MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, FEBRUARY 21, 2022

The Lincoln County Board of County Commissioners met on February 21, 2022, at the Commissioners Room, Administration Building, 353 N. Generals Blvd, Lincolnton, the regular place of meeting at 6:30 PM.

Commissioners Present:
Carrol Mitchem, Chairman
Milton Sigmon, Vice-Chairman
Anita McCall
Cathy Davis
Bud Cesena

Others Present:
Kelly G. Atkins, County Manager
Megan Gilbert, County Attorney
Amy S. Atkins, Clerk to the Board

Chairman Mitchem called for a Moment of Silence and led in the Pledge of Allegiance.

Adoption of Agenda: Chairman Mitchem presented the agenda for the Board’s approval.

AGENDA
Lincoln County Board of Commissioners Meeting
Monday, February 21, 2022
6:30 PM

Lincoln County Administration Office
353 N. Generals Blvd
Lincolnton, NC 28092

Call to Order – Chairman Mitchem

Moment of Silence

Pledge of Allegiance

1. Adoption of the Agenda

2. Consent Agenda
   a. Approval of Minutes – February 7, 2022
3. **Planning Board Recommendations** – Jeremiah Combs

4. **Public Hearing** – Economic Incentive Grant for Existing Industry- John Dancoff

5. **Reimbursement and Cooperation Agreement with D.R. Horton** for the installation of utilities – Andrew Bryant


7. **2021 Annual Report from the Lincoln County Community Child Protection Team/Lincoln County Child Fatality Prevention Team** – Sherry Rhinehardt

8. **Adoption of a Policy for ARPA COVID-19 Premium Pay** – Deanna Rios

9. **Audit Presentation** – Deanna Rios

10. **Approval of Contract with McAdams Co. for Design and Construction Administration of Phase 1 of County Gateway Project including welcome signs and heavy landscaping** – Megan Gilbert

11. **Ordinance Amending the Lincoln County Code of Ordinances** – Megan Gilbert

12. **Public Comments**

13. **County Manager’s Report**

14. **County Commissioners’ Report**

15. **County Attorney’s Report**

16. **Vacancies/Appointments**

17. **Other Business**

   - Information only – no action needed
   - Register of Deeds Report
   - Property Tax Collection Report

18. **Closed Session**

   Adjourn
UPON MOTION by Commissioner Sigmon, the Board voted unanimously to adopt the agenda, removing Item 11.

Consent Agenda: UPON MOTION by Commissioner Cesena, the Board voted unanimously to approve the consent agenda as presented.

Consent Agenda
   a. Approval of Minutes – February 7, 2022
   d. Performance Guarantee (IG #118) – Kinsley Phase 2

Planning Board Recommendations: Jeremiah Combs presented the following:

CZ 2021-7 Timothy Dellinger, applicant (Parcel ID# 90501 and 101159) A request to rezone an 8.41-acre tract from R-SF (Residential Single-Family) to CZ B-G (Conditional Zoning General Business) to permit a self-storage facility, including enclosed storage units and outdoor recreational vehicle storage. The property is located at 8179 Webbs Road in Catawba Springs Township.

The Planning Board voted 7-0 to recommend disapproval.

UPON MOTION by Commissioner Cesena, the Board voted unanimously to adopt the Statement of Consistency and Reasonableness as recommended by the Planning Board.

UPON MOTION by Commissioner Cesena, the Board voted unanimously to deny the rezoning as recommended by the Planning Board for CZ #2021-7 Timothy Dellinger, applicant.

ZMA #685 Denver Christian Academy, applicant (Parcel ID# 80841) A request to rezone a 5.13-acre tract from B-N (Neighborhood Business) to B-G (General Business). The property is located at 2243 Charter Lane, on the west side of N.C. 16 Business and north side of Old Post Road in Catawba Springs Township.

The Planning Board voted 7-0 to recommend approval.

UPON MOTION by Commissioner Sigmon, the Board voted unanimously to adopt the Statement of Consistency and Reasonableness as recommended by the Planning Board.

UPON MOTION by Commissioner Cesena, the Board voted unanimously to approve the rezoning as recommended by the Planning Board for ZMA #685 - Denver Christian Academy, applicant.
SUP #455 Denver Christian Academy, applicant (Parcel ID# 80841) A request to amend CUP #430A to allow two additional modular classroom buildings to be placed on a school campus in the B-N (Neighborhood Business) district. The 5.13-acre tract is located at 2243 Charter Lane, on the west side of N.C. 16 Business and north side of Old Post Road in Catawba Springs Township.

