

AGENDA

CITY OF NEWTON



April 1, 2025

Mayor Jerry T. Hodge
Council Members – John Stiver, Jody Dixon, Ed Sain,
Roy Johnson, Beverly Danner, Jon McClure

City Manager Sean Hovis
City Attorney John Cilley
City Clerk Amy Falowski

AGENDA
CITY OF NEWTON
NEWTON CITY COUNCIL - REGULAR MEETING

April 1st, 2025
6:00 p.m.

	1. <u>Call to Order – Mayor Jerry T. Hodge</u>
Page	2. <u>Opening – Mayor Pro Tem John Stiver</u>
	3. <u>Approval of Agenda</u>
4	4. <u>Approval of Minutes from the March 11, 2025 Regular Meeting</u>
	5. <u>Consideration of Consent Agenda Items</u>
16	A. Tax Releases
17	B. Sewer Adjustments
18	C. Consideration of Road Closure – Biscuit Day, June 6 th
20	D. Consideration of Road Closures – Music on Main – June 12 th , July 10 th , September 11 th and October 9 th
22	E. Proclamation – Child Abuse Prevention Month – April 2025
23	F. Proclamation – National Public Safety Telecommunications Week April 13-19, 2025
24	G. National Lineman Appreciation Day – April 18 th
25	H. Recognition of Waste Water Treatment Plant Laboratory Supervisor McKenna Dolack for Receipt of the 2024 Laboratory Analyst Excellence Award from the Water Environment Federation
	6. <u>Presentation</u>
	A. Arts Culture Catawba
	7. <u>Public Hearing</u>
26	A. Economic Development Agreement
	B. Consideration to Adopt Resolution - Bid Award for Financing
	8. <u>Old Business</u>
58	A. Consideration to Approve Financing Terms
65	B. Rezoning #2024-06 McCombs Investment, LLC for property located on Burris Road consisting of 46.3 acres to rezone from R-9 Residential, M-1 Manufacturing and EM-1 Manufacturing to PD-H Planned Development Housing discussion and vote
70	C. Consideration of Budget Ordinance Amendment for Excavation, Piping Disassembly, Inspection and Cleaning of Obstruction at Wastewater Treatment Plant
	9. <u>New Business</u>
75	A. Consideration to Approve Contract Between City of Newton and Western Piedmont Council of Governments – Stormwater Planning and Administration
81	B. Consideration of Budget Ordinance Amendment for Emergency Repair of 24” Outfall Sewer Pipe
84	C. Consideration of Budget Ordinance Amendment for Purchase of Gear Box for #4 Aeration Basin
87	D. Consideration of Budget Ordinance Amendment for Radiator Repair of Target Generator
96	E. Consideration of Budget Ordinance Amendment for Construction of Multiple Residential Development Electric Distribution System Extensions
101	F. Consideration of Budget Ordinance Amendment for Additional Fund for Multiple Electric Operational Line Items

10. **Comments from the Public:** If you would like to make a public comment on non-agenda items, please sign in with the city clerk prior to the meeting. All public comments, including public hearings, will be limited to three (3) minutes.
11. **City Manager's Report**
12. **Questions and Comments from Mayor and Council**
 - A. Report from Appointed Representative on Outside Boards – Council Member Jon McClure
13. **Closed Session – North Carolina General Statute 143-318.11(6)**
14. **Adjournment**

**MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL**

March 11, 2025 – 6 p.m.

The regular meeting of the Newton City Council was held at 6 p.m. Tuesday, March 11, 2025, at Newton City Hall.

PRESENT: Mayor Jerry Hodge, Mayor Pro Tem John Stiver, Council Members Ed Sain, Jody Dixon, Roy Johnson, Jon McClure and Beverly Danner

STAFF: City Manager Sean Hovis, Assistant Manager Brandon Holland, City Clerk Amy S. Falowski, City Attorney John Cilley, City Department Heads and members of the management team

ITEM 1: Welcome and Call to Order

Mayor Jerry Hodge welcomed everyone and called the meeting to order.

ITEM 2: Opening – Council Member Beverly Danner

Council Member Beverly Danner provided the opening and the Pledge of Allegiance.

Mayor Jerry Hodge read a letter from the community concerning proposed future plans of the Corner Table.

ITEM 3: Approval of Agenda

Council Member Jon McClure asked that Items 5F, 5H, 5I and 5K of the consent agenda be moved to old business.

Council Member Ed Sain stated that small meetings were held for any questions that council members may have about any agenda item. He stated that out of respect members should decline if they are unable to attend.

Upon motion duly made by Council Member Jody Dixon, seconded by Mayor Pro Tem John Stiver, with Mayor Pro Tem John Stiver, and Council Members Jody Dixon, Beverly Danner, Roy Johnson, and Jon McClure voting in favor of and Council Member Ed Sain voting against it was RESOLVED:

That the Agenda be – APPROVED with Items 5F, 5H, 5I and 5K of the Consent Agenda Being Moved to Old Business.

ITEM 4: Approval of Minutes

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That the Minutes from the February 4, 2025, Meeting be – APPROVED

ITEM 5: Consideration of Consent Agenda Items

Council Member Beverly Danner stated that the meetings that Council Member Sain had mentioned were not mandatory.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Jody Dixon, with Mayor Pro Tem John Stiver, and Council Members Jody Dixon, Beverly Danner, Roy Johnson, and Jon McClure voting in favor of and Council Member Ed Sain voting against it was RESOLVED:

That the Consent Agenda be – APPROVED with Items 5F, 5H, 5I and 5K of the Consent Agenda Being Moved to Old Business.

- A. Tax Releases
- B. Sewer Adjustments
- C. Consideration of Road Closure – Juneteenth Concert
- D. Consideration of Road Closure - Foothills Folk Art Festival

- E. Consideration of Budget Ordinance Amendment to Recognize Revenue and Appropriate Funds received from DNDA for Public Art Commission
- ~~F. Consideration of Budget Ordinance Amendment to Recognize Revenue and Appropriate Funds in General Fund Fire Budget~~
- G. Consideration of Grant Project Ordinance to Close Out James River Companies Building Reuse Grant
- ~~H. Consideration of Grant Project Ordinance to Close Out Piccinini's Traders LLC Building Reuse Grant~~
- ~~I. Consideration of Spectrum Pole Attachment Rental Fees~~
- J. Consideration of Intent to Reimburse – Sewer Vac Truck
- ~~K. Consideration of Intent to Reimburse – Architecture & Engineering Fees for New Startown Fire Station #3~~
- L. Consideration to Approve the Annual Consumer Confidence Report
- M. Consideration to Approve Audit Contract for Fiscal Year 2025

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 6: **Presentation**

A. Fiscal Year 2024 Audit Presentation

Finance Director Kim Robinson stated that Martin, Starnes & Associates, Certified Public Accountants, have completed the audit of the City of Newton for Fiscal Year Ended June 30, 2024. She introduced Brandi Fesperman, Senior Accountant for Martin Starnes & Associates, who will be presenting the audit.

Ms. Fesperman stated that the audit was conducted in accordance with auditing standards generally accepted in the US and the standards applicable to financial audits contained in the Government Auditing Standards. Those standards require that the auditors plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

Ms. Fesperman stated that the financial statements of the City of Newton present fairly, in all material respects, the respective financial position which results in an unmodified opinion.

Ms. Fesperman stated that this opinion basically states that the auditors feel that the City of Newton followed all accounting rules appropriately and that the financial statements are an accurate reflection of the financial position of the City with no material misstatements.

Ms. Fesperman stated that the Finance Staff was very cooperative, and that her staff was very appreciative of this.

Mayor Hodge thanked Ms. Fesperman and Kimberley Robinson, Finance Director, and her staff for the great job that they do for the city.

ITEM 7: **Old Business**

A. Consideration of Budget Ordinance Amendment for Repair of Fencing at the Raw Water Pump Station and City Lake

Public Utilities Director Dusty Wentz stated that several sections of fencing at the raw water pump station and city lake have been damaged since hurricane Helene in September. Staff has made multiple attempts to solicit quotes from fencing contractors, but volume of work has prevented any repairs from moving forward. After multiple attempts, a quote was received from Hickory Fence Company for the following locations and amounts:

Fence around City Lake:	\$9,050.50
Raw Water Pump Station Perimeter Fence:	\$9,434.79
Raw Water Transformer Fence:	\$3,859.18
Total:	\$22,344.47

Mr. Wentz stated that this work will restore the fencing at these locations to state requirements, and asked City Council to approve the attached budget ordinance amendment in the amount of \$22,350 to reimburse the building maintenance line item in the WTP budget for fence repair.

Upon motion duly made by Council Member Roy Johnson, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That the Budget Ordinance Amendment be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

B. Consideration to Award Construction Contract for Wastewater Treatment Replacement Project

Public Works Director Dusty Wentz stated that in November 2022, Council approved The Wooten Company as the design engineer for the Wastewater Treatment Plant (WWTP) Replacement Project. The design, permitting, and bidding phases have been successfully completed.

Mr. Wentz stated that the initial bid opening was scheduled to take place at the WWTP on November 19, 2024. However, to encourage greater bidder participation, the opening was postponed to December 3, 2024. Despite this adjustment, only a single bid was received. Mr. Wentz explained that in accordance with federal and state procurement regulations, a rebid was scheduled for December 17, 2024, to ensure a competitive bidding process.

Mr. Wentz stated that the bid opening on December 17, 2024, resulted in a single bid submission from PC Construction, based in Charlotte. The base bid, which encompasses the construction of the influent pump station, bar screens, lime treatment and grit removal systems, a new aeration basin and generator, the septic receiving station, as well as general electrical work and generator replacement, was submitted at \$57,882,000.

Mr. Wentz explained that completion of all base bid items will address the most critical equipment and facility upgrades; however, it will not allow the City to increase the wastewater treatment plant's volumetric permit capacity from 5 MGD to 7.5 MGD. The available budget for the base bid, after accounting for additional engineering services and a 5% contingency, is approximately \$40,700,000.

Bids were received, as alternates, for the entirety of the replacement project work. Total project construction cost is now known to be \$70,500,000. Mr. Wentz stated that Wooten has successfully completed negotiations with PC Construction to reduce the scope of the Phase 1 base bid, aligning the project with available funding. As a result, the base bid cost has been reduced to \$34,937,060.

Additionally, based on responses to the original request for proposals conducted in the summer and fall of 2022, staff has solicited a proposal from Wooten to continue providing support through construction phase services. This proposal amounts to \$2,496,600.

With the construction contract, Wooten's design phase services (\$1,485,689.50), and Wooten's construction phase services, the total current project cost stands at \$38,919,349.50.

Mr. Wentz stated that staff continues to actively pursue additional funding opportunities to support the project. Currently, staff is collaborating with the Western Piedmont Council of Governments to submit a grant application to the federal Building Resilient Infrastructure and Communities (BRIC) program. BRIC is well-funded in this cycle,

and after receiving the Letter of Intent to Apply, the agency has recommended the Wastewater Treatment Plant (WWTP) replacement project for further consideration.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That Award of the Construction Contract to PC Contractors in the Amount of \$34,937,060 for the Wastewater Treatment Plant Replacement Project, Phase 1be – APPROVED

Upon motion duly made by Council Member Beverly Danner, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That Engineering Contract to Wooten Engineering in the Amount of \$36,672,409.50 for the Wastewater Treatment Plant Replacement Project, Phase 1 be – APPROVED

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Resolution of Award of Bid for the Wastewater Treatment Plant Replacement Project, Phase 1 be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

5F. Consideration of Budget Ordinance Amendment to Recognize Revenue and Appropriate Funds in General Fund Fire Budget

Finance Director Kim Robinson stated that during the fiscal year 2024-2025, the Fire Department's operating budget has faced significant increases due to unforeseen and additional repair costs for vehicles and equipment. The originally allocated funds for these accounts have proven insufficient to cover expenses.

Ms. Robinson stated that to address this shortfall, staff respectfully requests that the City Council approve the recognition of \$75,000 in additional revenue generated from interest on deposits and appropriate these funds to the fire department's repair and maintenance accounts. This allocation will ensure the necessary repairs and maintenance of buildings, equipment, and vehicles for the remainder of the fiscal year.

Upon motion duly made by Council Member Ed Sain, seconded by Council Member Jody Dixon, it was unanimously RESOLVED:

That Budget Ordinance Amendment to Recognize Revenue and Appropriate Funds in General Fund Fire Budget be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

5H. Consideration of Grant Project Ordinance to Close Out Piccinini's Traders LLC Building Reuse Grant

Finance Director Kim Robinson stated that in August 2023, the city received funding from North Carolina Department of Commerce, in the form of a Building Reuse Grant for Piccinini's Trader LLC. The grant award was \$175,000. The funds were to be used to support the renovation of an existing 22,500 square foot building to a 67,500 square foot facility for food grade production 721 Shea Road, Newton, NC.

Ms. Robinson stated that the grant called for Pasta Piccinini's to create 27 new, full-time jobs with the City requesting and disbursing grant funds in two phases with the first request occurring after the company had created a minimum of 13 of the 27 jobs and maintained them for no less than six months.

Ms. Robinson explained that despite numerous attempts to engage the company directly and through intermediaries over the past year, the project does not appear to be moving forward and a de-obligation letter was submitted to the NC Department of Commerce in November 2024.

Staff recommends that the City Council adopt the attached grant project ordinance closing out the building reuse grant and summarizing the final activities for this project.

Upon motion duly made by Council Member Roy Johnson, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Grant Project Ordinance Amendment to Close out the Pasta Piccinini’s Building Reuse Grant be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

5I. Consideration of Spectrum Pole Attachment Rental Fees

Utilities Director Dusty Wentz stated that the City of Newton has a pole attachment agreement with Spectrum LLC that allows the cable company to attach its lines and equipment to the city's electric utility poles. The agreement initially lasts for one year, then continues on a year-to-year basis for a total term of five years. The rental rate is reviewed annually, with renewals occurring automatically unless either party provides a 60-day termination notice before the end of the year. Mr. Wentz stated that the agreement establishes conditions for attachment and ensures Spectrum pays rental rates consistent with those charged to other companies using the city's poles.

Below is a summary of the new rental rates set by the existing agreement:

Current Rate:	\$ 19.50 per attachment
Proposed New Rate for 2025	\$ 21.00 per attachment
Proposed New Rate for 2026	\$ 21.00 per attachment
Proposed New Rate for 2027	\$ 21.00 per attachment
Proposed New Rate for 2028	\$ 21.00 per attachment
Proposed New Rate for 2029	\$ 21.00 per attachment

Rental rates beyond FY- 2030 shall be subject to renegotiation

Upon motion duly made by Council Member Roy Johnson, seconded by Council Member Jon McClure, it was unanimously RESOLVED:

That Pole Attachment Rates with Spectrum Communications be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

5K. Consideration of Intent to Reimburse – Architecture & Engineering Fees for New Startown Fire Station #3

Finance Director Kim Robinson stated that the City of Newton has identified the need for a new Fire Station #3 in Startown. The approved FY 2024-2025 budget originally included funds for the preliminary architectural and engineering services. However, these costs were subsequently transferred to a dedicated capital project through a capital project ordinance in July 2024.

Ms. Robinson stated that on August 13, 2024, the City issued a Request for Qualifications (RFQ) for architectural and engineering services, receiving seven responses by August 30, 2024. After evaluating applicants, four firms were

interviewed on October 16, 2024. On January 14, 2025, Winstead Architecture was selected to provide preliminary design services for the project.

Ms. Robinson stated that the project is to be funded through borrowed funds, and in accordance with financial regulations, it is necessary to adopt an official resolution of intent to reimburse the City for these expenditures from the proceeds of the future borrowing. This ensures compliance with U.S. Treasury regulations and proper financial management of the project.

Ms. Robinson asked that City Council approve the resolution declaring the City's intent to reimburse for expenditures incurred in the preliminary architectural and engineering design of Fire Station #3 from borrowed funds. Approval will allow staff to proceed with planning and ensure alignment with financial best practices.

Council Member Jon McClure asked why borrow these funds and not use fund balance instead. Ms. Robinson said that if in the future council could decide and vote to change the funds.

Upon motion duly made by Council Member Ed Sain, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That Intent to Reimburse – Architecture & Engineering Fees for New Startown Fire Station #3 be – APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 8: **New Business**

A. Consideration to Award Bid for Street Paving Project

Public Works Director Dennis Falder stated that Hogan Ct, Barringer Circle between Shady Ln, and Todd Street, and West 24th Street near the General Store has been selected for repaving this fiscal year. Combined there will be 1,750 linear feet replaced. Replacement includes 4,980 square yards of asphalt and ABC stone base.

Mr. Falder stated that on January 3, 2025, staff solicited bids. January 30, 2025, two bids were received. Formal bids require a minimum of three bids for the first bid opening. Rebid was solicited following day. Rebid opening was February 13, 2025. Staff received four bids.

Bidder	Base Bid
Carolina Paving	\$240,060.00
Evans Construction	\$360,825.00
J.T Russell	\$688,650.00
Showalter Construction	\$992,943.00

Mr. Falder stated that the approved FY 2025 budget contains \$293,500 in the general fund for paving, as well as \$418,000 in the Powell Bill Funds. Total available budget for paving this year is \$711,500.

Carolina Paving of Hickory Inc. is the lowest responsive bidder and can perform all the work in the amount of \$240,060. (See Bid Form Attached) They have done work for the City in the past with no issues. Staff recommends a 10% contingency of \$24,000 for unforeseen problems. Bringing the total project cost to \$264,060.

Staff is recommending that City Council award bid for the Street Paving Project to Carolina Paving of Hickory Inc. in the amount of \$240,060, with a contingency of \$24,000.

City Council had a brief discussion concerning paving and sidewalk repair.

Upon motion duly made by Council Member Ed Sain, seconded by Mayor Pro Tem John Stiver, with Mayor Pro Tem John Stiver, and Council Members Jody Dixon, Ed Sain, and Roy Johnson, voting in favor of and Council Members Beverly Danner and Jon McClure voting against it was RESOLVED:

That the Award of Bid for Street Paving Project be - APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

B. Consideration of Budget Ordinance Amendment for Replacement of Phosphate Chemical Feed Pump

Utilities Director Dusty Wentz stated that the current phosphate chemical feed pump is inoperable and must be replaced. Staff can complete the required modifications for the pump in house and with funds already budgeted.

Mr. Wentz stated that phosphate chemical is mixed in two tanks in the chemical room at the WTP. This process requires two staff members and can only be completed during first shift. Replacement of the phosphate chemical feed pump, with some plumbing and electrical modifications, would allow phosphate to be mixed as needed.

Mr. Wentz stated that replacement of either pump is not included in the FY 2024 – 2025 budget. Since the total project estimate for this work is \$14,612.49, staff request council approve the attached budget ordinance amendment for secure funding for purchasing materials to complete this replacement.

Staff requests that the City Council Approve the attached Budget Ordinance Amendment to provide funding for the WTP Phosphate pump replacement.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Budget Ordinance Amendment to Provide Funding for the WTP Phosphate Pump Replacement be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

C. Consideration to Purchase Property Located at 115 East 2nd Street and to Adopt Budget Ordinance Amendment

City Attorney John Cilley stated that in the City's ongoing efforts to enhance and expand parking availability in the Downtown Newton area, the City approached L. Macon Yount, LLC, about a possible purchase of the tract located at 115 East 2nd Street, as well as small adjoining tracts which make up a parking lot located at the intersection of N. Brady Avenue and East 2nd Street. The properties constituting the possible purchase by the City include Parcel Identification Numbers 374013035858, 374013035834, and 374013035833. In addition, the proposed purchase would also include an 18 x 90 foot strip of land located south of the above adjoining tracts that the City already has an easement across. Mr. Cilley stated that the 18 x 90 foot strip of land does not currently have a Parcel Identification Number because said strip is encumbered by said easement in favor of the City of Newton but would still be a part of this transaction. He said that the City would take responsibility for the maintenance of said strip of land upon conveyance to the City. The proposed real estate transaction would, therefore, include a total of four parcels to be purchased by the City. The total tax value of all the parcels as referenced herein is \$29,600.00.

Mr. Cilley stated that the owner of the subject tracts, L. Macon Yount, LLC, has indicated that it would be agreeable to selling this property to the City of Newton. The limited liability company has indicated that the sales price that the LLC would accept for the purchase of said property is \$80,000.00.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Purchase of the Property Located at 115 East 2nd Street as Well as the Smaller Adjoining Tracts in the Amount of \$80,000.00 - and Authorize the City Manager to Execute Any and All Documents Required to Complete the Transaction be – APPROVED

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Budget Ordinance Amendment in that Amount in Addition to Closing Cost Expenses Required of the Purchaser to Complete the Transaction as Well as Costs to Upgrade the Parking Lot in the Amount of \$10,800.00 for a Total Budget Ordinance Amendment of \$90,800.00 be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

D. Consideration to Approve Contract Between City of Newton and Western Piedmont Council of Governments – Code Enforcement Services

Police Chief Vidal Sipe stated that the City of Newton continues to look at various options related to code enforcement. Currently the City of Newton has a contract with the WPCOG for code enforcement services which is due to expire on June 30, 2025, and the City also employs one code enforcement officer who is due to retire effective April 1, 2025.

