

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, September 1, 2026 at 6:00 p.m., with the following members present:

Tony Wood	Hank Guess	Anthony Freeman
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, City Attorney Timothy Swanson, 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.
- II. Invocation by Reverend Melissa Sparks, Unitarian Universalist Church of Catawba Valley
- III. Pledge of Allegiance
- IV. Special Presentations
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes

- A. Regular Meeting of August 18, 2026.

Alderwoman Patton moved, seconded by Alderman Seaver that the Minutes of August 18, 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 Dula that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

- A. Budget Revision Number 3. (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.

City Manager Warren Wood asked that Item "E" be removed from the Consent Agenda and considered under Departmental Reports.

Alderwoman Patton moved, seconded by Alderwoman Williams approval of the Consent Agenda with the exception of Item "E". The motion carried unanimously.

- A. Approved a Commercial Use Permit and Lease Agreement with Bearonautics, LLC for Space at Hickory Regional Airport.

Staff requests approval of a Commercial Use Permit and Lease Agreement with Bearonautics, LLC for lease of premises within the Commercial Terminal building at Hickory Regional Airport. This lease encompasses approximately 1,121 square feet of office space, with a monthly rental rate of \$1,367 or \$16,404 annually. Bearonautics, LLC plans to establish, operate and conduct an advanced aviation simulation and flight training facility. The term of this agreement shall commence on the commencement date and continue for an initial term of one year, unless earlier terminated in accordance with the agreement. Following the initial term, the agreement shall automatically renew for up to five successive additional one year terms, unless either party provides the other with written notice of its intent to terminate the agreement at least ninety days prior to the expiration of the then-current term. Staff recommend approval by City Council.

Notice of the lease was advertised in a newspaper having general circulation in the Hickory area on July 23, 2026.

RESOLUTION NO. 26-41
RESOLUTION AUTHORIZING EXECUTION OF A LEASE AGREEMENT BY THE CITY
OF HICKORY PURSUANT TO N.C.G.S. § 160A-272

WHEREAS, the City Council of the City of Hickory desires to lease certain designated space within the Commercial Terminal Building located at the Hickory Regional Airport, 3101 9th Avenue Drive NW, Hickory, North Carolina 28601 (the "Property"), the Property being more particularly described in Exhibit "A" to the Commercial Use Permit and Lease Agreement (the "Lease Agreement"), to Bearonautics, LLC for an initial term of one (1) year beginning September 1, 2026, and ending August 31, 2027, with five (5) one-year renewal options, at a monthly rental rate of One Thousand Three Hundred Sixty-Seven

Dollars (\$1,367.00) (or \$16,404.00 annually), which shall automatically increase by five percent (5%) at the commencement of each renewal term; and

WHEREAS, City staff has reported that the City will not need the Property for City purposes during the term of the proposed Lease Agreement and recommends that the City Council authorize execution of the Lease Agreement; and

WHEREAS, N.C.G.S. § 160A-272 authorizes the City to lease property owned by the City for such terms and upon such conditions as the City Council may determine, provided that the term does not exceed ten (10) years and the City Council determines that the property will not be needed by the City during the term of the lease; and

WHEREAS, N.C.G.S. § 160A-272 further provides that such property may be leased only pursuant to a resolution adopted at a regular meeting of the City Council authorizing execution of the Lease Agreement after thirty (30) days' public notice describing the property to be leased, stating the annual rental or lease payments, and announcing the City Council's intent to authorize the lease at its next regular meeting; and

WHEREAS, notice was published on July 23, 2026, describing the Property to be leased, stating the annual rental or lease payments, and announcing the City Council's intent to authorize the Lease Agreement at its regular meeting scheduled for September 1, 2026, in accordance with N.C.G.S. § 160A-272.

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

1. The City Council hereby determines that the Property that is the subject of the proposed Lease Agreement between the City of Hickory and Bearonautics, LLC will not be needed by the City for City purposes during the term of the Lease Agreement.
2. The City Council hereby authorizes the lease of the Property to Bearonautics, LLC upon the terms and conditions set forth in the proposed Lease Agreement and pursuant to N.C.G.S. § 160A-272.
3. The City Manager is hereby authorized and directed to execute, on behalf of the City of Hickory, the Lease Agreement with Bearonautics, LLC for an initial term beginning September 1, 2026, and ending August 31, 2027, with five (5) one-year renewal options. The initial monthly rental rate shall be One Thousand Three Hundred Sixty-Seven Dollars (\$1,367.00) (or \$16,404.00 annually) and shall automatically increase by five percent (5%) at the commencement of each renewal term. The City Manager is further authorized to approve and execute such non-material revisions to the Lease Agreement as may be necessary or appropriate, subject to pre-audit certification by the City Chief Financial Officer, if required by law, and approval as to form by the City Attorney.

