

**MINUTE BOOK 24, PAGE 473
CITY OF STATESVILLE COUNCIL MEETING – August 20, 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, Fugett, Salmon, Smyth, Pressley, Gaines, Houpe, Miglin, Burns, Watts, Currier, Collins, Roberts, Ashley, Bullins, Harrell, Hudson

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

Others: 25

Call to Order

Mayor Kutteh called the meeting to order.

Invocation

The Invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

Presentation to Rob Hites, retiring City Manager

Mayor Kutteh thanked Mr. Hites for his years of service with the City of Statesville. He presented Mr. Hites with a painting of the newly renovated City Hall building on behalf of City Council, staff and the citizens of Statesville. Mr. Hites stated that the City Hall building is Statesville's treasure and this painting will be kept in his family forever. He thanked City Council, his staff, the citizens of Statesville and his family for giving him the opportunity to make a contribution to the community.

Mayor Kutteh reminded citizens that applications are being taken for the Statesville 101 program. He advised anyone interested in attending this to learn more about the City of Statesville to fill out the application return it to Nancy Davis.

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. He called the first person on the sign in sheet to come to the podium and speak.

Marcia Fruehan, 109 Robin Lane, Statesville, explained that she is not an actual citizen of Statesville but lives just outside of the extra-territorial area. She stated she has great respect for the Statesville Fire Department but was very disturbed to find out that City Council was going to Winston-Salem for their annual two day retreat and that someone that was not an elected official also attended.

Mayor Kutteh thanked Ms. Fruehan for her comments and advised that City Council had held their annual retreat at the Statesville Civic Center this year although it is more productive to hold the meeting out of town. He stated that no one that was not a member of senior staff or Council had attended an out of town retreat as a participant.

Ron Moore, 1215 E. Broad Street, Statesville, thanked Mr. Hites for his service. Mr. Moore spoke on transparency and accountability in government. He stated that many citizens feel that this Council does not listen to what the taxpayers want or take their wishes into consideration when making decisions.

Bob Dooley, 411 S. Center Street, Statesville, Chairman of the Downtown Statesville Development Corporation, thanked Mr. Hites and Council for their support of both the City Hall and downtown Streetscape projects.

J.D. Williams, Statesville (no street address given), stated he was glad to see the community is engaged in something. He asked the community to stay steadfast, prayerful and mindful and the City will make it through whatever it has to go through to get where it needs to be.

David Bradley, 307 Montgomery Drive, Chamber of Commerce, advised citizens to sign up for the Statesville 101 course offered by the City because it is a perfect opportunity for citizens to learn about the community. On behalf of the Chamber of Commerce, he thanked Mr. Hites for his many years of service. Mr. Bradley said that citizens of Statesville have many things to be thankful for and that City staff is always ready, willing and able to help.

Donald Summers, 114 S. Toriq Drive, Statesville, stated he lives in Ward 6 and feel that Council member Huggins is tainted by his indictment and asked that Mr. Huggins resign.

George Hoover, 908 McCollough Street, Statesville, spoke on the Ward 6 runoff election. He asked that City Council suspend Council member Huggins without pay.

Tracey Gibson, 119 Ravenwood Drive, Statesville, thanked Mr. Hites and City Council for its many years of support of the Carolina BalloonFest.

Anthony Turmon, 802 E. Front Street, Statesville, thanked Mr. Hites for his support. Mr. Turmon stated he trusted City Council to be accountable and their silence on any immoral or unethical act aids and abets wrong doing.

J. C. Harris, 846 Armstrong Street, Statesville, stated he is the pastor of the 1st Baptist Church. He spoke on the runoff election for Ward 6 and his recollection of the alleged gentlemen's agreement between the candidates.

