

**MINUTE BOOK 24, PAGE 226  
CITY OF STATESVILLE COUNCIL MEETING – June 06, 2011  
IREDELL COUNTY GOVERNMENT CENTER – 7:00 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

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

**Council Absent:** 0

**Staff Present:** Hites, Gaines, Fugett, Salmon, Davis, Currier, Pressley, Watts, Hudson, Mendez, Bullins, Cornelison, Ashley, Cranford, Layne

**Media Present:** Dave Veiser-Charlotte Observer, Jim McNally-Record & Landmark

**Others:** 2

**Call to Order**

Mayor Kutteh called the meeting to order and asked that everyone rise for the invocation and the Pledge of Allegiance.

**Invocation**

The invocation was given by the City Clerk.

**Pledge of Allegiance**

The Pledge of Allegiance was led by the Statesville High School Color Guard.

**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 the minutes of the Pre-agenda meeting of April 28, 2011, and the Council meeting of May 02, 2011.**
- B. Approve a resolution honoring Iredell County Manager Joel Mashburn.**
- C. Consider approving a request from Impact Inc., to close the 500 block of South Center Street, between West Bell Street and Garfield Street on Saturday, June 18, 2011 between 12:00 noon and 8:00 p.m. to sponsor the annual “Juneteenth” event.**
- D. Approve 2<sup>nd</sup> Reading of Text Amendment TA11-04 filed by Mr. Jerry McKenzie of Sign World, Incorporated, to amend Section 6.07, Sign Regulations, I. Exempt Signs-Menu Boards.**
- E. Approve administrative budget changes to transfer funds from capital lines to operating for items purchased below the capitalization threshold.**
- F. Approve Budget Amendment #38 to appropriate an additional \$15,000 in the General Fund for property tax refunds.**
- G. Receive and concur with the 2011-2012 Budget adopted by the Statesville Convention and Visitors Bureau Board of Directors on May 24, 2011.**
- H. Approve a write-off of approximately \$57,086.80 in Miscellaneous Accounts Receivable.**
- I. Approve a semi-annual write-off of approximately \$135,383.67 in Utility Accounts.**
- J. Approve a write-off of approximately \$2,462.49 in water and sewer assessments.**
- K. Approve Budget Amendment #39 to appropriate additional funds of \$936,000 for wholesale purchased power in the Electric Fund due to higher than anticipated sales.**

- L. **Approve Budget Amendment #40 to combine NCDOT Aviation Grants in the Airport Construction Fund as requested by NCDOT-Division of Aviation.**
- M. **Approve Budget Amendment #41 to appropriate additional funds in the amount of \$19,165 to the Occupancy Tax Fund due to higher than anticipated Occupancy Tax revenues.**
- N. **Approve Budget Amendment #42 to correct errors in adjustments to the Statesville/Iredell Gang Initiative (SIGI) budget made via Budget Amendment #33.**
- O. **Approve Budget Amendment #43 to appropriate additional funds in the amount of \$2,600 for distribution to DSDC from additional property taxes collected in the Downtown Tax District.**
- P. **Award the contract for opening and closing graves in Oakwood and Belmont cemeteries to the lowest bidder, Little J's Backhoe Service.**

**Council member J. Johnson made a motion to approve the Consent Agenda, seconded by Council member Gregory. The motion carried unanimously.**

### **Regular Agenda**

**Approve 2<sup>nd</sup> Reading of Text Amendment TA11-05 filed by the City of Statesville to amend Article 6, Development Standards, Section 6.07, Sign Regulations, C. Definitions and Table 6-13, Permitted Signs.**

David Currier gave a brief background of the text amendment. He stated staff recommends allowing the O&I-2 districts a 10% wall signage façade ratio with a cap of 500 square feet or a second option of allowing the O&I-2 district to have 10% sign to façade ratio with hospitals being allowed a cap of up to 500 square feet and all other O&I-2 uses 10% with a 200 square foot cap.

