

**MINUTE BOOK 24, PAGE 020
CITY OF STATESVILLE COUNCIL MEETING – August 02, 2010
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

Council Present: Gregory, J. Johnson, Eisele, M. Johnson, Huggins, Stallard

Council Absent: Matthews, Steele

**Staff Present: Fugett, Gaines, Smyth, Salmon, Weatherman, Pressley,
Ashley, Cornelison, Davis**

Media Present: Dave Vieser – Charlotte Observer

Visitors: 0

Call to Order

Invocation

The invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

Mayor Kutteh reminded Council National Night Out is Tuesday, August 3, 2010 at the Civic Center from 5:00 to 9:00 p.m., the groundbreaking ceremony for the new Grace Park Center is Friday, August 6, 2010 at 10:00 a.m. and the Quality of Life Committee will be holding a meeting on August 5, 2010 at 10:00, location to be determined.

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 June 17, 2010 and the Council Meeting of June 21, 2010.**
- B. Authorize the rollover of outstanding purchase orders and approve Budget Amendment #5.**
- C. Consider passing 2nd reading of an ordinance to amend Chapter 14 Offenses-Miscellaneous, Article III, Section 14.53 Discharging Firearms, Combustibles.**
- D. Consider passing 2nd reading of an ordinance to annex the Iredell Development Company Property located on the east side of Intercraft Drive.**
- E. Approve Budget Amendment #06 for Statesville Housing Authority request for sewer line relocation.**
- F. Approve resolution to allow the City Attorney and the staff of the Recreation Department the authority to negotiate a lease agreement for Abernathy Park.**

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

REGULAR AGENDA

Consider passing 2nd reading of TA10-03 filed by the City of Statesville to Replace the Zoning and Subdivision Ordinances with a Unified Development Code.

Sherry Ashley explained since first reading there were minor grammatical changes and #3 on page 194 has been revised. Staff recommends approval with the exception of Section 6.04 -Landscaping, with these minor edits and with a two year permit deadline for sign replacement as part of the I-77, I-40, and U.S. 21 widening project.

Council member Gregory asked for clarification of the language in the UDC which states "no land disturbing activities should take place within a stream buffer". He stated most stream buffers maintained by the City are cleared but the rest are not and are a nuisance. He asked if clearing would violate Code. Ms. Ashley stated there is flexibility in the Code to allow certain things.

Council member M. Johnson made a motion to approve 2nd reading of TA10-03 with the exception of Section 6.04 - Landscaping, with minor edits and with a two year permit deadline for sign replacement as part of the I-77, I-40, and U.S. 21 widening project, seconded by Council member Stallard, the motion was unanimously approved.

Approve Property and Casualty Insurance Optimal Fund Balance Policy.

Lynn Smyth explained the Property and Casualty Insurance Fund (034) is an internal service fund established to fund property and casualty liability claims, workers compensation claims, insurance premiums and other occasional loss control programs. She stated it is important to retain sufficient balance in the fund to assure prompt and timely payment of claims, insurance premiums and other obligations of the fund that may occur during a fiscal year but also assuring that supporting funds are reaping the benefits of current deductibles, claims trends, insurance price variations and other loss control measures intended to minimize the City's total loss cost. In an effort to achieve an optimal balance, the recommended policy considers material deductible reserving, recent claims trends, unusual insurance premium fluctuations and incurred but not reported claims. The policy will require an annual review of these items and a calculation of a recommended optimal balance with internal departmental premiums being adjusted accordingly. The policy recognizes that routine claims expenses, normal insurance premiums with regular fluctuations and other various loss control programs should be calculated into the annual operating budget. Ms. Smyth explained the Optimal Fund Balance Calculation Sheet. Using this, staff calculates the City's Optimal Fund Balance to be \$621,649. The estimated cash at fiscal year end 2010-2011, subject to year end liabilities is \$720,000.

Mayor Kutteh asked if all funds contribute to this. Ms. Smyth replied the water/sewer fund, electric fund, general fund and civic center fund all contribute. Mayor Kutteh asked what percentage each fund contributed. Ms. Smyth replied that had not been calculated.

Council member M. Johnson stated claim payments have trended downward over the last five years and felt the average adjusted incurred claim of 1.5% is a too high.

Council member M. Johnson made a motion to approve this methodology but change the average adjusted incurred claim from 1.5% to 1% of the average of claims over the last five years and excess funds to be returned to the general fund, electric fund, water/sewer fund and civic center fund, seconded by Council member Eisele.

Council member Gregory asked Ms. Salmon her opinion of using 1%. Ms. Salmon stated if unexpected claims arise and there are insufficient funds in the Property and Casualty Liability Insurance Fund to cover them, staff will need to request additional funding from Council.

Council member Stallard stated all funds are earning interest regardless of which fund they are in and Council should take staff's recommendation and use 1.5%.

Mayor Kutteh asked Council for a vote on the motion. The vote was as follows:

Ayes: M. Johnson, Eisele

Nays: Stallard, Gregory, J. Johnson, Huggins

Motion failed 4-2

Council member Stallard made a motion to approve the Property and Casualty Insurance Optimal Fund Balance Policy as presented by staff, seconded by Council member Huggins. The vote was as follows:

Ayes: Stallard, Huggins, Gregory, J. Johnson

Nays: Eisele, M. Johnson

Motion passed 4-2

Consider approval of Municipal Agreement for Streetscape review and inspection along Center Street and Broad Street at Tradd Street and approve Budget Amendment # 7.

Larry Pressley explained as a part of the Streetscape improvements, NCDOT requires the City to upgrade the traffic signal system. The traffic signal improvements will be bid as a part of the Streetscape project. NCDOT will review the plans and inspect the work. NCDOT requires the City to deposit \$15,000 in advance. Any unused funds will be returned to the City after the project is completed. Staff recommends approval of the Municipal Traffic – Review and Inspection Agreement in the amount of \$15,000 and approval of Budget Amendment #7.

Council member Huggins made a motion to approve the Municipal Agreement for Streetscape review and inspection along Center Street and Broad Street at Tradd Street and approve Budget Amendment #7, seconded by Council member Stallard. The vote was as follows:

Ayes: Huggins, Stallard, Eisele, M. Johnson

Nays: J. Johnson, Gregory

Motion passed 4-2

Approve a request by Mr. Gaines to remove Intercraft Drive from the list of streets recommended for sidewalks by the "Sidewalk Master Plan".

Mr. Gaines stated he received a request from Harry Tsumas to review the need for sidewalk on Intercraft Drive. The street is industrial in nature and substantially built out. The developed parcels do not have curb and gutter. The property behind the street has been purchased by Iredell County for expansion of the Landfill so future extension of the road is out of the question. Several months ago Mr. Tsumas brought a site plan for a new structure on one of the last parcels in the cul de sac and was required to install sidewalk. Given that the street is industrial and abuts the County's future landfill it is doubtful that it will become a useful link to the pedestrian travel system in Statesville. Mr. Gaines has reviewed Mr. Tsumas's request and believes it is reasonable to delete the street from the City's "Sidewalk Master Plan".

Council member Gregory made a motion to approve a request to remove Intercraft Drive from the list of streets recommended for sidewalks by the "Sidewalk Master Plan", seconded by Council member Eisele. The motion was unanimously approved.

There being no further business, upon a motion by Council member Eisele, seconded by Council member J. Johnson, Council unanimously approved the motion to adjourn.



Carroll W. Huffel

Mayor

ATTEST:

Brenda Forget

City Clerk