

**MINUTE BOOK 23, PAGE 495
CITY OF STATESVILLE COUNCIL MEETING – June 7, 2010
CITY COUNCIL CHAMBERS – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

Council Present: J. Johnson, Steele, Matthews, Gregory, Eisele, Huggins,
M. Johnson, Matthews

Staff Present: Regan Dudley, Fugett, Hites, Salmon, Smyth, Pressley,
Cornelison, Cranford, Anderson, Bullins

Media Present: J. McNally – Record & Landmark
D. Vieser – Charlotte Observer

Visitors: 4

Invocation

The invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

Mayor Kutteh reported a request to approve a street easement between Gordon Realty and the City of Statesville would be added to the agenda as the first item of business on the Regular Agenda.

CONSENT AGENDA – All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion on these items unless a Council member so requests, in which event, the item will be removed from the Consent Agenda and considered with the other items listed in the Regular Agenda.

- A. Approve minutes of the pre-agenda meeting of April 29, 2010, and the Council meeting of May 3, 2010.**
- B. Approval of a semi-annual write-off of approximately \$143,287.04 in utility accounts.**
- C. 2nd reading of an ordinance to condemn 1116 4th St. as unfit for human occupancy.**
- D. 2nd reading of Text Amendment TA-10-01 filed by the City of Statesville to amend Section 20.18 Fencing and Section 40.3 Rules Governing Boundaries.**
- E. Receive and concur with the 2010-2011 Budget for the Statesville Convention and Visitors Bureau.**
- F. Approve administrative budget changes transferring funds from capital lines to operating for items purchased below the capitalization threshold.**

Upon a motion by Council member Matthews, seconded by Council member Eisele, the Consent Agenda was unanimously approved.

Regular Agenda

Approve a street easement between Gordon Realty (division of Gordon Iron and Metal) and the City of Statesville.

Mayor Kutteh reported on March 21, 2005 the City approved (in concept) a future access road connecting property owned by the Gordon family with Business Park Road south of the City's electric substation. The Gordon family has agreed to pay \$2,022 for an area of 3,203 sq. ft. for the permanent easement. This fee was established by using \$27,500 per acre, which is the discounted market rate charged to Business Park customers. The location of the easement has been inspected and approved by Larry Pressley and Mr. Gaines approved the document less any fees the Council may impose.

City Manager Rob Hites stated City Attorney Regan Dudley reviewed the easement and there are minor changes that need to be made relative to PIN numbers. Mr. Dudley asks if Council chooses to approve this, it be approved subject to final approval by the City Attorney.

Upon a motion by Council member Steele, seconded by Council member Gregory, the motion to approve a street easement between Gordon Realty and the City of Statesville was unanimously approved, subject to final approval of the easement by the City Attorney.

Conduct a Public Hearing concerning the condemnation of 1711 Unity Dr. and pass an ordinance to condemn the structure as unfit for human occupancy.

Planning Director David Currier reported the structure has been vacant for a number of years and the location of the owners are unknown. The exterior doors have been kicked in and numerous windows are broken. It appears people have been going into the house for illegal purposes and the house is cluttered with debris. There are numerous leaks in the roof which has caused the ceiling to fall in many of the rooms and the floors to rot. These are all violations of the City's minimum housing code standards. The tax value of the house is \$55,630.00. The estimated cost to repair exceeds \$50,000.00 and as such, exceeds fifty percent of the house's present value and thereby qualifies for condemnation. Taxes are due for 2005-2009 in the amount of \$3,678.20.

Council member Steele asked if the City will demolish the structure then lien the property in hopes of reimbursement. Mr. Currier agreed that was the procedure.

Council member Huggins reported there had been numerous complaints about the structure.

Mayor Kutteh declared the public hearing open and asked if there was anyone who wished to speak in opposition or in favor of this issue. There being no speakers, Mayor Kutteh closed the public hearing and asked for a motion from Council.

Upon a motion by Council member Huggins, seconded by Council member Stallard the motion to pass first reading of an ordinance to condemn the structure at 1711 Unity Dr. as unfit for human occupancy was unanimously approved.

Approve the 2010-2011 Municipal Operating and Capital Budget Ordinance.

Finance Director Lisa Salmon stated in accordance with provisions of NC General Statutes, the City Manager's Proposed Municipal Operating and Capital Budget for fiscal year 2010-2011 was presented to Council on May 3, 2010. A public hearing on the proposed budget was conducted on May 17, 2010. Three budget workshops were held by the Council on May 24, 26, and June 1, 2010 and the following changes to the proposed budget were authorized:

<u>General Fund Revenues as Proposed</u>	\$25,024,085
Increase Current Year Ad Valorem Property Tax	322,483 (revised estimate)
Increase Downtown Ad Valorem Tax	1,488 (revised estimate)
Increase Fund Balance Appropriated	161,787 (15FF's/operations-2 mos.)
Total	<u>\$25,509,843</u>

