

**MINUTE BOOK 24, PAGE 396  
CITY OF STATESVILLE COUNCIL MEETING – April 16, 2012  
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

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

**Council Absent:** 0

**Staff Present:** Hites, Gaines, Fugett, Smyth, Ashley, Pritchard, Salmon, Hutchens, Miglin, Bullins, Davis, Pressley

**Media Present:** Jim McNally-Record & Landmark

**Others:** 16

**Call to Order**

Mayor Kutteh called the meeting to order.

**Invocation**

The Invocation was given by the City Clerk.

**Pledge of Allegiance**

Girl Scout Troop #10642 led the Pledge of Allegiance.

**Public Comment**

Mayor Kutteh explained that during the second meeting of each month citizens are invited to speak about matters not on the current agenda.

Justin Plummer reviewed North Carolina General Statutes regarding signs and advised that there are many political signs that are placed in areas that violate City code and NC General Statutes. He felt the City is choosing to ignore the signs and asked that City staff investigate this.

Mayor Kutteh thanked Mr. Plummer for bringing this to Council's attention. He said staff will check this and asked Mr. Plummer to give Mrs. Ashley the location of political signs that he feels may be in violation.

**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 City Council meeting of March 19<sup>th</sup> and the Pre-Agenda meeting of March 29, 2012.**
- B. Grant permission to the Statesville Police Department to apply for the 2012 Justice Assistance Grant (JAG) via the Bureau of Justice Assistance in the amount of \$12,547, and authorize Daniel Miglin to manage the grant on behalf of the City of Statesville.**

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

**Regular Agenda**

**Conduct a public hearing and consider approving first reading of ZC12-01 filed by Wesley Community Development Corporation for the property located at the end of Phillips Lane; Tax Map 4754-47-9936 from R-8MF CU to R-8MF CU-change of conditions.**

Mayor Kutteh explained that due to a conflict of interest he would step down and Mayor Pro Tem Michael Johnson would preside over this item.

Sherry Ashley presented the staff report for this item as follows:

Originally this site contained a total of 78.21 acres and was zoned R-15 (Suburban Fringe/Low Density Residential). It was rezoned by Broad Street Properties to R-8MF CU on May 5, 1997. Broad Street Properties presented a conceptual plan that proposed 120 apartment units and 53 single-family homes which averaged out to approximately 2.21 units per acre. They also presented that 40 acres would be used for structures and the remaining acreage would be dedicated as open space. The R-8MF district allows up to 9 units per acre. However, the rezoning was approved with the condition (see attached) that the density would not exceed 2.21 units per acre for the 78.21 acres (maximum 172 units) and the conceptual site plan would be used a base for final site plan approval. The final site plan was approved on March 16, 1998 for Phillips Landing for 140 apartment units. The developer at this time indicated that they may not proceed with the single family homes as previously indicated and may leave the area as open space and buffer space.

Currently the site has been divided into 3 parcels (by deed). A 16.643 acre tract "1" that contains the Phillips Landing Apartment Complex (144 units), the 25.363 acre tract "2" proposed for rezoning and the remaining 36.207 acres "3". This leaves only 28 additional units (multi-family or single-family) to be constructed on the two undeveloped tracts.

**Rezoning Request**

Mr. Roy Helm with Wesley Community Development Corporation is considering purchasing the 25.363 acre tract and is requesting to rezone the property to change the condition that restricts the density. There are two conceptual site plans, one which indicates 48 units and the second option which reduces the number of units to 43 and includes garages. Both plans exceed the remaining allowable 28 units. Mr. Helm proposes the new conditions to be:

1. The use is limited to multi-family residential/townhomes
2. The density will not exceed 1.88 units for 25.5 acres (maximum of 48 units)
3. The schematic plan would be used as a base for final site plan approval

In Mr. Helm's notice to the neighbors he explained that one story units would create a transition from the one story single family homes to the two story units in Phillips Landing, an undeveloped buffer along the stream would be retained and it is the intention to donate and/or place a conservation easement on 18 acres of the property for use by City of Statesville Recreation and Parks Department.

**Evaluation**

The two conceptual plans would occupy approximately 7.3 acres out of the 25.363 acre tract. Both conceptual plans indicate one main entrance off of Phillips Lane which is currently a private road. Additional access for fire could be accommodated. Most of the units would be duplexes with some triplexes and/or quadplexes. The plans indicate the required stream buffer and the applicant is willing to provide a greenway connection. In addition, the southeastern portion of the property is located within a floodplain. The City's greenway plan proposes this portion of the site for future greenway extension. Keep in mind the conceptual plans are not to scale and would have to meet the requirements of the Unified Development Code.

