A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, June 2, 2026 at 6:00 p.m., with the following members present:

	Hank Guess	
Tony Wood		
Charlotte C. Williams	Aldermen	Arnita M. Dula
Danny Seaver		Jill Patton

A quorum was present.

Also present were City Manager Warren Wood, Deputy City Manager Rodney Miller, Assistant City Manager Steve Miller, Assistant City Manager Yaidee Fox, Attorney Terry Taylor, 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 except for Alderman Freeman.

II. Invocation by Reverend Steve Caldwell, Mt. Zion Baptist Church

III. Pledge of Allegiance

IV. Special Presentations

Mayor Guess recognized Miss Zoe Charles and her mother Melissa Johnson. Zoe was the current Miss Carolina Foothills, and she would soon be competing in the Miss North Carolina pageant in June. He wanted to give her a brief opportunity to say hello and introduce herself.

Ms. Zoe Charles introduced herself, she advised she was a resident of Hickory, North Carolina. She was born at Frye Regional Medical Center. She graduated from St. Stephens High School, and she just graduated from the University of Oklahoma with a degree in health and exercise science. She was currently working at Piedmont Plastic Surgery and Dermatology; she invited everyone to come to see her. More importantly, she was competing for Miss North Carolina this June. Hickory never had a Miss North Carolina, and they were getting ready to crown the 88th Miss North Carolina, so she was super excited. She established the community service initiative “Beyond the Ribbon”. She lost her father to stage 4 stomach cancer while he was on active duty in the military when she was 7, and she was partnering with North Carolina Hospice and Palliative Care Association too with her children's book, “Daddy's Star”, that was just published on Amazon, into all of the hospice and palliative care centers in North Carolina, which was super exciting. This Saturday she was hosting a tea party, for her “Beyond the Ribbon”, and it was to advocate for all cancer survivors and families who have been affected by cancer. All of the proceeds and fundraising would go to the Make-A-Wish Foundation, the American Cancer Society, and Go Jim Go, which supports families who were needing help with cancer advocacy in Charlotte. It was open to the public. They could follow her on Instagram or Facebook at Miss Carolina Foothills. They would need to stay tuned.

Mayor Guess wished her the best of luck. He reiterated that she was a graduate of St. Stephens High School. They were happy to have her and her mom present with them this evening. He asked her to keep them posted. He noted that Ward 4 Alderman Freeman was unable to be present, but they still had a quorum. He mentioned that Attorney Terry Taylor, would be representing them tonight as their attorney. City Attorney Tim Swanson was unable to be present as well; he welcomed and thanked Attorney Terry Taylor for attending.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

A. Regular Meeting of May 19, 2026.

Alderman Seaver moved, seconded by Alderwoman Patton that the Minutes of May 19, 2026 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.

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

A. Budget Revision Number 19. (First Reading Vote: Unanimous)

B. Budget Revision Number 20. (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.

Alderwoman Patton moved, seconded by Alderwoman Dula approval of the Consent Agenda. The motion carried unanimously.

A. Approved the Installation of Speed Tables along 2nd Avenue SE from 5th Street SE to Lenoir-Rhyne Boulevard SE.

Staff requests Council's approval to install speed tables along 2nd Avenue SE from 5th Street SE to Lenoir-Rhyne Boulevard SE. City Council implemented a Neighborhood Traffic Calming Program that enables citizens to request measures to improve traffic safety in the area where they own property. The traffic division staff received a completed petition from property owners along 2nd Avenue SE for the Neighborhood Traffic Calming Program and found the property owners to be compliant with the guidelines. The petition qualified for the installation of speed tables. The Fire Department has indicated that the proposed speed tables will not hinder emergency response times for the area. Thirty-eight properties were included in the petition and thirty-three properties signed in favor of implementation. This represents at least 75% approval, which meets the requirement. The necessary modifications along the roadway can be performed as a normal part of the Street Division's operations. Staff recommends Council's approval of the installation of speed tables along 2nd Avenue SE from 5th Street SE to Lenoir-Rhyne Boulevard SE.

B. Approved a Resolution to Direct the Expenditure of Opioid Settlement Funds.

The City of Hickory joined national settlement agreements with companies engaged in the manufacturing, distribution, and dispensing of opioids. The City of Hickory has received Opioid Settlement Funds pursuant to these national settlement agreements and deposited the Opioid Settlement Funds in a separate special revenue fund as required. Before spending opioid settlement funds, the local government's governing body must adopt a resolution authorizing the expenditures of opioid settlement funds; states the specific strategy or strategies the municipality intends to fund; and states the amount dedicated to each strategy for a specific period of time. The total dollar amount of Opioid Settlement Funds appropriated and authorized strategies is $100,000. Staff recommends approval of the Resolution.

RESOLUTION NO. 26-30
A RESOLUTION BY THE CITY OF HICKORY
TO DIRECT THE EXPENDITURE OF OPIOID SETTLEMENT FUNDS

WHEREAS the City of Hickory has joined national settlement agreements with companies engaged in the manufacturing, distribution, and dispensing of opioids.

WHEREAS the allocation, use, and reporting of funds stemming from these national settlement agreements and bankruptcy resolutions ("Opioid Settlement Funds") are governed by the Memorandum of Agreement Between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation ("MOA") and the Supplemental Agreement for Additional Funds from Additional Settlements of Opioid Litigation ("SAAF");

WHEREAS the City of Hickory has received Opioid Settlement Funds pursuant to these national settlement agreements and deposited the Opioid Settlement Funds in a separate special revenue fund as required by section D of the MOA;

WHEREAS section E.6 of the MOA states that, before spending opioid settlement funds, the local government's governing body must adopt a resolution that:

(i) indicates that it is an authorization for expenditure of opioid settlement funds; and,
(ii) states the specific strategy or strategies the municipality intends to fund pursuant to Option A or Option B, using the item letter and/or number in Exhibit A or Exhibit B to identify each funded strategy; and,
(iii) states the amount dedicated to each strategy for a specific period of time.

NOW, THEREFORE BE IT RESOLVED, in alignment with the NC MOA and SAAF, the City of Hickory authorizes the expenditure of opioid settlement funds as follows:

1. Strategy authorized:

   a. Name of strategy: Recovery Support Services
   b. Strategy is included in Exhibit A
   c. Item number in Exhibit A to the MOA: #3
   d. Amount authorized for this strategy: $100,000
   e. Period of time during which expenditure may take place:
      Start date: July 1, 2026, through End date: June 30, 2027
   f. Description of the program, project, or activity: Community Navigator Program
   g. Provider: City of Hickory Police Department

The total dollar amount of Opioid Settlement Funds appropriated across the above named and authorized strategies is $100,000.