**Council member M. Johnson made a motion to approve 2<sup>nd</sup> Reading of Text Amendment TA11-05 filed by the City of Statesville to amend Article 6, Development Standards, Section 6.07, Sign Regulations, C. Definitions and Table 6-13, Permitted Signs provided that Table 6-13 be amended to differentiate between O&I and O&I-2, seconded by Council member Stallard.**

Mr. Currier explained that was an error and would be revised. Mayor Kutteh asked Mr. Currier to review the final staff recommendation prior to the vote. Mr. Currier stated the O-1 district would be allowed 10% wall signage for a façade ratio with a 100 square foot cap, the O&I-2 district would be allowed 10% wall signage façade ratio with a 500 square foot cap for hospitals and a 200 square foot cap for all other uses. Business districts would be allowed a straight 10% wall signage façade ratio with no cap.

**The motion carried unanimously.**

**Appoint two members to the Statesville Airport Commission to serve a new term beginning on June 30, 2011 and ending on June 30, 2014.**

David Currier reported that the terms of Mitch Johnson and Bill Long on the Statesville Airport Commission will expire June 30, 2011. Mr. Johnson is willing to serve another term on the Airport Commission; however, Mr. Long has informed staff that he is not interested in serving another term. The City Council will need to appoint someone to replace Mr. Long and either re-appoint Mr. Johnson to another term or appoint another interested volunteer in his place.

Mayor Kutteh asked Council members for nominations.

**Council member Stallard nominated David Alexander.  
Council member J. Johnson nominated L.A. Parks.  
Council member M. Johnson nominated Mitch Johnson.**

**Council member Steele made a motion to close the nominations, seconded by Council member Eisele. The motion carried unanimously.**

Ballots were distributed to Council members and Mayor Kutteh instructed Council members to vote for two members. The vote was as follows:

<b>John Gregory</b>	<b>Mitch Johnson, L.A. Parks, Jr.</b>
<b>Paula Steele</b>	<b>David Alexander, L.A. Parks, Jr.</b>
<b>Jap Johnson</b>	<b>David Alexander, L.A. Parks, Jr.</b>
<b>Bonita Eisele</b>	<b>David Alexander, L.A. Parks, Jr.</b>
<b>Michael Johnson</b>	<b>David Alexander, Mitch Johnson</b>
<b>Ron Matthews</b>	<b>Mitch Johnson, L. A. Parks, Jr.</b>
<b>Flake Huggins</b>	<b>David Alexander, Mitch Johnson</b>
<b>Cecil Stallard</b>	<b>David Alexander, L.A. Parks, Jr.</b>

City Attorney Eddie Gaines tabulated the votes with the following results: David Alexander – 6, L.A. Parks, Jr. – 6, Mitch Johnson – 4. Mayor Kutteh announced that David Alexander and L.A. Parks were selected for appointment to the Airport Commission.

**Approve the appointment of one alternate member to the Board of Adjustment.**

David Currier reported that the term of David Steele on the Statesville Board of Adjustment as a regular member will expire on July 01, 2011. Changes were made to the Board of Adjustment membership requirements, and appointment to the Board of an alternate member will be needed, as opposed to another regular member who resides within the City. City Council will need to appoint an alternate member from either those who are interested volunteers or from within its current membership. Mr. Steele has submitted an updated volunteer form to continue his service on the Board of Adjustment and has stated that he would be interested in serving as an alternate. Staff has also received volunteer forms from David Alexander and Eric Carrillo, both of whom reside within the City Limits.

**Council member Eisele made a motion to recuse Council member Steele due to a conflict of interest, seconded by Council member J. Johnson. The motion carried unanimously.**

Mayor Kutteh asked Council members for nominations.