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

- B. Accepted a North Carolina Department of Transportation Grant (36237.66.11.1) in the Amount of \$230,464 for Airport Terminal Apron Rehab Design.

Staff requests City Council to accept Grant 36237.66.11.1 State Aid Funds awarded by the NC Department of Transportation (NCDOT) in the amount of \$230,464 with the local match of \$12,130 for Terminal Apron Rehab at Hickory Regional Airport. The NCDOT has allocated State Aid Funds via Grant 36237.66.11.1 with the State share of \$230,464 and a local match of \$12,130. The total project cost is \$242,594. The rehabilitation project will include the rehabilitation of asphalt on the apron, fillet widening of the lead-in taxi lane, as well as the installation of new pavement markings to conform with FAA standards. This grant will assist in the continuation of the airfield improvement program as recommended by the Airport's Task Force. Staff recommend acceptance of Grant 36237.66.11.1 in the amount of \$230,464 from the NCDOT. The local share of \$12,130 will be funded by utilizing Airport Capital Funds.

- C. Accepted the North Carolina Department of Transportation Grant (36237.66.11.2) in the Amount of \$615,452 for the West and South Apron Rehabilitation and North Apron Expansion Design.

Staff request City Council's acceptance of Grant (36237.66.11.2) State Aid Funds awarded by the North Carolina Department of Transportation (NCDOT) in the amount of \$615,452 with a local match of \$32,393 for the west and south apron rehabilitation and north apron expansion design. By letter dated August 11, 2026, NCDOT allocated State Aid Funds. The total project cost is \$647,845. Due to the pavement condition of this area, this project will include the design phase for rehabilitation of the associated pavements. The project

also includes the design phase for expansion of the north apron. The expansion will provide additional apron space to support growing demand, improve aircraft circulation, and enhance safety during peak operations. This grant will assist in the continuation of the airfield improvement program as recommended by the Airport's Task Force. Staff recommend acceptance of the grant in the amount of \$615,452 from NCDOT. The local share of \$32,393 will be funded by utilizing Airport Capital Funds.

- D. Approved a Contract with J.T. Russell & Sons, Inc. in the Amount of \$551,975 for the Runway EMAS Schedule II Project.

Staff requests City Council's approval of a construction contract agreement with J.T. Russell & Sons, Inc., for the Runway 24 EMAS "Schedule II" project. The contract, in the amount of \$511,975, will include grading, Engineered Material Arresting System (EMAS) bed prep and 198 feet of shoulder strength pavement at the approach end of Runway 24 as well as demo and removal of existing MALSR associated electrical infrastructure. By installing EMAS the safety area will meet regulatory requirements by having a system in place in the event of an aircraft runway excursion. Staff recommend approval of the contract with J.T. Russell & Sons, Inc. in the amount of \$511,975. This portion of the project will be funded by using remaining funds from the Aviation Walk project.

- E. Removed from Consent Agenda and Considered Under Item XI.B.1. Departmental Reports, Update on Airport Projects. Approved a Work Authorization with Talbert, Bright, and Ellington (TBE) in an Amount not to Exceed \$1,461,128.53 for Runway 6 Avigation Easement Acquisition and Obstruction Removal Preliminary Design.

Staff requests approval of a work authorization with Talbert, Bright, and Ellington (TBE) in an amount not to exceed \$1,461,128.53. Airports that accept Federal grants are required through grant assurances to keep runway protection zones (RPZ) clear of obstructions for safety of navigation. During an RPZ analysis, obstructions were identified within and beyond 3,000 feet of the runway 6 approach corridor that poses a hazard to air navigation. The identified obstructions lie within 83 off-Airport properties. To remove the obstructions avigation easements must be acquired. An avigation easement is a property right granted by a landowner to allow aircraft to operate over their land at low altitudes. It is also a legal right that allows for the removal of obstructions that hazard aircraft operation. The avigation easement process includes acquiring air rights above the properties by offering a fair and reasonable fee to the landowners which is determined by an appraiser. The final stage of the project will be obstruction removal. Staff recommend approval of the work authorization with TBE in an amount not to exceed \$1,461,128.53. This work authorization will be funded utilizing a portion of a previously accepted grant in the amount of \$3,000,000 awarded by the North Carolina Department of Transportation.

- F. Accepted the 2025 Justice Assistance Grant in the Amount of \$33,457.