Chief Sipe stated that staff would like to enter a new contract with the Western Piedmont Council of Governments to provide complete code enforcement services to the City of Newton for an additional 24 months. The new contract with the WPCOG would begin July 1, 2025. During the initial contract with WPCOG, they have opened numerous cases involving overgrown properties, junk/nuisance vehicles, illegal dumping and junk accumulation on residential and non-residential properties. The plan is for the WPCOG to completely begin all other code enforcement activities immediately, including minimum housing and non-residential structure enforcements.

Chief Sipe explained that if authorized this new contract with the WPCOG, will be for a 24-month period (July 1, 2025 – June 30, 2027) at a cost of \$178,000. This amount includes salary, benefits, fuel, uniforms, technology and training cost.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Contract with the Western Piedmont Council of Governments for code enforcement services be – APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

E. Consideration of Street/Right of Way Closure – Rowe Estates Development

Planning Director Randy Williams stated that Rowe Crossing development proposal was submitted as a planned development to the City of Newton and subsequently was approved by the City Council on September 5, 2023. The street design of the new development did not use the existing unopened rights-of-way platted on the property. The unopened rights-of-way on the property for sections of Thomas Avenue, Rowe Avenue and East 16th Street must be closed in order to fully develop Rowe Crossing.

Mr. Williams stated that In May 1957, a subdivision plat for C. M. Rowe Estate was recorded for the subject property which depicts a development with platted streets and lots. This platted development was never built. In 2023, Wright & Associates submitted a planned development – housing proposal to the City, which was approved by the City Council. The engineering and construction documents are now completed and development has begun construction. Part of the approval of the development was to close the unopened rights-of-way that are not being used in the development plan, although a twenty-five foot (25') utility easement in the section of East 16th Street must be retained.

Mr. Williams explained that the City's process for closing streets and rights-of-way requires a petition, survey and resolutions to be completed by the petitioner and submitted to the City for consideration. The Resolution of Intent will be considered and adopted by the City Council to set a Public Hearing date on the matter. The City will then advertise this public hearing for four (4) consecutive weeks, then hold a Public Hearing on that date for consideration.

Mr. Williams recommended the Resolution of Intent be adopted and the Public Hearing date be set for May 6, 2025 to close sections of Thomas Avenue, Rowe Avenue, East 16th Street and retain a 25' utility easement within the existing East 16th Street right-of-way on the Rowe Crossing Development property (PIN 374006396810 & 374006397483) in the City Council Chambers in the Newton City Hall.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That Resolution of Intent Be – ADOPTED and the Public Hearing Date be Set for May 6, 2025 to Close Sections of Thomas Avenue be – APPROVED

Upon motion duly made by Council Member Roy Johnson, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Resolution of Intent Be – ADOPTED and the Public Hearing Date be Set for May 6, 2025 to Close Sections of Rowe Avenue be – APPROVED

Upon motion duly made by Council Member Roy Johnson, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Resolution of Intent Be – ADOPTED and the Public Hearing Date be Set for May 6, 2025 to Close Sections of Rowe Avenue be – APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

F. Consideration of Application for Rural Downtown Economic Development Grant

City Manager Sean Hovis stated that the City of Newton is proposing at the April 01, 2025 Newton City Council meeting, to enter into an Economic Development Agreement with Delco IV, LLC for a project located along West A Street that will include a restaurant and residential living. Mr. Hovis stated that the Economic Development Agreement includes improvements to the parking area that the city would be responsible for. The improvements include constructing the parking facility, on-street parking improvements, sidewalk improvements, additional lighting and landscaping.

Mr. Hovis stated that the Delco IV, LLC project is considered a mixed-use downtown development and is an eligible project under the North Carolina Rural Downtown Economic Development Grant. The grant has a maximum award of \$850,000 with a 5% city match. If the city is awarded the grant, the monies will be applied toward the improvements mentioned above for the Delco IV, LLC project.

Staff asks that City Council authorize the City Manager to apply for the North Carolina Rural Downtown Economic Development Grant up to the maximum of \$850,000 as determined by the improvements needed under the Economic Development Agreement between the city of Newton and Delco IV, LLC.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Roy Johnson, it was unanimously RESOLVED:

That City Council AUTHORIZE the City Manager to Apply for the North Carolina Rural Downtown Economic Development Grant up to the Maximum of \$850,000 as Determined

by the Improvements Needed Under the Economic Development Agreement Between the City of Newton and Delco IV, LLC

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

G. Consideration to Call for a Public Hearing - Economic Development Agreement

City Manager Sean Hovis stated that the City of Newton is proposing at the April 01, 2025 Newton City Council meeting, to enter into an Economic Development Agreement with Delco IV, LLC for a project in downtown Newton that will include a restaurant and residential living. The Economic Development Agreement includes improvements to the parking area that the city would be responsible for. Mr. Hovis stated that the improvements include constructing the parking facility, on-street parking improvements, sidewalk improvements, additional lighting and landscaping.

Staff is recommending that City Council set the Public Hearing date for the regular meeting to be held April 1, 2025 to consider entering into and Economic Development Agreement between the city of Newton and Delco IV, LLC.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Jody Dixon, it was unanimously RESOLVED:

That Public Hearing Date for the Regular Meeting - April 1, 2025 to Consider Entering into and Economic Development Agreement Between the City of Newton and Delco IV, LLC be - APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 9: Comments from the Public

McGregor VanBeurden, Dale Ave, urged again that the city become a sanctuary city and commit to all residents regardless of immigration status. He reiterated that this would make everyone safer. He stated that this will protect all residents of Newton.

April Harbison, East I St., stated that she would like to see a dog park in the city.

Pastor Elizabeth Sifford, Caldwell Avenue, stated that nothing has been done at Central Recreation yet, and that the community is unable to get the help needed. She also thanked Jon McClure for his help.

DG Servantes also spoke regarding making the City of Newton a sanctuary city.

William Smith - 606 North Main Ave. stated that he is concerned about vagrancy in the city. He also stated that he remains hopeful that there will be a different location chosen for the Corner Table.

Sonia Foster spoke against the future location of the Corner Table and is also concerned about vagrancy in the city and that people do not feel safe.

William Powell - 1631 Radio Station Rd, 1662 Nottingham Drive, read a letter from Tim Yount, owner of Yount Auction and Realty Company concerning the proposed Corner Table Project. Mr. Yount stated in his letter that he feels the project will have a negative impact on values that the city and the community have worked hard to raise. His letter read that he hopes compromise can be found in order to achieve their goals. Mr. Powell stated that he has spent time picking up trash on his property left by vagrants. He stated that his parent's home has been broken into twice, and that he has been threatened when he removed people from the property. He also thanked Council Member Jon McClure for bringing information to the public by bringing 4 items off the consent agenda. He stated things shouldn't be hidden on a consent agenda. He also stated that he would like to be invited to the small meetings held before council meetings and asked if they are opened to the public.

Kenny Love, 131 West 6th Street, Moved here 5 years ago. He stated that he is concerned about all the revitalization work that has been done in the city but that he is worried that the proposed shelter would threaten the progress made. He also stated that safety is another pressing concern. He stated that he and neighbors have dealt with theft and vagrancy on their properties. He is also concerned about unsanitary conditions in public spaces. He stated that he also is hoping for a better solution.

Michael McRee, 1191 Kensington Circle, stated that the new builds in his neighborhood are the kinds of houses that should be being built in Newton. He asked that the city please restrict developments on half acre lots. He also spoke against the concept of sanctuary cities.

Miles Singer – Trout House Inn, stated they have worked very hard for three years to get their bed and breakfast going, and that they are concerned about the vagrancy and the proposed Corner Table project. The biggest concerns are the trash, the yelling and language and that they have found people sleeping on their porch, and theft from their property.

Josh Farmer, 628 W H Street, also shared his concerns about the proposed Corner Table project since moving back to town. He stated that his three main concerns are safety, community impact and local suitability. He expressed hope that the Corner Table will come up with a different solution.

Mackenzie Singer, Trout House Inn, reiterated what was said by her husband Miles Singer, and their concerns for their business and safety of their family and guests in light of the proposed Corner Table expansion.

David Crouse, North College, stated that a lot of money has been spent downtown and that he is afraid that all this money has been spent and we are going to let a small percentage of society mess it up.

Ivey Robinson, 406 S Main Ave, stated that she wanted to come and encourage and thank city council for all the hard work that has been done throughout the city.

Colby Dunlap, 614 N Main, also expressed concern about the vagrancy and the proposed Corner Table expansion project.

ITEM 10: City Manager's Report

Meetings & Events:

- ❖ **Arbor Day Celebration**
April 26th at 10:00 a.m.
Eastview Cemetery
- ❖ Central Recreation Update – Sean Hovis
- ❖ Streetscape Update – Randy Williams
- ❖ Police Update – Chief Vidal Sipe

ITEM 11: Questions and Comments from Mayor and Council

Mayor Pro Tem John Stiver gave updates on the Tree Board and ElectriCities.

Council Member Ed Sain gave updates on the Library Board.

Council Member Beverly Danner gave an update on the upcoming mural for the Train Depot.

ITEM 12: **Adjournment**

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That the Meeting be – ADJOURNED

Amy S. Falowski, City Clerk



Jerry Hodge, Mayor

CITY OF NEWTON

Inter-office Correspondence

TO: Sean Hovis, City Manager **DATE:** March 13, 2025

RE: Tax Release – February 2025

FROM: Kimberley Robinson, Finance Director

The following tax release has been received from the Catawba County Tax Collector.
The reason for the release is annotated beside the name.

Tax Year	Tax Release Number	Name	Reason	Amount of Release
2024	553	Johnson, Beatrice F	Elderly exemption application approved by Board of Equalization and Review	\$402.98

Should you have any questions or need clarification, please notify. Releases are submitted as required by NCGS § 105-381(b).

CITY OF NEWTON

Sewer Adjustments

TO: Sean Hovis- City Manager **DATE: 04/01/2025**
RE: Sewer Adjustments
FROM: Kimberley Robinson, Finance Director

The following sewer adjustment(s) is recommended for approval. The adjustment is recommended as a result of a water leak, pool fill or faulty meter at the service address.

Account Number	Name	Service Address/ Type	Adjustment Period	Amount of Adjustment
5000977.018	Tulin Creech	<i>417 E I St Busted pipe from meter</i>	Jan/Feb	408.64
64000380.008	Samone Parson	<i>1016 S Caldwell Ave Leak from main waterline</i>	Dec	98.64
23001240.002	Erin Moreau	<i>309 W 6th St Leak from waterline</i>	Dec/Jan	61.06
22001720.001	Ramona Lamp	<i>405 Cardinal Dr Leak from water line</i>	Feb	64.42

Backup documentation to support each adjustment is on file in the Finance Department.
Should you have questions or require further clarification, please notify.

CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Mary Yount, Main Street Director

CONSIDERATION OF: Request to for Road Closure for Biscuit Day.

Approved for Council Consideration

Background:

Downtown Newton Development Association continues to bring community together providing unique local experiences supporting Community Development.

Summary:

Downtown Newton Development Association is requesting is requesting the following road closures starting at 7:30 am until 12:00 pm to host the Biscuit Day for the following date:

Friday, June 6, 2025

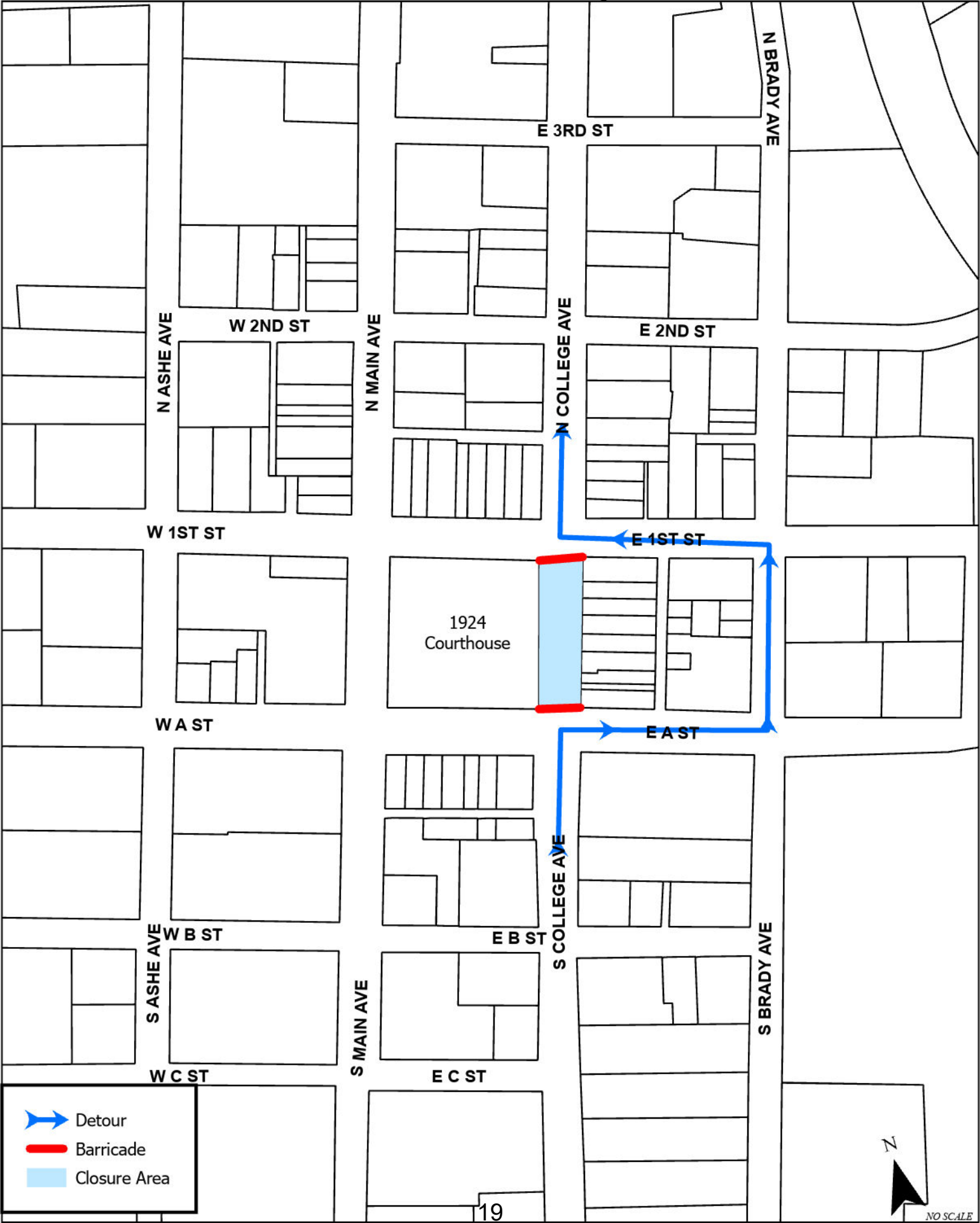
Street Closings:

N College Ave. from East A to East 1st Street

Requested Action:

Request Council approval of requested road closures as listed above for Biscuit Day. Road closure as noted on the map.

Biscuit Day



CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Mary Yount, Main Street Director

CONSIDERATION OF: Road Closure for Music On Main hosted by Downtown Newton Development Association and City of Newton

Approved for Council Consideration

Background:

Downtown Newton Development Association continues to bring the community together providing vibrant performing arts experience supporting Community Development.

Summary:

Downtown Newton Development Association is requesting the following road closures starting at 4:30 pm until 9:30 pm to host the Newton Music On Main concert series for the following dates:

Thursday, June 12, 2025

Thursday, July 10, 2025

Thursday, September 11, 2025

Thursday, October 9, 2025

Street Closings:

Main Street from East 1st Street to A Street

East A Street from N Main to College Ave.

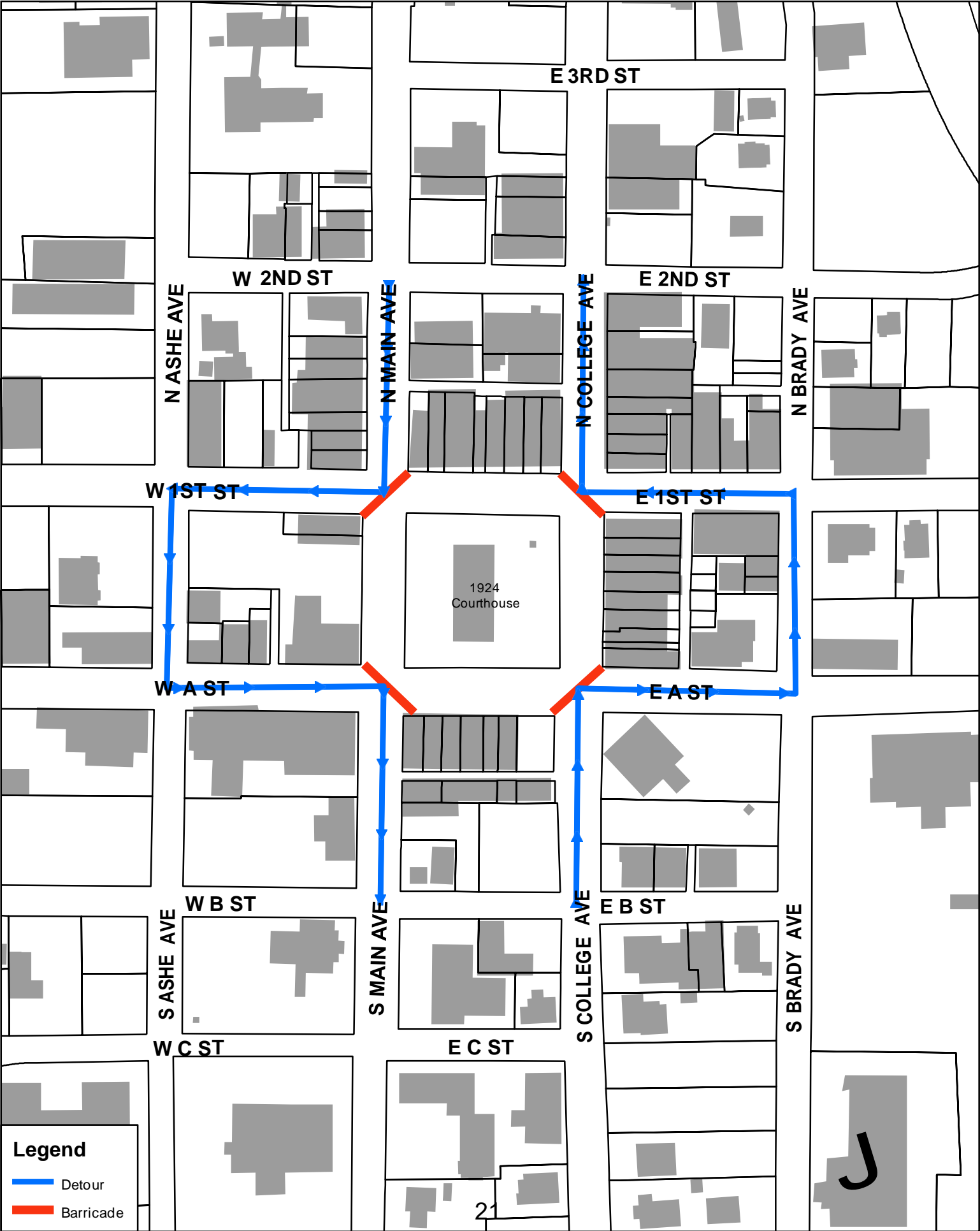
East 1st Street from College to N Main Street

N College from East A to East 1st

Requested Action:

Request Council approval of requested road closures as listed above for the Music On Main Concert Series and road closure as noted on the map.

Music on Main





Child Abuse Prevention Month 2025 Proclamation

WHEREAS, children are our state's most vulnerable members as well as our state's most valuable resources, helping to shape the future of North Carolina; and

WHEREAS, positive childhood experiences (PCES)—like loving caregivers and safe, stable, and nurturing relationships—can help mitigate trauma and the negative impact of adverse childhood experiences (ACES) to promote the social, emotional, and developmental well-being of children; and

WHEREAS, childhood trauma can have long-term psychological, emotional, and physical effects throughout an individual's lifetime and impact future generations of their family; and

WHEREAS, childhood trauma, including abuse and neglect, is a serious problem affecting every community, and finding solutions requires input and action from everyone; and

WHEREAS, children who live in families with access to concrete economic and social supports are less likely to experience abuse and neglect; and

WHEREAS, nurture positive childhoods and preventing child maltreatment is possible because of the partnerships created between families, prevention advocates, child welfare professionals, education, health, community, and faith-based organizations, businesses, law enforcement agencies, and local, state, and national governments; and

WHEREAS, we acknowledge that in order to solve the public health issue of abuse and neglect we must work together to change hearts and mindsets through storytelling and sharing, center the needs of families, break down bias and barriers, and inspire action from expected and unexpected partners; and

WHEREAS, we are committed to advancing equitable, responsive, and effective systems that ensure all children and families are healthy and thriving; and

WHEREAS, we recognize the need to prioritize kids and invest in more prevention initiatives like home visiting and family-strengthening policies, economic supports, and community-based child abuse prevention programs at the national, state, and local levels; and

NOW, THEREFORE, I Mayor Jerry T. Hodge do hereby proclaim April as **CHILD ABUSE PREVENTION MONTH** in Newton, North Carolina and urge all citizens to recognize this month by building a narrative of hope for children and families through collaboration and the creation of an ecosystem of primary prevention that does not currently exist in this country.