**Council member Stallard nominated David Steele.**

**Council member M. Johnson made a motion to close the nominations, seconded by Council member J. Johnson. The motion carried unanimously.**

**Council member M. Johnson made a motion to appoint David Steele to the Board of Adjustment as an alternate member, seconded by Council member Eisele. The motion carried unanimously.**

**Council member J. Johnson made a motion to unrecuse Council member Steele, seconded by Council member Eisele. The motion carried unanimously.**

**Consider approval of an audit contract with Potter & Company in the amount of \$43,134 for fiscal year ending June 30, 2011.**

Lisa Salmon stated in accordance with NC General Statutes, the City is required to have an annual independent audit. Potter and Company from Mooresville has conducted the City's annual independent audit for the previous five years. The fee for the previous two years' audits has been \$42,000. Mr. Bob Taylor of Potter & Company indicates that his firm will provide auditing services for June 30, 2011 for \$43,134; an increase from last year's fee of \$1,134, or 2.7%, the annual change in the consumer price index (CPI). At staff's request, Mr. Taylor prepared a proposal to conduct the next four succeeding years' audits to be adjusted by the annual change in CPI (either increase or decrease). These fees are without regard to the number of grants requiring single audit work in those years, which can vary greatly from one year to the next. Staff recommends approval of the audit contract with Potter & Company for fiscal year ending June 30, 2011 for a fee of \$43,134 and also recommends Potter & Company for the next four succeeding year's audits to be annually approved by contract as indicated above.

Council member M. Johnson asked if staff had requested Potter & Company charge the same fee as the previous year. Ms. Salmon stated staff had requested a proposal for the upcoming audit plus the next four because Potter & Company had charged the same fee for the previous two years.

Council member Steele asked if proposals were requested from other auditing firms. Ms. Salmon replied that was possible even though it is late in the fiscal year and staff would do so if directed to by Council. She explained that Potter & Company was selected five years ago because they were the most qualified and had submitted the lowest proposal. Ms. Salmon stated that the City had then used Potter & Company successfully in those following five years so staff had requested the current proposal that she believed was reasonable and was recommending to Council.

Mayor Kutteh asked if Council approved the contract for this year but not the additional four years could the contract be rebid. Ms. Salmon stated that Mr. Taylor may choose not to do that because he had given the City his best price this year. Mayor Kutteh asked if Council approves the contract for four more years is the City obligated to Potter & Company for four years. Ms. Salmon stated neither the City nor Potter & Company is under any obligation to each other beyond a one year contract. Staff is looking for direction for the next four years.

**Council member J. Johnson made a motion to approve an audit contract with Potter & Company in the amount of \$43,134 for fiscal year ending June 30, 2011 and for the next four succeeding year's audits to be adjusted by the annual change in CPI, either increase or decrease, and without regard to the number of grants requiring single audit work in those years, to be annually approved by contract, seconded by Council member Stallard.**

Council member M. Johnson questioned why the motion should include the next four years if the City is under no obligation beyond the one year contract. Ms. Salmon stated this is mainly to give staff direction for the next four years and it also gives the auditor the indication that the City plans to use his services for the next four years. An audit is fairly expensive on the front end so the auditor is able give his best price with the impression that he will have a contract with the City again over the next four years.

Council member Steele asked if bids could be received next year of Council chooses. Ms. Salmon stated Council could, this contract is only for this fiscal year, but she is recommending that Council elect to choose this proposal. Council member Steele stated she was not saying that the City should change auditors but it would not hurt to get other proposals to ensure that Potter & Company is still the lowest proposal.

Mayor Kutteh asked how including the future four years helps the auditor or staff if neither are under obligation. Ms. Salmon explained this lets staff know not to go for RFP's next year and exactly what the audit costs will be and it helps the auditor if he believes he will have the contract again.

**The vote was as follows:**

**Ayes: J. Johnson, Stallard, Gregory, Eisele, Matthews, Huggins**

**Nays: M. Johnson, Steele**

**Motion carried 6-2**

**Approve the 2011-2012 Municipal Operating and Capital Budget Ordinance.**

Ms. Salmon stated the proposed 2011-2012 Municipal Operating and Capital Budget was presented to Council at the May 02, 2011 regular Council meeting and a public hearing was conducted at the May 16, 2011 regular Council meeting. She reported that in accordance with the three budget workshops that were held by Council on May 11, 17 and 18, 2011 the following changes to the proposed budget were made:

1. Reduce General Fund citywide property tax rate from \$.405 to \$.38. Total estimated value of property is \$2,935,452,223.
2. Reduce Downtown Service District property tax rate from \$.11 to \$.10. Total estimated value of property is \$98,674,059.
3. Increase General Fund Balance Appropriated from \$1,154,002 to \$1,847,967.