Following a public hearing before Board of Commissioners on 2/7/22, a final decision was postponed until a final decision is made on the rezoning request for ZMA #685. The Planning Board does not make recommendations on SUP cases.

UPON MOTION by Commissioner McCall, the Board voted unanimously to approve the Findings of Fact as submitted by the applicant.

UPON MOTION by Commissioner McCall, the Board voted unanimously to approve SUP #455 – Denver Christian Academy, applicant, based on the findings of fact.

UDO Proposed Amendments #2021-2 Lincoln County Planning and Inspections Department, applicant. A proposal to amend various sections of the Lincoln County Unified Development Ordinance to remove adequate public facilities standards, revise subdivision plat certificates, and require additional sidewalks in planned developments.

The Planning Board voted 7-0 to recommend approval.

UPON MOTION by Commissioner Sigmon, the Board voted unanimously to approve the Statement of Consistency and Reasonableness as recommended by the Planning Board.

UPON MOTION by Commissioner Sigmon, the Board voted unanimously to approve UDO Proposed Amendments #2021-2 Lincoln County Planning and Inspections Department, applicant.

Public Hearing – Economic Incentive Grant for Hydac – John Dancoff presented a proposed Incentive Grant for Hydac.

Chairman Mitchem opened the Public Hearing Concerning a proposed Economic Incentive Grant for Hydac. Being no speakers, Chairman Mitchem closed the Public Hearing.

UPON MOTION by Commissioner Davis, the Board voted unanimously to approve the Resolution to Adopt Economic Incentive Grant Agreement with Hydac.

RESOLUTION TO ADOPT ECONOMIC INCENTIVE GRANT AGREEMENT WITH Hydac.
WHEREAS, the Lincoln County Board of Commissioners verily believes that it is in the best interests of the citizens of Lincoln County to encourage and support economic development within Lincoln County through the recruitment of new industries to the County and the expansion of existing industries in the County; and

WHEREAS, Hydac, have developed plans for expansion of their manufacturing equipment in Lincoln County; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to aid in such efforts;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. The Lincoln County Board of Commissioners hereby approves the Lincoln County Incentive Grant Agreement (attached hereto as Exhibit A and incorporated herein by reference) among Lincoln County, Hydac.

2. The Chairman of the Board of Commissioners and the Clerk to the Board are hereby authorized to sign all necessary documents on behalf of Lincoln County in order to effectuate this transaction.

3. This resolution shall become effective upon adoption. This 21st day of February 2022.

__________________________
Carrol Mitchem, Chairman
Lincoln County Board of Commissioners

ATTEST:

__________________________
Amy Atkins, Clerk to the Board

LINCOLN COUNTY INCENTIVE GRANT AGREEMENT

NORTH CAROLINA

LINCOLN COUNTY
THIS AGREEMENT is made and entered into as of the 21st day of February 2022 by and between LINCOLN COUNTY, a body corporate and politic (hereinafter referred to as “the County”), and Hydac, a Pennsylvania corporation (hereinafter referred to as “Hydac”).

WITNESSETH:

WHEREAS, Hydac has developed plans for the installation of manufacturing equipment in Lincoln County, North Carolina;

WHEREAS, the Board of Commissioners of Lincoln County verily believes that the location of new industries and the expansion of existing industries is vital to the economic health of Lincoln County and to the welfare of its citizens; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to recruit new industries and to aid in expansion of existing industries; and

WHEREAS, such incentives are predicated on the notion of expanding Lincoln County’s tax base and providing additional jobs for Lincoln County’s citizens that pay wages higher than the current prevailing average hourly wage in the particular industry; and

WHEREAS, the Board of Commissioners has determined that it is appropriate and in the best interests of Lincoln County and its citizens to offer incentives in the form of both cash grants and assistance with making public services available; and

WHEREAS, the Board of Commissioners believes that it is appropriate and reasonable to expect Hydac to bind itself to the County to produce certain results in conjunction with the project described herein as conditions of the incentives being offered by the County;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, the parties hereby agree as follows:

1. On or before February 21st, 2022, Hydac shall begin installation of a building and equipment and machinery expansion in Lincoln County, North Carolina.

2. Within two years of the effective date of this agreement (said effective date being referred in item 1.), Hydac shall make an investment upon such site in building/land and/or machinery and equipment of $1,440,000 (the expected capital investment) of which $1,008,000 will qualify for incentives under the Lincoln County Industrial Incentive Grant Policy.

3. Within two years of the effective date of this agreement, Hydac shall provide at such site at least 3 new jobs paying average hourly wages of $18.00 including benefits.