Hickory Police Department requests approval to accept the 2025 Justice Assistance Grant in the amount of \$33,457. The JAG Program is a formula-based grant through the Office of Justice Programs/Bureau of Justice Assistance (BJA) that utilizes Uniform Crime Reporting statistics from all law enforcement agencies to determine eligibility for direct federal grant awards. There is no match required. The Hickory Police Department will utilize grant funds to renew the annual licensing fee for two Grayshift forensic devices in partnership with the Catawba County Sheriff's Office. The Hickory Police Department recommends accepting the JAG grant award and partnering with the Catawba County Sheriff's Office for the 2025 Justice Assistance Grant. The total cost for this project is \$61,395, with the JAG grant award contributing \$33,457. The Hickory Police Department and the Catawba County Sheriff's Office will share the remaining cost of the software.

- G. Approved the Amended Interlocal Agreements and Memorandums of Understanding for the 2024 JAG Grant and the 2025 JAG Grant.

Staff requests Council's approval of the Amended Interlocal Agreements and Memorandums of Understanding (MOU) for the 2024 Justice Assistance Grant and the 2025 Justice Assistance Grant. The Bureau of Justice Assistance (BJA) requires compliance and oversight for grants awarded under its jurisdiction, including the Justice Assistance Grant (JAG). The City of Hickory has been awarded funding through the 2024 JAG Grant and the 2025 JAG Grant which requires amending the existing Interlocal Agreements and MOU(s) to reflect the distribution of funds accurately. This amendment(s) addresses the terms agreed upon by the City of Hickory and Catawba County for the allocation of grant funds, ensuring that all parties are aligned with the financial and programmatic responsibilities associated with the grant(s). Staff recommend that City Council accept the Amended Interlocal Agreements and MOU(s) for the 2024 JAG Grant and the 2025 JAG Grant.

- H. Called for a Public Hearing to Consider the Voluntary Non-Contiguous Annexation of Property Located at 964 and 970 Airport Rhodhiss Road, and an Unaddressed Parcel to the East, Identified as Burke County PINs 2783785060, 2783788894, and 2783886713,

the Catawba River Environmental Education Center (CREEC), Owned by the City of Hickory. (Authorized the Public Hearing for September 15, 2026, at 6:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building).

RESOLUTION NO. 26-42
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 the City of Hickory requesting annexation of an area described in a petition was received on August 18, 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 the City of Hickory, containing approximately 24.39-acres of property located at 964 and 970 Airport Rhodhiss Road, and including an unaddressed parcel to the east, identified as Burke County PINs 2783785060, 2783788894, and 2783886713.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Hickory this 18th day of August, 2026.

/s/ Debbie D. Miller, City Clerk

RESOLUTION 26-43
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 September 15, 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 the City of Hickory, containing approximately 24.39-acres of property located at 964 and 970 Airport Rhodhiss Road, and including an unaddressed parcel to the east, identified as Burke County PINs 2783785060, 2783788894, and 2783886713.

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. 26-44

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

WHEREAS, the City of Hickory is the owner of certain real property as described herein, which property is located at 964 and 970 Airport Rhodhiss Road, and including an unaddressed parcel to the east, containing 24.39 acres; identified as Burke County PINs 2783785060, 2783788894, and 2783886713.

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 1st day of September, 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 15th day of September, 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 City of Hickory, Voluntary Non-Contiguous Annexation Map 1, City Boundary, subject property outlined in red; City of Hickory Voluntary Non-Contiguous Annexation Map 2, Zoning, subject property outlined in red; City of Hickory, Voluntary Non-Contiguous Annexation, Map 3, Aerial Photography, 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)

- I. Approved the Issuance of Pyrotechnic Display Permits to PyroStar Entertainment for Fireworks Display at Hickory Motor Speedway, and to Pyro Shows Inc. for Fireworks Display at Hickory Crawdads Stadium.

Staff request approval to issue a pyrotechnic display permit to PyroStar Entertainment for a fireworks display at Hickory Motor Speedway on September 19, 2026, (rain date October 17, 2026). Kevin Peirce, General Manager of Hickory Motor Speedway submitted a request to obtain permission to conduct a public fireworks display. Staff also request approval to issue a pyrotechnic display permit to Pyro Shows, Inc., for a fireworks display at Hickory Crawdads Stadium on September 8, 2026, (rain date September 9, 2026). Douglas Locascio, General Manager of the Hickory Crawdads submitted a request to obtain permission to conduct a public fireworks display. The North Carolina Fire Code requires an operational permit for the use and handling of pyrotechnic special effects material. The Hickory Fire Department Fire & Life Safety Division shall review all required documentation for the event(s), including Alcohol Tobacco and Firearm's (ATF) License, Operator and Assistant Operators Permits from North Carolina Office of State Fire Marshal (NCOSFM), Site Plan, and the one-million dollar liability insurance policy. The Fire & Life Safety Division will also inspect the pyrotechnics display area before the event(s) to ensure compliance with NCOSFM Guidelines, National Fire Protection Association (NFPA) NFPA 1123 Code for Fireworks Display, and NFPA 1126 Use of Pyrotechnics Before a Proximate Audience (if applicable). Staff recommend approval of the above pyrotechnics displays, subject to drought conditions and the Fire Marshal's final approval.