Ms. Salmon reviewed Fund Balances and various General Fund fee increases in the ordinance. Council member Steele clarified that the electric rate increase was simply a pass through increase as a result of a wholesale rate increase.

**Council member J. Johnson made a motion to approve the 2011-2012 Municipal Operating and Capital Budget Ordinance, seconded by Council member Gregory/M. Johnson.**

Council member Stallard emphasized he opposed this budget for various reasons. One is that for the last three years the City has withheld pay increases to City employees at 3.5% a year which amounts to 10.5%. Council has chosen to take this money and redistribute it in the budget to make up a shortfall of approximately \$750,000. This budget is being balanced on the backs of 400 employees as opposed to the backs of 24,000 citizens. He stated he fundamentally disagrees with this and will oppose any budget in the future that does not start with a revenue neutral rate. Council member Stallard said the City is already in the negative almost \$800,000 and he is concerned that this negative balance will be even higher and passed on in the coming years. He stated he is also opposed to the next three items on the agenda as they are a part of this budget.

Council member M. Johnson asked Mr. Hites what his proposal was for City employees in the 2010-2011 budget proposal that included the \$405 revenue neutral rate. Mr. Hites answered that at Council's direction during the Council Retreat, the proposal did not include an employee salary increase. Council member M. Johnson asked Mr. Hites what his recommendations were for City employees in the proposed 2009-2010 budget. Mr. Hites stated he had not recommended any pay increases. Council member M. Johnson said if there were no pay increases in the budget to begin with, how then is the budget being passed on the backs of the employees. Council member M. Johnson stated that even if Council had voted for revenue neutral the employees would not have gotten an increase as it was not in the original budget proposal. Mr. Hites stated that was correct unless City Council would have added it during budget deliberations.

Council member Stallard stated during budget deliberations it was suggested giving a 1%-2% onetime employee bonus. He stated that giving back 1% of the 10.5% is equivalent to taking \$1.00 and giving back a dime. Regardless of whether it was included in the budget, which was a separate discussion, this budget does not give the employees anything and is taking another 3.5% from them.

Council member M. Johnson stated that the revenue neutral position did not put pay increases in the budget for the last three fiscal years and he did not understand how Council has taken 10.5% from the employees because a pay increase would not have been given anyway.

Council member Stallard stated if that money had not been withheld it would take a lot more from the General Fund to balance the budget.

Council member J. Johnson stated if the Streetscape project had not been done the City could have given pay increases. Council member Stallard said the Streetscape project is a onetime project. Council member J. Johnson stated the City will be making payments for the next ten years on the project.

Council member Stallard reiterated that he will oppose any future budget that does not contain a revenue neutral rate and include a pay increase for City employees.

**The vote was as follows:**

**Ayes: J. Johnson, Gregory, M. Johnson, Steele, Eisele, Matthews, Huggins**

**Nays: Stallard**

**Motion carried 7-1**

**Approve the 2011-2012 Budget Ordinance for the Health Insurance Fund.**

Ms. Salmon reported that the amount in the Health Insurance Fund is \$3,354,812.

**Council member M. Johnson made a motion to approve the 2011-2012 Budget Ordinance for the Health Insurance Fund, seconded by Council member J. Johnson.**

Council member Stallard stated he also would oppose this ordinance and vote no because it is part of a budget that he feels is fundamentally flawed.

**The vote was as follows:**

**Ayes: M. Johnson, J. Johnson, Gregory, Steele, Eisele, Matthews, Huggins**

**Nays: Stallard**

**Motion carried 7-1**

**Approve the 2011-2012 Budget Ordinance for the Property and Casualty Liability Fund.**

Ms. Salmon reported the amount in the Property and Casualty Liability Fund is \$751,500.

