

**MINUTE BOOK 24, PAGE 240
CITY OF STATESVILLE COUNCIL MEETING – June 20, 2011
IREDELL COUNTY GOVERNMENT CENTER – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: Eisele, Gregory

Staff Present: Hites, Fugett, Pritchard, Gaines, Cornelison, Currier, Salmon, Watts, Hutchens, Smyth

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

Others: 16

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 Boy Scout Troop 175.

Public Comment

Mayor Kutteh explained during the second meeting of each month, citizens are invited to speak about matters not on the current agenda. Mayor Kutteh asked if there was anyone present who wished to address City Council.

Ron Moore, 653 Davie Avenue, spoke of the need for elected officials to tap into the wisdom and experience of citizens in an effort to encourage community involvement in City meetings and works.

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 May 11, 2011, and the Council meeting minutes of May 16, 2011.
- B. Receive a report of a capital purchase of an HVAC unit at Bentley Recreation Center.
- C. Consider a request from JC Penney regarding its economic incentive agreement with the City.

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

Regular Agenda

Approve first reading of an ordinance to amend the City Charter for the purpose of Ward Redistricting.

David Currier explained the 2010 Census showed the City Election Wards have substantial population imbalances which require the City to balance the populations. This is the third meeting required to amend the City Charter. Mr. Currier reminded Council a resolution to notify the public of a charter amendment and authorizing a public hearing was approved by Council June 02, 2011. The public hearing was held June 16, 2011 where three options were presented to Council. Council chose Option 3 for the ordinance, which put all Election Wards within 269 people of the ideal Ward population of 4,089 and also achieved the highest minority majority percentages in Wards 3 and 6. Mr. Currier reviewed the initial Ward analysis.

Council member J. Johnson asked if the minority majority wards included the Spanish population. Mr. Currier stated it did not. The calculations are based strictly on the African American population since that was the population the suite was first established on.

Council member Steele asked how citizens in the affected Election Wards would be notified if their Election Wards has changed. Mr. Currier replied the Iredell County Board of Elections would send notifications to each household.

Council member Steele made a motion to approve first reading of an ordinance to amend the City Charter for the purpose of Ward Redistricting. The motion carried unanimously.

Mayor Kutteh explained that State law requires that City Council business must be conducted during a regularly scheduled meeting. In order to meet the election deadline, some of the steps in the Election Ward redistricting process have been heard and approved by Council during regularly scheduled pre-agenda meetings.

Approve 2nd reading of an ordinance to amend Chapter 12-Motor Vehicles & Traffic, Article VIII-Miscellaneous Rules, Section 12-329: Skates, Coasters & Similar Devices, of the Statesville City Code, to allow law enforcement bicycles and other necessary conveyances on business district sidewalks. (Ord. 16-11)

Captain Watts stated the City of Statesville Code currently prohibits the use of bicycles on downtown business district sidewalks. This amendment would allow more mobility, safety, and visibility for officers working assignments in the downtown areas.

Council member Matthews made a motion to approve 2nd reading of an ordinance to amend Chapter 12-Motor Vehicles & Traffic, Article VIII-Miscellaneous Rules, Section 12-329: Skates, Coasters & Similar Devices, of the Statesville City Code, to allow law enforcement bicycles and other necessary conveyances on business district sidewalks, seconded by Council member Stallard. The motion carried unanimously.

Consider two appointments to the Planning Board.

Mr. Currier stated Planning Board members Bernard Robertson and William Morgan terms will expire June 30, 2011. Bernard Robertson served the unexpired term of Jesse Barker would like to be re-appointed to a second term. William Morgan served the unexpired term of Bob Conkey and was extended to June 30, 2011. Mr. Morgan would like to be re-appointed to a second term. There are several active applications in addition to the current members' applications.

Mayor Kutteh explained if there were more than two nominations, Council would vote by a signed, written ballot and the City Attorney would tabulate the results.

Council member Stallard nominated William Morgan.

Council member Flake Huggins nominated Bernard Robertson.

Council member M. Johnson nominated Todd Lange.

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

Mayor Kutteh announced that William Morgan had been selected for appointment to the Planning Board and there was a tie vote between Bernard Robertson and Todd Lange for the second appointment. He advised Council to cast another vote for either Bernard Robertson or Todd Lange.