- J. Approved of a Community Appearance Grant for Non-Residential Property Owned by the Hickory Elk's Lodge, Located at 356 Main Avenue NW, in the Amount of \$10,000.

The Community Appearance Commission recommend City Council's approval of a Community Appearance Grant for non-residential property owned by the Hickory Elks

Lodge and occupied by a commercial building, located at 356 Main Avenue NW in the amount of \$10,000. The Community Appearance Grant program by the City of Hickory offers 50/50 matching reimbursements up to \$7,500 for property upgrades in the Urban Revitalization Area. Projects of impact on the community and of architectural merit may be considered for funding in excess of the \$7,500 ceiling. The grant proposal includes enhancement of the landscaping, pavement, and painting of the exterior of the lodge, as well as the area surrounding the Veterans Memorial along the City Walk and Main Avenue NW. The property is located within the City’s defined Urban Revitalization Area and is eligible for the consideration of a Community Appearance Grant. The Community Appearance Commission reviewed the application and unanimously recommended funding of the grant application in the amount of \$10,000.

K. Approved on First Reading Budget Revision Number 4.

ORDINANCE NO. 26-30
BUDGET REVISION NUMBER 4

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, 2027, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the General Fund within the FY 2026-27 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Culture & Recreation	50	-
TOTAL	50	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	50	-
TOTAL	50	-

SECTION 2. To amend the Airport Fund within the FY 2026-27 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Transportation	-	44,523
Other Financing Uses	44,523	-
TOTAL	44,523	44,523

SECTION 3. To amend the Aviation Walk (#B1N001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	511,975	511,975
TOTAL	511,975	511,975

SECTION 4. To amend the Runway 24 EMAS Project (650033) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	511,975	-
TOTAL	511,975	-

To provide funding for the above, the Runway 24 EMAS Project (#650033) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	511,975	-
TOTAL	511,975	-

SECTION 5. To amend the Runway 6 – Avigation Easements (#65038) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	3,333,333	-
TOTAL	3,333,333	-

To provide funding for the above, the Runway 6 – Avigation Easements (#65038) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	333,333	-
Restricted Intergovernmental	3,000,000	-
TOTAL	3,333,333	-

SECTION 6. To amend the TRF Runway Extension (#650034) Grant Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	-	3,333,333
TOTAL	-	3,333,333

To provide funding for the above, the TRF Runway Extension (#650034) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	-	333,333
Restricted Intergovernmental	-	3,000,000
TOTAL	-	3,333,333

SECTION 7. To amend the Terminal Apron Renovation (#65040) Grant Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	242,594	-
TOTAL	242,594	-

To provide funding for the above, the Terminal Apron Renovation (#65040) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	12,130	-
Restricted Intergovernmental	230,464	-
TOTAL	242,594	-

SECTION 8. To amend the West/South Apron Rehabilitation and North Ramp Expansion (#65039) Grant Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	647,845	-
TOTAL	647,845	-

To provide funding for the above, the West/South Apron Rehabilitation and North Ramp Expansion (#65039) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	32,393	-
Restricted Intergovernmental	615,452	-
TOTAL	647,845	-

SECTION 9. 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 – Item “E”
- Item “E” - Discussed under Item XI.B.1. Departmental Reports, Update on Airport Projects
- X. Informational Items
- XI. New Business
- A. Public Hearings
1. Approved the FY2025-2026 Consolidated Annual Performance and Evaluation Report (CAPER) for Submission as Required by the US Department of Housing and Urban Development - Presented by Business Development Director, Dave Leonetti.

Staff requests Council’s consideration of the FY 2025-2026 Consolidated Annual Performance Evaluation Report (CAPER). The CAPER evaluates the effectiveness of the use of resources in addressing identified goals and objectives cited in the Annual Action Plan which is prepared before the fiscal year begins.