Dated this 1st Day of April, 2025

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk



PROCLAMATION

National Public Safety Telecommunications Week

- Whereas: emergencies requiring police, fire or emergency medical services can occur at any time;
- Whereas: during emergency situations prompt response from first responders is critical to the protection of life and preservation of property;
- Whereas: the information obtained and disseminated by the Newton Police Department Communications Center directly affects the safety of our police officers responding to emergency situations;
- Whereas: Public Safety Telecommunicators are the first and most crucial contact our citizens have with emergency services;
- Whereas: Public Safety Telecommunicators are the direct lifeline for our first responders by monitoring their activities by radio, providing them information and insuring their safety;
- Whereas: Public Safety Telecommunicators of the Newton Police Department have contributed substantially to the apprehension of criminals and assistance to the citizens of Newton;
- Whereas: each telecommunicator, while faced with the extreme stressors of the job, continued to exhibited Nobility, Professionalism and Dedication during the performance of their job in the past year;

NOW, THEREFORE, I Jerry T. Hodge, Mayor of the City of Newton, on behalf of Newton City Council, do hereby proclaim the week of April 13th - 19th, 2025 to be National Public Safety Telecommunications Week in the City of Newton, in honor of the men and women whose diligence and professionalism keep our city and citizens safe.

Proclaimed this, the 1st day of April 2025.

Jerry T. Hodge, Mayor



Resolution Honoring Public Power Lineworkers During Lineworker Appreciation Days April 18, 2025

WHEREAS, on January 3, 2017, the 115th Congress of the United States adopted House Resolution 10 recognizing lineworkers, the profession of lineworkers, the contributions these brave men and women make to protect public safety, and expressing support for the designation of April 18 as National Lineman Appreciation Day; and

WHEREAS, on April 15, 2015, the North Carolina General Assembly ratified House Bill 140, which designates the second Monday in April of each year as Lineman Appreciation Day in North Carolina; and

WHEREAS, the City Council of Newton celebrates the profession of electric lineworkers and wishes to honor its Electric Department personnel for their exemplary service to the City and its citizens; and

WHEREAS, electric utilities employ a special class of employees – electric lineworkers – responsible for building and maintaining the distribution lines that bring electricity to homes and businesses, constantly devoting themselves to their duty; and

WHEREAS, this profession demands passion, dedication, and ongoing training and requires lineworkers to maintain the lines around the clock, ensuring they can provide safe, reliable energy to the community; and

WHEREAS, lineworkers are often first responders during storms, working to repair broken and damaged electric lines under hazardous conditions in order to make the area safe for other public safety heroes; and

WHEREAS, lineworkers play a vital role in the lives of our citizens by maintaining and growing our electrical infrastructure, putting their lives on the line every day by working with the many dangers of high voltage, and

WHEREAS, the lineworkers of Newton's electric utility and their example of service above self are deserving of the respect, admiration, and appreciation of all the citizens of Newton; now, therefore, be it

RESOLVED, that Newton, North Carolina, joins with all N.C. Public Power communities and with all public power systems in the United States in these celebrations of Lineworker Appreciation Days.

Adopted this first day of April, 2025.



Jerry T. Hodge, Mayor

**CITY OF NEWTON
RESOLUTION**

**CERTIFICATE OF ACHIEVEMENT
RECIPT OF THE LABORATORY ANALYST AWARD**

WHEREAS, The Laboratory Analyst Award recognizes individuals for outstanding performance, professionalism and contribution to the water quality analysis profession; and

WHEREAS, the award is presented by the Water Environment Federation to a single individual, state wide. This award is given an outstanding member for efforts in the area of wastewater and environmental aquatic analyses, including such items as innovated sampling techniques or solutions to a treatment, analytical or environmental problem.

WHEREAS, those who are selected are chosen based on contributions that have ben beneficial to the nominees facility and unusual initiative or performance “beyond the call of duty.”

WHEREAS, McKenna Dolack was selected to receive the award in recognition of her work at the Clark Creek Wastewater Treatment Plant, her commitment to advancing water treatment processes and her contributions to the industry.

NOW, THEREFORE, BE IT RESOLVED that the Newton City Council on behalf of the citizens of Newton, publicly commend McKenna Dolack for her outstanding achievement and dedicated service to the residents of Newton.

Adopted this the 1st day of April, 2025

Newton Mayor
Jerry Hodge

Newton City Clerk
Amy S. Falowski



CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

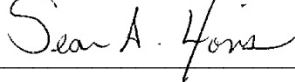
DATE: March 25, 2025

TO: Mayor and City Council

FROM: Sean Hovis, City Manager

CONSIDERATION OF: Economic Development Agreement and Lease of Real Estate – Delco IV, LLC

Approved for Council Consideration



Background:

In 2023, the Catawba County Economic Development Corporation contacted the City to inform us that Delco IV, LLC, a major real estate developer, was considering a mixed commercial/multi-family project consisting of 102 residential apartments and a restaurant as well as associated amenities in the area. The Developer was interested in a tract of land located at the intersection of West “A” Street and South Ashe Avenue in the City of Newton that was the former location of the Corriher Implement Company. This significant investment by the developer would be in the amount of at least \$24 million dollars, part of which has already been utilized by the developer to purchase the Corriher property, and will be utilized in part to improve and upfit existing structures thereon, demolish other structures, and construct certain improvements, install personal property, capital equipment and trade fixtures for residential and commercial use, and cumulatively, amount to capital investments by the developer, or caused by developer to be incurred by other persons in said amount of \$24,000,000.00. The project, which involves creating a number of new jobs, underscores Delco IV, LLC’s commitment to the local economy. Several of the new positions are expected to offer wages at or above the County’s average, contributing positively to the local job market. The project shall also constitute a substantial investment in real property improvements which will create additional ad valorem taxes and increase the population. The City of Newton believes this project will help stimulate local economic growth.

The proposed economic incentives to be provided by the City consists of providing a long-term lease of City Property to Delco IV, LLC, to provide suitable surface parking for the adjoining commercial/multi-family project containing 101 3730-1693-3391 and 3730-1693-1289 (collectively, City Property). The City is also in the process of procuring that certain parcel having Catawba County Parcel Identification Number 3730-1693-2380 from the United States Postal Service. This Economic Development Agreement is conditioned on the successful acquisition of said parcel from the United States Postal Service.

In addition to the City providing long-term leasing for the subject property, the City is also proposing to invest an estimated \$1,500,000.00 in the properties to develop City Properties and adjacent public street parking facilities into the necessary parking facilities for the adjacent mixed commercial facility and multi-family structure to be constructed by the developer. The City Property would be leased to the developer for an initial period of 50 years with an option to renew said lease for an additional 49 years, for a rental fee of \$12.00 per year, in order to provide the necessary parking facilities.

The Notice of Public Hearing for this matter was advertised in the following newspapers having a general circulation in the Newton area as required by statute as follows:

The Charlotte Observer---March 21, 2025

The Hickory Daily Record----March 22, 2025

The Observer News Enterprise----March 22, 2025

Incentive Proposal:

The Catawba County Economic Development Corporation is recommending the City provide the following economic development incentive to help secure this mixed commercial/multi-family project in Newton over other competing development sites: Enter into a lease agreement with Delco IV, LLC, for the long-term rental of said City Property which currently has a fair market value in the amount of \$174,738 and invest an estimated \$1,500,000.00 for the improvement of such properties and adjacent street parking to provide long-term suitable restricted and public parking for the mixed commercial and multi-family building project as well as entering into an economic development agreement outlining investment, job creation, and project start/completion dates.

As part of the recommendation below, City Council is asked to consider the following items:

- The first is an **Economic Development Agreement (EDA)** between the City and Delco IV, LLC, extending economic development incentives to the Company based upon investment in the adjoining property equal to or exceeding \$24,000,000 and creation of new jobs.
- The second action item is a **“Real Estate Lease Agreement”** between the City and Delco IV, LLC. This agreement is a legally binding contract between Landlord and Tenant for the long-term lease of said real property for an initial period of 50 years with an option to renew for another 49 years with a rental of \$12.00 per year. The Lease Agreement outlines terms and conditions of the lease and shall become effective upon execution.

Recommendation:

The staff recommendation is to approve the following motions as follows:

- 1) Motion to approve the City of Newton and Delco IV, LLC, Economic Development Agreement as presented and also authorize the Mayor to execute the Agreement along with any other documents necessary to complete the transaction.
- 2) Motion to approve the City of Newton and Delco IV, LLC, Lease Agreement as presented and also authorize the Mayor to execute the Lease Agreement along with any other documents necessary to complete the transaction.

**CITY OF NEWTON AND DELCO IV, LLC
JOINT ECONOMIC DEVELOPMENT AGREEMENT**

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this “Agreement”) is made and entered into this ____ day of March, 2025, by and between **CITY OF NEWTON** (“City”), a North Carolina municipal corporation, having a mailing address of **Post Office Box 550, Newton, NC, 28658**, and **DELCO IV, LLC** (“Developer”), a North Carolina limited liability company doing business in the State of North Carolina, having a mailing address of **Post Office Box 3224, Hickory, NC 28603**, with the City and Developer being referred to singularly as a “Party” and jointly as the “Parties”.

RECITALS:

1. City owns or will procure in fee simple approximately 0.99 acres of real property in the central business district of downtown Newton which is bounded by public rights-of-way of South Bost Avenue, West C Street, West B Street, and South Ashe Avenue and which will be developed into suitable surface parking. The City currently owns parcels having Catawba County Parcel Identification Numbers 3730-1693-3263, 3730-1693-3391, , and 3730-1693-1289 (collectively, the “City Property”), and the City is in the process of procuring that parcel having Catawba County Parcel Identification Number 3720-1693-2380 (“Parcel 2380”), all more particularly described on Exhibit A attached hereto (the City Property and Parcel 2380 collectively being the “Tenant Parking Property” or “Parking Property”). Improvements on the Parking Property will be constructed by the Developer as defined within this Agreement. The Parking Property will be leased to Developer for restricted parking for tenants of the adjacent mixed commercial/multi-family structure under terms of this agreement.

2. Developer owns those parcels having Catawba County Parcel Identification Numbers 3730-16-93-3681 and 3730-16-93-3449 consisting of approximately 1.75 acres combined (the “Developer Property”) and desires to develop the property and construct mixed commercial/multi-family residential structures and associated amenities, utilizing the Parking Property (the “Development Project”).

3. The anticipated capital investment by Developer in the Development Project, including the costs of the original procurement of the Developer Property, improvement and upfit of existing structures thereon, demolition of structures thereon, construction of certain improvements, installation of personal property, capital equipment and trade fixtures for residential and commercial use on the Project Property , cumulatively, amount to capital investments by Developer, or caused by Developer to be incurred by other persons Twenty- Four Million Dollars and 00/100 (\$24,000,000.00), along with the Improvements to be made during the thirty (30) month period beginning on June 1, 2025 and ending no later than December 31, 2028 (collectively, the “Capital Investments”).

4. The City desires to assist and participate in the development of Improvements on the Developer Property, the Parking Property, and the associated street parking as described herein, and will contract with the Developer for the Developer to construct the Parking Facility

on the Parking Property as well as the On-street Improvements. The purposes of this involvement is to stimulate and promote further the redevelopment of the downtown, and to develop and provide additional spaces for public gatherings in and around the Developer Property in the downtown area. All of these activities will further goals for the City toward the creation of economic development opportunities, will serve the need for downtown business district parking, will enhance and encourage construction of public spaces attractive to the population within the City, and will support other projects currently underway within the City.

5. North Carolina General Statutes (“NCGS”) authorize the City to undertake general economic development activities within its geographic boundaries as well as to undertake downtown development activities to encourage projects that will enhance the ability of the downtown to function as a center of economic, civic, and cultural activity and to invigorate the downtown by (i) promoting economic development of the community, (ii) providing parking and to support the needs of the surrounding community, (iii) furthering the positive impact and significant effect of the revitalization of downtown, and (iv) supporting the impacts of private investments and public investments currently underway in the City and the downtown.

6. The City has concluded that the planned residential and commercial project and associated development of the Developer Property under this agreement will contribute to the revitalization of downtown Newton and will result in the creation of a substantial number of jobs in the city and county that pay at or above the median average wage in the city and county.

7. The City has encouraged Developer, when feasible, and consistent with sound financial practices, to utilize local services, supplies, and service providers, such as locally produced products, local hotel, motel and hospitality services, local building and construction support services, and other products and services.

8. Developer would not undertake the project without economic assistance from the City in order to make the planned project financially viable.

9. The Parties desire to enter into this Agreement to confirm the terms of their agreement, and to bind each Party to the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

- (a) **“City Improvements”** means the improvements described on Exhibit C.
- (b) **“Developer Improvements”** means the improvements described on Exhibit B.

(c) **“Environmental Law(s)”** means and includes, without limitation, all federal, state, and local statutes, regulations, rules, or codes, applicable to the properties involved.

(d) **“Hazardous Substance(s)”** means (i) any chemical, compound, material, mixture or substance that is defined or listed in, or otherwise classified under any Environmental Law as a hazardous substance, hazardous material, hazardous waste, infectious waste, toxic substance, toxic pollutant, or any other formulation intended to list, define or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or EP toxicity; (ii) any asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive materials, or radon; (iii) any per- and polyfluoroalkyl substances (“PFAS”); and (iv) any petroleum, natural gas, natural gas liquid, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

(e) **“Improvements”** means the aggregate, combined improvements described in both Exhibit B and Exhibit C and includes the development and costs associated with any On-street Parking Improvements.

(f) **“Multifamily/Commercial Structure”** means a multi-story structure and an additional commercial structure with total square footage of approximately 122,083 square feet and approximately 102 residential apartments and associated amenities.

(g) **“Parking Facility”** means a surface parking facility to be built in the Parking Lease Area containing One Hundred One (101) or more spaces.

(h) **“Parking Lease Area”** means the area outlined on Exhibit A, together with lanes of travel to access and service the parking structure to be built thereon.

(i) **“Performance Commitments”** shall collectively mean the Job Creation Requirements, the Investment Threshold, and construction of the Improvements, unless the context otherwise requires.

(j) **“Performance Period(s)”** means those timelines adopted by the Parties, from time to time, for the construction and completion of phases of the Improvements.

(k) **“Project Properties”** means, collectively, the Developer Property and the Parking Property, along with associated improvements.

(l) **“Tenant Parking”** means a total of 101 parking spaces located within the Parking Property which shall be for the exclusive use of tenants of the Multifamily/Commercial Structure.

ARTICLE II

DEVELOPER COMMITMENTS

For and in consideration of the City's Investment (as described in Article IV), Developer agrees to meet or exceed the following Performance Commitments:

(a) Developer will design and construct the Multifamily /Commercial Structure on the Developer Property and construct the Parking Facility on the Tenant Parking Property along with associated Improvements.

(b) Developer will make or cause to be made the Capital Investments in the Improvements which shall equal or exceed Twenty-Four Million and 00/100 Dollars (\$24,000,000.00). Failure to reach 91.67% of the Capital Investment, or the Capital Investments failing to reach a minimum of Twenty-Two Million and 00/100 Dollars (\$22,000,000.00)(the "Investment Threshold") will constitute a default of this agreement.

(c) Developer or its tenants renting space in the commercial areas of the Improvements will create additional jobs no later than eighteen (18) months after the Certificate of Occupancy ("CO") is issued for the commercial portion of the Developer Property. Developer will provide to the City, or will cause its tenants and service providers to provide, the certification form shown at **Exhibit E** to verify that the project has created new jobs and to report the average wages for those jobs. These certifications will be provided to the City each year on or before March 1, for a minimum of six (6) years after the Improvements are completed or until evidence of satisfactory completion as required under Article I(e) herein is provided. The foregoing are collectively called the "Job Creation Requirements".

(d) All construction plans and specifications and timeline for completion of Developer Improvements shall be subject to review and approval by the City, such approval(s) not to be unreasonably withheld, conditioned or delayed.

(e) Confirmation of Developer's satisfactory completion of the Performance Commitments shall be as follows. The amount of capital investments shall be verified by Developer by providing to the City a report certified by Developer to be accurate and complete, a listing in detail of the investments made and costs incurred by Developer in planning, designing, and constructing the Improvements, no less than quarterly, in the applicable Phase until a valid certificate of completion has been issued by the project architect. The number of new jobs shall be the number shown on filings with the N.C. Division of Employment Security as to unemployment compensation taxes, which will be provided along with Developer's annual certifications. The City may in its discretion require other documentation to verify the attainment of these Performance Commitments and may, in its discretion, close the project upon completion and satisfaction of the performance requirements for job creation and investment as required under North Carolina General Statutes referenced herein.

(f) Developer represents that it is a duly organized limited liability company in North Carolina, has the required company authorization to enter into this Agreement, and there is no conflicting agreement, litigation, judgment, order or other claim preventing it from entering to this Agreement.

ARTICLE III

TENANT PARKING PROPERTY

(a) The City warrants and represents that it is the owner of the City Property upon which the Tenant Parking Improvements are to be constructed and that it shall procure Parcel 2380 for inclusion in the Tenant Parking Improvements. The Tenant Parking Property is described in **Exhibit A**. The City has or will have the right to build the parking and to lease the Tenant Parking Property and to provide any required easements, and that the City Property and Parcel 2380 is or will be free and clear of all liens and encumbrances which would impede, limit or adversely affect the Improvements.

(b) The procurement of Parcel 2380 by the City is an express condition precedent to the effectiveness of this Agreement, and this Agreement shall not be effective or binding until the City owns Parcel 2380.

(c) To the knowledge of City, there are no Hazardous Materials have been stored on the Tenant Parking Property and no contamination of ground or water related to storage, spillage, or leakage of Hazardous Materials.

(d) Within thirty (30) days after the execution of this Agreement, the City and Developer will enter into any agreement determined to be necessary which will provide to Developer any portion of the Tenant Parking Property needed for Improvements as shown on Exhibit C hereto, and the City shall provide permanent construction easements and density allocations reasonably necessary for the scope of Developer's work, utility easements, and easements for ingress and egress over the lanes of travel to reach public rights of way to serve the Property and to complete the On-street Improvements described herein.

(e) Upon issuance of the CO for the Multifamily/Commercial Structure, the parties will enter into a Lease for a term beginning as of the effective date of the issuance of a CO and continuing for fifty (50) years. The Lease shall grant to the Developer the right for tenant parking purposes a minimum of 101 surface parking spaces on the Parking Property at the rate of Twelve Dollars (\$12.00) per year and thereafter shall provide for an option to extend the term of the Lease for an additional forty-nine (49) years. Upon termination of the lease, full control and ownership of the Property, Dedicated Parking, and all Improvements shall revert to the City for those spaces on the Parking Property. Nothing in this Agreement precludes the extension of these terms beyond the Lease term should both of the Parties agree at some point in the future.

(f) The City shall be responsible for the cost of all Parking Property construction, lighting, replacement of bulbs, maintenance, upkeep, weekly trash removal, cleaning, landscaping and utility costs as set forth in the Parking Lease. The Developer, at its expense, shall be responsible for installing and maintaining a controlled access gate at the entrance to the Tenant Parking Property and will be responsible for maintaining all other areas on the Developer Property, as set forth in the Exhibits hereto.

(g) The City shall be responsible for the cost for all On-street Improvements and parking construction costs, lighting, replacement of bulbs, maintenance, trash removal, landscaping and utility costs associated with the On-street Improvements.

(h) If Developer has not commenced construction of the Improvements within eighteen (18) months after the date of this Agreement, Developer shall provide evidence satisfactory to the City in its sole discretion, that Developer has sufficient equity and loan commitments to go forward with the construction of the Improvements. If Developer fails to do so, at the option of the City, all rights under this Agreement shall be terminated. Thereafter the City and Developer shall have no further obligation from one to the other pursuant to the terms of Parking Lease or this Agreement.

ARTICLE IV

CITY INVESTMENT

(a) Based on the financial commitments by Developer, the City agrees (i) to acquire Parcel 2380 and any other property required not currently under City ownership in the Tenant Parking Property and to enter into a contractual agreement(s) with the Developer whereby City will pay for the design, construction, landscaping, and provision of decorative lighting of the Tenant Parking by Developer, further provide maintenance thereof according to the terms of the Parking Lease, (ii) to enter into a contractual agreement with Developer whereby City will pay for the design, construction, landscaping, decorative lighting and two (2) EV (electric vehicle) charging stations for the On-street Improvements by Developer and to maintain certain On-street Parking improvements on streets adjacent to the Developer Property, (iii) to pay for construction and installation of utilities to the Developer Property for the Developer Improvements, including providing taps and connections for City utilities for all Improvements at no cost to the Developer.