(Exhibit “A” is on file in the City Clerk’s Office and is hereby incorporated by reference and made a part of the minutes)

C. Called for a Public Hearing to Consider the Voluntary Non-Contiguous Annexation of Property Located at 3440 Eller Drive, Newton, Containing Approximately 5.56-Acres, Identified as PIN 3711-15-52-8710, Owned by Gregory Raniszewski. (Authorized the Public Hearing for June 16, 2026, at 6:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building.

RESOLUTION NO. 26-31
RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-31 AND/OR 160A-58.1, AS AMENDED

WHEREAS, a petition from Gregory Raniszewski requesting annexation of an area described in a petition was received on May 19, 2026, by the City Council of the City of Hickory; and

WHEREAS, G.S. 160A-31 and G.S. 160A-58.1 provide that the sufficiency of the petition shall be investigated by the Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Hickory deems it advisable to proceed in response to this request for annexation.

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

THAT, the Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

CERTIFICATE OF SUFFICIENCY

TO THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

I, Debbie D. Miller, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31 and/or G.S. 160A-58.1, as amended:

Property of Gregory Raniszewski, containing 5.56-acres of property located at 3440 Eller Drive, Newton, identified as PIN 3711-15-52-8710.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Hickory this 19th day of May, 2026.

/s/ Debbie D. Miller, Debbie D. Miller, City Clerk

(Petition is on file in the City Clerk’s Office and is hereby incorporated by reference and made a part of the minutes)

RESOLUTION 26-32
RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION, PURSUANT TO G.S. 160A-31 OR G.S. 160A-58.1, AS AMENDED

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the City Council of the City of Hickory has, by Resolution, directed the Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Clerk as to the sufficiency of said petition has been made.

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

Section 1: That a public hearing on the question of annexation of the area described herein will be held at 6:00 p.m. on June 16, 2026, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 2: The area proposed for annexation is described as follows:

Property of Gregory Raniszewski, containing 5.56-acres of property located at 3440 Eller Drive, Newton, identified as PIN 3711-15-52-8710.

Section 3: Notice of said public hearing shall be published in the Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

RESOLUTION NO. 26-33

A RESOLUTION DETERMINING THE INTENT TO ANNEX INTO THE CORPORATE LIMITS OF THE CITY OF HICKORY CERTAIN PROPERTY OWNED BY GREGORY RANISZEWSKI AND CALLING FOR A PUBLIC HEARING ON THE SAME

WHEREAS, Gregory Raniszewski is the owner of certain real property as described herein, which property is located at 3440 Eller Drive, Newton, containing 5.56-acres; identified as PIN 3711-15-52-8710.

WHEREAS, such property is currently located in the City's extra-territorial jurisdictional (ETJ); and

WHEREAS, it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex such property into the corporate limits of the City of Hickory as authorized by N.C.G.S. Section 160A-31; and

NOW, THEREFORE BE IT RESOLVED by the Hickory City Council, sitting in open session this 2nd day of June, 2026, at a regularly scheduled meeting of the governing body of said Council, duly called and posted in accordance with the statutes of the State of North Carolina, as follows:

Section 1: That the Hickory City Council does determine that it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex the property described hereinafter into the corporate limits of the City of Hickory.

Section 2: That a public hearing on the question of annexation of the area described herein will be held at 6:00 p.m. on June 16, 2026, in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 3: The same being that property reflected on map entitled Greg Raniszewski, Voluntary Non-Contiguous Annexation Map 1, City Limits, subject property outlined in red; Greg Raniszewski, Voluntary Non-Contiguous Annexation Map 2, Zoning, subject property outlined in red; Greg Raniszewski, Voluntary Non-Contiguous Annexation, Map 3, Surrounding Land Use, subject property outlined in red.

Section 4: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

(Maps are on file in the City Clerk's Office and are hereby incorporated by reference and made a part of the minutes)

D. Approved Applying for the North Carolina Emergency Management (NCEM) Aerial Asset Accessibility Grant in the Amount of $5,000,000.

Staff requests Council's approval to apply for the NCEM Aerial Asset and Accessibility Grant to construct a new dual Aircraft Rescue and Firefighting Station (ARFF) Station 4 at Hickory Regional Airport in conjunction with the City of Hickory Fire Department. Aerial asset operations in rescue and recovery involve using aircraft, such as helicopters, fixed-wing planes, and drones, to locate survivors, assess damage, and deliver aid. These operations are critical in disaster zones, remote wilderness areas, or regions cut off by compromised infrastructure. The purpose of the program is to disburse grants to local airports in the affected area to repair, replace, and restore infrastructure damaged by Hurricane Helene and build and improve capacity for emergency preparedness and disaster response for future natural disaster and emergencies. On June 26, 2025, the North Carolina General Assembly passed House Bill 1012, the Disaster Recovery Act of 2025. This act included funding for the Aerial Asset Accessibility Grant Program to be managed by the North Carolina Emergency Management. Staff recommend Council's approval of the application for the NCEM Aerial Asset Accessibility Grant in the amount of $5,000,000 to construct a new joint Aircraft Rescue and Firefighting Station 4 at the Hickory Regional Airport. There is no local match requirement, and selected projects will be funded in total by NCEM.

E. Accepted the Bid and Awarded the Contract to Chatham Civil Contracting, LLC, in the Amount of $2.6 Million Dollars Contingent Upon North Carolina Department of Transportation Concurrence, for the Aviation Walk Connector Multi-Use Trail and the Aviation Museum Connector Multi-Use Trail.

Staff requests Council's acceptance of the bid and award the contract to Chatham Civil Contracting, LLC, in the amount of $2.6 million dollars contingent upon the North Carolina Department of Transportation concurrence, for the Aviation Walk connector multi-use trail (BL-0067) and the Aviation Museum connector multi-use trail (BL-0115). Bids were advertised for the project resulting in three bids being received and opened and one non-responsive bid was received. The bids were submitted by Chatham Civil Contracting, LLC - $2,600,000; Kemp Sigmon Construction Company, Inc. - $3,095,855.70; Neill Grading and Construction Company, Inc. - $3,362,199.35; and Cardinal Civil Contracting - $3,144,701.74 (non-responsive). The City applied for and received State Transportation Block Grant funding approval for BL-0067 in the amount of $1,600,000 with a 20 percent match and BL-0115 in the amount of $2,400,000 with a 20 percent match of $600,000. The contractor is needed for the construction of the connector trails. Staff recommends Council's acceptance of the bid, award of the contract, and authorize the City Manager to execute the contract with Chatham Civil Contracting, LLC.