**Council member Huggins made a motion to approve the 2011-2012 Budget Ordinance for the Property and Casualty Liability Fund, seconded by Council member M. Johnson.**

**The vote was as follows:**

**Ayes: Huggins, M. Johnson, J. Johnson, Gregory, Steele, Eisele, Matthews**

**Nays: Stallard**

**Motion carried 7-1**

**Approve the 2011-2012 Budget Ordinance for the Occupancy Tax Fund.**

Ms. Salmon reported the amount in the Occupancy Tax Fund is \$700,000.

**Council member Huggins made a motion to approve the 2011-2012 Budget Ordinance for the Occupancy Tax Fund, seconded by Council member Eisele.**

**The vote was as follows:**

**Ayes: Huggins, Eisele, M. Johnson, J. Johnson, Gregory, Steele, Matthews**

**Nays: Stallard**

**Motion carried 7-1**

**Consider approval of sidewalk construction along Mitchell Avenue in the amount of \$12,100.**

Larry Pressley stated as recently requested by Council, the Public Works staff has prepared a sidewalk estimate for Mitchell Avenue. There are 2 segments of sidewalk that need to be constructed. The cost of Segment 1, which begins near Race Street, is \$5,800, and the cost of Segment 2 which ties it into N. Oakland Avenue is \$6,300, for a total project cost of \$12,000. Staff recommends construction of sidewalk along the south side of Mitchell Avenue utilizing sidewalk funds from 2011-2012 budget, which will be available in the operating budget starting July 01, 2011.

Mayor Kutteh asked how the sidewalk would be installed where there are brick driveways that are in the right-of-way. Mr. Pressley stated staff has talked extensively with the owners near Race Street but have not been able to contact the property owners in the second segment. He stated it appears there will be adequate room to install the sidewalk and it would be installed on each side of the driveway, the brick drive would not be destroyed.

Council member Huggins asked if any sidewalk funds were remaining from last year's budget. Mr. Pressley stated that only \$20,000 was appropriated in the budget for sidewalks and has been spent mainly for sidewalk repairs, which is why staff was recommending utilizing funds from the 2011-2012 budget for this project.

**Council member Huggins made a motion to approve sidewalk construction along Mitchell Avenue in the amount of \$12,100, seconded by Council member Matthews. The motion carried unanimously.**

Council member Huggins asked if there were any plans to repair the sidewalks on Salisbury Road leading into the downtown area from Kimbrough Park and to build sidewalks connecting the park to the downtown area. Mr. Pressley stated that based on the level of funding over the last two years staff has not started any new projects. He explained the sidewalk master plan depicts where the City plans to have sidewalks built, whether it be by the City or by developers and staff can present a list to Council to prioritize. Council member Huggins requested staff prepare a report of the cost to repair broken sidewalk sections and to build sidewalks where there are none on Salisbury Road.

**Consider approval of a proposal from McGill and Associates to perform a Bio-Solids Facilities Study at the 4th Creek Wastewater Treatment Plant in the amount of \$28,600.**

Mr. Pressley reported the Sta-Lime equipment is near the end of its useful life and staff advocates an evaluation of the process to ensure that maintenance and replacement dollars are spent wisely. \$50,000 is available in the current year's budget for the study and a capital project of \$5,000,000 is indicated for 2013 in the capital budget. Staff suggests changing the approach given recent wastewater treatment developments. The study at 4<sup>th</sup> Creek will focus on the most effective way to rehabilitate/replace the Sta-Lime process at 4<sup>th</sup> Creek at a significantly reduced capital expenditure and the land application process that is currently utilized at 3<sup>rd</sup> Creek will continue to be used to handle Class B biosolids. Staff recommends accepting the proposal from McGill and Associates for the Fourth Creek WWTP biosolids facilities study in the amount of \$28,600.

Council member M. Johnson asked if the \$50,000 would be rolled over into the 2011-2012 budget. Mr. Pressley stated the \$28,600 will be encumbered and the remainder would be returned to fund balance.