Mayor Kutteh announced there was another tie vote between Bernard Robertson and Todd Lange. To break the tie vote, Mayor Kutteh cast his vote for Bernard Robertson.

Mayor Kutteh stated Bernard Robertson and William Morgan were selected for appointment to the Planning Board.

Approve Budget Amendment #45 in the amount of \$9,500 to appropriate additional funds in the concessions line item for the Statesville Leisure Pool.

Brent Cornelison explained that due to higher than anticipated numbers at the pool; additional funds are needed to purchase concession items for resale. To date the number of visitors to the pool is up 14% and revenue is up 17%. The average number of visitors per day is 554.

Council member Steele made a motion to approve Budget Amendment #45 in the amount of \$9,500 to appropriate additional funds in the concessions line item for the Statesville Leisure Pool, seconded by Council member Huggins. The motion carried unanimously.

Consider approval of an ordinance establishing an Economic Development Grant Project Fund. (Ord. 17-11)

Lisa Salmon stated the City has received various state economic grants where the grants funds were budgeted in different funds. The purpose of this fund is to account for all future economic grant funds in one special revenue fund. This will provide the City an accessible record of all future economic grant history in one accounting fund. Staff recommends approval of the proposed ordinance.

Council member Steele asked if all grant funds would go in this fund. Ms. Salmon explained this would be only for Economic Development Grants.

Council member Steele made a motion to approve an ordinance establishing an Economic Development Grant Project Fund, seconded by Council member J. Johnson. The motion carried unanimously.

Approve Budget Amendment #47 for a State grant of \$56,000 from the One NC Fund for the Providencia, USA Inc. Project – Phase I, and an Indemnification Agreement between the City and the Company.

Ms. Salmon stated on February 2, 2009, City Council acted to accept a State grant from the One NC Fund for an economic development project by Providencia, USA, Inc. in the amount of \$56,000. The grant was awarded to the City based on the creation of 60 new jobs and \$60 million in new investment by the Company. The Company has indicated it has met the performance requirements of the grant and is prepared to request payment of the grant funds from the City. This request is to approve the appropriation of the grant funds for payment to the Company by approving BA# 47. Staff also recommends approval of an Indemnification Agreement between the City and the Company to indemnify and hold harmless the City as to any attempt by the State to “recapture” any grant funds paid by the City to the Company.

Council member M. Johnson made a motion to approve Budget Amendment #47 for a State grant of \$56,000 from the One NC Fund for the Providencia, USA Inc. Project – Phase I, and an Indemnification Agreement between the City and the Company, seconded by Council member Matthews. The motion carried unanimously.

Accept a State grant of \$42,000 from the One NC Fund for the Providencia, USA Inc. Project-Phase II, and approve Budget Amendment #46.

Ms. Salmon stated the NC Department of Commerce has awarded the City a second One NC Fund grant for \$42,000 for the Providencia USA, Inc. Phase II economic development project. Providencia USA, Inc. will be eligible to receive the funds once certain performance criteria are met as follows:

- An expansion of the manufacturing facility located in the West Industrial Park, with a goal of retaining fifty-two (52) existing jobs, and creating at least twenty-eight (28) new jobs and \$60 million in new investment within three years from the date the grant was awarded (January 26, 2011).
- The average weekly wage of all permanent full-time jobs at the facility will equal or exceed \$629.
- The Company will provide health insurance for all permanent full-time jobs in at least the minimum amount required for eligibility for tax credits under the William S. Lee Act.

Under the terms of the grant, the City agrees to match the grant at 100%, or \$42,000. The City's payments under its economic incentive agreement with the Company will qualify as grant matching funds, and will be sufficient to match the grant at \$42,000. The staff recommends that the City enter an indemnification agreement with the Company to hold harmless the City as to

any attempt by the State to “recapture” any grant funds. Staff recommends approval of the grant agreement, indemnification agreement, and BA# 46.

Council member M. Johnson made a motion to accept a State grant of \$42,000 from the One NC Fund for the Providencia, USA Inc. Project- Phase II, and approve Budget Amendment #46, seconded by Council member Stallard. The motion carried unanimously.

Mayor Kutteh reminded everyone the grand opening for Fire Station #4 on Martin Lane will be Sunday at 2:00 p.m.

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

Constantine H. Kutteh, Mayor

ATTEST:

Brenda Fugett, City Clerk