CDBG resources were used for the following: housing rehabilitation - \$110,390.49; ALFA - \$8,000; Exodus Homes - \$7,000; Salvation Army - \$9,000; Hickory Soup Kitchen - \$7,500; Catawba Science Center - \$7,500; Women's Resource Center - \$5,000; GHCCM - \$7,500; public infrastructure improvements - \$329,966.71; fair housing - \$840; and program administration - \$36,128.90; Total \$528,826.10. In complying with the US Department of Housing and Urban Development's requirements the CAPER outlines the City's expenditures from July 1, 2026 to June 30, 2026. These funds were approved by the Citizen's Advisory Committee as part of the Annual Action planning process.

Notice of the public hearing was advertised in a newspaper having general circulation in the Hickory area on August 15, 2026, and September 1, 2026. A copy of the CAPER has been available on the City's website and at City Hall beginning August 17, 2026.

City Manager Warren Wood asked Business Development Director, Dave Leonetti to the podium to present Council with the FY2025-2026 Consolidated Annual Performance and Evaluation Report (CAPER) for submission as required by the US Department of Housing and Urban Development.

Business Development Director, Dave Leonetti gave a PowerPoint presentation. He discussed the FY2025-2026 Consolidated Annual Performance and Evaluation Report (CAPER). He advised that previously Anna Beth Walker presented to Council the Annual Action Plan. That was the plan for the coming year, the current 2026-2027 fiscal year. He noted that 90 days after the previous program year was finished they submit a performance evaluation report to HUD. It contained all of the information about where the funds were spent and what was accomplished during the last year. The City of Hickory was an entitlement community for Community Development Block Grant Funds because Hickory was one of the three principle cities of the Hickory, Lenoir, Morganton, metropolitan statistical areas. That meant the City got funding directly from HUD every year instead of smaller municipalities that have to apply for grants through the North Carolina Department of Commerce's small cities program. The year under consideration was July 1, 2025 through June 30, 2026. Overall, the majority of the City's spending for last year was for the improvements to Hickory Optimist Park, which included fencing, paving, construction of the new dog park, picnic tables, and trail connections to existing trails within the park. He mentioned that opened right at the July 4th weekend. He displayed photos of the finished project. He advised it was the conversion of the former baseball field to a grass area for dogs and other places for people to walk and enjoy the park. Other spending included the housing rehabilitation program, \$110,000. That was for two homes and included a final payment on a home that was completed in the previous year along with the funds to administer the program. In April they declare Fair Housing Month to help the citizens be aware of their rights under the Fair Housing Act. They also purchased some advertising in local newspapers and social media to inform people of their fair housing rights. He advised \$36,000 was for program administration which was for staff time to administer the program. He noted that \$51,500 was for public service activities. The US Department of Housing and Urban Development allowed the City to spend up to 15% of the project grant in previous year program income on public service activities. This past year they worked with seven different local non-profits that assist low-moderate income individuals. ALFA works with HIV and AIDs patients; they do medical case management to keep them in care. Exodus Homes helps their residents find employment and transportation. Salvation Army Boys and Girls Club, which was for their summer camp and afterschool program. Soup Kitchen was meals that they serve and the food bank that they operate. Catawba Science Center operates a portal to science program that provides low cost memberships for low and moderate income households and scholarships to take advantage of their summer camps. Women's Resource Center provides case management and supplies different support to women in crisis, especially homeless women. Greater Hickory Cooperative Christian Ministry received \$7,500 for their homeless ministry to help the homeless find housing, showers, setup mailboxes, and other social work and activities. In this current fiscal year, they were going under contract soon to do HVAC improvements at the Ridgeview Recreation Center. He noted they did not have any small or microenterprise loans last year, but Council had approved one in this fiscal year and there would be two more on their September 15 City Council meeting agenda. There was one other one in the pipeline. The word was getting out about that program and there were a lot of good ways that they could help the low to moderate income business owners to buy equipment and receive marketing and support for their small businesses. They would continue the housing rehab program. He mentioned this was not included in those numbers; they received funding from the North Carolina Financing Agency for the urgent repair program. That was a fully forgivable loan for low to moderate income homeowners with special needs. They assisted 13 homeowners last fiscal year through their rehab efforts. Funding was

in the budget for additional grants to nonprofit public service agencies next year. He asked for questions.

Alderwoman Patton asked how often they got other non-profits applying.

Business Development Director, Dave Leonetti advised they received request for more than they were able to fund. The Citizens Advisory Committee reviewed the requests and staff also reviewed them. They have to be careful not to duplicate services and ensure that all the non-profits have the capacity to deal with all the Federal red tape and requirements.

Alderman Freeman thanked Mr. Leonetti for what he does. Mr. Leonetti mentioned that 13 homes for the low moderate income rehabilitation. He asked was that an average of the number of homes that they usually help, or what could they compare it to.