RESOLUTION NO. 26-34
RESOLUTION AWARDING CONTRACT FOR TIP PROJECTS BL-0067 AND BL-0115 AND AUTHORIZING EXECUTION OF CONTRACT DOCUMENTS

WHEREAS, the City of Hickory, North Carolina, solicited formal bids for the construction of TIP Project No. BL-0067 – Aviation Walk Connector – and BL-0115 – Aviation Museum Connector (collectively, the "Project"); and

WHEREAS, the City received three (3) sealed bids for the Project; and

WHEREAS, sealed bids for the Project were publicly opened on May 14, 2026; and

WHEREAS, Chatham Civil Contracting, LLC submitted the lowest responsive, responsible bid in the amount of $2,600,000; and

WHEREAS, City staff has reviewed the bid submitted by Chatham Civil Contracting, LLC and determined that the bid complies with the applicable bidding requirements and contract documents; and

WHEREAS, the City Council finds that awarding the contract to Chatham Civil Contracting, LLC is in the best interest of the City.

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

1) City Council accepts the bid submitted by Chatham Civil Contracting, LLC in the amount of $2,600,000 for construction of the Project.
2) The City Manager is hereby authorized and directed to execute the construction contract and all related contract documents necessary for completion of the Project on behalf of the City.
3) The award and execution of the contract shall be contingent upon review and approval by the North Carolina Department of Transportation.
4) This Resolution shall become effective upon adoption.

F. Approved on First Reading Budget Revision Number 21.

ORDINANCE NO. 26-20
BUDGET REVISION NUMBER 21

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, 2026, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the Solid Waste Fund within the FY 2025-26 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	95,100	-
TOTAL	95,100	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Sales and Services	95,100	-
TOTAL	95,000	-

SECTION 2. To amend the General Fund withing the FY 2025-26 Budget ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Government	744,982	-
Transportation	650,000	-
TOTAL	1,394,982	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	744,982	-
Other Financing Sources	300,000	
Investment Earnings	350,000	-
TOTAL	1,394,982	-

SECTION 3. To amend the Capital Reserve Fund within the FY 2025-26 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	300,000	-
Environmental Protection	106,394	-
TOTAL	406,394	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	406,934	-
TOTAL	406,934	-

SECTION 4. To amend the Water/Sewer Fund within the FY 2025-26 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	106,394	-
TOTAL	106,394	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	106,394	-
TOTAL	106,394	-

SECTION 5. To amend the Aviation Walk (#B1N001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	-	416,115
TOTAL	-	416,115

To provide funding for the above, the Aviation Walk (#B1N001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	-	416,115
TOTAL	-	416,115

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.

IX. Items Removed from Consent Agenda – None

X. Informational Items

XI. New Business

A. Public Hearings

1. Approved on First Reading Consideration of the City Manager's FY2026-2027 Recommended Budget – Presented by City Manager Warren Wood.

Notice of the public hearing was advertised in a newspaper having general circulation in the Hickory area on May 23, 2026.

Mayor Guess asked City Manager Warren Wood to introduce the public hearing.

City Manager Warren Wood gave a PowerPoint presentation. He was pleased to present the annual recommended budget for FY 2026-2027. This would be the 156th edition of the City's budget. He noted they could stop him as they went through the presentation if they had questions or comments. A lot of this was not new, they had talked about a lot of this. They had gone over some of what they were going over tonight at the Council/Staff retreat. Every year they were required to adopt an annual budget ordinance. That was what was before them. They handed it out at their last meeting. It had been advertised online and available for the public to review. Their annual budget was for one year, July 1st to June 30th. It would fund all the governmental departments that they have in the City, and it was funded through recurring revenues such as property taxes, sales taxes, water and sewer, etc. The other major budget ordinance that they adopt from time to time related to capital projects and their capital project budget ordinances. That was different than what they were going over tonight, but that was the distinction between the two. That was the bond program. There were a lot of large water and sewer projects, and those were more than a year. Typically, they were multiple years. They would talk about the annual budget ordinance and what was contained there.

City Manager Warren Wood advised if they looked at core city services, defined as public safety, which was police and fire, street and traffic, solid waste, water and sewer, which included biosolids, and their debt service, which statutorily they had to actually budget that first, that totaled $107 million. If they looked at their operating budget, leaving out their capital reserve and internal service funds, that $107 million represented about 77% of that budget. Most of their activity in their budget related to those 5 areas, which were their core services. Then they have other services, library, parks and recreation, landscape services, information technology, finance, human resources, those sorts of things. Those were ancillary to their core services there. Most of their activity was in those core areas. In addition to that, the general fund, the water and sewer fund, and the solid waste fund represented about 80% of their overall budget activity in their annual budget. He gave them a high-level view there.

City Manager Warren Wood referred to the PowerPoint and pointed out the various departments and reserves that were in the annual budget. He advised it was $159 million last year, $162.7 million for the coming year. That was a 2.3% increase. They could see some of the funds increased more than others. They had a lot of reductions in their capital reserve, and water and sewer capital reserve, because they did not have as many projects this year. Upcoming, there would be in future years where those numbers would go up, but they could see a variety of changes amongst the various funds within their annual budget.

Alderman Wood commented that it was his understanding that the water and sewer capital reserve money was transferred from the particular fund into that capital, correct? That was not a separately funded fund.

City Manager Warren Wood advised that was correct. The water and sewer fund funds the capital reserve fund. General capital reserve, there were water and sewer funds in there as well that also come from the water and sewer fund as well as the general fund. They were segregated out. They do not use the general fund to fund water and sewer or vice versa. Although they were setting aside a half a penny on the tax rate for water and sewer, given that those needs were so great. That would be ongoing. Yes, that was correct.

City Manager Warren Wood noted that the general fund was their largest fund, $83 million. Property tax was the main source of revenue within that fund. It was the largest source of revenue that they had control over. They were at 46 cents. The statute allowed them to go to $1.50. He was not recommending that tonight or next year. They reserved half a penny of that 46 cents rate for future water and sewer projects. Additionally, the voter-approved general obligation bonds represented 3.3 cents of that 46-cent rate. He shared a few highlights. Street lighting had increased by $300,000. That was a combination of the bond projects, the trail system coming online, as well as Duke Energy increase. They talked a lot about their street resurfacing budget at the Council/Staff retreat. They were going to double that for this coming year, going from $1 to $2 million, a one-time

appropriation of fund balance. They have ample fund balance to do that, so they recommended that one time. Then next year they would come back with a longer-term permanent recommendation to get that $2 million to $4 million. They talked about Microsoft coming online, particularly now that they were not going to take incentives, as well as revaluation. They would come up with a recommendation to get to a good permanent recurring $4 million number next year. Their sidewalk budget was going from $200,000 to $500,000, and they never appropriated interest earnings out of the capital reserve fund. That $300,000 would be coming from that to increase the work. Those were for the smaller sidewalk projects. There was not a lot of low-hanging fruit left in terms of easy sidewalk projects. There were typically right-of-way issues, stormwater, and topo with retaining walls. But that would allow them to do more, as well as do more sidewalk repairs as well.

Mayor Guess asked if that included Springs Road?