(b) The City and Developer shall make reasonable efforts to determine an estimate of the cost of construction of the Tenant Parking Property and On-street Improvements. The City shall deposit sufficient amounts (the "Escrow Balance") into a dedicated account with City's bank to be held exclusively to pay Developer under its agreement(s) with the City for construction of Improvements on the Tenant Parking Property, On-street Improvements, and the like (the "Escrow"). Developer shall provide invoicing and other documentation reasonably satisfactory to the City of construction and development costs incurred and owed and City shall direct its escrow agent (the "Escrow Agent") to promptly pay those costs per the agreement(s) for construction with Developer. The City shall maintain the Escrow Balance until the completion of the Tenant Parking Property improvements and On-street Improvements. Until disbursed to Developer for payment, all funds in the Escrow shall be the exclusive property of the City.

(c) The City shall pay, protect, indemnify and hold harmless the Developer and their permitted assigns, officers, employees, contractors and agents of each (the "Developer Indemnified Party") to the extent permitted by applicable law for, from and against, and shall defend all actions against any Developer Indemnified Party with respect to, any and all liabilities, including, but not limited to (strict or otherwise), losses, damages, costs, expenses (including, but not limited to, reasonable attorneys' fees and expenses), causes of actions, suits, claims, demands

or judgments of any nature whatsoever arising from (i) latent or undisclosed conditions on any of the Parking Area Property or any use or occupancy (other than by the Developer and its agents, contractors, and employees) of the Parking Area Property or On-street Improvement property by the City or its employees, representatives, and agents, or relating to the City's performance of any of its obligations under this Agreement or any of the additional instruments required herein; or (ii) the negligence or willful acts of the City or its employees, representatives and agents, relating to the City's performance of any of its obligations under this Agreement or any of the additional instruments required herein (iii) any Claims relating to or arising out of the presence of Hazardous Substances on the Parking Area Property or violation of any Environmental Laws. The City's obligation to indemnify hereunder with respect to claims of or by third parties (which shall include agents and employees of the City) shall be limited to the extent of insurance proceeds actually collected from policies of insurance maintained by or on behalf of the City. Nothing herein contained shall constitute or be construed as a waiver of the City's governmental immunity. Notwithstanding the foregoing, the City shall not be liable for any liabilities, damages, suits, claims and judgments of any nature (including, without limitation, reasonable attorneys' fees and expenses) arising from or in a connection with (i) any injury to or death to a person or any damage to property (including loss of use) to the extent caused by the negligence or willful act of the Developer or any of its respective affiliates, partners, stockholders, members, employees, representatives or agents; (ii) any Hazardous Substances that are introduced to Parking Area Property by the Developer and its respective agents, employees, representatives or subcontractors or any violation of any applicable Environmental Law caused by said parties; (iii) the Developer's violation of any of its obligations under this Agreement or any of the additional instruments required herein

(d) The City also agrees to support the application for the NC Commerce Building Reuse Grant and to support other grant programs which might be available from local, state, utility or federal sources whenever possible.

(e) All construction plans and specifications for completion of City Improvements shall be subject to review and comment by Developer.

(f) The City has determined that it will recover the amount of its investment by way of property taxes attributable to all of the Improvements.

ARTICLE V

RESPONSIBILITY FOR CONSTRUCTION

(a) The Parties agree that physical construction of the Improvements shall be sole responsibility of Developer. Developer shall cause the construction to be carried on in accordance with all applicable State and local laws and regulations. Developer shall cause the Multifamily/Commercial Structure to be constructed on the Developer Property and shall insure (i) that it does not encroach upon nor overhang any easement or right-of-way unless agreed to by the parties and (ii) that the Multifamily/Commercial Structure, when erected, will be wholly within any applicable building restriction lines, however established, and will not violate applicable use of other restrictions contained in prior conveyances or applicable easement and/or

protective covenants or restrictions. Developer will provide a fully completed set of "As Built" Plans for all improvement in electronic and hard copy as approved by the City engineer.

(b) Developer shall pay all taxes and all use charges for utility services furnished to or used on or in connection with the Developer Properties and Tenant Parking Property. Developer shall not have any obligation to pay property taxes or other charges associated with the ownership and operation of any real or personal property located outside the boundaries of the Developer Property.

(c) Developer shall observe and comply promptly with all current and future orders of all courts and regulatory bodies having jurisdiction over the Developer Property and the Improvements or any portion thereof (or be diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies writing policies covering the Improvements or any portion thereof.

ARTICLE VI

INSURANCE

Throughout the Construction Term and during the time of any parking sublease, Tenant shall maintain, at its expense, the following types of insurance:

(a) broad form comprehensive general public liability insurance, which shall include coverage for personal liability, contractual liability, Developer's legal liability, bodily injury (including death) and property damage all on an occurrence basis with respect to the business carried on or from the Demised Premises and Tenant's use and occupancy of the leased property in an amount not less than one million dollars (\$1,000,000.00) per occurrence, or three million dollars (\$3,000,000.00) in the aggregate;

(b) all-risk, fire and extended coverage insurance on Developer's interest in the leased property and on Developer's property in the Demised Premises covering the full replacement cost of all such property, insured against loss or damage caused by: (1) fire, windstorm and other hazards and perils generally included under extended coverage; (2) sprinkler leakage; (3) vandalism and malicious mischief; and (4) boiler and machinery;

(c) workers' compensation insurance as required by law; and

(d) prior to the commencement of and during the construction activity, builders' risk insurance in accordance with the requirements of this subsection.

ARTICLE VII

TERMINATION OF AGREEMENT

(a) Upon the occurrence of any of the following events, the Developer shall have the option of terminating this Agreement:

(i) Failure of the City to enter into the Parking Lease; or,

(ii) Failure of the City to pay as provided herein funds into escrow(s) in the total amount provided in Article IV of this Agreement.

(b) City shall have the option of terminating this Agreement upon an abandonment of the construction of Improvements by Developer, which option shall be executed by giving written notice to Developer and an opportunity on the part of Developer to commence a cure within a reasonable period not to exceed sixty (60) days. If the Developer abandons the construction of Improvements and does not commence a cure within sixty (60) days, City shall claim any and all funds disbursed by the Escrow Agent on behalf of City shall be reimbursed to City within thirty (30) days and any and all remaining funds in said Escrow will be released to City.

(c) Either party may terminate this Agreement upon a material breach committed by the other party if such breach remains uncured for a period of sixty (60) days after written notice thereof.

In any event, the above terms notwithstanding, this Agreement shall terminate at the end of the Parking Lease term, including any extensions, unless otherwise set forth herein and or agreed to between the parties.

ARTICLE VIII

TEMPORARY EXTENSIONS IN PERFORMANCE DATE

Notwithstanding anything herein to the contrary, if Developer shall be prevented or delayed from fulfilling, or continuing to fulfill, either or both of the Performance Period deadlines as set forth in herein, by reason of a:

(a) Government moratorium;

(b) Delay in obtaining any governmental or quasi-governmental approvals, permits or certificates, despite reasonable efforts by the Company to obtain same;

(c) Enemy or hostile governmental or terrorist action;

(d) Act of God, including but not limited to hurricane, tornado, snowstorm, windstorm, earthquake or flood, fire or other extreme weather conditions or other casualty;

(e) Strike, lockout or a labor dispute involving entities other than the Company which causes the Company an inability to obtain labor or materials;

(f) Delay in funding from any state or local government incentive to or for the benefit of the Company; or

(g) Any other event, other than normal business exigencies, which is beyond the reasonable control of the Company.

Then, the Performance Period deadlines for the year(s) in which such event occurred shall be equitably increased to reflect the effect of such event.

The Parties shall negotiate in good faith to make an equitable increase in the Performance Period deadlines for an affected year(s). However, if the Parties cannot in good faith reach an agreement as to such adjustment, all parties agree to submit this issue to non-binding mediation with a certified mediator.

ARTICLE IX

ASSIGNMENTS

No Party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the parties, which shall not be unreasonably withheld. Notwithstanding the foregoing, Developer shall have the right to assign this Agreement to an affiliated entity formed for the purpose of constructing and operating this project.

ARTICLE X

RULES OF CONSTRUCTION

Unless the context otherwise indicates:

(a) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;

(b) All references to Articles, Sections or Exhibits are references to Articles, Sections and Exhibits of this Agreement;

(c) All references to officers are references to City officers; and

(d) The headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

ARTICLE XI

MISCELLANEOUS

(a) **Governing Law.** The parties intend that this Agreement shall be governed by the law of the State of North Carolina.

(b) **Notices.**

i. Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement

ii. Any communication shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, and addressed as follows:

If to Developer, to:

320 15th Street SE, Hickory, NC 28601
PO Box 3224, Hickory, NC 28602

With a copy to:

Patrick, Harper & Dixon, LLP
Attn. Gregory D. Huffman
PO Box 218
Hickory, NC 28603

If to the City, to:

Sean Hovis, City Manager
PO Box 550, Newton, NC 28658

CC to:

John H. Cilley IV, Attorney, City of Newton
PO Box 550, Newton, NC 28658

Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

(c) **Non-Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

(d) **Iranian Divestment Certification.** Developer certifies that as of the execution of the EDA, Developer is not a contractor or subcontractor and will not utilize a contractor or subcontractor found on the State Treasurer's Final Divestment List pursuant to N.C. Gen. Stat. § 143-6A-4. The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address of www.nctreasurer.com/iran and will be updated every 365 days.

(e) **Severability.** If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

(f) **Entire Agreement; Amendments.** This Agreement, including Exhibits A through G Attached, which are incorporated herein and made a part hereof, constitutes the entire contract between the parties, and this Agreement shall not be changed except in writing signed by all the parties.

(g) **Binding Effect.** Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties. and their respective successors and assigns.

(h) **Time.** Time is of the essence in this Agreement and each and all of its provisions.

(i) **Liability of Officers and Agents.** No officer, agent or employee of the City, or Developer shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

(j) **Counterparts.** This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

[SEAL]

DELCO IV, LLC

a North Carolina Limited Liability Company

By _____

Name: _____

Title: _____

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

I, _____ a Notary Public of said county and state, certify that _____ personally came before me this day and acknowledged that he/she is Manager of DELCO IV, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed in its name by its him/her as the Manager of such limited liability company.

Witness my hand and seal this _____ day of _____, 2025.

(SEAL)

Notary Public

My commission expires: _____

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

[SEAL]

CITY OF NEWTON,
a North Carolina Municipal Corporation

By _____
Name: Jerry Hodge
Title: Mayor

[SEAL]

ATTEST:

Amy Falowski, City Clerk

This instrument has been pre-audited
in the manner required by The Local
Government Budget and Fiscal Control Act

Name: _____
Finance Officer

Approved as to form and on behalf of the CITY OF NEWTON:

Name: John H. Cilley IV
City Attorney, City of Newton

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

I, _____ a Notary Public of said County and State, certify that Amy Falowski personally came before me this day and acknowledged that she is City Clerk of the City of Newton, a North Carolina Municipal Corporation, and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name and by its Mayor, sealed with its corporate seal and attested by her as its Clerk.

Witness my hand and seal this _____ day of _____, 2025.

(SEAL)

Notary Public

My commission expires: _____

Exhibits

- A. Parking Property Description
- B. Developer Improvements
- C. City Improvements
- D. Parking Lease
- E. Certificate
- F. Areas to be funded by City Investments

EXHIBIT A
“Tenant Parking Property” or “Parking Property”

PROPERTY DESCRIPTION

(Legal description of entire City property and easement areas)
(See attached draft map and Exhibit A-1 for Density Approval)



EXHIBIT "A"

DESCRIPTION OF PROPERTY

TRACT 1: BEGINNING AT AN IRON PIN LOCATED ON THE NORTH SIDE OF West C Street, said beginning point being the southwest corner of Peoples Bank property (Book 1603, Page 211, Catawba County Registry), and running thence from said beginning point, North 72 degrees 22' 49" West 88.49 feet to a 5/8" axle; thence North 18° 17' 01" East 91.03 feet to a ½-inch rod, the southwest corner of Mildred Carroll (Book 719, Page 464, Catawba County Registry); thence running South 74° 07' East 88.48 feet to a 5/8" axle in the line of Peoples Bank; thence with the line of Peoples Bank, South 18° 14' 16" West 93.71 feet to the point of **BEGINNING**, containing 1.88 acres according to a survey entitled "Catawba County" prepared by Miller Surveying, Inc., said survey bearing date of September 30, 1996, and bearing reference to Boo 1507, Page 8, Catawba County Registry.

Also conveyed is all right, title and interest of the Grantors in and to that certain property which lies to the south of the above described lot to the center of West "C" Street, also that certain property which lies west of the western boundary of said property to the center of South Bost Avenue.

TRACT 2: BEGINNING at a point in the northern right of way of West C Street, said point also being the southwest corner of First Union National Bank of North Carolina (Deed Book 1369, Page 228); thence with the northern line of West C Street, North 73° 24' 57" West 106.50 feet to a new iron pipe, said point being a southeast corner of Catawba County (Deed Book 2005, Page 384); thence with the eastern line of Catawba County and Eric S. Shook and Andrea P. Shook (Deed Book 1964, Page 587) North 17° 52' 23" East 171.00 feet to an existing iron pipe, said point being in the southern right of way of West "B" Street, said point also being the northeast corner of Eric S. Shook and Andrea P. Shook; thence with the southern line of West "B" Street, South 72° 38' 42" East 1j06.895 feet to an existing iron pipe, said point being a northwest corner of First Union National Bank of North Carolina (Deed Book 1369, Page 228); thence with the western line of First Union National Bank of North Carolina, South 18° 00' 00" West 169.57 feet to the point and place of **BEGINNING** according to a survey by Jon Eric Davis, R.L.S., dated March 22, 2000.

The above described property contains 18.162 square feet (DMD) or 0.417 acres (DMD)

TRACT 3: BEGINNING at an iron stake in the southwest point of intersection of North Ashe Avenue and West "B" Street in the City of Newton and runs thence with the south edge of West B Street, North 71° 55' West 99 feet to an iron stake, corner of Floy Yoder; thence with her line, South 18° 06' West 83.6 feet to an iron stake in her line, a new corner; thence a new line, South 72° 04' East 99 feet to an iron stake in the west margin of North Ashe Avenue, a new corner; thence with the west margin of said Avenue, North 18° 06' East 82.7 feet to the **BEGINNING**, and being the identical lands described in deed recorded in Book 442, Page 206. See also deed recorded in Book 344, Page 308; Book 334, Page 47; Book 70, Page 428; and Book 38, Page 400, Catawba County Registry. Also being the identical lands as described in deed recorded in Book 611, Page 285, Catawba County Registry.

TRACT 4: BEING the house and lot in Newton known as the J. W. Killian homeplace and **BEGINNING** at a stake at the northwest intersection of South Ashe Avenue and West C Street at the curb, and running along the north curb of West C Street in a westerly direction 108 feet to a stake at the edge of said street, Mrs. Blake Yoder's corner; thence along her line with the hedge and fence in a northeasterly direction 200 feet to a stake in the center of West B Street; thence with the center of West B Street in an easterly direction 108 feet to the intersection of South Ashe Avenue at the west curb; thence with the west curb of South Ashe Avenue 200 feet to the **BEGINNING**. Being the same property conveyed to J. W. Killian by deed from John Yoder and wife, dated December 24, 1970, and recorded in Book 70 at Page 428 in the office of the Register of Deeds of Catawba County, and conveyed by J. Merton Killian and others to D. W. Hefner by deed dated January 6, 1943, and recorded in Book 334, Page 47 in said Registry office; and conveyed by Daldee W. Hefner and Violet

Hefner, his wife, to Mrs. Mary Beard Brown by deed dated July 8, 1944, and recorded in Book 344 at Page 308, Catawba County Registry.

EXCEPTED from this conveyance and not conveyed hereby is that certain lot described in deed from Mary Bead Brown to Violet B. Hefner recorded in Book 442 at Page 206, Catawba County Registry, said lot being a portion of the above described lands. See deed recorded in Book 719 at Page 178, Catawba County Registry.

The above tracts being the identical property conveyed as second tract and third tract recorded in Book 1060, Page 242, Catawba County Registry.

BEING the same property conveyed to First National Bank of Catawba County, predecessor in interest to Wells Fargo Bank, N.A., by deed dated February 21, 1980, and recorded February 25, 1980, in Book 1226 at Page 445, Catawba County Registry.

EXHIBIT B

DEVELOPER IMPROVEMENTS

The development project (the “Improvements”) that is the subject of this Agreement are comprised of the following as set forth more particularly below:

- (a) The construction or improvement of parking areas as follows:
 - i. One Hundred (101) parking spaces on the surface parking facility, reserved for tenants of the Developer Improvements, as set forth in the Lease of Parking Areas;
 - ii. Two (2) Electrical Charging Stations for the use of Tenants (to be further defined)
 - iii. On-street Improvements for general parking needs within the City and for residents and users of the Improvements.
- (b) Commercial and retail space consisting of a minimum of 5,200 square feet.
- (c) One Hundred Two (102) residential units consisting of a minimum of 105,000 square feet in a multi-story facility.

EXHIBIT C

CITY IMPROVEMENTS

- Procurement of Parcel 2380
- Routine maintenance, landscaping, and repair of the Parking Property
- Maintenance and repairs to lighting on the Parking Property and On-street parking
- Waiver of utility connection and tap fees for the Developer Improvements and Parking Property
- Grant of any required utility and access easements for the construction, development and operation of the Developer Improvements.

EXHIBIT D
LEASE OF PARKING AREAS

PREPARED BY: John H. Cilley IV, City Attorney, City of Newton
P.O. Box 550, Newton, NC 28658

STATE OF NORTH CAROLINA

LEASE OF PARKING AREAS

COUNTY OF CATAWBA

THIS LEASE OF PARKING AREAS (the “Lease”) is entered into this ____ day of 20— by and between the City of Newton, a North Carolina municipal corporation (“Lessor”) and [Delco IV, LLC, a North Carolina limited liability company]¹ (“Lessee”). The Lessor or Lessee may be referred to individually herein as a “party” or referred to collectively as the “parties”.

Recitals:

WHEREAS, the Lessor is the fee simple owner of the real property and related parking improvements as shown on the parking schedule attached hereto (“Schedule I”)(the “Lease Premises”);

WHEREAS, the Lessor and Lessee are parties to the Economic Development Agreement dated [____], 2025 (the “EDA”) whereby Lessee, as developer, shall developed certain real property adjacent to the Lease Premises and construct a multi-tenant complex with residential and commercial tenants (the “Project”);

WHEREAS, per the EDA, Lessor shall lease the Lease Premises to Lessee per certain terms and conditions of this Lease and the EDA

WHEREAS, per the EDA, Lessee has constructed parking facilities for the 101 restricted parking spaces as are more particularly described on Exhibit C of the EDA.

WITNESSETH:

NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants set out below, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Unless otherwise defined herein, capitalized terms shall have the same meaning as set forth in the EDA.

¹ Lessee may change based on assignment of the EDA or final Developer entity structures.

2. Lessor does hereby lease and let to the Lessee, the Lease Premises, including the exclusive use of the 101 parking spaces as described on the attached schedule, also as shown on the attached Exhibit A.

3. The term of this Lease shall begin on the date of issuance of a Certificate of Occupancy for the Multifamily/Commercial Structure (the "Commencement Date") and continue for until the expiration date fifty (50) years thereafter (the "Initial Term"), said property being leased in consideration of Lessee paying the rents as stated herein. Lessee shall have the right to renew this Lease for an addition term of forty-nine (49) years (the "Renewal Term") by giving Lessor written notice of its intent to renew the Lease at least one hundred twenty (120) days prior to the expiration of the Initial Term. Both the Initial Term and Renewal Term are collectively called the "Term".

4. The Leased Premises shall be used by the Lessee as an exclusive parking lot as set forth in the EDA.

5. Starting on the Commencement Date, Lessee shall pay Lessor rent for the Lease Premises calculated at the rate of Twelve and 00/100 Dollars (\$12.00) per year. Payment shall be made by or on the anniversary of the Commencement Date, and late payments shall incur a late fee of three percent (3%).

6. The Lessee shall not permit any lien or mortgage of whatever kind or nature on the leased premises without the prior express written consent of the Lessor, such consent not to be unreasonably withheld, delayed, or conditioned. Notwithstanding the foregoing, Lessor acknowledges that Lessee will incur secured debt in connection with the construction and operation of the Developer Improvements and such lenders may require that liens securing such debt encumber this Lease, and the Lessor consents to the same, and Lessor will make good faith efforts to work with such lenders to secure their interests in Lessee's rights hereunder.