Mayor Kutteh read a statement on behalf of himself and Council, particularly regarding the comments made on the matter of Flake Huggins seat on the Statesville City Council. Mayor Kutteh's statement in its entirety follows:

The City Council and I have been keenly aware of the charges pending against Mr. Huggins since last fall's election. At that time we heard similar comments from members of the community as well as strong voices of support for Mr. Huggins. We concluded then, that there was no reasonable basis upon which to seek Mr. Huggins resignation. The main reason for that is simply because the timing and disposition of these charges are completely at the hands of the Iredell County Superior Court. Our Code of Ethics, the statutes of the state of North Carolina and the Codes of Ordinances of the City of Statesville do not give the City Council any authority to censure, reprimand, or terminate the services of any of the elected officials. I do not personally believe that this is a good idea because without something like that you could get mad at somebody one week and run them off, then the next week run somebody else off, so this is not a situation that should be taken lightly. A second reason for that decision is that the community has many different views on this matter and on every matter that we are asked to deal with on a daily basis. As a government body we are asked to listen to all sides and make a well reasoned decision based on the information that we have. We continue to hear from good people who have conflicting opinions about this situation. The issue has not been settled in court. Mr. Huggins has not admitted to any wrong doing, in fact he has denied all wrongdoing as far as I know. We do not believe it is our function to debate this matter and feel that voting on resolutions or proclamations, particularly in this case, serve no purpose in this case. The citizens of Statesville, who knew the situation, know the policy, and that Council was powerless to act on Mr. Huggins fate. The citizens had remedies available to them. In my opinion, they have known of these remedies since the time of the election and could avail themselves of these proceedings if they so desire. Should the facts change in this matter, for example, should Mr. Huggins admit wrong doing, plead guilty to a crime or be convicted by the courts of Iredell County, the actions of this Council toward Mr. Huggins would require further examination. Until such time, the responsibility of the fate of Flake Huggins lies with Flake himself, his family, the Superior Court of Iredell County and a loving and almighty God who's understanding, knowledge and comprehension, exceeds anything that our frail human abilities can imagine. I hope this further clarifies, once again, the position that City Council has on this matter. Thank you very much.

Mayor Kutteh asked if there is anyone else who would like to comment. There being no further speakers, Mayor Kutteh read the Consent Agenda.

CONSENT AGENDA

- A. **Approve the minutes of the Special Meeting of August 06, 2012 and the City Council meeting of August 06, 2012.**
- B. **Consider approving 2nd reading of an ordinance to amend Chapter 12, Article 1, Sec. 12-170, of the Statesville City Code by establishing a two hour parking limit on the east side of Cooper Street between east Broad Street and east Front Street.**
- C. **Receive a report of an emergency, non-depreciable capital purchase of a Revolution Power Quality Recorder in the Electric Utilities Department.**
- D. **Consider approving the renewal of a lease for the property located at 1460 Winston Avenue for use by the Electric Utilities Department.**
- E. **Approve a resolution authorizing the renewal of an interlocal agreement between the City and the Statesville Housing Authority for provision of community development and revitalization services from November 1, 2012 through October 31, 2013.**
- F. **Approve the Annual Agreement for the execution of the HOME Investment Partnerships Program between the City of Statesville and the City of Concord.**
- G. **Approve Budget Amendment #06 in the HOME Consortium Fund to allocate the 2012-2013 HOME Grant.**
- H. **Consider approving the bid received from Unified AV Systems for the audio-visual equipment for the Statesville Civic Center.**
- I. **Receive a report of a non-depreciable capital purchase of a heat pump for the hypochlorite room at the Water Plant.**
- J. **Consider an annual request from the Statesville ABC Board to approve the Board's adopted Travel Policy.**
- K. **Approve Budget Amendment #08 in the General Fund to record the acceptance of surplus federal equipment by the Fire Department.**

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

REGULAR AGENDA

VII Appoint an interim City Manager.

Mayor Kutteh advised that Mr. Hites retirement would be effective August 31, 2012. City Council has been meeting to decide how to proceed on selecting an interim manager which Council felt was important to have. The City has two outstanding Assistant Managers but Council felt that it was important to have one leader. Council believes, at least for purposes of an interim manager, that it currently has competent people on staff, so the decision was to look internally for an interim manager. Mayor Kutteh asked for a motion regarding the appointment of an interim city manager.