City Manager Warren Wood advised that Springs Road was separate. That was a $3 million project. That was separate in a capital project fund. Those were the types of projects that were multi-year that were in a capital projects fund or capital project ordinance. Their property tax base has grown well in the last 10 years. It actually doubled in size. There had been a couple of revaluations along the way that helped that. They had seen strong growth in their permitting numbers, which had resulted, particularly in the last 4 years, it averaged over $250 million in permitting numbers. This would be the 4th consecutive year. This number, this year, was even higher than that due to Microsoft. They had seen really good growth in their tax base through the years. He thought 10 years ago their property tax rate was 57 cents. With the growth in the tax base, now it was at 46 cents.

Alderwoman Dula questioned the tax base, was the majority of that residential growth or commercial growth?

City Manager Warren Wood advised it was commercial. He noted that he had a slide coming up on the breakdown on that.

Alderman Wood commented to equate that graph to dollars, if his math was right, for every penny on the tax rate, they collected about $900,000. Was that correct? If they went back to, just for the sake of argument, 21, it would have been $500,000 for every penny. Just out of tax-based growth, they added $400,000 to every penny of tax rate.

City Manager Warren Wood confirmed that was right. There were two revaluations along the way where they adjusted, but that was right. That was the right way to look at that.

Mayor Guess commented that did not include Microsoft.

City Manager Warren Wood advised that was correct. They pulled the permit, but the tax numbers were not showing up yet.

Mayor Guess commented that would not show up until the next year.

City Manager Warren Wood mentioned they have a property tax revaluation, for real property, in Catawba County, the numbers would be effective January 1, 2027, which would impact the tax rate that they would need to reset in the '27-'28 annual budget next year. To the question about some of the mix of their property tax base, most of their building permitting in terms of the dollar amounts were industrial/commercial, they had seen strong residential growth, but the industrial/commercial had been stronger. With real property, 50% of the property tax base, 58% of the taxpayers in Hickory were commercial/industrial, 42% were residential. This was really important because they really focused on growing their tax base through the commercial/industrial because they have a large facility, large value, and they were not consuming any services, that really subsidized the property tax rate and the services provided to the residential folks to a large degree. That was why, Corning had been a great example. Their investment had been tremendous in Hickory, and they do not consume many services, but they say they pay the same rate in property taxes that everybody else pays. Again, that helped subsidize the services and the cost for the folks on the residential side.

Alderwoman Patton mentioned that she was at an economic development meeting today, and one of the other cities that was there was just saying they have the opposite problem. They have such a large residential, very little business, and they do not have the resources to provide and try to find ways around that. This was great.

City Manager Warren Wood commented residential was much more expensive to service. They need the residential growth because they want to grow their population, but it was more expensive to serve with police and fire, the streets, etc. Having a strong industrial commercial base to subsidize that helps keep taxes lower for everybody. Another good example was Microsoft. Not all data centers were the same, but they were going to be a great addition to their tax base, and to Catawba County's tax base, and they would help subsidize to some degree the tax rate and services for everybody else. He knew there was a lot of chatter about Microsoft. They were not going to be a big water user. They were going to be located where they were located, and they were going to sit out there and pay the same rate that everybody else has paid on their taxes and not consume hardly any services. That was a good thing for everybody. He knew there was a lot of talk about that.

Mayor Guess commented on the residential percentage compared to what it was, he used the figure 10 years ago, the difference in 10 cents in the tax rate, but the difference in the residential percentage 10 years ago was extremely different than that 42%.

City Manager Warren Wood mentioned the residential percentage had grown, but with Microsoft, and then Corning as well, and some of the announcements they had, that industrial commercial number percentage was going to grow in terms of percentage of their real property tax base.

Mayor Guess commented that was a good proportion.

City Manager Warren Wood advised also on the residential side; they could see the malaise that they went through. They were doing less than 100 building permits for a number of years. Then the bond program started taking hold and then boom coming out of COVID. This looked like explosive growth. It was explosive compared to what they used to do, but this was not explosive growth. This translated into maybe 2% population growth every year. They had talked about this. They wanted to be in a community that was growing not one that was not growing, because their challenges were a whole lot different. This had been good; they did not see a 10% increase in their population every year. That would be explosive. But the 2% seemed like a solid manageable number. They were pleased with what they had seen. Another thing about this, there was a good mix of single-family, multifamily, townhomes, as well as a good, distribution of that around town. Now, the northwest was mostly built out, but the northeast, southeast, and the southwest were seeing growth, not even growth, but it was spread out amongst pretty much in those three areas.

City Manager Warren Wood discussed the water and sewer fund, a $44 million recommended budget. The increases being recommended would have an impact of $3.02 per month on the average residential bill. They use 5,000 gallons a month as the average. It may be a little less than that, that was the standard that was used around the State. They were recommending for FY 27-28 changing their rate structure or at least presenting to City Council a proposal to change their rate structure, it would be their decision. They have had the same rate structure that they currently have for 30 years, and it was heavy on the fixed fee side, which was good as they could calculate their revenue pretty much to some degree on the fixed fees, which were going to be every month. The volume may vary depending on what time of year it was but moving towards a more conservation-based rate structure, which would help do a couple things, it would alleviate some of the pressure on the residential side and put more of the burden on the bigger users, industries in particular. He was not going to say they have low water and sewer prices, but their volume number was low. They were going to recommend flipping the script on that and going more towards a conservation-based system that focused more on the volume. That way, if they wanted to cut water, they could see the more their bill was based on volume. They may make more effort to reduce the volume they use. With the new AMI system, they would be able to manage that a lot better. That would be coming forward.

Alderwoman Williams commented that the greater water users would be paying more. To date, they have not really had that adjustment.

City Manager Warren Wood mentioned that when he started with the City, the more water they used, the less they paid. They went away from that structure. They had a lot of wet industry and that was an incentive for that. They changed that 30 years ago. Now they would be working to change that again.

Alderman Wood commented that it had been confirmed that going from more of a fixed fee and the predictability of fixed fees was not going to negatively impact bond ratings or their ability to go to that market, correct?

City Manager Warren Wood advised that was correct. They would still have fixed fees, but there would not be as much weight put on them as there was today. That would be a proposal that they would make. Part of the risk in that was if they have a big water user that leaves, but they were going to lose that anyway. Even under the current system. There would be less predictability in terms of not having the fixed fees like they have, but the trade-off was they make it up on the volume side, and it was all cyclical in terms of what time of year it was. It all evens out during the course of the year. He mentioned they have a regional water system. They have 120,000 folks that they serve in 12 different jurisdictions. They maintain 1,000 miles of water line, 600 miles of sewer line. That system continued to grow. It was a good thing in that they get an economy of scale that other systems may not get because they do not have the customer base to spread fixed costs across. Having a regional system, that decision was made with the construction or expansion of the existing plant to 32 million gallons a day. That was another bond referendum in the late 1980s. He shared a couple of highlights. They had about $900,000 in sewer line repairs and replacement lines, and about $1.8 million in waterline replacement.