7. The Lessee further agrees to quit and deliver up the premises to the Lessor or its representatives peaceably and quietly at the end of said term, free and clear of all Lessee's personal property and equipment; that it will not make any alterations therein outside of those without the prior express written consent of the Lessor and that all improvements made or erected on the leased premises by the Lessee that are affixed to the premises and that are permanent in nature shall become the property of the Lessor at no cost, that it will not make or suffer any waste, or any unlawful, improper, noisy or offensive use of the premises.

8. In the event that Lessee shall default in the performance of any covenant, promise or agreement herein set forth and herein contained for the Lessee to keep and perform hereunder and such default shall continue for thirty (30) days after the Lessor notified the Lessee in writing of the existence of such default, the Lessor shall have the right to enter upon and take possession of the leased premises, and terminate this Lease.

9. During the Term of this lease, Lessor shall provide to Lessee a legal and physical right of access to the leased premises across property subject to this lease in a reasonable manner. It is specifically understood and agreed that Lessee shall have the continued joint use and benefit of said leased premises throughout the term of this lease.

10. The Lessee shall be responsible for installing and maintaining the controlled access gate as described in the EDA.

11. The Lessor agrees to maintain the parking lot and spaces in the same manner and condition as other parking lots owned by the City of Newton, and all work shall be conducted in a good and workmanlike manner, including lighting. Lessor will maintain the Lease Premises in good working condition and repair and will make such repairs, perform such preventative maintenance, or other improvements as it reasonably deems necessary. In performing maintenance, repairs or replacements, Lessor shall use all commercially reasonable efforts to minimize interference with the use, occupation and enjoyment of the Lessee and its residential and commercial tenants. If possible, maintenance, repairs and replacements shall be confined to the area actually being so maintained, repaired or replaced. Lessor will use commercially reasonable efforts to make other parking spaces available in the event of temporary closure of the Lease Premises for the purposes of maintenance, repair, or replacement, at no additional cost or expense of the alternate parking spaces to the Lessee. Other than in the event of an emergency, the Lessor will confer with Lessee prior to any closures of the Lease Premises and will endeavor to accomplish all maintenance, repairs and replacements in a manner that will result in the least inconvenience for the Lessee tenants. In the event that Lessee is denied the use of any spaces due to any such maintenance, repairs, replacements or otherwise, and replacement parking in the Lease Premises reasonably satisfactory to Lessee is not provided by the Lessor, the Rent with respect to such parking may be abated until use of the affected spaces is restored.

12. The parties shall develop and post suitable signage for Lessee's residential and commercial project and place such signs on the road frontages for directional purposes and visibility.

13. The Lessee further agrees to comply with all the laws of the United States, the State of North Carolina, all ordinances of the City of Newton, and all lawful orders of any Commission, Board or other Authority respecting the use of the Lease Premises, and all regulations of the Fire Underwriters pertinent thereto.

14. The Lessor and its representatives shall have the right to enter into and upon the Lease Premises or any part thereof at all reasonable hours for the purpose of examining the same or making such repairs or alterations therein as may be necessary for the safety and preservation thereof, which right to make repairs or alterations shall, however, be subject and subordinate to each and every provision contained in this agreement applicable to repairs or alterations.

15. If any term or provision of this Lease, or the application thereof, to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

16. Indemnity.

(a) Lessor Indemnity. To the extent permitted by law, Lessor hereby assumes liability for, and shall indemnify, protect, defend, save and keep harmless Lessee, its leasehold

mortgagees, and their respective affiliates, officers, directors, employees, agents, contractors, subcontractors, licensees and invitees (individually a "Lessee Indemnatee" and collectively "Lessee Indemnitees") from and against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees actually incurred), whenever they may be suffered or incurred by, imposed on or asserted against a Lessee Indemnatee, as applicable (collectively, "Lessee Claims"), arising out of or resulting from: (i) any default, breach, violations, or nonperformance by Lessor under this Agreement (including breach of any representation, warranty or covenant of Lessor contained herein); of (ii) any negligent act or omission of Lessor, including, without limitation, injury to or death of any person or damage to property arising out of any work, construction, reconstruction, restoration, maintenance, repair or other work to be done hereunder by Lessor, including the operation of the Lease Premises, except in all cases to the extent such Lessee Claims are caused by the negligent act or omission or willful misconduct of Lessee or Lessee Indemnitees. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

(b) Developer Indemnity. Lessee hereby assumes liability for, and shall indemnify, protect, defend, save and keep harmless Lessor and its respective affiliates, officers, directors, employees, agents, contractors, subcontractors, licensees and invitees (individually a "Lessor Indemnatee" and collectively "Lessor Indemnitees") from and against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees actually incurred), whenever they may be suffered or incurred by, imposed on or asserted against a Lessor Indemnatee, as applicable (collectively, "Lessor Claims"), arising out of or resulting from: (i) any default, breach, violations, or nonperformance by Lessee under this Agreement (including breach of any representation, warranty or covenant of Lessee contained herein); of (ii) any negligent act or omission of Lessee, including, without limitation, injury to or death of any person or damage to property arising out of any work, construction, reconstruction, restoration, maintenance, repair or other work to be done hereunder by Lessee, except in all cases to the extent such Lessor Claims are caused by the negligent act or omission or willful misconduct of Lessor or Lessor Indemnitees. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

17. Upon Lessee's request, Lessor will execute and deliver to the Lessee an original memorandum of this Lease in form reasonably satisfactory to the parties, and Lessee may record the memorandum in the land records of the County of Catawba, North Carolina. Lessee will pay all recording taxes or fees required in connection with recording such memorandum.

18. This Lease is expressly conditioned in the execution and performance of the EDA by the parties, which terms are incorporated herein by reference; provided, however, that after the Commencement Date, this Lease shall not be terminated by Lessor for any default by Lessee under the EDA.

19. Lessor covenants that it has full right to enter into this Lease as of the date hereof and is seized in fee simple of and have good and marketable title to the land on which the Lease Premises is situated, subject to any recorded liens, leases, encumbrances, easements, covenants, conditions and restrictions and existing zoning and other state and local requirements, none of which shall prevent Lessor from performing its obligations hereunder.

20. The Lessor agrees to give Lessee's secured lender(s) with any lien or security interest encumbering the Multifamily/Commercial Structure a copy of any notice of default sent to Lessee, provided that the Lessor has been notified in of the addresses of such parties. The Lessor further agrees that if Lessee fails to cure any default under this Lease within the time provided for in this Lease, then prior to the Lessor exercising any right to terminate this Lease on account of such default, Lessee's lender(s) shall have an additional sixty (60) days within which to cure such default. If such default cannot be cured within that time, Lessee's lender(s) shall have such additional time as may be necessary if within such sixty (60) days, Lessee's lender(s) has commenced and is diligently pursuing the remedies necessary to cure such default (including commencement of foreclosure proceedings, if necessary to effect such cure). The Lessor may not exercise any right to terminate this Lease on account of any such default by Lessee, whether available under this Lease, at law or in equity, while such remedies are being so diligently pursued by Developer's lender(s).

21. The covenants and agreements herein contained shall, subject to the provisions of this Lease, bind and inure to the benefit of the Lessor and Lessee, their successors and assigns, except as otherwise provided herein.

22. Lessee certifies that as of the execution of the EDA, Lessee is not a contractor or subcontractor and will not utilize a contractor or subcontractor found on the State Treasurer's Final Divestment List pursuant to N.C. Gen. Stat. § 143-6A-4. The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address of www.nctreasurer.com/iran and will be updated every 365 days.

23. The parties further expressly agree as follows:

- (a) The EDA and the Lease, and any amendments which the parties may execute thereto, set forth all of the premises, agreements conditions and understandings between Lessor and Lessee relative to the demised premises, and there are no other promises, agreements, conditions and understandings, either oral or written, between them.
- (b) All notices or other communications required or desired to be given with respect to this Lease shall be in writing and shall be addressed and given as set forth in the EDA.
- (c) No subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Lessor or Lessee, unless same has been reduced to writing and executed by Lessor and Lessee.
- (d) The Lease is executed under and pursuant to the laws of the State of North Carolina.
- (e) The acts or omissions of the servants and agents of the Lessee, and of all persons who are upon the demised premises during the term, or any extensions hereof, shall be construed to be the acts or omissions of the Lessee.

- (f) It shall not be necessary that the Lessor demand the performance of this Lease by the Lessee.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Indenture of Lease the day and year above first written.

LESSOR:

CITY OF NEWTON

A North Carolina Municipal Corporation

By: _____

Jerry Hodge, Mayor

(SEAL)

Attest:

Amy Falowski, City Clerk

LESSEE:

DELCO IV, LLC,

By:

_____, Manager

Approved as to form on behalf of the CITY OF NEWTON the _____ day of _____, 2025.

John H. Cilley IV, City Attorney

EXHIBIT E

**JOINT ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN CITY OF NEWTON AND DELCO IV, LLC, LLC**

CERTIFICATE

TO: CITY OF NEWTON

This Certificate is delivered pursuant to Paragraph __ and Paragraph __ of the Joint Economic Development Agreement (“the “Agreement”) dated _____, 2025, between CITY OF NEWTON (“City”) and DELCO IV, LLC (“Developer”). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

Developer does hereby certify that:

(a) The following improvements were made during the 20__ Calendar Year (general description and expense):

_____;

(b) The following jobs were created during the 20__ Calendar Year: _____ (please attach the most recent quarterly Form NCUI 101 for all commercial and retail tenants);

(c) Total cumulative personal property valuation installed at the facility during the 20__ Calendar Year is as follows: _____; and

(d) Proof of taxes paid is attached to this certificate.

Dated at Catawba County, North Carolina, this _____ day of _____, 20__.

DELCO IV, LLC

BY: _____
NAME & TITLE: _____, Manager

Attachments (required):

Current Year Catawba County personal and real property Tax Listing information as reported to Catawba County Tax Office, most recent quarterly Form NCUI 101, Proof of taxes paid in full.

Calendar of Responsibilities:

By January 5: Developer makes payment to City according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: Developer must provide Exhibit B, supporting documents and proof of payment and/or compliance as required within Agreement. Once requirement is met, Developer has no further obligation

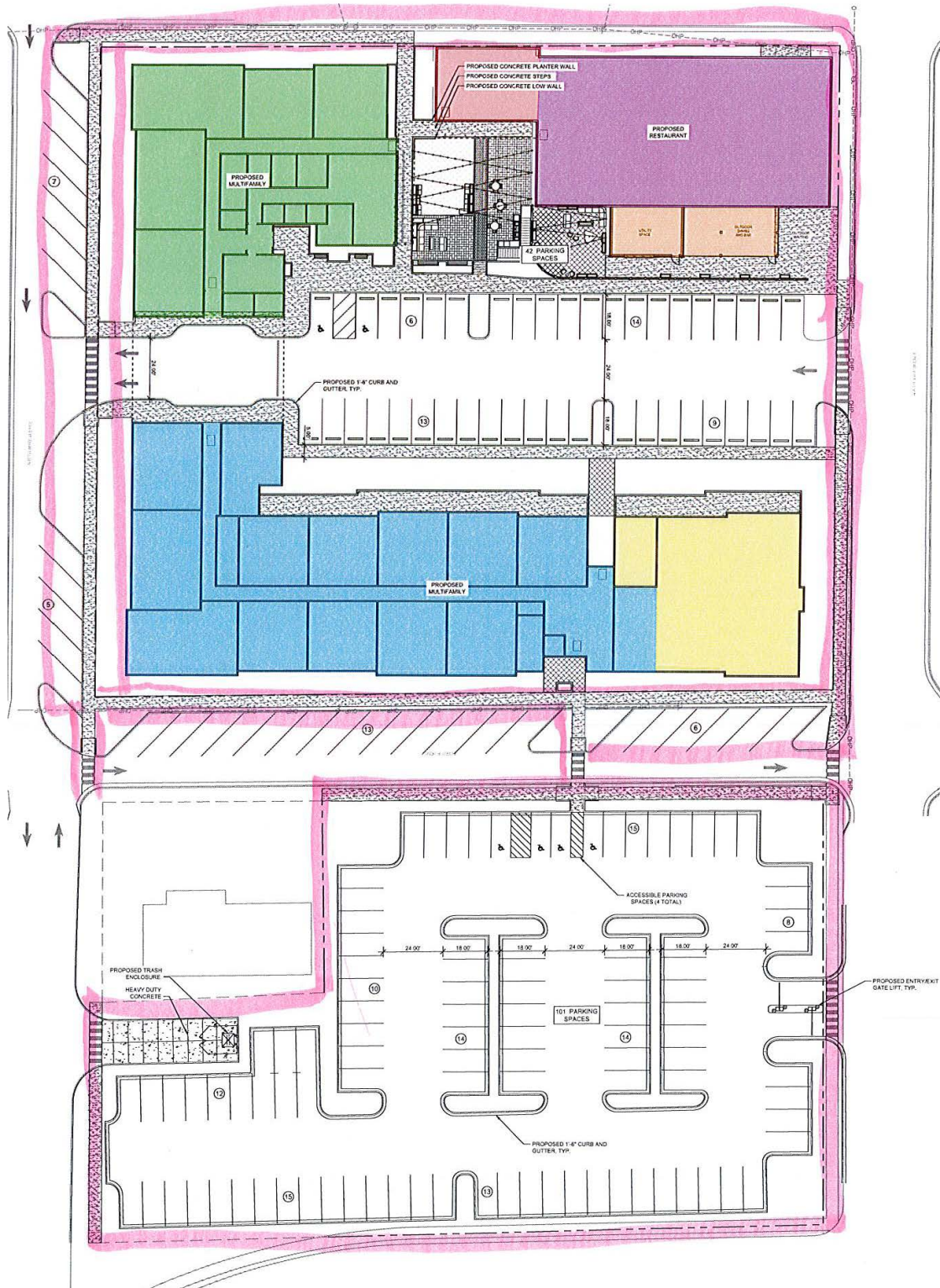
By April 15: Developer must provide Real/Personal Property Tax listings to County Tax Office.

SCHEDULE 1

Maintenance Fees and Duties:

Once a Certificate of Occupancy has been issued for the Completed Parking facility, the CITY OF NEWTON will be responsible for ordinary cleaning, any costs for lighting/decorative lighting, landscaping and any electrical costs for the parking area, and maintenance. The Lessee will be responsible for maintenance for any Access Doors and Gates.

EXHIBIT F
AREAS TO BE FUNDED BY
CITY INVESTMENTS AND
PROJECT DELINEATION AND TIME LINE



CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

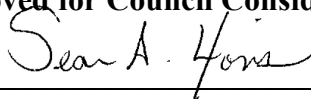
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Kimberley Robinson, Finance Director

CONSIDERATION OF: Financing bid award and resolution approving financing terms

Approved for Council Consideration



On February 11, 2025, bids were solicited for financing certain vehicles, equipment, and infrastructure improvements. Details of the projects being financed are outline on the attached “Attachment A”. The total cost of financing being proposed is not to exceed \$3,462,400. A Request for Proposal was submitted to the following financial institutions listed on the attached “Distribution List”.

Of the nine financial institutions solicited, two of these institutions provided a proposal, Truist Bank and First Horizon.

The bids were as follows:

<u>Financial Institution</u>	<u>Interest Rate</u>
<i>7 Year Amortization, \$787,350 Equipment Loan:</i>	
Truist Bank	4.85%
First Horizon	5.49%
<i>15 Year Amortization, \$2,675,050 Vehicles Loan:</i>	
Truist Bank	4.90%
First Horizon	5.49%

Truist Bank provided the lowest bid. It is staff’s recommendation that City Council award the financing for both projects to Truist Bank.

In an effort to streamline the process with the Local Government Commission, the resolutions attached reflect the bid request numbers and projects presented to the financial institutions.

Action Suggested:

- 1) Award the bid to provide financing to Truist Bank for an amount not to exceed \$787,350 at stated interest rate of 4.85% for a 7 year amortization.
- 2) Award the bid to provide financing to Truist Bank for an amount not to exceed \$2,675,050 at stated interest rate of 4.90% for a 15 year amortization.
- 3) Adopt the Resolution Approving Financing Terms based on 7 year amortization at a stated interest rate of 4.85%.
- 4) Adopt the Resolution Approving Financing Terms based on 15 year amortization at a stated interest rate of 4.90%.



City of Newton, NC

Term Sheet

February 26, 2025

Truist Bank ("Bank"), on behalf of itself and its designated affiliate (the "Lender"), is pleased to submit the following summary of terms and conditions for discussion purposes only. The term sheet is non-binding and does not represent a commitment to lend. The term sheet is intended only as an outline of certain material terms of the requested financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in any definitive documentation for the requested financing.

Borrower:	City of Newton, NC
Lender:	Truist Bank
Facility/Purpose/Description:	<p>Contract A: Installment Financing Agreement (the "Loan") / Fund the cost of commercial equipment, building improvements, and public safety communication devices.</p> <p>Contract B: Installment Financing Agreement (the "Loan") / Fund the purchase of a Smeal Aerial Ladder Fire Truck, a 2025 Mack Dump Truck with snowplow and salt spreader and a Vac Con Tital dual engine sewer cleaner combination truck.</p>
Amount:	<p>Contract A: Up to \$787,350.</p> <p>Contract B: Up to \$2,675,050.</p>
Funding:	<p>The Loans will be funded in a single drawdown on the closing date. Any proceeds of the Loan not advanced to the Borrower at closing will be deposited into a project fund held with the Lender (the "<u>Project Fund</u>").</p> <p>A sample copy of the requisition form shall be part of the closing documents (no additional invoices or forms shall be required).</p> <p>A copy of the anticipated draw down schedule shall be provided prior to closing and funding the transaction.</p>
Repayment:	<p>Contract A: Term of 7 years with payments due annually based on mutually agreed upon amortization schedule between Lender and Borrower. ACH must be set up for payments.</p> <p>Contract B: Term of 15 years with payments due annually based on mutually agreed upon amortization schedule between Lender and Borrower. ACH must be set up for payments.</p> <p>ACH payments are requested to be set up for payments. Please see the attached debt service schedules.</p>

Fixed Interest Rate:	<p>Contract A: 4.85% (no prepayment penalty)</p> <p>Contract B: 4.90% (no prepayment penalty)</p> <p>The tax-exempt fixed interest rates for the Loan will be subject to increase in the event of a Determination of Taxability.</p> <p>Rate Lock Period: The rates are locked, and available, through May 27, 2025.</p> <p>Accrual basis: 30/360</p> <p>The Borrower understands that the market interest rates are subject to change. The Borrower also understands that in the event the Facility is funded during the Rate Lock Period, the Rate will become the effective interest rate for the Facility even if market interest rates are lower than the Rate at the time the Facility is funded.</p>
Security:	Security interest in all of the equipment/property being financed.
Documentation:	Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.
Covenants:	<p>Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitation, the following financial covenants and reporting requirements:</p> <ul style="list-style-type: none"> • Annual Financial Statements within 270 days of fiscal year end.
Conditions Precedent and Other Terms:	<ol style="list-style-type: none"> 1. <u>Borrower's Counsel Opinion</u>: An opinion of Borrower's counsel covering matters customary to transactions such as this and in all respects acceptable to the Bank, the Lender and its counsel. 2. <u>Other Items</u>: The Bank and the Lender shall have received such other documents, instruments, approvals or opinions as may be reasonably requested.
Governing Law & Jurisdiction:	State of North Carolina.
Municipal Advisor Disclosure:	The Bank is a regulated bank and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Rule, and in this term sheet is solely providing information regarding the terms under which it would make such a purchase for its own account. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.
Patriot Act:	Pursuant to the requirements of the Patriot Act, the Bank and its affiliates are required to obtain, verify and record information that identifies loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and

	Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Bank and its affiliates.
Expiration Date:	This Term Sheet shall expire on March 14, 2025.

Resolution Approving Financing Terms: Contract A

WHEREAS: The CITY OF NEWTON ("Borrower") has previously determined to undertake a project for the financing of various vehicles and equipment (the "Facility"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank ("Lender") in accordance with the proposal dated February 26, 2025. The amount financed shall not exceed \$787,350, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.85% and the financing term shall not exceed one-hundred and eighty (180) months from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2025

By: _____
Title: _____

By: _____
Title: _____

Resolution Approving Financing Terms: Contract B

WHEREAS: The CITY OF NEWTON ("Borrower") has previously determined to undertake a project for the financing of various vehicles and equipment (the "Facility"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank ("Lender") in accordance with the proposal dated February 26, 2025. The amount financed shall not exceed \$2,675,050, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.90% and the financing term shall not exceed one-hundred and eighty (180) months from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2025

By: _____
Title: _____

By: _____
Title: _____

CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

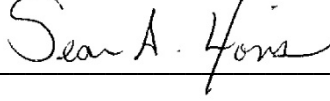
DATE: March 26, 2024

TO: Sean A. Hovis, City Manager

FROM: R. S. Williams, AICP, Planning Director

CONSIDERATION OF: Rezoning Application #2024-06 – filed by McCombs Investments, LLC.