4. In consideration of the performance of the aforesaid obligations by Hydac, the County will provide cash grants to Hydac of $4,679.64 per year for a five-year period. Lincoln County will pay such grants beginning in the tax year after the project’s completion. Grants will be
paid to Hydac within 30 days after Hydac has made its tax payment for the then-current year and has notified Lincoln Economic Development Association of the payment. This amount represents a Level II grant under the Lincoln County Industrial Development Incentive Grant Policy for New and Existing Industries.

5. Hydac shall on a no less than annual basis provide evidence satisfactory to the County of how many jobs (as provided in Paragraph 3 herein) it has maintained.

6. a. In the event that the value of the investment actually made by Hydac pursuant to this agreement is greater or less than the Expected Capital Investment then the grant will be equitably adjusted upward or downward on a pro-rata basis.

   b. In the event that the number of people in qualifying jobs actually employed by Hydac pursuant to this Agreement in any year during the term of the Agreement is fewer than the Expected Number of Jobs, then the County may, in its discretion, reduce the amount of the Grant to be paid for the year (or seek reimbursement for the Grant already paid for said year) in the amount of $1,000.00 per job shortfall.

7. Hydac specifically agrees that in the event that all or any portion of this agreement or any incentive grant or payment to be made hereunder is declared to be unconstitutional, illegal, or otherwise enjoined by a court of competent jurisdiction, Hydac shall indemnify and hold harmless Lincoln County and its Board of Commissioners, individually and collectively, from any loss or liability and shall reimburse Lincoln County by the amount of any such grant or payment.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

Reimbursement and Cooperation Agreement with D. R. Horton for Installation of Utilities

– Andrew Bryant presented a request to enter into a Reimbursement and Cooperation Agreement with D. R. Horton for the installation of utilities. The agreement would be to reimburse D. R. Horton the costs of upsizing 4,102 linear feet of 8” waterline to 12” waterline.

UPON MOTION by Commissioner McCall, the Board voted unanimously to approve the Reimbursement and Cooperation Agreement with D. R. Horton as presented.

2022 – 2023 Healthcare Renewal Estimate (Medical Plan Update/Approval Consideration)

– Candy Stevens introduced Scott Anderson and Jason Bradshaw, who presented the following:

Since August of 2021 staff has been in negotiations with USI, closely monitoring our projections of health care costs. Based on the trends the proposed health plan is before you for consideration for approval.
The Plan recommendation for 2022-2023, which is a 0% increase in PPO rates and 0% HSA for the employees. This is based on Plan Performance. There are no changes in the benefits for the employees. The budget impact is $386,117.00 and the reserve is currently $762,325.00.

**UPON MOTION** by Commissioner Cesena, the Board voted unanimously to move forward with the presented Healthcare renewal plan for 2022-23.

Ms. Stevens asked the Board to eliminate the HRA option effective July 1. These employees will be offered the HSA plan so they will not be left without coverage.

**UPON MOTION** by Commissioner McCall, the Board voted unanimously to eliminate the HRA plan effective July 1, 2022.

**2021 Annual Report from the Lincoln County Community Child Protection Team/Lincoln County Child Fatality Prevention Team:** Sherry Rhinehardt presented the 2021 Annual Report from the Lincoln County Community Child Protection Team/Lincoln County Child Fatality Prevention Team.

The Board thanked Sherry Rhinehardt and the Lincoln County Community Child Protection Team/Lincoln County Child Fatality Prevention Team for their dedication and hard work.

**Adoption of a Policy for ARPA COVID-19 Premium Pay:** Deanna Rios presented the following:

The ARPA funds allow the County to give “premium pay” to employees that worked in-person through the pandemic. There are requirements that must be met in order to have these funds used for this purpose. She asked for the Board’s approval of the policy as presented.
LINCOLN COUNTY
COVID-19 PREMIUM PAY POLICY

1. Purpose. The purpose of this premium pay is to provide a one-time monetary payment to all Lincoln County employees, hired on or before December 31, 2021, for COVID-19 risk incurred from January 27, 2020 through current date. This time period covers the beginning of the COVID-19 pandemic in Lincoln County through the current time, where we are still experiencing a record numbers of cases. The payment has specific eligibility requirements from the federal government in accordance with the American Rescue Plan Act of 2021: Coronavirus State & Local Fiscal Recovery Funds Final Rule (ARP/CSLFRF) and is further defined by Lincoln County’s specific requirements. Documentation of eligibility is required for all COVID premium pay payouts and is subject to federal audit.