City Manager Warren Wood referred to the PowerPoint slide and showed rate comparisons, comprised of areas in a 30-mile circle around Hickory. There were a few smaller jurisdictions that were left out, but they could see they were on the lower end overall, and some of that had to do with the economy of scale and being able to spread fixed costs across more customers.

City Manager Warren Wood discussed water and sewer priorities. They were going to continue to oppose, for the upcoming year, the interbasin transfer request from the City of Charlotte. The City of Charlotte made a request to take another 30 million gallons a day out of the Catawba River on top of the 32 million gallons a day they already have. The advanced metering infrastructure (AMI), he had talked about that, that would start in earnest this month in terms of the installation of those meters. They talked about the conservation-based rate structure for FY '27-'28 and the risk-based assessment work that was being done, looking at ages of line, the location of the lines, the criticality of the lines, what they need to be focused on in terms of replacing infrastructure. That was for water and sewer. That would be very important for their CIP, or capital improvements plan, that they have. They talked a lot about their raw water intake. They were making some changes there to make it more resilient. They talked about what happened to it and what almost happened to it during Helene. Taking some steps there to reinforce that. The need for a secondary raw water intake. They have a plan “B” if their primary raw water intake goes down, but having a secondary location would be important. That could be a precursor to a second water treatment facility, which they had talked about. They need additional water storage capacity. They had enough storage in the system today that lasted about 24 hours. If something goes sideways, they have 24 hours to get it going again. That was where, further down, the interconnectivity with surrounding water systems was something that they were working on, which would be a backstop if something lasted longer than 24 hours. They were actively pursuing that. Flood mitigation, particularly with their sewer infrastructure. They had 3 projects funded, the Northeast Plant Pump Station down off of Cloninger Mill Road, doing a flood mitigation project there, as well as the pump station at Snow Creek. They have a large sewer main coming down the Henry Fork River, a number was done to that during Helene. They have a stream bank restoration project on the Henry Fork River there. Those were just 3 examples. Some of these were going to be obviously longer term, some of them were more immediate. There was a mix there. The two that were the longer term were the last ones, to build additional water and wastewater treatment production capacity. They have a 32 million gallons a day plant, and they produce 16 million gallons a day. They were not even halfway, but by 2050, they need to have a plan before then because 2050 would be the year that they were projected to get to 80% capacity in their plant. That was where the conservation-based system comes in too. If they motivated people to reduce their water consumption because most of their bill was based on consumption, then that was a good thing. He commented that he was speaking out of both sides of his mouth. It hurts on the revenue side, but it helped preserve capacity in the plant which buys them more time. Those things all kind of weaved together.

City Manager Warren Wood discussed the solid waste fund, an $8.2 million operation. They have a very robust solid waste operation, residential yard waste, junk goods, and of course recycling every other week, it was a contract. They have really strong services that they provide, and it was funded through a fee. They were recommending going from $29 to $30 a month. With that, if approved, this would be the first year in 30 years that that fund was self-supporting. Their operations, their personnel, their capital, the revenue produced in that fund, they did not need a transfer from the general fund or the capital reserve fund to pay their way. That was a good position to be in there. They have the purchase of 2 rear packers,

which load from the rear, and a leaf truck. They have started moving more to the automated trucks. They were a lot more efficient and a lot safer because with the traditional way, there was a driver and typically 2 people in the back out in the street. Now they have 1 person in a cab that was operating it, the one-armed bandit from the cab.

Alderman Wood pointed out if they had lived in Hickory for a long time or for their entire life, he thought that it was easy to assume that their sanitation services were normal. They were not normal. If they went to other communities, they do not have the level of service that they have. He did not mean just picking up their trash. He was talking about the number of trucks that pass by their homes every day, being able to take something to the curb and it just disappearing, leaf, yard waste, etc. What he was trying to say was there was a lot of value in that money.

City Manager Warren Wood appreciated that, and he knew that they did too. He knew they were working hard to use technology to make it more efficient in terms of the routes and not needing to go down the street, for example if they were on the yard waste truck and there was no yard waste on the streets, getting systems in place to where they could reroute the trucks. He appreciated him saying that.

City Manager Warren Wood touched on other projects that were not necessarily related to the annual budget this year, but would be when they come online, because as parks and trail systems and all that come online, they could not lose sight of the fact that those things have to be maintained, staff, equipment, and supplies to do those things. He advised them they had the Catawba River Environmental Education Center. They were on the front end of design on that. They were going to move forward with the park improvements at Geithner Park. The City had money set aside and had been waiting. They were not waiting anymore, so they were going to go ahead. They had most of the design done, so they were going to pull the trigger on starting the park project at Bud Geitner Park for public park improvements there. A number of airport infrastructure projects, most of those were Federally funded. A lot of activity coming at the airport. Sandy Pines Park, they knew that the northeast part of town was park deprived, this would be a northeast park in the Sandy Pines area. CREEC, Catawba River Environmental Education Center, was on the front end of design on that. The OLLE Art Walk, they had the last connector piece down Old Lenoir Road to do, taking that 4-lane road and making it 2 travel lanes and a center turn lane, so there would be 3 lanes. That would be the last leg that connects almost 11 miles of trail system. At a previous meeting, Council approved contracts for the Aviation Walk and the Aviation Museum Connector, so they were good on those moving forward. Springs Road sidewalk, he knew Deputy City Manager Rodney Miller talked a bit about this on the Hal Rowe Show this morning. They tell people they focus on building sidewalks where people walk out of necessity, and Springs Road was one of those areas. That was a $3 million project that was under design. Similarly, Kenworth sidewalk connecting more of the Kenworth neighborhood to the Kiwanis Park, that one was funded. They were really focused on physical and cybersecurity improvements around the City. City Hall as an example. Cybersecurity was always a concern. They had funding for those. Again, these were capital projects that would eventually have impact on the operating side but would be great amenities to the community. They were wrapping up the bond projects. That was 12 years since they were approved. It went back to 2010 with the concept. They were excited about getting that wrapped up and completed. It had taken longer, but it was twice as big as what it was going to be when they started because of the grants they had received.

City Manager Warren Wood referred to the PowerPoint and displayed a sampling of grants from FY16-FY26, not just for the bond program, but in the last 10 years they added it up, and they were probably missing some, but $227 million worth of grants. That was significant. That was one of the reasons they were able to do more with the bond projects. There was a mix. They had gotten other significant grants that they had submitted for. There was not as much money as there was, but there was still money out there. When it makes sense, they would go after it.