**Council member M. Johnson made a motion to approve a proposal from McGill and Associates to perform a Bio-Solids Facilities Study at the 4th Creek Wastewater Treatment Plant in the amount of \$28,600, seconded by Council member Stallard. The motion carried unanimously.**

**Award the annual Street Improvement contract for Street Improvements-Division V and Fourth Creek WWTP to the lowest bidder, Maymead, Inc. in the amount of \$787,964 and a project budget of \$831,612.79 and approve Budget Amendment #44.**

Mr. Pressley stated staff received bids for the annual Street Improvement contract on May 26, 2011 at 2 PM and the bids are tabulated below:

1.	Maymead, Inc.	\$787,964.00
2.	Carolina Paving of Hickory	\$835,630.00
3.	Mid State Contractors, Inc.	\$892,337.75
4.	J. T. Russell & Sons	\$912,225.00

This amount is based on unit prices and includes asphalt, adjusting manholes, valve boxes and minor patching as necessary prior to resurfacing to improve rideability of the streets. Due to the rising oil prices, asphalt prices have increased to \$85 per ton. Staff has included Gray Street near N. B. Mills School. The City's Street Division will perform the grading work. Funds available for Division V Streets total \$627,947.79 and the bid amount is \$593,201.00. The funds available for 4<sup>th</sup> Creek WWTP are \$203,665 and the bid was \$194,763.00. Staff recommends a project budget of \$627,947.79 for street resurfacing and \$203,665 for 4<sup>th</sup> Creek WWTP paving. Maymead, Inc. has successfully completed paving projects in surrounding areas and their work has been satisfactory and staff recommends award of the Street Improvements Projects Division V to Maymead, Inc. of Mountain City, Tennessee in the amount of \$787,964.00 and a project budget of \$831,612.79.

Council member Huggins asked if any unpaved streets were included. Mr. Pressley replied that the unpaved portion of Gray Street was included and the cost was higher because it included curb and gutter as there was curb and gutter already built on each end of the street.

Council member M. Johnson clarified that 4<sup>th</sup> Creek is not a street but a service road to the parking lot. Mr. Pressley stated Powell Bill funds were not being used for this, funding for this is from the Wastewater Treatment budget. Council member M. Johnson asked what fiscal year the funds were from. Mr. Pressley replied the 2010-2011 budget. Mayor Kutteh clarified that this amount is already encumbered and staff is asking Council to encumber an additional \$42,876. Mr. Pressley agreed that was correct.

Council member Huggins stated he had understood that 10% of the Powell Bill funds would be designated for street paving, not to include the installation of curb and gutter. Mayor Kutteh stated originally Council had planned to put curb and gutter on all the streets but Mr. Pressley had proposed to Council to not install curb and gutter at areas that did not have curb and gutter on the adjacent piece in order to make the money go further. Mayor Kutteh said that this is a bit more expensive section, but Mr. Pressley indicated that it is still within 10% of the Powell Bill money.

Council member Huggins stated Council should consider paving roads that do not need curb and gutter first in order to get more roads paved.

Council member Steele reminded Council that Powell Bill funds have been significantly reduced over the last few years due to the economy.

Mayor Kutteh stated that significant progress has been made on getting the unpaved roads paved and reminded Council that it had adopted one of the State allowed methods of prioritizing the roads that needed to be paved and have been working down that list. Out of 55 on the list the City has completed approximately 15-18.

Council member Huggins emphasized that the streets on the list had not been paved in order. He felt the short streets should be paved first in order to make the funds go further and get as many roads paved as quickly as possible. Mr. Pressley stated staff has abided by the list that

Council approved, starting at the top of the list. He explained the reason staff included curb and gutter was because that was the policy set forth when the recommendation was made not to install curb and gutter except where it was really needed. If Council wishes to provide other direction staff will follow it.

Mayor Kutteh asked if the portion of Gray Street that is paved has curb and gutter. Mr. Pressley stated it did.