Approved for Council Consideration



Request:

McCombs Investments, LLC submitted an applicant to rezone the property located on the south side of Burris Rd, approximately 1,400 feet west of NC 16 Hwy from R-9 Multifamily Residential, M-1 General Manufacturing, & EM-1 Exclusive Manufacturing to PD-H Planned Development – Housing. The subject site consists of a 46.3 acre site consisting of two parcels identified as Catawba County Pins 3740-07-69-8306 and 3740-07-79-3860. The proposed plan submitted by the applicant shows 150 single family homes.

Background:

Council held a public hearing on September 3, 2024 for Rezoning Application # 2024-06 by McCombs Investments, LLC. Following the public hearing, there was a motion to approve the rezoning application but the motion died for lack of a second. Although procedurally correct under Roberts Rules of Order, this did not comply with the requirements of N.C.G.S. § 160D-605 which require adoption of consistency and reasonable statements in formal approval or rejection of zoning map amendments. Therefore, the Council needs to formally vote to either approve or reject the rezoning map amendment proposed by Rezoning Application # 2024-06 to complete action upon this matter in accordance with N.C.G.S. § 160D-605.

Staff Recommendation:

It is the Planning Department's recommendation that the Newton City Council for denial as the entire site is not compliant with the City's Comprehensive Plan. The northern portion of the site is considered viable site for industrial use and approval is a deviation from the Comprehensive Plan.

The City Council must adopt the required consistency and reasonableness statement as there was none adopted at the September 3, 2024 meeting. Included below are two statements; one for approval and one for denial of the application, dependent on the City Council's action.

Alternative McCombs Investments Plan Consistency and Reasonableness Statements

ADOPTION OF ZONING MAP AMENDMENT

MOTION TO APPROVE

I move to approve Rezoning Application # 2024-06 by McCombs Investments, LLC to rezone an approximate 46.3 acre site consisting of two parcels identified as Catawba Count PINS 3740-07-69-3806 and 3740-07-79-3860 from R-9 Multifamily Residential, M-1 General Manufacturing and EM-1 Exclusive Manufacturing to PD-H Planned and adopt the following Consistency and Reasonableness Statements required by N.C.G.S § 160D-605.

Comprehensive Land Use Consistency Statement: The zoning map amendment proposed by Rezoning Application # 2024-06 is partially consistent with and partially inconsistent with the current comprehensive land use plan adopted by the City of Newton known as BluePrint Newton because: Rezoning Application # 2024-06 is inconsistent with BluePrint Newton as BluePrint Newton shows all of parcel 3740-07-79-3860 and that portion of parcel 3740-07-69-3806 on the north side of a stream bisecting that parcel to have intended uses as an employment center which includes industrial/manufacturing, warehousing, large scale office and institutional uses; Rezoning Application # 2024-06 is consistent with BluePrint Newton as BluePrint Newton shows that portion of parcel 3740-07-69-3806 on the south side of the same stream as intended use as a middle intensity residential neighborhood. The policy goal of BluePrint Newton for all of parcel 3740-07-79-3860 and that portion of parcel 3740-07-69-3806 on the north side of the bisecting stream is for land use development of employment centers housing predominantly employment-focused uses that will attract and retain businesses to support Newton's broader economy and forecasts potential development types of industrial/manufacturing, warehousing, large scale office and institution uses with integrated small commercial uses. The proposed zoning map amendment of Rezoning Application 2024-06 to permit development of single family residential lots in a planned unit development does not match up to the current future land use map contemplated by BluePrint Newton. In adopting this consistency statement, the Council is aware the Planning Board's recommendation of approval of Rezoning Application 2024-06 and inconsistency of the rezoning as requested with relevant portions of the current comprehensive land use plan adopted by the City of Newton.

Reasonableness Statement for Approval: The zoning map amendment proposed by Rezoning Application # 2024-06 is reasonable and in the public interest because:

- i. The physical attributes of proposed rezoning site is better suited to single family residential development because there is a 63' vertical drop north to south from Burris Road at the northern edge to the bisecting stream on the site. Construction of industrial, manufacturing, warehousing or large scale office or institutional uses would require grading of the entire site to a single plane at significant development cost that would not be required for single family residential construction. The attributes of the existing area development to the east, northeast and northwest of the proposed rezoning site are industrial and manufacturing uses at 1401 Burris Road on the east, manufacturing and warehousing at 1400 Burris Road to the

northeast, and multi-use office and warehousing at 1200 Burris Road to the northwest with a two single family dwellings directly north of the site at 1336 and 1354 Burris Road. These two dwellings to the north of the proposed rezoning site are non-conforming uses in a M1 zone. The property to the immediate west of the portion of parcel 3740-07-69-3806 on the northern side of the bisecting stream is a narrow strip of land, approximately 84-100 feet wide upon which there is a single family home and to the west of that narrow strip is vacant land that is designed as a proposed industrial park known as “Yount Industrial Park”. (See recorded plat at Plat Book 43 Page 53, Catawba County Registry.) All of the land west of northern portion of parcel 3740-07-69-3806 is zoned M-1 for intended industrial, manufacturing, warehousing, large scale office or institutional uses. The northern boundary of the proposed rezoning site fronts Burris Road which is conducive to either single family or industrial, manufacturing, warehousing large scale office or institutional uses. The physical attributes of the areas to the south and southwest of the southern portion of the proposed rezoning parcel are single-family residential.

- ii. The benefits to the landowners, the neighbors and the surrounding community of rezoning of these two parcels to PD-H to permit single-family residential housing would be an economic benefit to the landowner, and allowance of additional residential housing expanding the residential communities that currently exist neighboring the south and southwest boundaries of the proposed rezoning site.
- iii. The relationship between current actual and permissible development of the site and adjoining areas and the development that would be permissible under the proposed rezoning amendment is that the proposed rezoning would be consistent with current and existing development to the south and southwest of the proposed rezoning site.
- iv. Rezoning to a PD-H of the site would be in the public interest to allow development for single-family residential housing of a site that heretofore has not been developed and which otherwise appears unlikely to develop in the foreseeable future for currently zoned uses due to the costs of site preparation for manufacturing, warehousing or large scale office or institutional use.
- v. The stagnant absence of development of the proposed rezoning site despite years of unsuccessful marketing efforts by the landowner as a manufacturing, warehousing or large scale industrial site warrants a change of zoning to attract development.

REJECTION OF ZONING MAP AMENDMENT

MOTION TO REJECT

I move to reject Rezoning Application # 2024-06 by McCombs Investments, LLC to rezone an approximate 46.3 acre site consisting of two parcels identified as Catawba Count PINS 3740-07-69-3806 and 3740-07-79-3860 from R-9 Multifamily Residential, M-1 General Manufacturing and EM-1 Exclusive Manufacturing to PD-H Planed and adopt the following Consistency and Reasonableness Statements required by N.C.G.S § 160D-605.

Comprehensive Land Use Consistency Statement: The zoning map amendment proposed by Rezoning Application # 2024-06 is partially consistent with and partially inconsistent with the current comprehensive land use plan adopted by the City of Newton known as BluePrint Newton because: Rezoning Application # 2024-06 is inconsistent with BluePrint Newton as BluePrint Newton shows all of parcel 3740-07-79-3860 and that portion of parcel 3740-07-69-3806 on the north side of a stream bisecting that parcel to have intended uses as an employment center which includes industrial/manufacturing, warehousing, large scale office and institutional uses; Rezoning Application # 2024-06 is consistent with BluePrint Newton as BluePrint Newton shows that portion of parcel 3740-07-69-3806 on the south side of the same stream as intended use as a middle intensity residential neighborhood. The policy goal of BluePrint Newton for all of parcel 3740-07-79-3860 and that portion of parcel 3740-07-69-3806 on the north side of the bisecting stream is for land use development of employment centers housing predominantly employment-focused uses that will attract and retain businesses to support Newton’s broader economy and forecasts potential development types of industrial/manufacturing, warehousing, large scale office and institution uses with integrated small commercial uses. The proposed zoning map amendment of Rezoning Application 2024-06 to permit development of single family residential lots in a planned unit development does not match up to the current future land use map contemplated by BluePrint Newton. In adopting this consistency statement, the Council is aware the Planning Board’s recommendation of approval of Rezoning Application 2024-06 and inconsistency of the rezoning as requested with relevant portions of the current comprehensive land use plan adopted by the City of Newton.

Reasonableness Statement for Rejection: The zoning map amendment proposed by Rezoning Application # 2024-06 is not reasonable and not in the public interest because:

- i. The attributes of the existing area development to the east, northeast and northwest of the proposed rezoning site are industrial and manufacturing uses at 1401 Burris Road on the east, manufacturing and warehousing at 1400 Burris Road to the northeast, and multi-use office and warehousing at 1200 Burris Road to the northwest with a two single family dwellings directly north of the site at 1336 and 1354 Burris Road. These two dwellings to the north of the proposed rezoning site are non-conforming uses in a M1 zone. The property to the immediate west of the portion of parcel 3740-07-69-3806 on the northern side of the bisecting stream is a narrow strip of land, approximately 84-100 feet wide upon which there is a single family home and to the west of that strip vacant land but is designed as a proposed industrial park known as “Yount Industrial Park” (See recorded plat at Plat

Book 43 Page 53, Catawba County Registry.) All of the land west of northern portion of parcel 3740-07-69-3806 (the proposed rezoning site) is zoned M-1 for intended industrial, manufacturing, warehousing, large scale office or institutional uses. The northern boundary of the proposed rezoning site fronts Burris Road which is conducive to either single family or industrial, manufacturing, warehousing large scale office or institutional uses. The physical attributes of the areas to the south and southwest of the southern portion of the proposed rezoning parcel are single-family residential.

- ii. The benefits to the neighbors and the surrounding community of leaving the zoning as currently exists for these two parcels would be to promote further development of the area as an industrial park containing manufacturing, warehousing, and large scale office and institutional facilities consistent with the currently adopted comprehensive land use plan.
- iii. The relationship between current actual and permissible development of the site and adjoining areas and the development that would be permissible under the proposed rezoning amendment is that the proposed rezoning would be inconsistent with current and existing development to the east, northeast, northwest and west of the proposed rezoning site.
- iv. Retention of current zoning of the site would be in the public interest to allow development of an area planned for industrial park development for location of manufacturing, warehousing or large scale office or institutional use consistent with existing development uses to the east, northeast, northwest of the site and planned uses to the west of the site. Nathan Huret, Director of the Catawba County Economic Development Corporation believes that the site proposed for rezoning remains a viable site for industrial development.
- v. There are no changed conditions of the area that warrant amendment of the zoning map to PD-H as requested in Rezoning Application # 2024-06.

CITY OF NEWTON REQUEST FOR COUNCIL ACTION

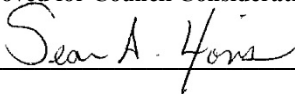
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Excavation, Piping Disassembly, Inspection and Cleaning of Obstruction at the Wastewater Treatment Plant

Approved for Council Consideration



Background:

In September 2024, Council approved a budget ordinance amendment to perform cleaning and inspection of the manifold pipe system between the lime grit building and the primary clarifiers. The quote for a complete cleaning was \$115,000 and was amended during the November council meeting to a total of \$149,200, to remove accumulated debris from the lime grit mixing chamber, and visually inspect the chamber and effluent opening to the piping leading to the primary clarifiers. This work was completed, with an excessive amount of debris being removed.

While the removal of the debris in the chamber did slightly alleviate the sewage flow restriction in this location, the problem persists. Staff has continued to remove debris from the chamber to maintain operations at the plant until the replacement project begins, but the flow restriction has continued to progress. To alleviate the flow restriction and attempt to maintain operations until the piping can be replaced during the replacement project, the City's 6" pump was set up as a bypass around the flow restriction, from the lime grit chamber to the primary clarifier. The City's pump is now showing signs of wear and will soon need significant repair. The pump is required for some water and sewer repairs, as well as bypass pumping at other locations to allow staff to complete work as needed. Staff has rented a pump to take the City pump out of service and allow for repairs, funded from the WWTP operational budget.

Staff has received a proposal from James E. Harris Construction Company in the amount of \$189,600 to excavate the gravity piping between the lime grit chamber and the primary clarifiers, remove the 90-degree bend on both sides, inspect the 36" gravity line, and perform up to three days of hydro-jetting to attempt to remove any obstruction. The proposal does include one month of bypass pumping.

Staff request approval of the attached budget ordinance amendment in the amount of \$189,600 to attempt to locate and remove the flow restriction between the lime-grit building and the primaries at the WWTP.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$189,600 to allow the completion of the additional work to remove the flow obstruction in the pipe at the WWTP.

ORDINANCE

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Water and Sewer Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those funds to the Waste Water Treatment Plant for the excavation, disassembly, inspection and cleaning of the manifold pipe system between the lime grit building and the primary clarifiers; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Water and Sewer Fund Revenues

Fund Balance Appropriated	61-0000.3995	\$189,600
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Water and Sewer Fund Appropriations

Building Repair/Maintenance	61-7141.6510	\$189,600
-----------------------------	--------------	-----------

Adopted this first day of April 2025.

Attest:

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk



JAMES E. HARRIS CONSTRUCTION COMPANY, INC.

P.O. Box 693
Huntersville, NC 28070

(704) 948-4033
FAX (704) 948-4027

PROPOSAL/CONTRACT

To: Clark Creek WWTP
ATTN: Eric Jones

Date: March 18, 2025

Project: 36" Line Inspection
Project Location: Newton, NC
Municipality: City of Newton
Engineer: Unknown

We propose to furnish only labor, materials, and equipment to construct the items herein listed:

Bypass pumping from influent pump station to aeration basin, excavation necessary to reach the 36" 90 bend, removal of the 36" 90 bend, inspection of the 36" line going to the primary, and three days of hydro-jetting in attempt to clean lime build up.

Lump Sum Price..... \$189,593.00

Notes: If you would like us to bond our portion of the work, add 2.5% to the prices above.
Clearing, staking, and mass grading to be provided by others.
Bypass is included in the above price for one month, anything additional will be billed at \$25,845.00/monthly
JEH is only responsible for bypass pumping needed during our scope of work
Jetting of 36" line is included in the above price for three days, anything additional will be billed at \$5,500.00/daily
Bypass fuel and labor to fuel supplied by owner

TERMS AND CONDITIONS

1. Credit: This contract is subject to credit approval by James E. Harris Construction Company, Inc. (Contractor). Owner shall complete a Project Information Sheet and supply other credit information as deemed necessary by Contractor to assure that funds are available for this project.
2. Payment: Progress payments shall be made monthly for all work done and materials on the job site or procured and stored elsewhere. Payment is due and payable on the tenth day of the month following the month in which the work is done. No retainages shall be withheld unless approved in writing by the Contractor. If retainage is to be held by Owner, add 1% to the contract price. If "Owner" is a prime contractor and retainage is reduced for the prime contractor during this project, JEHCC will be notified and retainage for this contract will be reduced at the same time by the same percentage. If the contract time is extended or added to for reasons not pertaining to this contract, any retainages for work covered by this contract is placed into operation before the end of the contract, retainage shall be due and payable on the date the facility is placed in operation. Payment shall not be contingent upon receipt of funds by Owner by others. Failure to comply with payment terms may result in suspension of work. Interest shall be added to the outstanding amount for late payments and shall be in the amount of 1 ½% per month or portion thereof until payment is received. If attorneys are employed to enforce Contractor's rights and remedies under this contract and collect funds owed pursuant to this contract, Owner shall pay reasonable attorney's fees plus other expenses incurred by the contractor in enforcing its rights under this contract.
3. Insurance: Unless changed and approved in writing by Contractor, Contractor's Insurance coverage shall be: Worker's Compensation and Employer's Liability - \$500,000 (Statutory); General Liability and Auto - \$1,000,000, \$2,000,000; Umbrella - \$1,000,000, \$2,000,000. Owner to provide Builder's Risk.
4. Bonds: Performance and Payment Bonds are not included, however, may be furnished at additional cost.
5. Warranty: The work shall be done in accordance with local customs and practices and shall be guaranteed for one year from substantial completion or first use by Owner, whichever is earlier. Warranties on manufactured materials and equipment shall be their manufacturer's standard warranty. The warranty does not apply to items which have been subject to negligence, misuse, improper operation, or that have been in any way altered or repaired by persons not authorized by Contractor.
6. Patents: Contractor shall be held harmless against all claims, patent fees, and royalties arising from construction by Contractor of facilities design by Owner or Owner's Consultants or Agents.
7. Permits: Owner shall obtain all required approvals or permits for work on roads, railways, rights-of-way, or other properties.
8. Delays: Contractor shall not be held liable for delays due to fire, flood, accidents, war, unusual weather, strikes, changes in plans and specifications, reduced supply of fuels or raw materials, curtails in manufacturing, or due to delays unavoidable or beyond Contractor's control.
9. Changes or Delays: Owner agrees to compensate Contractor for expenses due to changes in plans and specifications, delays, lack of facilities or apparatus to be supplied by Owner, or conditions not disclosed by Owner.
10. Owner shall advise Contractor of any and all hazardous materials on or near the job site to which Contractor's employees or subcontractors may be exposed, and shall provide all applicable Material Safety Data Sheets.
11. General: (A) This proposal may be withdrawn by Contractor if not accepted in writing within thirty (30) days. (B) The validity, construction, and effect of this contract shall be governed by the laws of the State of North Carolina. (C) Waiver by Contractor of any breach of these terms and conditions shall not be construed as a waiver of any other breach, and failure to exercise any right arising from any default hereunder shall not be deemed a waiver of such right which may be exercised at any subsequent time. (D) No condition, representation, or agreement altering, detracting from, or adding to the provisions of this document shall be valid unless condition, representation, or agreement is in writing and approved by Owner and Contractor. (E) Owner's signed acceptance of this proposal, purchase order in response to this proposal, or other expression of acceptance shall be deemed a written confirmation and acceptance of these Terms and Conditions.

Contractor: **James E. Harris Construction Company, Inc.**

By: _____ **Date:** _____

Owner: _____

By: _____ **Date:** _____

CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

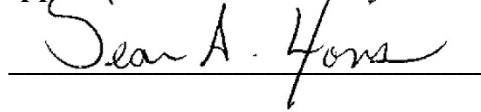
DATE: March 25, 2025

TO: Sean A. Hovis, City Manager

FROM: R. S. Williams, AICP, Planning Director

CONSIDERATION OF: Contract with WPCOG for Stormwater Services

Approved for Council Consideration



A handwritten signature in black ink, reading "Sean A. Hovis", is written over a horizontal line.

Request:

The City of Newton has partnered with the Western Piedmont Council of Governments in a regional partnership for Stormwater enforcement, review and planning since 2020. Currently, the city has a contract in force with WPCOG which will expire on June 30, 2025.

Background:

The City Council approved this partnership in June 2020 and since the WPCOG has maintained the requirements for addressing Stormwater and related issues for the City of Newton as mandated by the State of North Carolina. With the current contract expiring at the end of the fiscal year, staff would like to continue this relationship and enter into a two-year new contract with WPCOG, beginning on July 1, 2025 and set to expire on June 30, 2027. The new contract will provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement, and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping.

The contract for the City of Newton's calculated Stormwater Partnership fee for the period beginning July 1, 2025, and ending June 30, 2027, is not to exceed \$75,035 (Seventy-five thousand and thirty-five dollars). There is no increase from the previous contract.

Recommendation:

Staff recommends approval of the contract and for City Council to authorize the City Manager to sign the contract with WPCOG for Stormwater related services and fund accordingly.

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
THE CITY OF NEWTON
NPDES MS4 Permit #: NCS000397
FOR ASSISTANCE IN SUPPORTING THE WESTERN PIEDMONT
STORMWATER PLANNING AND ADMINISTRATION
JULY 1, 2025 – JUNE 30, 2027

This AGREEMENT, to be effective on the 1st day of July, 2025, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the City of Newton, North Carolina (hereinafter referred to as the "Local Government");

WITNESSETH THAT:

WHEREAS, the Local Government is required to provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement, and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping for Municipal Operations. ("Stormwater Partnership" hereinafter); and

WHEREAS, the Planning Agency is empowered to provide technical assistance to local governments by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972; and

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to support the NPDES Phase II six minimum measures through a Stormwater Partnership and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in providing technical assistance and services and that the proposed assistance and services are carried out in an efficient and professional manner.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Scope of Services.** The Planning Agency will provide technical assistance to the Western Piedmont Stormwater Partnership. Technical assistance shall consist of the services described in EXHIBIT A, which is incorporated more fully by reference herein.
2. **Personnel.** The Planning Agency will furnish the necessary trained personnel to the Local Government.
3. **Office/Equipment.** The Planning Agency will provide office space, miscellaneous office supplies, office equipment, software, and hardware necessary to perform the work described in this contract.