City Manager Warren Wood mentioned that he knew they had focused a lot at the retreat on the Hickory 2050 initiative. Again, a lot of the airport, leveraging technology, and innovative service delivery. They talked about a lot of examples of that. It was a target-rich environment for that. Water and sewer resiliency projects, that were short-term, medium-term, and long-term and were going to be vital to the community. Hickory by Choice, that was their Land Development Code. Council gave their approval to start the RFQ process, and when those come in they would get Council plugged in on picking a firm. Pavement preservation and street resurfacing, going from $1 million a year to $4 million. Putting their money where their mouth was on that, because that study came back and said that was what they needed to do to maintain a decent rating on their streets. Multimodal

trails and sidewalks continued to be a priority in the Safe Streets for All initiative as well. Some of these were longer term than others, but they all fit in with the Hickory 2050 plan. He was glad to answer any questions that Council might have.

Alderwoman Patton thanked Deputy City Manager Rodney Miller for especially going over budget questions. He was able to answer every question in a heartbeat, and she greatly appreciated the time and effort they all put into putting this budget together.

City Manager Warren Wood commented that he forgot his manners before he began his presentation, because he meant to say thanks to Deputy City Manager Rodney Miller, Budget Analyst Matt Dellinger, and other department heads, because he got to sit up there and talk about it, but they do the heavy lifting on putting the 6-inch document together. It was behind what he just showed them. They started in the fall and worked for months, and they put a lot of hard work into it. He appreciated everybody's work on that. He apologized that he skipped that.

Alderwoman Dula asked about the raw water intake, the second one. What was the projected timeline for acquiring it and bringing it online? Because she was sure the permitting process was lengthy.

City Manager Warren Wood advised once a location was identified, it was a multi-year process. They were on the front end of looking at expanding their existing plant, and if so, where would a second raw water intake go? Expanding versus building a second plant, because it would probably be a different location. They were having work done right now to identify what the options were. One of the challenges they had was their raw water intake, he thought at that part of the lake was 15 feet deep, but once you get down 9 feet, if you lose 9 feet of water, then you start having problems. One of the options was a deeper intake, more water on top. They lost 4 feet of water in a year. Now it had filled back up some. They lost 1 foot of water during that timeframe in 1 month. They had plenty of water on top, and they have a plan, it was an Armageddon plan, if it got down to that 9-foot level. There were some things they could do to make sure there was still enough water on top. But looking at the depth. To answer her question, they were going to go through that evaluation process and look at what the best options were and the costs were. And that was probably another 18 months to really get a comprehensive plan together. Then once the decision was made and they bring that to Council, then it was a multi-year permitting because the DEQ and working with Duke Energy on getting a second intake permitted, there was a process.

Alderman Seaver asked if they had enough room there at the existing plant to enlarge it.

City Manager Warren Wood advised there were conflicting opinions on that. They were doing some engineering work. There would have to be some things that would be moved.

Alderman Seaver asked if he had any idea of a location for the other intake?

City Manager Warren Wood commented on a second intake, again on a deeper location. But to get deeper, they would have to go east, and then they would have to get a transmission line to come back, versus Lake Rhodhiss, they could have a deeper location, and they would be closer to the dam and be deeper there, but they still had to transmit the water back. Those were the sorts of things that they were looking at. When there was a drought, Lake Hickory struggles more than some other reservoirs because their inflow, the tributaries that flow into the lake, were one of the lowest. Rhodhiss was one of the highest. When times were good, it was fine, but when they hit a drought, they were suffering more because they did not have as much inflow from the tributaries. Those were the sorts of things they were thinking about. Having either a second plant and/or an intake on a different reservoir was good for a number of other reasons too.

Alderwoman Williams commented they have had quite a bit of rain, but not enough. She asked where they were in terms of their status?

City Manager Warren Wood advised that Mr. Wood sent a pretty interesting chart today. The Catawba Wateree Drought Management Group met today.

Public Utilities Director Will Hamblin advised they had their regular meeting today. DMAG meets next week.

City Manager Warren Wood advised they were going to still be in Stage 2. They were in Stage 2 going to a Stage 3. Now they were Stage 2, but the numbers were getting better going the other way. That was the easiest way to describe that.

Hopefully they will get back to Stage 1, but they need more rain. It was lake level; it was water table and inflow. There were 3 different criteria they looked at. People say, well, it rained, we can turn the splash pad on. It does not work like that. He wished it did. They look at a number of different things in determining what stage they should be in.

Alderman Wood commented when he looked at the budget, for better or for worse, he used CPI, the Consumer Price Index, what it was in the previous year, just kind of as a benchmark. No benchmark was perfect, but he had to use something, right? In 2025, 3.8% was the CPI. He was glad to see that the overall budget came in at 2.3%. They were 1.5% better than the CPI, the consumer price index, and the inflation in 2025. There were a couple of funds, or a few funds actually, 5, that were above 3.8%. he was just curious if he could expand on the reasons those particular funds were exceeding that benchmark.

City Manager Warren Wood advised there was $300,000 more going towards sidewalks, $300,000 more going for street lighting, $1 million more going towards resurfacing, and there was $600,000 more in capital than last year. That was over $2 million, and that was probably, 2.5%. That accounted for probably 2.8% of the 5.3% increase, just those items.

Alderman Wood commented biosolids really stood out.

City Manager Warren Wood advised they were new in the biosolids. They were still trying to get a handle on operating costs. That was a partnership with Conover. There was $50,000 more in capital there. Conover was covering, they were paying an additional $30,000. The chemical costs went up to $53,000. Then there was also about $37,000 in contingency, because they were still kind of feeling their way through. Those were all increased, those numbers he said were more than what was in the current year's budget. That was $170,000, and that was about 8.6% of the 11.7% increase.

Alderman Wood questioned if he remembered that they ramped up staffing at the biosolids as well.

City Manager Warren Wood commented they have 6. When operations started, they added 2, but that did not start in the fiscal year, so that actually was showing up now. They were on the front end of operating that facility and trying to fill the right balancing act, but between personnel, capital, and chemical costs there was $53,000 more. Without those increases, it would have been about 3% increase. Water and sewer were also higher than that. That was capital. This coming year, recommended budget, they had got $940,000 more in capital than July 1st of 2025. Without that, they would be about 3.3%. A lot of it was usually capital. Next year it may be something else, and he could not explain it away with capital or street resurfacing or whatever, but most of those increases fluctuated by capital and equipment replacement schedules. In fairness they say they had a 2.3% increase. There was a big decline in capital reserve, and they were not playing a game with that. There just were not as many large capital reserves needed for this coming year. That may not be the case, they may see a big swing next year the other way, but they did not have as many needs out of the capital reserve fund, which was good because they were able to bank more money for bigger projects. It fluctuates usually based on simple things like that.