Mayor Kutteh asked Council member Huggins if he wanted to pave Gray Street and not install curb and gutter. Council member Huggins stated he was suggesting that Council consider shorter streets that do not need curb and gutter because the list had not been followed. Mayor Kutteh emphasized he felt staff had been following the list and Council is obligated by State law and Council approval to follow the approved list.

Mayor Kutteh asked Council member Huggins if he is suggesting that Gray Street be passed over. Council member Huggins replied yes, if it needs curb and gutter. Streets should be paved that do not need curb and gutter. Mr. Pressley stated curb and gutter did not have to be installed on Gray Street but that is consistent with the direction staff received from Council.

Mayor Kutteh asked City Attorney Gaines if Gray Street can be skipped at this point and stay compliant with State law. Mr. Gaines stated he would not recommend that.

Council member M. Johnson stated he feels that Council member Huggins is saying that getting the roads covered is more important than doing drainage and curb and gutter. Mayor Kutteh suggested that Mr. Pressley bring the approved Street Paving List for Unpaved Roads to the next pre-agenda meeting and approve this item with the condition that no action is taken until then except that 10% of the Powell Bill money is used. Mr. Pressley agreed that staff would not take any action on Gray Street until further direction is received from Council.

Council member M. Johnson questioned the additional \$42,000. Mr. Pressley stated that when staff received bids it appeared there was \$42,000 left over from the Division U streets but it was later discovered that amount was not correct, there was actually only \$27,000 left over.

**Council member M. Johnson made a motion to approve as presented to award the annual Street Improvement contract for Street Improvements-Division V and Fourth Creek WWTP minus the \$15,164 appropriation from the General Fund, seconded by Council member Stallard. The motion carried unanimously.**

#### **Update on pending legislation.**

Mr. Hites reported that municipalities are opposing being included with State employees and teachers in HB-297, which addresses Employee Sick Leave.

He stated that Council member M. Johnson has been working on HB635 as Chairman of Statesville's Rural Transportation Group. This bill attempts to correct the existing highway equity formula for seven regions to 66% based on population as percentage of state population and 34% as 1/7<sup>th</sup> share of the whole. This would provide more urban areas with substantially more paving money.

SB731, the Aesthetic Control/Zoning Design bill has been amended. The billboard clear cutting bills, HB309 and SB183 are still in committee. HB8 the eminent domain bill has passed the House but was sent to a Senate Judiciary Committee.

SB231 is in the Senate Committee on Agriculture Environment Natural Resources. This bill would allow the State to require local governments to interconnect to regional water or sewer systems when neighboring public or private systems demonstrate that it is too costly to construct or upgrade their own system.

SB583 which would permit only State law enforcement to patrol interstates unless local law enforcement has been requested to assist State law enforcement, are responding to an emergency or the investigation of a crash is in the Senate Committee on Judiciary 1.

Mr. Hites reported that Chief Anderson has advised him that no action is expected this session on the possible merge of Prosecutorial Districts 22A and 22B. HB652, the Property Owners Protection Act which stated that any ambiguity in land use statutes would be resolved in favor of the property owner and free use of the land and that costs and attorney's fees would be awarded to the property owner in a successful challenge of interpretation has been pulled.

HB554, Residential Building Inspections, requires local governments to have probable cause before entering premises to conduct minimum housing inspections is still in the House Committee on Commerce and Job Development.

Council member Steele asked if HB845 would affect System Development Fees. Mr. Hites explained that this bill involves involuntary annexations only. He stated the City of Statesville has done very little involuntary annexations, most are by petition.