<u>General Fund Expenditures as Proposed</u>	\$25,024,085
Increase 5535 – Street Improvements (paving)	322,483
Increase 4900 – Main Street Program	1,488
Increase 5300 – Fire Department	161,787 (15 FF's/operations-2 mos.)
Decrease 5541 – Public Grds. & Cemeteries	(33,283)* (1 Full-time custodian)
(* \$34,107 provided originally was incorrect – should be \$33,283)	
Increase 6210 – Recreation Admin.	16,470 (Contracted janitorial services)
Increase 6240 – Parks	16,813 (Garfield park project)
Total	<u>\$25,509,843</u>

Ms. Salmon stated the City wide property tax rate is \$0.38 per \$100 valuation and \$0.10 per \$100 in the Downtown Service District. A revised schedule of fire inspection fees will go into effect on July 1, 2010.

Ms. Salmon reviewed the Electric Fund, the Water & Sewer Fund and the Civic Center Fund as follows. She reminded Council, an increase in retail electric rates of 5.0% and an increase in Water and Sewer rates of 6% will go into effect on July 1, 2010.

<u>Electric Fund Revenues as Proposed</u>	\$40,811,500
Increase Pole Rental	<u>64,000</u> (new agreement – AT&T)
Total	\$40,875,500

<u>Electric Fund Expenditures as Proposed</u>	\$40,811,500
Increase Purchase for Resale	<u>64,000</u>
Total	\$40,875,500

No Changes to the Water & Sewer Fund \$10,305,271

No Changes to the Civic Center Fund \$1,006,005

Total Budget Ordinance:	
General Fund	\$25,509,843
Electric Fund	40,875,500
Water & Sewer Fund	10,305,271
Civic Center Fund	<u>1,006,055</u>
Total	\$77,696,669

Ms. Salmon pointed out the two Capital Projects authorized by Council, the City Hall renovation and the Streetscape project, are not included in this budget and will be appropriated separately.

Mayor Kutteh thanked staff for their work on the budget and reminded Council next year would be more difficult due to recurring costs such as staffing Fire Station #4 and the possible renewal of the Statesville/Iredell Gang Initiative for which there are no counterbalancing revenues at this time.

Upon a motion by Council member Stallard, seconded by Council member Huggins, the motion to approve the 2010-2011 Municipal Operating and Capital Budget was approved.

Council member J. Johnson stated he was not satisfied with this budget and would vote against it.

Council member Gregory asked for clarification of the two Capital Projects authorized by Council. Staff reiterated the two projects were not in this budget and would be appropriated separately.

The vote was as follows:

Ayes: Steele, Gregory, Eisele, M. Johnson, Matthews, Huggins, Stallard
Nays: J. Johnson
Motion carried 7-1

Approval of Capital Improvement Plan (CIP) for fiscal years 2011 through 2016.

Ms. Salmon reported the Capital Improvement Plan (CIP) was presented on May 3, 2010 and is for fiscal year 2010-2011 plus five planning years. Capital items included in the five planning years (2012-2016) are subject to annual review and approval during the budget process.

Upon a motion by Council member Stallard, seconded by M. Johnson, the motion to approve the Capital Improvement Plan for fiscal years 2011 through 2016 was unanimously approved.

Approve the 2010-2011 Budget Ordinance for the Property and Casualty Liability Fund.

Ms. Salmon reviewed the 2010-2011 Property and Casualty Liability Fund Budget Ordinance proposed in the amount of \$759,774. Council discussed the need to limit the amount of funds accumulated in this account. Council directed staff to determine a model to resolve this and present to Council at the June 21, 2010 meeting.

Upon a motion by Council member Huggins, seconded by Council member Stallard, the motion to approve the 2010-2011 Budget Ordinance for the Property and Casualty Liability Fund was unanimously approved.

Approve the 2010-2011 Budget Ordinance for the Health Insurance Fund.

Ms. Salmon reviewed the 2010-2011 Budget Ordinance for the Health Insurance Fund as proposed in the amount of \$3,318,500. Mayor Kutteh asked if the entire amount of the premium increase was passed to employees. Ms. Salmon replied yes.

Upon a motion by Council member Stallard, seconded by Council member Gregory, the motion to approve the 2010-2011 Budget Ordinance for the Health Insurance Fund was unanimously approved.

Approve the 2010-2011 Budget Ordinance for the Occupancy Tax Fund.

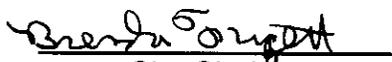
Ms. Salmon reviewed the 2010-2011 Budget Ordinance for the Occupancy Tax Fund as proposed in the amount of \$605,000.

Upon a motion by Council member Steele, seconded by Council member Stallard, the motion to approve the 2010-2011 Budget Ordinance for the Occupancy Tax Fund was unanimously approved.

There being no further business, upon a motion by Council member Steele, seconded by Council member Matthews, Council unanimously approved the motion to adjourn.

ATTEST:


Mayor


City Clerk