Alderman Wood commented that City Manager Warren Wood and Deputy City Manager Rodney Miller were painfully aware that he was an expense hawk. He looked for everything. Over the years of serving on Council, he had learned to balance that with more of looking at all of this as an investment. Right. Everything that they were spending was an investment that was paying off in the charts that he showed on tax base. He encouraged everybody to look at it that way. He thought it was a healthy balance of looking at it from pure expense because it was an investment, everything that they were doing here. He thanked them for everything that they had done.

City Manager Warren Wood commented in the world that those people live in, PVC pipe, that had gone up 90%. A lot of these items' diesel, fuel, fertilizer, chemicals. The were fortunate some of these things they could buy on State contract that they get. The do not experience all those increases. He appreciated the question.

Alderwoman Williams thought that the multi-year planning that he did strategically, knowing they were going to need it, and then looking for the grants and funds, and planning that way instead of saying that they were panicked that they have to do it this year. She asked if he could talk a little bit about the fund balance in terms of where they were? She knew they were pretty conservative.

City Manager Warren Wood advised that they talked about capital reserve. They also used fund balance. They do not call it capital reserve, but they would fund matches for grants and that sort of thing. Council's policy was to have a 25% fund balance, which was basically 3 months, they were probably at 34%. They believed they were going to put money in the bank at the end of this year, which was why they recommended the million dollars. They could afford to do it. They appropriate fund balance to balance the budget, but they also conservatively budget revenues. They do not budget any more for the coming year for the major revenues than they think they were going to get in this year. They do not budget growth. Where people get caught a lot of times was they were going to end the year here, but they think they were going to grow 5 more percent next year. They do not budget that 5%. Because if the economy goes south, then they do not have to cut as much to get their budget back in balance. They have a good fund balance. Truthfully, he liked hovering around the 30% number better than the 25% number. Because of the way they had leveraged that, particularly to get grants. Alderwoman Patton and Mayor Guess knew that on the MPO, a lot of cities could not compete for the money that they get because they could not come up with a match.

Mayor Guess mentioned that they had seen lately they had to give money back.

City Manager Warren Wood commented that they were fortunate they had expertise on staff to be able to manage those monies as well as having the match money to put towards it. Springs Road sidewalk, and Kiwanis Park, and they had applied for a connection between Lenoir-Rhyne and Hickory High, all those require matches. Their match was a lot less than what they were getting, but they still have to have a percentage match with it.

Alderwoman Patton mentioned that it was very apparent on the TAC that other cities do not have that ability, even to administer it, and do have to give monies back. They were very fortunate.

City Manager Warren Wood noted they were in good shape. They earn interest on the money that they have invested.

Mayor Guess commented that City Manager Warren Wood alluded to it a while ago when he was talking about the grants and the ones that they had been able to get in the last 10 years. Of course, a lot of that was due to the tremendous job that staff does related to being able to put those documents together, because as they all know, that was quite comprehensive to be able to do that. But the other side of that was, and he hears from the public from time to time concerning grants, well, that was our money to start with, that was our tax money to start with. They were correct that it was, but the reality was that they were able to get that back here to where it benefits the City of Hickory, and it benefits them directly. Whereas if they did not have the staff and the capability to be able to do that and the progress to be able to compete with those, that those grants and that money would be going to some other municipality other than Hickory. Hats off to all the folks that were involved in obtaining those grants, because otherwise they would be going to some other municipality. He asked for any other questions. He thanked City Manager Warren Wood.

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. Mayor Guess asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Mayor Guess moved, seconded by Alderwoman Patton approval of the FY2026-2027 Annual Budget. The motion carried unanimously.

ORDINANCE NO. 26-21
CITY OF HICKORY
Budget Ordinance
Fiscal Year 2026-2027

BE IT ORDAINED by the Governing Board of the City of Hickory, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Ad Valorem Taxes	$ 42,200,000
Other Taxes	26,980,000
Unrestricted Intergovernmental Revenues	739,113
Restricted Intergovernmental Revenues	3,061,379
Licenses and Permits	4,600

Sales and Services	2,569,260
Investment Earnings	750,000
Miscellaneous	545,000
Other Financing Sources	6,229,329
	$ 83,078,681

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

General Government	$ 17,033,114
Public Safety	34,805,399
Transportation	9,193,363
Economic and Community Development	5,795,614
Culture and Recreation	5,631,486
Other Financing Uses	3,728,842
Debt Service	5,540,863
Contingency	1,350,000
	$ 83,078,681

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Restricted Intergovernmental Revenues	$ 1,552,212
Sales and Services	34,216,690
Investment Earnings	100,000
Miscellaneous	3,400,000
Other Financing Sources	4,763,157
	$ 44,032,059

SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	$ 35,095,682
Other Financing Uses	4,485,130
Debt Service	3,951,247
Contingency	500,000
	$ 44,032,059

SECTION 5: It is estimated that the following revenue will be available in the Biosolids Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Restricted Intergovernmental Revenues	$ 2,217,805
	$ 2,217,805

SECTION 6: The following amounts are appropriated in the Biosolids Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	$ 2,067,805
Contingency	$ 150,000
	$ 2,217,805

SECTION 7: It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Other Financing Sources	$ 290,260
	$ 290,260

SECTION 8: The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	$ 290,260
	$ 290,260

SECTION 9: It is estimated that the following revenues will be available in the Airport Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Sales and Services	$ 2,103,368
Restricted Intergovernmental Revenues	110,000
Investment Earnings	25,000
Miscellaneous	20,000
Other Financing Sources	325,000
	$ 2,583,368

SECTION 10: The following amounts are appropriated in the Airport Fund for the operation of Airport activities for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

Transportation	$ 2,410,307
Contingency	1,73,061
	$ 2,583,368

SECTION 11: It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Other Taxes	$ 30,000
Sales and Services	8,115,000
Investment Earnings	30,000
Miscellaneous	2,000
Other Financing Sources	37,920
	$ 8,214,920

SECTION 12: The following amounts are appropriated in the Solid Waste Fund for the operation of recycling, residential solid waste collection and commercial bulk services activities for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	$ 8,139,920
Contingency	75,000
	$ 8,214,920

SECTION 13: It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Other Financing Sources	$ 6,225,000
	$ 6,225,000

SECTION 14: The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2026, and ending June 30, 2027 in accordance with the chart of accounts heretofore established for this City:

General Government	$ 2,300,000
Environmental Protection	1,765,000
Other Financing Uses	2,160,000
	$ 6,225,000

SECTION 15: It is estimated that the following revenue will be available in the Water and Sewer Capital Reserve Fund for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027:

Other Financing Sources	$ 4,000,000
	$ 4,000,000

SECTION 16: The following amounts are hereby appropriated in the Water and Sewer Capital Reserve Fund for the Fiscal Year beginning July 1, 2026, and ending June 30, 2027 in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	$ 3,000,000
Other Financing Uses	$ 1,000,000
	$ 4,000,000

SECTION 17: The following amounts form the revenue portion of the financial plan for the Fleet Maintenance Fund:

Sales & Services	$ 3,906,911
	$ 3,906,911

SECTION 18: The following amounts form the expenditure portion of the financial plan for the Fleet Maintenance Fund:

General Government	$ 3,906,911
	$ 3,906,911

SECTION 19: The following amounts form the revenue portion of the financial plan for the Insurance Fund:

Sales & Services	$ 8,041,667
Investment Earnings	80,000
Other Financing Sources	90,000
	$ 8,211,667

SECTION 20: The following amounts form the expenditure portion of the financial plan for the Insurance Fund:

General Government	$ 8,211,667
	$ 8,211,667

SECTION 21: The operating funds encumbered on the financial records of June 30, 2026 are hereby reappropriated into this budget.