**Receive monthly update on the City Hall and Streetscape projects.**

**City Hall**

Jason Layne reported that during the past month the City electric Department installed a new more efficient transformer in the parking lot of City hall to replace the old one. At the same time the contractor installed a new smaller and more efficient switch gear in the basement. The replacement of each was coordinated simultaneously so new service wires could be installed connecting the two. Exterior restoration and cleaning has been taking place over the past month. Cracks in the existing masonry have been repaired and stained areas on the side of the building have been cleaned. The existing exterior screen walls have been removed and preparation for the new brick and mortar screen wall has begun. The contractor is still removing windows a few at a time, rebuilding the sashes and then replacing them. The HVAC work in the basement is 100% completed minus the installation of the units and the electric is 80% complete. The drywall has been installed and finished and plaster repair work is in progress to the finished areas. On the first floor the HVAC and electrical work is still in progress, the drywall has been installed and finished on the framed walls, plaster repair work is in progress to finished areas and primer is being applied to some of the completed walls. The second floor HVAC and electrical work is still in progress. The HVAC ductwork is completely finished and the electric is completed except for the Council Chambers. Plaster repair work is in progress to finished areas. On the third floor the HVAC and electrical work is still in progress, HVAC 90% complete and electric is 25% complete. Plaster repair work continues to finished areas. In the coming month the exterior restoration work will continue as well as the window restorations and the exterior screen wall will be constructed. Inside the HVAC and electrical will continue to be finished, drywall touchups will be done then the painting process will begin. Plaster repair to historic walls will continue and the reconfiguration of the fire escape stairs leaving the Council Chambers will be reinstalled.

Council member Steele requested that Mr. Layne present the revised timeline at the next update.

**Streetscape**

Larry Pressley reported the Streetscape project is in its fourth month of construction and continues to run relatively smoothly and is generally on schedule. Work is a little ahead on Block 3 and a little behind on the Civic Center block. Work continues on the west side of Center Street.

Bell Construction, has completed converting over the water taps from Broad Street to Water Street (Block 3), completed the curb and gutter from Front Street to Broad Street (Block 2) except for the square, and started the curb and gutter between Broad Street and Water Street. Mr. Pressley displayed photos of installed curb and gutter.

The electrical subcontractor, Mastec, has completed the installation of the conduit and light pole bases between Broad Street and Water Street and has also been working on the conduits crossing between the blocks and to the east side of Center Street.

Between Sharp Street and Front Street (Block 1) installation of the new sidewalk and adding the stonework to the seat wall has begun. Mr. Pressley displayed photos of the new sidewalk and the seat wall stonework.

In the weeks ahead, crews will be installing the sidewalk area drains and planter curb in Blocks 1 and 2, completing the sidewalk in Block 1, begin construction of the sidewalk in Block 2 and completing the new curb and gutter in Block 3. The installation of the brick pavers should begin soon in Block 1 as they are finishing the concrete work.

Last month staff updated Council on some of the design revisions required because of the grade changes in curb and sidewalk resulting from the new pavement thickness required by

NCDOT. As was mentioned, some of the planter curbs will be raised and converted to seat walls to handle the grade changes. Mr. Pressley displayed a detail of the seat wall. The seat walls will be located between Court Street and the Drive to City Hall on the east side of the street and near seating areas on the east side of Center Street between Water and Broad Streets. The additional asphalt costs as a result of NCDOT testing and evaluation on Center Street will be paid for by NCDOT in the form of a reimbursable agreement @ an amount not to exceed \$201,000. The reimbursable agreement will require Council action and staff will present it for approval when it is received. The associated changes between the building and the curb due to the asphalt issue are being worked out and the costs fit within the project budget. There will be area drains at low points in the sidewalk and when the planter curb exceeds 12 inches a rock seat wall will be constructed. Mr. Pressley displayed pictures of the new rock work at Center and Sharp streets to demonstrate what it would look like.

The cost of the design changes associated with the revised design and the Construction Administration work will be dealt with by shortening the length of time that Land Design will be involved in the Construction Administration (CA) portion of the project. Rather than paying additional fees, City staff will complete the CA work to stay within the current project budget for the CA portion of the work.

Mr. Pressley displayed photos of the rock work as well as sidewalk before pavers were installed, a photo of the new seat wall detail that will be added and a photo of Center Street looking toward Water Street.

**There being no further business to come before Council, upon a motion by Council member Steele, seconded by Council member Gregory, the meeting was unanimously adjourned.**

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Constantine H. Kutteh, Mayor

ATTEST:

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Brenda Fugett, City Clerk