Business Development Director, Dave Leonetti advised that the 13 homes were right around what they normally do with their urgent repair. Last year there were two for their housing rehab, the more traditional deferred loan program that they offer. This year they currently have three in the pipeline and a couple more. He thought a lot of it was just timing. They have a few that were approved in the May/June timeframe that are just getting started now. He would anticipate 4-5 with that, plus another 13 or so from the urgent repair program.

Alderman Wood asked of the 7 non-profits that were on the list if any of them were first time recipients of these grants.

Business Development Director, Dave Leonetti replied not first time. He thought that the Women's Resource Center may have been their second time.

Alderman Wood asked if there were geographic perimeters on how they could use the money that they use directly, for instance, the Hickory Optimist Park. Where there perimeters in terms of geography in terms of where that money could be used?

Business Development Director, Dave Leonetti advised that the US Housing and Urban Development wants to ensure that the City's funding benefits low and moderate income individuals. Those infrastructure and facility improvement projects qualify under what was known as the area benefit category. They could spend that funding where the service area of the facility of the improvement, 51 percent of the population of the service area was low to moderate.

Alderman Wood asked if the grants that were made to the non-profits were not under the same obligations. Correct?

Business Development Director, Dave Leonetti explained they were funded through the low and moderate income clientele. At least 51 percent of the clientele that benefit from the program have to be low and moderate income. They either have to sign as self-certification that speaks to their household income. Certain categories are presumed low and moderate income, such as homeless, and persons living with HIV and AIDs and some other categories.

Alderman Wood commented that HUD was responsible for "audit", for tracking that and making sure that those things were being met.

Business Development Director, Dave Leonetti mentioned that the City was responsible as the recipient of the funds making sure that they monitor all of the sub-recipients. Staff go out every year.

Alderman Wood thanked Mr. Leonetti for his answers and what he does.

Alderman Freeman questioned the \$329,000 plus that went into the Hickory Optimist Park, in the grant, they get the amount that was allocated for infrastructure, correct?

Business Development Director, Dave Leonetti explained the City has the ability as an entitlement community to spend funding on anything that meets the national objective. Going back to the previous year, they stacked 2 years of public infrastructure funding together to get the money to do the more recent one. The entitlement grant this year was around \$363,000; it varies between \$100,000 and \$175,000 in program income from repayment of loans and other activities. That was the money they were working with.

Alderman Freeman knew that their objective goal was certainly to hit all four corners of Hickory. He asked each year what the process was related to which particular neighborhood or area was going to benefit from the now \$360,000.

Business Development Director, Dave Leonetti explained as Alderman Wood eluded to with his question, they qualify these facility improvements under the area benefit category. There were certain census tracts that were potentially eligible for those improvements. They have public meetings. He referred to the meeting at the Optimist Park, about 12-13 years ago, the Community Building that was built there was requested by the Green Park Neighborhood Association in one of those public meetings. Internal staff, in conjunction with the input they get from the public, look through which parks may be eligible for the funding. They try to go through those different areas. They spent money in the Cliff Teague Park, Taft Broome Park and this year at the Ridgeview Recreation Center. West Hickory Senior Center and West Hickory Park had improvements in recent years as well.

Mayor Guess asked for any other questions. He 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.

Alderwoman Patton moved, seconded by Alderman Seaver approval of the FY2025-2026 Consolidated Annual Performance Evaluation Report. The motion carried unanimously.

B. Departmental Reports

1. Update on Airport Projects – Presented by Airport Director, Chad Hunsucker

City Manager Warren Wood advised there were a number of items on the agenda related to the Airport. They had talked about all of these projects at previous meetings. He asked Airport Director, Chad Hunsucker to the podium to present Council with an update on Airport Projects. They would have the Avigation Easement (Item “E”) to consider at the end of his presentation.

Airport Director, Chad Hunsucker gave a PowerPoint presentation. He discussed an update on the Airport projects. He noted as he put the presentation together this was not everything that they had going on, it was just a snippet of it. There were other projects starting later this month, like lighting, and in October the tower rehab was starting. This was just the tip of the iceberg. He referred to the PowerPoint and displayed a photo. They could see it if they were coming up Clement Boulevard. He mentioned the photo was taken on Friday, and it was already super old, because this evening they should complete the upper portion of the wall. All that was going to be left was a little bit of grading, and some stormwater work and that project should be wrapped up by end of next week. They had gotten lucky and only had been shutdown maybe two nights because of weather. He referred to the PowerPoint and advised the view was the extension of the new safety area when it was done. That would be adjacent to the EMAS. He briefed Council in May on the EMAS project. What would happen next after the retaining wall was complete, in about 3-weeks JT Russell would come in and start grading work and start some paving. They would prepare the EMAS bed, which was 2,771 blocks to make up the EMAS system at Hickory. That project was starting. They were able to accelerate the timeline for that and were hopeful that that project would be wrapped up by Christmas.