2. Applicability. This policy applies to all Lincoln County departments and employees that meet eligibility requirements for the COVID premium payment by performing in-person work. Where there is conflict with any department-specific policy, this document will supersede.

3. Policy.

a. Eligibility Requirements. Lincoln County employees that are active at the time of COVID premium payout and also meet the following criteria may be eligible for COVID Premium Pay:

   i. Hired on or before December 31, 2021;
   ii. Performed essential in-person work during the COVID-19 pandemic which involves:
      1. Regular in-person interactions with patients, the public, or co-workers of the individual that is performing the work; or
      2. Regular physical handling of items that were handled by patients, the public, or co-workers of the individual that is performing the work;
   iii. Either non-exempt or exempt employee;
   iv. Full time or part time employee; and
   v. Employee earns less than 150% of the North Carolina state average annual wage for all occupations ($76,515.00) after COVID Premium Pay is allocated

   NOTE: Employees earning more than 150% of the North Carolina state average annual wage after COVID Premium Pay is allocated, those employees who are remote workers, and elected public officials will also be paid a premium payment as approved by the Lincoln County Board of Commissioners, but said payments will not be paid from ARPA Funds.

b. Reporting Requirements. Reporting of recipient counts and dollars allocated will be provided to the federal government per ARPA guidelines. COVID Premium Payments will also be subject to public records and relevant documents will be maintained for five (5) years.

c. Payout Calculation. Eligible employees that meet the criteria defined in Section 3(a) and are still employed by Lincoln County will receive the one-time lump sum payment amount listed below, based on the amount of time said employee has been employed by the County.
Chairman Mitchem said the consensus of the Board was that although elected officials qualify for the premium pay, the Commissioners would not accept or receive this money.

**UPON MOTION** by Commissioner Cesena, the Board voted unanimously adopt the Policy for ARPO COVID-19 Premium Pay.

**Audit Presentation** – Deanna Rios introduced Elsa Watts, who presented the 2021 Audit.
Lincoln County
2021 Audited Financial Statements

Audit Highlights

- Unmodified opinion
- Cooperative staff
Top 3 Revenues: General Fund

Local Option Sales Tax 24%
Restricted Intergovernmental 10%
Other Revenues 12%
Ad Valorem Taxes 54%

Revenues Total $127,715,236

Other Revenues:
Other Taxes & Licenses
Unrestricted Intergovernmental
Permits and Fees
Sales, Services and Rents
Investment Earnings
Miscellaneous

Property Tax

2020 2021

$40,000,000 $50,000,000 $60,000,000 $70,000,000 $80,000,000

$65,682,191 $68,720,479

$3,038,288 5%
Restricted Intergovernmental

![Graph showing a linear increase in restricted intergovernmental from $11,689,159 in 2020 to $13,193,747 in 2021.]

Local Option Sales Taxes

![Graph showing a linear increase in local option sales taxes from $25,652,067 in 2020 to $30,892,666 in 2021.]

MARTIN·STARNES & ASSOCIATES, CPAs, P.A.
Top 3 Expenditures: General Fund

- Public Safety: 28%
- Human Services: 17%
- Education: 22%
- Other Expenditures: 33%

Expenditures Total $112,269,591

Human Services

- 2020: $18,005,285
- 2021: $18,786,828

4% growth

MARTIN-STARNES & ASSOCIATES, CPAs, P.A.
Public Safety

Education
### Enterprise Funds

**Income (Loss)**

**Budgetary/Cash Basis**

<table>
<thead>
<tr>
<th></th>
<th>Solid Waste</th>
<th>Water/Sewer</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$3,108,722</td>
<td>$19,017,402</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td>6,826,677</td>
<td>11,677,118</td>
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<tr>
<td><strong>Income (Loss) Before</strong></td>
<td></td>
<td></td>
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<tr>
<td>Other Sources (Uses)</td>
<td>(1,717,894)</td>
<td>7,598,534</td>
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<tr>
<td>Other Financing Sources (Uses)</td>
<td>-</td>
<td>(1,112,396)</td>
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<tr>
<td><strong>Total Income (Loss)</strong></td>
<td>(1,717,894)</td>
<td>6,486,138</td>
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### Enterprise Funds

<table>
<thead>
<tr>
<th></th>
<th>Solid Waste</th>
<th>Water/Sewer</th>
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<tbody>
<tr>
<td>Unrestricted Net Position</td>
<td>$(1,060,232)</td>
<td>$23,577,681</td>
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# Quick Ratio– Water/Sewer Fund