4. **Compensation.** The Local Government will pay the Planning Agency a regional Stormwater Partnership fee for services provided as part of the Agreement as outlined in Exhibit A. The City of Newton's calculated Stormwater Partnership fee for the period beginning July 1, 2025, and ending June 30, 2027, is not to exceed **\$75,035** (Seventy-five thousand and thirty-five dollars). These fees will be billed in eight quarterly payments.
5. **Non-salary Expenses.** (a) The Planning Agency personnel's local travel mileage will be considered to be a part of the Scope of Work as outlined in Exhibit A.

(b) The Stormwater Partnership will pay for personnel's travel expenses related to attendance of conferences, conventions, and seminars if the events are related to the development of the Stormwater Partnership's program. Travel expenses shall include registration fees, hotel expenses, meals, and mileage. The Stormwater Partnership will pay for hotel, meals, and mileage costs at the prevailing local government rate.
6. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
7. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed during the period beginning July 1, 2025, and ending June 30, 2027.
8. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate or cause to be incorporated in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
9. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.

10. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

11. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
CITY OF NEWTON

PLANNING AGENCY:
WESTERN
PIEDMONT COUNCIL OF
GOVERNMENTS

By: _____
City Manager

By: _____
Executive Director

Planning Agency:

By: _____
City Clerk

By: _____
Chair

Preaudit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

EXHIBIT A

THE CITY OF NEWTON WESTERN PIEDMONT STORMWATER PARTNERSHIP JULY 1, 2025 – JUNE 30, 2027

PROGRAM OVERVIEW

The following work program is presented as descriptive of the work called for in the agreements concerning stormwater program assistance activities by the Western Piedmont Council of Governments for local governments in the Stormwater Partnership.

The Western Piedmont Council of Governments staff will work with the Local Government's Staff to adapt the work plan and priorities as needed to satisfactorily implement requirements in NPDES Phase II Permits and management plans.

- Public Education and Outreach on Storm Water Impacts – The Planning Agency will fulfill the education and outreach component of the permit by developing workshops; arranging speakers; development of school partnerships and projects; preparing outreach materials; and presenting to various groups and at events, and other Education Outreach activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Public Involvement and Participation – The Planning Agency will manage planning and implementation of public events for stormwater information to the general public as well as coordination of volunteer programs for stormwater programs or stream cleanups, and other Public Involvement and Participation activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Illicit Discharge Detection and Elimination – The Planning Agency will conduct active investigation and enforcement of the Local Governments illicit discharge within the Local Governments jurisdiction and other Illicit Discharge Detection and Elimination activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Construction Site Stormwater Runoff Control – North Carolina Division of Environmental Quality is responsible for the Local Government's Construction Site Stormwater Runoff Control Program. Follow-up by the Planning Agency will occur.
- Post-Construction Storm Water Management in New Development and Redevelopment – The Planning Agency will manage the permitting process, annual reports, inspections, and files associated with Post Construction as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.

- Pollution Prevention/Good Housekeeping for Municipal Operations – The Planning Agency will conduct education to Local Government employees and inspection of Local Government facilities for Pollution Prevention/Good Housekeeping activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.

CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

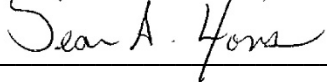
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Emergency Sewer Line Point Repair

Approved for Council Consideration



Background:

On March 7th, 2025, behind the property at 1222 McKay Farm, staff was made aware of a large hole in the 24" main sewer intercept that was allowing sewage to escape the collection system into Clark's Creek. The hole was at the bottom of the bank, approximately 12' below grade. Given the size of the sewer main and its depth, staff did not have the equipment to affect the sewer repair. Chad Sigmon Construction was contacted and arrived onsite in approximately two hours with a large excavator and crew. The repair was completed in approximately five hours, including backfilling. Some restoration work was completed the following week, including installation of rip rap on the creek bank to prevent further erosion of the sewer interceptor.

All work is now complete. Chad Sigmon Construction has invoiced the city \$27,909, which is attached. This work was not included in the fiscal year 2024-2025 budget.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$27,950 for the emergency sewer repair work completed on March 7th behind 1222 McKay Farm Rd.

Emergency Repair McKay Rd.

Chad Sigmon Construction LLC

5763 Sulphur Springs Rd

828-405-4702

chadsigmon1978@gmail.com

Hickory, NC, 28601

F: Fax Number

Website

Newton Public Works

828 -695-4300

Inv # 372025

201 W 4th St, Newton NC 28658

Fax:

Date: 3/7/2025

Email:

McKay Rd Sewer Line Repair

Item #	Description	Qty	Unit Price	Discount	Price
	Moblization		\$ 1,500.00		\$ 1,500.00
	Materials		\$ 1,000.00		\$ 1,000.00
	Class 1 Rock	157 tons	\$ 54.50		\$ 8,556.50
	Class 2 Rock	45 tons	\$ 54.50		\$ 2,452.50
	Labor	3 Days	\$ 4,800.00		\$ 14,400.00
					\$ -
					\$ -
					\$ -
		3/17/2025			\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Invoice Subtotal					\$ 27,909.00
Tax Rate					
Sales Tax					\$ -
Other					
Deposit Received					
TOTAL					\$ 27,909.00

Make all checks payable to Chad Sigmon Construction LLC.
Total due in <#> days. Overdue accounts subject to a service charge of <#>% per month.

ORDINANCE

**AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR
FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.**

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Water and Sewer Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those funds to the Water Distribution and Sewer Collection division for the emergency repair on the 24” sewer interceptor behind 1222 McKay Farm Road; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Water and Sewer Fund Revenues

Fund Balance Appropriated	61-0000.3995	\$27,950
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Water and Sewer Fund Appropriations

Distribution Supplies & Maint Major	61-7100.5461	\$27,950
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Adopted this first day of April 2025.

Jerry T. Hodge, Mayor

Attest:

Amy S. Falowski, City Clerk



CITY OF NEWTON REQUEST FOR COUNCIL ACTION

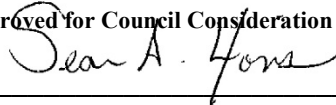
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Gear Box for #4 Aeration Basin

Approved for Council Consideration



Background:

On March 13th, 2025, one of the three aerator fans in the #4 aeration basin stopped working. After removal of the motor and disassembly, it was discovered that the gear box had failed. Repair of the gear box is not viable.

To ensure continuous compliance with the City's discharge permit, all three aerator fans must be operational. Staff has rearranged the remaining two fans to maximize the entrainment of dissolved oxygen, but repair of the third fan is required. This equipment is not scheduled for replacement in Phase 1 of the Clark Creek WWTP Replacement Project.

Staff solicited, and received, a quote from Dixie Electro Mechanical Services, at a cost of \$41,864.44 to replace the gear box. Dixie indicated that delivery of the gear box would take 18 to 19 weeks from time of order.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$41,900 for the replacement of the failed gear box on the aerator fan assembly of aeration basin #4.

ORDINANCE

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Wastewater Treatment Plant Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those funds to the Wastewater Treatment Plant for the replacement of a failed aeration gear box; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Water and Sewer Fund Revenues

Fund Balance Appropriated	61-0000.3995	\$41,900
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Water and Sewer Fund Appropriations

Building Repair/Maint	61-7141.6510	\$41,900
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Adopted this first day of April 2025.

Attest:

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk





2115 Freedom Drive
Charlotte, NC 28208

(704) 332-1116
www.DixieEMSI.com

Quote

Quote Number

FRQ1462

Customer ID

CI1181

Attn

Quote Date

3/13/2025

cc

Customer Information

CITY OF NEWTON
PO BOX 550
NEWTON, NC 28658

Ship To Information

CITY OF NEWTON
PO BOX 550
NEWTON, NC 28658

Quote By: Larry Wheeler

PO #:

RFQ #:

Salesperson:

Phone: (828) 695-4328 x

Fax: (828) 465-7464 x

Terms: Net 30

Quote Information

Reason Sent For Repair: we are quoting 1 each new SEW gear units and . 1 each 1" 24"x 24" steel plates all hardware and labor to mount plate and to gear units. freight in included.

Required Work: sew gear unit
1" thick x 24"x24" steel plate
bolts and hard wear
Machine adapter plates
assemble plates to gearboxes
Shop Materials Charge
Freight

Comments: The gear units are 18 TO 19 WEEKS

Labor

Unit Price

Ext Price

Total for Labor : 1,960.00

Material

Unit Price

Ext Price

Total for Material : 39,904.44

Quotes Do Not Include Sales Tax or Freight, Unless Otherwise Noted.

We Are not Responsible For Items Left Over 60 Days.

An additional charge of 3% will be added to credit card payments**

Quote is valid for 14 days.

Lead Time

Subtotal : 41,864.44

Tax : 2,930.51

Total for Quote FRQ1462 : 44,794.95

SIGNATURE: _____

DATE: _____

PO# (IF NOT ALREADY ISSUED):

Ship Via: _____

Our Tax ID:
Taxable Material 39,904.44

Your Tax ID:
Taxable Labor 1,960.00

Sales Tax Code 1: NORTH CAROLINA 7.00%

CITY OF NEWTON REQUEST FOR COUNCIL ACTION

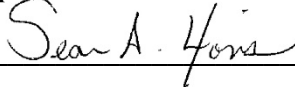
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Radiator Repair of Target Generator

Approved for Council Consideration



Background:

The #1 Peak Shaving / Backup Generator at the Target Distribution Center on Stover Ct. is currently inoperable due to a failed radiator. Staff has solicited Carolina CAT, and received a quote for completing either a repair of the radiator, or a replacement. CAT will participate in the cost for the same amount no matter which option is chosen.

Option 1 is to remove the generator enclosure, remove the radiator, transport the radiator to the CAT shop for repair. The enclosure will be replaced to prevent damage from weather during the repair period, which is estimated to last one month. CAT will then return the radiator to Target, remove the enclosure again, and install the repaired radiator. This option is estimated to cost \$92,902.00 after CAT's warranty participation of \$30,000.

Option 2 is to remove the generator enclosure, remove the radiator, install a new radiator, and replace the enclosure. This work is estimated to take one week to complete. This option is estimated to cost \$114,238 after CAT's warranty participation of \$30,000.

All work periods are estimated. Work will have to be scheduled with CAT and may take several months before they are able to perform the work.

Since CAT has agreed to provide warranty coverage on the generators until they reach 30 years of operation, staff recommends selecting option 2. Option 1 would be appropriate if the generator was being used only for standby, but since the warranty coverage has been extended, the city can continue to use the generator during peak shaving operations, which is a much more intensive use for a longer duration than most standby operation periods.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$114,250 for the replacement of the radiator in the #1 Generator at the Target Distribution Center.

ORDINANCE

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Electric Distribution Division Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those fund to the Electric Distribution Division for the replacement of the radiator in Target Generator #1; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Electric Distribution Fund Revenues

Fund Balance Appropriated	63-0000.3995	\$114,250
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Electric Distribution Fund Appropriations

Generator Repair/Maint	63-7201.6560	\$114,250
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Adopted this first day of April 2025.

Attest:

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk



PROPOSAL

CITY OF NEWTON
ACCOUNTS PAYABLE DEPT PO BOX 550
NEWTON NC

No:211615 - 1

CUSTOMER NO.	ESTIMATE NO.	DATE	CONTACT
595475	211615	3/13/2025	ALLEN CARTWRIGHT
PHONE NO.	FAX NO.	EMAIL	
828 238 1187		ACARTWRIGHT@NEWTONNC.GOV	
MODEL	MAKE		SERIAL NO.
3516	AA		0FDN01076
UNIT NO.	HOURS	WO NO.	P.O. NO.
TARGET 1			

SEGMENT: 01 REPAIR FOR WARRANTY RADIATOR

PRICE TO REMOVE ENCLOSURE TO REMOVE RADIATOR FOR WARRANTY REPAIR. CAT WARRANTY WILL PAY FOR RADIATOR REPAIR.
WE PROPOSE TO REMOVE THE RADIATOR AND TRANSPORT BACK TO CT&E FOR REPAIR. ENCLOSURE WILL BE PLACED BACK ON GENERATOR TO PROTECT FROM WEATHER UNTIL THE RADIATOR IS RETURNED TO THE THE SITE TO BE REINSTALLED.
UNIT WILL BE DOWN 1 MONTH

Labor

Item Number	Description	Qty	Unit Price	Ext Price
FLD	LABOR	80	183.00	14,640.00
FLD	LABOR	40	274.00	10,960.00
Total Time and Material Labor:				25,600.00

Misc

Item Number	Description	Qty	Ext Price
R&I ENCLOSURE	CRANE AND RIGGING	1	48,230.00
MILEAGE	MILEAGE	900	3,150.00

FUEL	FUEL SURCHARGE	10	600.00
MISS	MISS	1	1,000.00
NON COVERED PARTS	NON COVERED PARTS	1	14,322.00
Total Time and Material Misc:			67,302.00

Total option 1 \$92,902.00

SEGMENT: 02 REPLACE RADIATOR

THIS IS THE SECOND OPTION TO REPLACE EXISTING RADIATOR WITH COMPLETE NEW UNIT. CAT WILL PARTICIPATE IN THIS REPAIR THE SAME AS IF THE UNIT IS REPAIRED. IT WILL NOT PARTICIPATE IN THE TOTAL COST OF THE RADIATOR REPLACEMENT. WE PLAN TO ORDER THE UNIT AND UPON ARRIVAL MOBILIZE TO THE SITE AND REMOVE ENCLOSURE AND RADIATOR AND INSTALL NEW UNIT AT THE SAME TIME. UNIT WILL BE DOWN FOR 1 WEEK.

Labor

Item Number	Description	Qty	Unit Price	Ext Price
FLD	LABOR	80	183.00	14,640.00
FLD	LABOR	40	274.00	10,960.00
Total Time and Material Labor:				25,600.00

Misc

Item Number	Description	Qty	Ext Price
RADIATOR	NEW COMPLETE RADIATOR	1	66,905.80
CRANE	CRANE AND RIGGING	1	33,670.00
MILEAGE	MILEAGE	900	3,150.00
FUEL SURCHARGE	FUEL SURCHARGE	10	600.00
MISS	MISS	1	1,000.00
FREIGHT	FREIGHT	1	2,990.00
ESTIMATED CAT PARTICIPATION	ESTIMATED CAT PARTICIPATION	1	-30,000.00
ADDITIONAL PARTS	ADDITIONAL PARTS	1	14,322.00
Total Time and Material Misc:			92,637.80

Total option 2 \$114,238.00

-Estimate will expire 30 days from the estimate date.
-Pricing excludes applicable sales tax, freight/delivery charges, transportation, overtime, field truck charges and supplies/environmental fees unless otherwise noted above.
-Estimate is provided based on our reasonable observation or diagnosis. If we find additional repairs or parts are required that might alter our original estimate, we will provide the customer with an updated estimate for those repairs or parts. No additional work will be performed or parts installed beyond the original estimate, without prior authorization from the customer.

ESTIMATED REPAIR TIME: _____ **from start date.**
"The signature is an authorization to proceed with the required repair work as described within the quote".

Issued PO#: _____ **Authorized Name:** _____ **Please Print**

Date: ____/____/____.

Signature

Any questions? Please call Tim Lineberger
at Office: 704-731-7385 Mobile: 980-721-9432 Fax: Branch: 704-731-7425 Email: TLineberger@carolinacat.com



Terms & Conditions

1. General Application. These terms and conditions of sale (the "Terms and Conditions") of Carolina Tractor & Equipment Company, d/b/a Carolina Cat Power Systems ("CCPS"), apply to, and form an integral part of, the following: (i) all quotations and offers made by CCPS ("Quote") to a customer whose name agrees on the face of the Quote ("Purchaser"); (ii) all acceptances, acknowledgements, and confirmations signed by CCPS and Purchaser, of this Quote; and (iii) any agreements regarding the sale by CCPS, and purchase by Purchaser, of equipment, products, and goods (collectively, "Products") and/or services (collectively, "Services").
2. Scope. Any terms and conditions set forth on any document issued by Purchaser (including any purchase order or other form prepared by Purchaser) are hereby explicitly rejected and intentionally disregarded by CCPS unless such purchase order is executed by Purchaser and CCPS, and any such terms shall be wholly inapplicable to any sale made by CCPS to Purchaser and shall not be binding in any way on CCPS. No reference herein to Purchaser's inquiry or any document issued by Purchaser shall in any way modify the terms and conditions hereof.
3. Quotes. Any Quote is open for acceptance by Purchaser within the period stated by CCPS in the Quote, or when no period is specified, within thirty (30) days from the date of the Quote; provided, however, that any Quote may be withdrawn or revoked by CCPS at any time prior to Purchaser's execution of a Quote. Except as affected by provisions hereof entitled "Force Majeure" and "Termination on Default", there shall be no postponement or cancellation of a Quote unless by mutual agreement of CCPS and Purchaser. In the event of cancellation by mutual agreement, Purchaser shall be liable for the cost of engineering, supervision, labor and material delivered or in process at the time of cancellation.

4. **Pricing; Payment.** The price quoted on a CCPS quotation for Services is based upon shop or field labor working eight hours per day, and the standard forty-hour week, with the normal schedule dates of Monday through Friday. The price quoted is in no way inclusive of any overtime work or holiday pay unless explicitly stated on the quotation. The price stated in any Quote assumes that CCPS will be able to proceed on a continuous basis of engineering, purchasing, manufacture, delivery and/or installations without any delay. Any and all taxes imposed by federal, state or other governmental authorities on the sale, purchase, shipment, storage, use or consumption of the Products or Services shall be paid, or reimbursed, to CCPS by Purchaser, in addition to the amounts listed (but whether or not listed) on the applicable Quote. Purchaser shall pay to CCPS the amount set forth in the applicable Quote (i) net thirty (30) days on all Products shipped, from the date of shipment, and (ii) net thirty (30) days upon completion of Services, unless otherwise agreed to in the Quote.
5. **Failure to Pay.** If Purchaser fails to pay the amount set forth in a Quote within the time specified by the same, CCPS may, in its sole discretion, without prejudice to any other remedy available to CCPS, at law or in equity, do any one or more of the following: (i) postpone shipments of Products or delivery of Services; (ii) alter payment terms; (iii) terminate shipments or Services; and (iv) charge interest on all overdue amounts at the lesser of the rate of 1.5% or the maximum amount allowed by applicable law, per month, compounded monthly. Further, Purchaser shall pay all of CCPS's costs and expenses (including reasonable attorneys' fees) incurred directly or indirectly by CCPS in the collection of any amount not paid when due under a Quote. Purchaser may not hold back, delay or set-off any amounts owed to CCPS in satisfaction of any claims asserted by Purchaser against CCPS.
6. **Change Orders.** Any changes in engineering, design, construction, manufacturing, parts or services requested by Purchaser resulting in delays subsequent to the execution of a Quote (a "Change Order"), shall result in additional expense due to CCPS. CCPS shall take no action until both Purchaser and CCPS have executed a written Change Order. Delays resulting from a Change Order, and resulting expenses, may be stated in the Change Order. CCPS will credit against the stated pricing any reduced costs that can be established resulting from such Change Order.
7. **Delivery and Installation.** Unless otherwise specified in a Quote, (i) delivery terms shall be Free on Board (F.O.B.) 9000 Statesville Road, and (ii) the Products may be delivered in part, or all in one shipment, as determined by CCPS. CCPS will use commercially reasonable diligence to meet the scheduled shipment dates provided in the Quote, which are estimates and not guarantees of when the Products actually will be shipped. Purchaser's acceptance of delivery shall constitute a waiver of any claim relating to delay. Unless otherwise set forth on the face of the Quote, CCPS shall not provide (i) any offloading or installation services with respect to the Products, (ii) any equipment, consumables or other hardware required for the installation of the Products, including, without limitation, concrete pads, conduit, wiring, lugs, fuel system materials, assembly or installation, fuel, or (iii) any relay or system coordination study.
8. **Title.** Upon possession of the Products with a carrier designated by CCPS (or as otherwise provided in the Quote), the Products shall become the property of Purchaser, subject to a reservation of a security interest in the same herein granted to CCPS. Any losses or damage thereto on and following delivery shall be borne by Purchaser. Title to the Products, materials and equipment installed by CCPS shall remain with CCPS and shall vest in Purchaser only upon payment in full to CCPS of the required purchase price. Until Purchaser pays the purchase price in full, Purchaser (i) shall keep the Products, materials and equipment on its premises at all times; (ii) shall not remove any Products, material or equipment from the premises, without the written approval of CCPS and (iii) shall not transfer, mortgage, pledge or dispose of the same.
9. **Nonconformity.** Within ten (10) days after delivery of a Product to Purchaser, or completion of a Service, in accordance with the Quote, Purchaser must give detailed written notice to CCPS of any claim based upon the condition, quantity or grade of the Product sold, any aspect of a Service or any claimed nonconformity with the Quote. The failure of Purchaser to comply with this requirement shall constitute irrevocable acceptance by Purchaser of the Product delivered or the Service rendered and

shall bind Purchaser to pay CCPS the full price for such Product or Service.