The surrounding zoning districts and land uses are as follows:

**NORTH OF THE SITE:** R-15 (Urban Fringe Low Density Residential) District, Landmark Church of God, Eastfield Neighborhood, R-10 (Urban Low Density Residential) District, Diamond Hill Baptist Church, vacant tracts (including greenway) and

**EAST OF THE SITE:** R-8MF CU (Medium Density Multi-Family Conditional Use) District, Philips Landing Apartments  
R-10 (Urban Low Density Residential) District, vacant tracts proposed for greenway extension, R-15 (Urban Fringe Low Density Residential) District, single-family homes

**SOUTH/WEST OF THE SITE:** R-8MF CU (Medium Density Multi-Family Conditional Use) District, remaining vacant acreage, R-15 (Urban Fringe Low Density Residential) District and R-10 (Urban Low Density Residential) District, Dalwan Heights Neighborhood

**Staff Recommendation**

The 2005 Land Development Plan projects the property to be medium density residential (maximum of 6 dwelling units per acre). Staff's recommendation is **favorable** to rezone the property to a conditional use district as presented contingent upon adding the following conditions:

3. A Type "E" buffer will be provided in areas where the buffer is disturbed or currently does not meet the screening density.
4. Easement and/or dedication for greenway extension will be provided to the City of Statesville Recreation and Parks.

\*The remaining 36.207 acre tract will not be able to be developed without a rezoning.

**Planning Board Recommendation**

The Planning Board's recommendation is **favorable** with a 6 to 1 vote contingent upon staff's recommendation of adding the 2 conditions referenced above. The applicants have agreed to include these.

Note: No one spoke in opposition at the Planning Board courtesy hearing. However, the applicant held the required informational meeting prior to submission and there was some opposition from neighbors regarding traffic and one way in and out, the minutes are attached.

In response to a previous question from Council Mrs. Ashley clarified that what looked like a pond on the map is actually drainage ditches.

Mayor Pro Tem M. Johnson declared the public hearing open and asked if there is anyone present who wished to speak in favor or in opposition of this item. There being no speakers Mayor Pro Tem M. Johnson declared the public hearing closed.

**Council member Stallard made a motion to approve first reading of ZC12-01 from R-8MF-CU to R-8MF-CU-Change of Conditions including the two conditions recommended by staff, seconded by Council member J. Johnson. The motion carried unanimously.**

**Approve a resolution to assist a local company in acquiring a Rural Center grant for the upfit of an existing Statesville building.**

John Marek with Statesville Regional Development (SRD) asked Council for their assistance in securing a Rural Center grant to help a local company upfit an existing facility for use by a new division of their company. This business would like to apply for the Building Reuse and Restoration Grant operated by The Rural Center. The process of applying for the grant requires a pre-application conference call between the landowner, which in this case is the business, a City representative, a representative of Statesville Regional Development, and the consultant that the company has hired to administer the grant for them. Rural Center grant regulations say that the company itself cannot apply for the grant. At this time the City must apply on behalf of the business and must approve a Resolution giving the City Manager permission to participate in the pre-application conference call. The purpose of this conference call is to present the business's information to the representatives with The Rural Center then they will make a determination as to whether or not an actual application may be presented for this grant. Mr. Marek explained that in a Tier 3 county, this business is eligible for up to \$240,000, which they must match 100%

and the applying government body must also provide a 5% cash match, which will be funded by the business. The City is not being asked to provide any cash upfront for this project; it would all come from the ultimate applicant. If this grant is issued, the funds are transferred to the City, who then lends the funds to the property owner (business) in the form of a deferred, forgivable loan. The loan will be secured with a loan performance agreement and promissory note signed by the property owner (business). Loan forgiveness requires verification of the job creation requirements by the Rural Center. If job creation goals are not met, a pro rata share of loan funds must be repaid by the property owner through a “claw back” provision in the loan agreement. Mr. Marek advised that in the event the company defaults on the job commitment, the City is required to call in the loan for repayment to the Rural Center. The City will not be required to repay the funds from government funds, but will be required to take any means necessary, including litigation, if required, to recoup the funds from the company.

**Council member West made a motion to approve a resolution to assist a local company in acquiring a Rural Center grant for the upfit of an existing Statesville building, seconded by Council member Gregory. The motion carried unanimously.**

**Approve a retirement incentive for City employees.**

Lynn Smyth stated in an effort to restructure the City workforce, staff developed a retirement incentive package designed to create some open positions within the workforce. At the request of Council the retirement incentive would be available to all employees who currently meet or will meet by their anticipated retirement date, eligibility requirements for full retirement as established by the North Carolina Local Government Employees’ Retirement System. An employee must meet one of the following criteria and agree to retire on July 1, 2012, August 1, 2012 or September 1, 2012

- 30 years of service at any age;
- 25 years of service at age 60;
- 5 years of service at age 65; or
- 5 years of service at age 55 and be a law enforcement officer.

It is estimated the City currently has approximately 24 employees in the general fund who would qualify for the retirement incentive and these employees are dispersed through ten divisions of the general fund.