SECTION 22: There is hereby levied a property tax at the rate of forty-six cents ($0.46) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2026, for the purpose of raising the revenue listed as “Ad Valorem Taxes” in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of $9,165,000,000 and the Fiscal Year 2026-2027 estimated rate of collection of 99.15%.

SECTION 23: The corresponding “FY 2026-2027 Schedule of Fees” is approved with the adoption of this Annual Budget Ordinance.

SECTION 24: The City Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

a. He may transfer amounts between line-item expenditures within the same functional area within a fund without limitation and without a report being required.

b. He may transfer amounts up to $350,000 each between functional areas including contingency appropriations within the same fund.

c. He may not transfer any amounts between funds, except as approved by the Governing Board in the Annual Budget Ordinance as amended.

SECTION 25: The City Manager (Budget Officer) is hereby authorized to execute implementing the FY2026-2027 Annual Budget. To enhance the efficiency of implementing the FY2026-2027 Annual Budget, the Governing Board also grants authority to the City Manager (Budget Manager) to:

a. Approve lease agreements;
b. Purchase real property when funds are available in an adopted or amended budget;
c. Approve applications and agreements for acceptance of grant funds from other governmental units and non-profit organizations;
d. Approve grant agreements granting funds to public and non-profit organizations;
e. Dispose of personal property as provided under NCGS 160A-266(c);
f. Adjust the payment of fees owed to the City when both reasonable and justified;
g. Approve contracts related to bid awards made by the Governing Board;
h. Approve settlement agreements;
i. Approve easements;
j. Enter into all other contracts and agreements adopted by the Governing Board when authorized to do so under NC General Statutes;
k. Take all other action that the City Manager is authorized to take under the NC General Statutes.

SECTION 26: Copies of the Annual Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the City Manager (Budget Officer) and the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

CITY OF HICKORY
2026 COMMUNITY DEVELOPMENT ENTITLEMENT
BLOCK GRANT PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

SECTION 1. The project authorized is the 2026 Community Development Entitlement Block Grant program.

SECTION 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Housing and Urban Development, and the budget contained herein.

SECTION 3. The following revenues are anticipated to be available to complete the project:

Restricted Intergovernmental Revenues	$ 361,188
Miscellaneous	100,000
	$ 461,188

SECTION 4. The following amounts are appropriated for the project:

Economic and Community Development	$ 461,188
	$ 461,188

SECTION 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

SECTION 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

SECTION 7. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, the City Manager (Budget Officer) and the Finance Officer for direction in carrying out this project.

CITY OF HICKORY
OPIOID SETTLEMENT
SPECIAL REVENUE FUND

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 8 of Chapter 159 of the General Statutes of North Carolina, the following Special Revenue Fund is hereby adopted.

SECTION 1. The following revenues are anticipated to be available in the Opioid Settlement Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Miscellaneous Revenues	$100,000
	$100,000

SECTION 2. The following amounts are appropriated in the Opioid Settlement Fund for the fiscal year beginning July 1, 2026 and ending June 30,2027:

Public Safety	$100,000
	$100,000

B. Departmental Reports

1. Appointments to Boards and Commissions

COMMUNITY APPEARANCE COMMISSION
(Terms Expiring 6-30; 3-Year Terms) Appointed by City Council
Ward 1(Wood Appoints) (Lynn Sampson Resigned) VACANT

Alderman Wood Nominated Virginia “Ginger” Bishop as Ward 1 Representative on the Community Appearance Commission.

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

Caucasian (Council Appoints)	VACANT
Caucasian (Council Appoints)	VACANT
Caucasian (Council Appoints) (Jennifer Seaman Resigned 5-3-2026)	VACANT
Other Minority (Council Appoints)	VACANT
Other Minority (Council Appoints)	VACANT

HICKORY REGIONAL PLANNING COMMISSION
(Term Expiring 6-30; 3-Year Terms with Unlimited Appointments) (Appointed by City Council)

Burke County Representative (Mayor Appoints with Recommendation from Burke County)	VACANT

LIBRARY ADVISORY BOARD
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (2) (Mayor Appoints)	VACANT

PUBLIC ART COMMISSION
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)	VACANT

RECYCLING ADVISORY BOARD
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 4 (Freeman Appoints) (Lauren Jordan Resigned)	VACANT
Ward 6 (Patton Appoints)	VACANT
At-Large (Council Appoints)	VACANT

UNIVERSITY CITY COMMISSION
(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)

At-Large Not Including ETJ (Council Appoints) (Leah Bolts Resigned)	VACANT

YOUTH COUNCIL
(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

Homeschool Representative	VACANT

Alderman Wood moved seconded by Alderwoman Patton approval of the above nomination. The motion carried unanimously.

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

City Manager Warren Wood gave special thanks to Deputy City Manager Rodney Miller, department heads, Budget Analyst Matt Dellinger, and Senior Management Analyst Breanna Ikard, and Management Analyst Kate Van Sickle in the City Manager's Office who put a lot of numbers together and they did the PowerPoint.

Mayor Guess commented they made him look good.

City Manager Warren Wood commented he was giving them changes all the way up to 5 minutes before the meeting. Thanks to everybody for their work on that. It was a team effort, and he appreciated City Council's support with it.

Mayor Guess noted for those that may be present that were not staff members, this was not the first time they heard this. They had public meetings and different opportunities to hear. He did not want anybody to leave thinking, well, that was the first time they ever heard that, and they just voted it in. That was not the case at all.

Alderman Wood wished a Happy Belated Birthday to Assistant City Manager Yaidee Fox.

City Manager Warren Wood joked that it was her big 5-0. He commented that she was 35. They gave her a big birthday shout out at the Hickory FC game, and they actually did say her age. If they were there, they would know.

Mayor Guess referred to Assistant City Manager Yaidee Fox and said Happy Birthday, young lady.

XIV. There being no further business, the meeting adjourned at 6:54 p.m.

_____
Mayor

_____
City Clerk