woods by any means yet. It had started back up about the same slope that it was. We are not out of the woods by any means yet. He advised people to be careful out there and to wear the mask when they could. A lot of people are just excited about getting out and tend to forget to wear it. He had too. He was saying it for his own good, too, so he could remember it better. Be careful out there.

XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(6) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

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

1. Approval of Closed Session Minutes of September 15, 2020 - NCGS §143-318.11(a)(1)
2. Discussion of Personnel Matter - NCGS §143-318.11(a)(6)

Council convened to closed session at approximately 7:54 p.m.

Council reconvened to open session at approximately 8:36 p.m.

No action was taken upon return to open session.

XV. There being no further business, the meeting adjourned at 8:37 p.m.

_________________________________________________________________________

Mayor

_________________________________________________________________________

City Clerk