Airport Director, Chad Hunsucker discussed the north ramp expansion. The north ramp was the FBO ramp. Traditionally they service 90 percent of the customers both base and transient customers. Quite honestly it was too small. They set a record in August with the amount of transient traffic and the amount of fuel sold. There were many days when they literally ran out of parking space. They had to be creative. He referred to the PowerPoint and displayed photos; he showed a grassy area between the existing ramp and the old runway. That would completely be paved and would expand that entire area. Really tripling the size of the current ramp. He displayed photos of the south and west ramp rehabilitation. The key things to take away here were they conducted a pavement condition index study in 2023, it was 3 years old. He pointed out the area that was the west ramp of the airport, which 6 corporate hangars were located there. He pointed out the south ramp, which there were 3 corporate hangars there. In 2023, the west ramp pavement was already in very poor condition. They could imagine where it was now. The agenda item approved was to begin the design process for that rehabilitation.

Airport Director, Chad Hunsucker discussed aviation easements. Most people were familiar with property easement which they might think of as putting a driveway through someone else's property. An aviation easement was actually obtaining airspace rights above a property owners' property. The reason they will need to do that at the airport was that grant assurance 20 required if they receive Federal funds, which the airport has and will in the future, they are required to keep all of the departure, approach and transitional surfaces clear of obstructions. Most notably trees. They conducted an approach analysis, he referred to the image on the PowerPoint, in 2023, and 116 properties at the approach end of Runway 6 had known obstructions that need to be removed. Before they get to the obstruction removal process they have to obtain the aviation easement rights. It was a process that they were going to do a work authorization with their consultant Talbert, Bright, and Ellington (TBE). The Staff Attorney would get involved at some point in the process as far as title searches go. They go out, make appraisals, and eventually make an offer to the property owner(s). Once they have obtained that aviation easement it will last forever, no matter who owns the property. That would allow them to go on the property and remove any obstruction at any time. The goal for them was to go in and do it one time. Go in and completely take the known obstructions down and they will be done with it. Why this was important? He referred to a map on the PowerPoint and pointed out the area that was the first 3,000 feet off the approach end of Runway 6. That was for their existing threshold now there were known obstructions. How it affects them was their approach weather minimum that a pilot uses to safely know whether they can make a landing to that runway in adverse weather were raised significantly for Runway 6 because of the known trees. For example, Runway 24 has no obstructions, the weather minimums were 200 feet ceiling and half mile visibility. For Runway 6 it was 500 feet and one and a quarter mile. By removing that first 3,000 feet area of obstructions they would be able to reduce those weather minimums. Additionally, they were trying to pursue an eventual 400 foot runway extension on that end of the runway. The areas outside of the 3,000 feet, those obstructions will become an issue if they extend the runway. It was important that they address those now. This was step one in an eventual runway extension.

Mayor Guess asked if other than trees were there any structures, buildings or anything like that.

Airport Director, Chad Hunsucker advised no structures it was all trees. He was reading today that one of the highest trees was 68 feet.

Mayor Guess asked what the minimum was.

Airport Director, Chad Hunsucker advised it was a 20 to 1 slope at the end of the runway. He did not know what height that would come to as far as the height of the tree. He discussed some of the things in the scope of work with Talbert, Bright, and Ellington in the work authorization. They would negotiate and establish a budget. They would be in charge of the project management portion. They had already performed some of the aviation easement analysis, he noted that was the portion where he had shown the number of the properties involved and how many obstructions had been identified. They would also work through a subcontractor where they would do the appraisals and negotiations with the property owner(s). This was going to be funded with a previously accepted State Aid Grant that they received. He asked Council's approval to allow City Manager Warren Wood to execute the work authorization with TBE in an amount not to exceed \$1.6 million. He asked for questions.

Alderwoman Dula asked how many properties were affected.

Airport Director, Chad Hunsucker advised 116.

Alderwoman Dula asked if most of them were occupied or if some of them were vacant.

Airport Director, Chad Hunsucker commented from what he had seen most of them were occupied. Obviously, one of the things was the timeline, this was a multiyear project.

Alderwoman Williams asked what the funding sources were to pay for this were.

Airport Director, Chad Hunsucker advised they had received a grant from the State for \$3 million dollars, that would fund the 3,000 feet of the existing threshold and they would be able to use AIG Federal funding for the other properties.