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>Current Assets</td>
<td>$29,527,098</td>
<td>$29,698,311</td>
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<tr>
<td>Current Liabilities</td>
<td>$2,981,863</td>
<td>$4,011,497</td>
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<tr>
<td>Quick Ratio</td>
<td>9.90</td>
<td>7.40</td>
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</table>
## Quick Ratio– Solid Waste Fund

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$11,111,346</td>
<td>$9,055,130</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$912,882</td>
<td>$615,318</td>
</tr>
<tr>
<td>Quick Ratio</td>
<td>12.17</td>
<td>14.72</td>
</tr>
</tbody>
</table>
Water/Wastewater Fund
Performance Indicator #1

Minimum per LGC: 16.0%
Lincoln County: 234.05%

MARTIN•STARNES
& ASSOCIATES, CPAs, P.A.
# Water/Wastewater Fund

## Performance Indicator #2 – Operating Net Income

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<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$4,566,438</td>
<td>$6,598,210</td>
</tr>
<tr>
<td>Add: Deprecation</td>
<td>3,611,417</td>
<td>3,772,896</td>
</tr>
<tr>
<td>Less: Debt Service</td>
<td>1,383,702</td>
<td>1,180,408</td>
</tr>
<tr>
<td>Operating Net Income</td>
<td>$6,794,153</td>
<td>$9,190,698</td>
</tr>
</tbody>
</table>
UPON MOTION by Commissioner Davis, the Board voted unanimously to accept the Audit as presented.

Approval of Contract with McAdams Co. for Design and Construction Administration of Phase 1 of County Gateway Project including welcome signs and heavy landscaping – Megan Gilbert presented the following:

This agenda item is a contract with McAdams Co. for Design and Construction Administration of Phase 1 of the County Gateway Project. This will be for road signs coming into the County and the first phase of the project includes the largest transportation corridors in the county (US HWY 321 and NC 16 Bypass) Future phases will include the secondary state routes (Hwy 27/73/150). The contract is for the design and construction administration but does not include the actual signs. The original proposal was negotiated down, one is cost estimating and the other is subsurface investigation.

Mr. Atkins said he agrees with the contract, but would like to put Geotech back into the contract.
UPON MOTION by Commissioner Cesena, the Board voted unanimously to approve the new Contract with John R. McAdams Company, Inc. adding $14,050 back for Geotech for a total of $72,000.

Public Comments: Chairman Mitchem opened Public Comments. Being no speakers, Chairman Mitchem closed Public Comments.

County Manager's Report: Kelly Atkins said he met with Davenport to discuss the proposed Animal Services construction, water transmission line, and jail expansion projects. More information will be provided closer to bid dates. He reported that he and Finance just completed budget meetings with department managers. He said the next budget work session will be with the Board of Education on March 17, 2022 at 6:00 PM at the Board of Education Administrative Office.

County Commissioners' Report: Commissioner McCall said she would like to welcome to Lincoln County the new Veterinarian, Dr. Erica. She said she and a few other Commissioners were in attendance of the presentation of a $199,946 grant to Lincoln County EMS by Congressman Patrick McHenry.

Commissioner Davis said she was able to accompany John Dancoff on a tour of American Woodwork, which is an amazing place. She said they are struggling to fill much needed positions and have created shifts more attractive to younger workers.

County Attorney's Report: Megan Gilbert, County Attorney, said she is in working with Ron Rombs and Mark Howell on a rewrite of the Emergency Management Ordinance to make it more in conformity and implement specifics on Hazardous Waste. She also reported that she is in the process of getting the East Lincoln County Water and Sewer District closed down.

Mr. Atkins said he would like to thank the Sheriff of Lincoln County, along with the other agencies involved, for the work in the recent hostage situation, getting everyone out safely.

Vacancies/Appointments: UPON MOTION by Commissioner Cesena, the Board voted unanimously to make the following appointments:

JCPC
   Appoint: Holly Wall

Child Protection Team/Child Fatality Prevention Team:
   Appoint: Holly Wall

Closed Session: UPON MOTION by Commissioner McCall, the Board voted unanimously to enter Closed Session pursuant to NCGS 143-318.11(a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of
the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease

The Board returned to open session and Chairman Mitchem announced that no action was taken in Closed Session.

**Adjourn:** UPON MOTION by Commissioner Sigmon, the Board voted unanimously to adjourn.

________________________________ ____________________________________
Amy S. Atkins, Clerk      Carrol Mitchem, Chairman
Board of Commissioners    Board of Commissioners