10. **Security Interest.** To secure the payment of the purchase price of the Products and all other amounts due to CCPS from Purchaser, Purchaser hereby grants to CCPS a purchase money security interest in the Products to secure the payment of the purchase price of the Products and of all other amounts due to CCPS from Purchaser at the time of delivery of the Products and thereafter incurred or owed by Purchaser. Purchaser agrees to execute and deliver to CCPS supplemental security agreements, financing statements and other documents as CCPS may reasonably require to perfect, preserve and enforce such security interest. Purchaser shall not remove any Products from the premises of Purchaser or permit any Products to become subject to a lien in favor of any third party, until full performance of all obligations of Purchaser to CCPS under, and with respect to, this Quote, as applicable to those Products.
11. **Purchaser's Facilities.** Purchaser shall provide CCPS with such facilities and resources as CCPS may require to fulfill its obligations hereunder, including: (i) furnishing reasonable working area cleared and free from any interference by others working in the area; (ii) providing access to the facility in the form of road and truck unloading facility; (iii) repairing any floor or clearance requirement; (iv) keeping the work site free from water and other debris; (v) providing all utilities in the form of electric current, light, water and heat as may be required for installation work; and (vi) paying the cost of changes, delays or interruptions due to omission of the foregoing. Purchaser is responsible for providing receptacles for trash removal and to incur the cost of the proper disposal of said debris.
12. **WARRANTY.** ANY AND ALL WARRANTIES WITH RESPECT TO PRODUCTS ARE PROVIDED SOLELY BY THE MANUFACTURER OF THE APPLICABLE PRODUCTS, AND, UPON REQUEST, CCPS WILL SUPPLY THE TERMS AND CONDITIONS OF SUCH TO PURCHASER. CCPS MAKES NO DIRECT WARRANTY WITH RESPECT TO THE PRODUCTS, ALL WARRANTY OBLIGATIONS BEING THOSE OF THE MANUFACTURER; PROVIDED, THAT CCPS SHALL PROVIDE PURCHASER WITH A ONE (1)-YEAR LIMITED WARRANTY ON CCPS'S SERVICES, WHICH WILL BE SPECIFIED IN THE ASSOCIATED QUOTE (THE "SERVICES WARRANTY"). THE SERVICES WARRANTY DOES NOT COVER ANY PRODUCTS THAT ARE NOT USED FOR THEIR INTENDED PURPOSE, OR IN ACCORDANCE WITH ACCOMPANYING DOCUMENTATION OR THAT HAVE BEEN ALTERED IN ANY WAY BY PURCHASER, ITS EMPLOYEES OR AGENTS OR BY ANY THIRD PARTY.
13. **WARRANTY DISCLAIMER.** EXCEPT AS EXPRESSLY PROVIDED ABOVE, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PRODUCTS AND SERVICES ARE PROVIDED "AS-IS" AND CCPS DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, WITH RESPECT THERETO, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, AND THOSE ARISING FROM A COURSE OF DEALING OR USAGE OR TRADE. PURCHASER ACKNOWLEDGES THAT IT HAS NOT ENTERED INTO THIS QUOTE IN RELIANCE UPON ANY STATEMENT OR REPRESENTATION EXCEPT THOSE SPECIFICALLY SET FORTH HEREIN.
14. **Limitation on Damages.** Any action by Purchaser under or relating to this Quote or the Products or Services sold must be commenced within twelve (12) months after such cause of action has accrued. CCPS's contractual liability for failure to fulfill its obligations hereunder or any other liability under or in connection with the Products or Services shall be limited to the repair or replacement of non-conforming Products, or the re-execution of non-conforming Services, provided, however, that the amount of such liability shall not exceed the purchase price of the applicable Products or Services. CCPS SHALL NOT BE LIABLE IN TORT, INCLUDING LIABILITY IN NEGLIGENCE OR STRICT LIABILITY, AND SHALL HAVE NO LIABILITY AT ALL FOR INJURY TO PERSONS OR PROPERTY, WITH RESPECT TO THE PRODUCTS OR SERVICES OR CCPS'S PERFORMANCE HEREUNDER. EVEN IF CCPS HAS BEEN ADVISED OF THE POSSIBILITY OF THE FOLLOWING, CCPS SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS OR REVENUES

RELATING TO THE SALE OF THE PRODUCTS OR SERVICES, OR THE RENDERING THEREOF, OR OTHERWISE, LOSSES DUE TO DELAY IN SHIPMENT, FAILURE TO REALIZE EXPECTED SAVINGS, ANY CLAIM AGAINST PURCHASER BY A THIRD PARTY OR ANY OTHER COMMERCIAL OR ECONOMIC LOSSES OF ANY KIND.

15. Indemnification. Purchaser shall hold harmless, indemnify, and defend CCPS and its subsidiaries, affiliates, directors, officers, employees and agents (collectively, "CCPS Parties" or "CCPS Party") from and against, and pay, any liability, obligation, loss, damage, fee, fine, penalty, action, claim, judgment, settlement, proceeding, cost, expense or disbursement of any kind or nature whatsoever (including without limitation all reasonable attorneys' fees) (hereinafter collectively referred to as "Liabilities") that may be imposed on, incurred by or asserted against any CCPS Party by a third party arising out of the transactions contemplated by this Quote or operation of Products sold to Purchaser hereunder. Notwithstanding the foregoing, Purchaser shall not be liable to any CCPS Party for any portion of such Liabilities that resulted from CCPS's gross negligence, fraud, bad faith or willful misconduct.
16. Termination on Default. In addition to other methods of termination set forth in a Quote, CCPS may terminate and cancel the Quote, and suspend any further performance by CCPS hereunder, if (i) any Product or Service has been delivered or rendered but not paid for by Purchaser in accordance with the terms hereof (all amounts owed in the future hereunder by Purchaser to CCPS thereby becoming immediately due and payable, despite any other agreement to the contrary); (ii) any proceeding in bankruptcy, insolvency, receivership or liquidation are taken against Purchaser; (iii) Purchaser makes an assignment for the benefit of creditors or commits an act of bankruptcy or insolvency; (iv) Purchaser materially breaches any term of the Quote or (v) CCPS, in good faith, believes that the ability of Purchaser to pay or perform any provision of this Purchase Agreement is impaired.
17. Remedies Upon Breach. If Purchaser breaches this contract, CCPS shall be entitled, in addition to any other remedy at law or equity, to recover all costs and expenses incurred by Company in connection herewith. Such costs and expenses shall include, without limitation, CCPS's reasonable attorney's fees, costs of labor applied to this contract, overhead, costs of any materials applied to or ordered for this contract, and any charges imposed on Company by its suppliers or subcontractors. If CCPS breaches this contract, Purchaser's exclusive remedy shall be to terminate this contract, after written notice to CCPS of the breach and reasonable time to cure, by written notice thereof to CCPS, and to receive a refund of the Quote amount, if previously paid, for any Products that have not been shipped or otherwise identified to this contract as of the date of such termination.
18. Force Majeure. CCPS shall not be liable for damages of any kind, caused by delays in shipment, delivery or any other nonperformance of this Quote, directly or indirectly resulting from, or contributed to by, any circumstances beyond CCPS's control, including without limitation acts of God, riots, wars or national emergencies, epidemics, pandemics, acts of terrorism, labor disputes of every kind, however caused, embargoes, non-delivery by suppliers, inability to obtain supplies through normal sources, delays of carriers or postal authorities, or governmental restrictions, prohibitions or diversions. The occurrence of any such circumstance shall operate to extend CCPS's time of performance hereunder for a period not less than the period of such delay. In the event of any such circumstance, CCPS may allocate its deliveries among its customers as it may decide in its sole discretion.
19. Confidentiality. The information in these Terms and Conditions, and any documents attached hereto, contain proprietary and confidential information belonging to CCPS and may not be copied, reused, modified, stored or retained except for review and discussion between Purchaser and CCPS. This includes, but is not limited to, any content, intellectual property, technical method, text incorporated and drawings contained therein. It shall not be used, disclosed, modified or reproduced, in whole or in part, for any purpose other than to evaluate these Terms and Conditions, without the prior written consent of CCPS.
20. Governing Law and Venue. This Quote shall be governed by the laws of the State of North Carolina,

without reference to its conflict of laws provisions. All disputes arising out of or in connection with this Agreement shall be brought and maintained in a state or federal court of competent jurisdiction located in Mecklenburg County, North Carolina.

21. Miscellaneous. The Terms and Conditions stated herein constitute, along with the Quote, the complete and exclusive statement of the terms and conditions of sale of the Products and Services. There are no other promises, conditions, understandings, representations or warranties of any kind with respect to the subject matter hereof. This Terms and Conditions may be amended, modified or supplemented only by a writing signed by CCPS and Purchaser. The failure of CCPS to enforce any right hereunder will not be construed as a waiver of its right to performance in the future. Any provision of these Terms and Conditions which is, or is deemed to be, unenforceable in any jurisdiction shall be severable from this Quote in that jurisdiction without in any way invalidating the remaining provisions of these Terms and Conditions, and that unenforceability shall not make that provision unenforceable in any other jurisdiction. The rights that accrue to CCPS by virtue of these Terms and Conditions shall inure to the benefit of its successors and assigns. All requests, instructions and notices from one party to the other must be in writing and may be given via certified mail or facsimile transmission to the address of the parties shown on the face of the Quote. Neither the Uniform Law on the International Sale of Goods, the Uniform Law on the Formation of Contracts for the International Sale of Goods nor the Convention on Contracts for the International Sale of Goods applies to this Quote
22. Surcharges. In the event of an Original Equipment Manufacturer (OEM) price increase, CCPS reserves the right to revise pricing or apply a Surcharge in direct correlation to the price increase received from the OEM.
23. Cancellations. If Purchaser seeks to cancel its order or it fails or refuses to accept delivery of the products it has ordered, Purchaser agrees to pay all charges incurred by CCPS as a result of such cancellation or refusal or failure to accept delivery. The charges include any cancellation penalties charged to CCPS by the manufacturer, the charges of returning the product to its point of original shipment by CCPS, storage fees, demurrage, or other charges related to Purchaser's cancellation or refusal or failure to accept delivery. A 15% cancellation fee will also apply. If Purchaser cancels its order after the result of a price or Surcharge adjustment affecting the order, and the manufacturer will accept a cancellation request with no penalty, and cancellation fees will be waived.

CITY OF NEWTON

REQUEST FOR COUNCIL ACTION

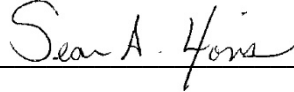
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Construction of Multiple Development Electric Distribution System Extensions

Approved for Council Consideration



Background:

Currently, there are four development projects that require extension of the electrical distribution system to provide Newton electrical services to the sites. The projects, and estimated material costs, are as follows:

Newton Conover High School Expansion:	\$177,837.45
Dunkin' Doughnuts	\$24,003.03
Rowe Crossing (Residential)	\$165,316.33
Eastern Ridge (Residential)	\$185,048.48
Total:	\$552,205.29

While there are a significant number of additional developments currently in various stages of the planning approval process, these four projects are currently approved and under construction. Typically, electric distribution extensions are budgeted in the Distribution Supplies & Maint-Major account line. In fiscal year 2024-2025, \$100,000 was included in the approved budget, and \$1,066,650 has been added in two different amendments in August and January. Currently, there is \$35,415.27 remaining in the line item.

Staff has proposed a budget of \$1,000,000 for the fiscal year 2025-2026 budget, to address mostly residential development projects that are still in the planning review process.

These costs are for materials only. Engineering is not included and budgeted in a different line item. Newton Conover High School Expansion and Dunkin' Doughnuts do not require engineering design, but Rowe Crossing and Eastern Ridge do. This cost has been addressed previously.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$552,250 for electric distribution system extensions for the four projects listed.

ORDINANCE

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Electric Distribution Division Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those fundS to the Electric Distribution Division for the extension of the electric distribution system at four locations; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Electric Distribution Fund Revenues

Fund Balance Appropriated	63-0000.3995	\$552,250
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Electric Distribution Fund Appropriations

Distribution Supplies & Maint-Marjor	63-7201.5461	\$552,250
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Adopted this first day of April 2025.

Attest:

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk



Dukin' Doughnuts material list

Material:	Qty:	Price Per	Total Price:
45' pole	4	393.55	1574.2
Fiberglass crossarm	3	304.42	913.26
Crossarm 8'x3.75x4.75	2	55	110
Small braces	4	18.54	74.16
Insulators	10	10.55	105.5
Drop in pin	9	19.82	178.38
Pole top pin	1	15.94	15.94
Poly bells dead end	6	20.6	123.6
SD deadend shoes	10	23.65	236.5
1/0 OH ACSR	850	0.31	263.5
#4 Aluminum tie wire	120	0.15	18.41
Cutouts	3	107.5	322.5
#2 coated copper	25	1.18	29.5
#6 bare copper	40	0.54	21.6
50 KVA conventional	3	6,440	19,320
4" stick pipe	150	3.95	592.5
Neutral spool	1	2.01	2.01
Upset bolt 12"	1	8.26	8.26
Loadbreak elbow	3	31.07	93.21
Secondary bolt on paddles	N/A		
Est. total:			24003.03

NCHS Material list: New addition/tennis court lights

Material:	Qty:	Price per:	Total Price:
UG parts			
2000 KVA 3-phase	1	97,424.22	97,424.22
750 KVA 3-phase	1	\$14,031.66	14,031.66
150 KVA 3-phase	1	11,532.50	11,532.50
50 KVA pad mount	1	8,209.88	8,209.88
1/0 UG primary	5,400'	5.55	29,970
3-phase junction cab.	1	950.25	950.25
Sleeve for 3-phase cab.	1	685.70	685.70
2" PVC roll pipe	4,350'	1.15	5002.5
Load break elbow	17	31.07	528.19
Pole top terminations	6	67.56	405.36
#2 bare copper	50'	1.59	79.5

Ground rods	5	18.79	93.95
Secondary bolt on paddles	N/A		

OH parts

45' poles	3	393.55	1180.65
50' poles	3	471.65	1414.95
Fiberglass crossarm	5	304.42	1522.1
Crossarm 8'x5.5x5.5	1	85	85
Crossarm 8'x3.75x4.75	3	55	165
Big braces	2	78.45	156.9
Small braces	6	18.54	111.24
Insulators	18	10.55	189.9
Drop in pins	18	19.82	356.76
Pole top pin	2	19.82	39.64
#4 alum. Tie wire	180'	0.15	27
Poly bells dead end	21	20.6	432.6
SD deadend shoes	30	23.65	709.5
Fiberglass guy stick	3	32.39	97.17
Cutouts	6	107.5	645
Lighting arrestors	6	108.49	650.94
Cable positioners	6	25.03	150.18
#2 Coated copper	40'	1.18	47.2
#6 bare copper	40'	0.54	21.6
Upset bolt 12"	1	8.26	8.26
Neutral spool	2	2.01	4.02
Ground rod	2	18.79	37.58
3/8 guy wire	120'	0.62	74.4
3/8 guy grip	12	3.1	37.2
Guy guard	3	5.21	15.63
helux screw anchor	3	50.74	152.22
Screw anchor rod	3	31.7	95.1
1/0 OH ACSR	1600'	0.31	496

Est. total: 177,837.45

Rowe Crossing Material List

Material	Qty	(CES Quote)	
		Price Per:	Total Price:
25 KVA pad mount	9	7943.48	71,491.32
50 KVA pad mount	3	9997.83	29,993.49
Transformer pad	12	597.83	7,173.96

Secondary cab. (above ground)	7	275	1,925
Secondary box (below ground)	40	215.98	8,639.20
Secondary box (below ground light)	12	waiting for quote	
2" roll pipe	11,000'	0.73/ft	8,030
1/0 UG primary	3,500'	5.55/ft	19,425
350 triplex UG	1,000'	4.13/ft	4,130
4/0 triplex UG	3,000'	2.38/ft	7,140
1/0 triplex UG	3,500'	1.52/ft	5,320
#6 triplex UG	550'	0.86/ft	473
#2 bare copper	150'	1.59/ft	238.5
Ground Rods	14	18.79	263.06
Elbow 25KV	28	149.5	149.5
Secondary Bar 6	18	21.38	384.84
Secondary Bar 8	18	29.97	539.46

*Lighting will be decided by developer Est. total: 165,316.33

Eastern Ridge Material List

Material:	Qty:	(CES Quote)	
		Price Per:	Total Price:
25 KVA pad mount	6	7943.48	47,660.88
50 KVA pad mount	6	9997.83	59,986.98
Transformer pad	12	597.83	7,173.96
Primary cab (above ground)	2	950.5	1,901
Secondary cab (above ground)	9	275	2,475
Secondary box (below ground)	35	215.98	7,559.30
Secondary box (below ground light)	11	Waiting for quote	
2" Roll pipe	12,250'	0.73/ft	8,942.50
1/0 UG primary	5,000'	5.55/ft	27,750
350 triplex UG	750'	4.13/ft	3,097
4/0 triplex UG	3,000'	2.38/ft	7,140
1/0 triplex UG	3500'	1.52/ft	5,320
#6 triplex UG	500'	0.86/ft	430
#2 bare copper	150'	1.59/ft	238.5
Ground Rods	14	18.79	263.06
Elbow 25KV	28	149.5	4,186
Secondary Bar 6	18	21.38	384.84
Secondary Bar 8	18	29.97	539.46

*Lighting will be decided by developer Est. total: 185,048.48

CITY OF NEWTON REQUEST FOR COUNCIL ACTION

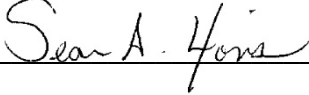
DATE: March 24, 2025

TO: Sean Hovis, City Manager

FROM: Dusty Wentz

CONSIDERATION OF: Budget Ordinance Amendment for Additional Funds for Multiple Electric Operational Line Items

Approved for Council Consideration



Background:

Several electric distribution system line items are projected to be exhausted prior to the end of the fiscal year. Staff requests additional funds for each, as detailed below.

- Salaries & Wages-Overtime
 - Requested additional funds: \$15,000 (Total for FY: \$77,400)
 - Utilization per month: \$5,000
 - Actual budget FY 2024: \$42,079.26
 - Justification: In addition to multiple residential development extensions, thereby reducing maintenance on the system as a whole and increasing callback frequency for linemen due to outages, overtime for both project managers and both locators are funded through this line item. Project managers must work when the construction crews work, and locators must respond to emergency locate tickets as needed. Overtime for locators has been increased this fiscal year particularly due to underground communication cable installations.
 - Impact if unfunded: No impact. Transfers for other operational line items will fund overtime. Other projects or programs will be delayed.
- Distribution Supplies & Maint-Minor
 - Requested additional funds: \$133,216 (Total for FY: \$423,416)
 - Utilization per month: \$36,287.50 (\$11,102.39 over budget now)
 - Justification: This line item funds material costs for repair and maintenance of the electrical distribution system. Actual budget FY 2024: \$475,182. With this budget addition, the amended budget for FY 2025 will be \$423,416, which is slightly less than last year's actual.
 - Impact if unfunded: No maintenance, only repairs, until end of FY, then playing catchup at the beginning of FY 2026. Damage or storms may force revisiting this request.
- Electric Expenses / St Lighting
 - Requested Additional funds: \$24,000 (Total for FY: \$74,000)
 - Utilization per month: \$6,000
 - Actual budget FY 2024: \$61,022.45
 - Justification: Additional lighting in residential developments are coming on line, both provided by the city and by Duke power (which the city pays for). This increase in cost reflects development growth.
 - Impact if unfunded: No impact. Transfers from other operational line items will fund Street Lighting Expense. Other programs or projects will be delayed.

- Generator Fuel Charges
 - Requested additional funds: \$45,000 (total for FY: \$295,000)
 - Utilization Per Month: \$15,000
 - Actual budget FY 2024: \$211,988.78
 - Justification: Budget proposal was calculated assuming historical 4 hour peak shaving runtimes would continue. Almost all peak shaving runtimes in FY 25 have been 8 hours, greatly increasing fuel consumption. Cost saving in the wholesale bill (in demand charges) should reflect this increased cost.
 - Impact if unfunded: No impact. The City is contractually obligated with NCMAPA1 to operate the generators during peak shaving events unless generators are inoperable. Other programs or projects will be delayed.

Action Suggested:

Staff requests council approve the attached budget ordinance amendment in the amount of \$217,250 for the additional funding in multiple line items.

ORDINANCE

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2024-2025 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City Council desires to amend appropriations in the Electric Distribution Division Budget, and,

WHEREAS, the City Council desires to utilize fund balance and appropriate those funds to the Electric Distribution Division for additional funding in multiple line items; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Electric Distribution Fund Revenues

Fund Balance Appropriated	63-0000.3995	\$217,250
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Electric Distribution Fund Appropriations

Salaries & Wages-Overtime	63-7201.4220	\$15,000
Distribution Supplies & Maint.-Minor	63-7201.5460	\$133,250
Electric Expenses / St. Lighting	63-7201.6301	\$24,000
Generator Fuel Charges	63-7201.7815	\$45,000

Adopted this first day of April 2025.

Attest:

Jerry T. Hodge, Mayor

Amy S. Falowski, City Clerk