The following incentive options would be available to qualifying employees:

- Option A: 12 weeks of severance salary  
6 months of paid individual health insurance, if not Medicare eligible
- Option B: 8 weeks of severance salary  
9 months of paid individual health insurance, if not Medicare eligible
- Option C: 4 weeks of severance salary  
12 months of paid individual health insurance, if not Medicare eligible
- Option D: 20 weeks of severance salary  
0 months of paid health insurance
- Option E: 0 weeks of severance salary  
18 months of paid individual health insurance, if not Medicare eligible

The incentive is **totally and strictly** voluntary as legally required. Eligible employees will be provided an offer letter for the incentive and given a minimum of 45 days to accept the offer. Should an employee accept the offer, he or she will be given an additional seven days during which he or she can rescind the decision. After the seventh day, the decision is final. As a part of the acceptance of the offer, the employee will be required to submit an application for retirement to the LGERS. This incentive will in no way alter the payment of other benefits to which an employee is entitled (vacation payout, sick payout, etc). Vacancies created by these

potential retirements will be evaluated and left vacant when possible. If the position vacated must be filled to maintain service levels, management will review various options to retain service levels without adding back another employee and those options might include such things as transfers, promotions, demotions, or job sharing. We are hopeful several employees will take advantage of this offer but should that not happen, it may be necessary to look at alternatives such as absolute hiring freezes, layoffs or other alternatives that might help us achieve some additional savings in personnel costs.

Mrs. Smyth reviewed a list of employees eligible for the retirement incentive in each fund and the cost of each option for these employees. She explained that these positions are already budgeted for in this fiscal year so the total payout would not exceed what is already budgeted. Staff hopes that between 250,000-\$400,000 would be saved throughout the course of the year either by not filling the position if someone chooses to retire and it is possible to leave the position open or by filling the position with someone that makes a smaller salary.

Mayor Kutteh asked if the "leave payout" amounts are budgeted for. Mrs. Smyth explained that some are if it is known that an employee is planning to retire in the fiscal year.

Council members discussed the difficulty of replacing certain positions such as a Police Department Investigator or a Waste Water Treatment Plant Operator. Mrs. Smyth explained that some positions could be filled by reorganizing the department and some positions could be left unfilled using this process also.

Mayor Kutteh asked how many positions are currently not filled. Mrs. Smyth replied ten positions are not filled and staff has determined that these do not need to be filled at this time.

Mrs. Smyth explained the length of time and the retirement process.

**Council member Stallard made a motion to approve this retirement incentive for City employees, seconded by Council member J. Johnson. The motion carried unanimously.**

Council member West felt the Electric and Water/Sewer fund employees should not be included due to the difficulty in filling some of these position. Council member J. Johnson disagreed and felt all employees should be included. Council member M. Johnson stated the best decision could be made if Council knew what senior management's recommendation is for a reduction in force, such as where would it occur and who would it be. Mr. Hites explained that department heads have privately identified positions that they would give up for the sake of a reduced organization and a reduced level of service. He advised that he has a reduced reduction in force list that may or may not include some of these people that are eligible for retirement, but is the next phase of this plan. Staff feels this is a more humane approach to reduction in force because retirees will have an income whereas some employees would have no income if laid off. Council member M. Johnson asked what percentage of employees on this list would definitely retire within sixty months. Mrs. Smyth replied approximately 90%.

**Mayor Kutteh called for a vote on the motion. The motion carried unanimously.**

**Receive an update report on the Streetscape project.**

Brendon Pritchard advised this is month fifteen of the project. Since the last update the contractor has finished the asphalt wedging and reestablished parking spaces on Block 6. Additional furnishings have also been installed in Block 6. The landscaper is finishing planting beds, trees and shrubs and installation of the irrigation systems in Block 6. New traffic signals and controls have been installed at Front Street and Broad Street. The contractor has completed the water line tie-ins on E. Broad Street at Cooper Street and the north side of Tradd Street. In the weeks ahead the contractor will continue installing curb and gutter on the south side of E. Broad Street and reestablish parking on this side. The contractor anticipates paving Center Street within the next three weeks.

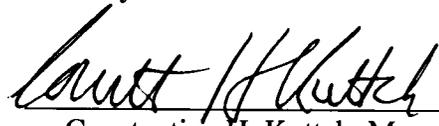
Mayor Kutteh asked if the light poles that were not replaced will be painted. Mr. Prichard replied they would be.

Mayor Kutteh reminded everyone that the Art Crawl would be held on Friday and Robert Steele's paintings would be displayed in City Hall.

Council member West pointed out that some of the landscaping on Center Street looks stressed. Mr. Pritchard will look into this.

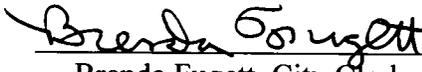
Council member M. Johnson pointed out that the gutter pans should be painted black before paving. Mr. Pressley stated that is not a problem and will be taken care of.

**Council member West made a motion to adjourn, seconded by Council member Stallard. The motion carried unanimously.**

  
Constantine H. Kutteh, Mayor



ATTEST:

  
Brenda Fugett, City Clerk