Alderman Wood asked if eminent domain was in the toolbox as a last resort.

Airport Director, Chad Hunsucker replied yes.

Alderman Wood questioned the tree removal. He was hoping that it was removal and not topping. He hoped topping of the trees was not an option. Were they going to insist it be removed.

Airport Director, Chad Hunsucker explained once they obtained the avigation easement it was their prerogative on which means to utilize. They would recommend full removal. He explained why. Some species of trees when they are trimmed, it actually encourages growth. The Federal government was only going to fund them one time to do this. If they come back in 10 years and say sorry the tree grew back, they were going to pay for it. The other fear with trimming was if they prune incorrectly they could kill the tree then they have a deadfall situation and a liability issue if that tree were to fall on the property owner(s) property.

Alderman Wood noticed that he had said recommend. What prevents them from insisting that the tree be removed?

Airport Director, Chad Hunsucker advised nothing.

Alderman Wood used as an example, they go out and remove the trees, were the property owner(s) prohibited from replanting. Was there any type of prohibition against replanting in this area?

Airport Director, Chad Hunsucker advised it does not prohibit them from replanting, but it does specify that it can not become a future hazard. They would not want to plant an oak tree. It would specify what type of tree it would be.

Alderman Wood asked if that would be at their costs if they did.

Airport Director, Chad Hunsucker advised that it would be.

Mayor Guess asked if that was the same case even if something grew there that they did not plant.

Airport Director, Chad Hunsucker confirmed that was correct.

Alderwoman Patton confirmed if they replanted something they would be responsible for taking it down if it grew 50 years from now.

Mayor Guess moved, seconded by Alderwoman Patton approval of the work authorization (Consent Agenda Item “E”). The motion carried unanimously.

2. Appointments to Boards and Commissions

CITIZENS ADVISORY COMMITTEE
(Terms Expiring 6-30; 3-Year Terms) Appointed by City Council
Small Cities Project Area (Council Appoints) VACANT

COMMUNITY APPEARANCE COMMISSION
(Terms Expiring 6-30; 3-Year Terms) Appointed by City Council
Ward 2 (Williams Appoints) VACANT
At-Large (Council Appoints) VACANT

Alderwoman Patton Nominated Anne Brock as an At-Large 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) VACANT
Other Minority (Council Appoints) VACANT

HICKORY REGIONAL PLANNING COMMISSION
(Term Expiring 6-30; 3-Year Terms with Unlimited Appointments) (Appointed by City Council)
Ward 1 (Wood Appoints) VACANT
Burke County Representative (Mayor Appoints with Recommendation from Burke County) VACANT

Alderman Wood Nominated John Andrews as Ward 1 Representative on the Hickory Regional Planning Commission.

<u>LIBRARY ADVISORY BOARD</u>	
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)	
Ward 4 (Freeman Appoints)	VACANT
Ward 5 (Dula Appoints)	VACANT
At-Large (1) (Mayor Appoints)	VACANT
At-Large (2) (Mayor Appoints)	VACANT

<u>PUBLIC ART COMMISSION</u>	
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)	
Ward 3 (Seaver Appoints)	VACANT

<u>RECYCLING ADVISORY BOARD</u>	
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)	
Ward 3 (Seaver Appoints)	VACANT
Ward 4 (Freeman Appoints)	VACANT
Ward 6 (Patton Appoints)	VACANT
At-Large (Council Appoints)	VACANT
At-Large (Council Appoints)	VACANT

Alderman Seaver Nominated Johnna Flood as Ward 3 Representative on the Recycling Advisory Board.

<u>UNIVERSITY CITY COMMISSION</u>	
(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)	
At-Large Not Including ETJ (Council Appoints)	VACANT

<u>YOUTH COUNCIL</u>	
(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)	
Homeschool	VACANT
St. Stephens High School	VACANT
Hickory High School	VACANT

Youth Council Applicant Review Committee Recommend the Following Appointment:

Nahla Holmes as a Hickory High School Representative on the Youth Council.

Mayor Guess Nominated Nahla Homes as a Hickory High School Representative on the Youth Council.

Mayor Guess moved, seconded by Alderwoman Patton approval of the above nominations. 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

Mayor Guess acknowledged, on behalf of the entire Council, their sincere condolences to City Manager Warren Wood on the passing of his mother Ann Turner Wood. He offered their sincere condolences.

City Manager Warren Wood thanked City Council for their support and kind words. He thanked staff as well.

Mayor Guess commented for him to let them know if he or his family needed anything.

XIV. There being no further business, the meeting adjourned at 6:32 p.m.

Mayor

City Clerk