Council member Stallard made a motion to appoint Larry Pressley as the Interim City Manager with a 5% pay increase to take effect September 01, 2012, seconded by Council member West. The motion carried unanimously.

VIII Receive a report from Ronnie Bryant, Charlotte Partnership CEO, regarding their program of work.

Mike Smith the Executive Director with Statesville Regional Development thanked Mr. Hites on behalf of Statesville Regional Development for his tireless work with their organization. Mr. Smith gave a brief background and introduced Mr. Ronnie Bryant.

Mr. Bryant expressed his appreciation of Mr. Hites and Mr. Smith. He described the Charlotte Partnership organization and what it means to Statesville. Mr. Bryant

welcomed Council member Stallard to the Charlotte Partnership board and stated that he would be a valuable asset to their board. Mr. Bryant explained that when the recession hit, the Charlotte Partnership did not decrease their marketing budget and in fact increased it to continue to market this region and stay in front of the customer. He advised that the number one economic development engine in this region is the Charlotte-Douglas International Airport. Without this airport, the Partnership would not be able to attract the businesses that it does. One weakness we need to concentrate on is our need for product, which means pad ready sites in well established industrial and office settings. We need to continue to examine ways to execute public private partnerships in an effort to form a fund, pad ready sites. That is what makes us competitive.

Council member Stallard presented Mr. Bryant with a Statesville City Pin and stated he is very please to represent Statesville on the board of the Charlotte Partnership.

IX Receive a presentation from Bob Cook regarding the City's progress in the inclusion of the Mecklenburg-Union Metropolitan Planning Organization (MUMPO).

David Currier stated that Bob Cook is secretary of the Mecklenburg-Union Metropolitan Planning Organization (MUMPO). Mr. Currier explained that Statesville is currently in the Lake Norman Rural Planning Organization as a result of the 2010 census. Iredell County, particularly the southern part plus Mooresville, Statesville and Troutman are going to be included in the MPO. Mr. Cook reviewed a PowerPoint presentation that explained what is happening and why, what it means to be involved in the MPO and the impacts, core MPO responsibilities, potential future boundaries and the timeline for the entire process. Mr. Cook advised Council that it has been a pleasure working with Sherry Ashley and Phillip Collins on this project. Dues are approximately \$6,600 per year and Council member M. Johnson is the Statesville representative.

X Accept a grant award from the Bureau of Justice Assistance's 2012 Justice Assistance Grant (JAG) program in the amount of \$12,547, and approve Budget Amendment #07.

Chief Anderson stated this grant requires no match of City funds. The Department proposes to use these funds towards the purchase of sixteen wearable video systems. These systems will provide visual evidence for investigative and court purposes, will assist with training, improve officer safety, protect against false accusations, clear citizen complaints, and reduce agency liability claims. The units are weather and tamper resistant, light weight, have night vision and pre-event record capability, and produce high quality images.

XI Approve Budget Amendment #04 in the Economic Development Fund to allocate a grant from the Rural Center for the Abundant Manufacturing Building Restoration Project.

Lisa Salmon stated that in June, 2012 the City received notification from the NC Rural Economic Development Center that it was selected for funding under the Building Reuse Grants Fund in the amount of \$176,000 for the project entitled, "Abundant Manufacturing Building Restoration Project" in order to create 22 jobs. This grant will assist in the renovation of a vacant building located at 933 Meacham Road. Pursuant to City Council's Resolution 12-07 adopted on April 16, 2012, the City will provide for a cash match of \$10,000. The funds representing the match will be provided to the City by Abundant Manufacturing, and will be paid to the City prior to the disbursement of any loan funds to the company. Budget Amendment #04 appropriates \$10,000 that has been received from Abundant Manufacturing to be disbursed to Hartigan Management Enterprises for grant management services, and appropriates the grant funds of \$176,000 from the Rural Center to be disbursed to Abundant Manufacturing for building renovations.

XII Approve Budget Amendment #05 in the Economic Development Fund to allocate a grant from the N.C. Department of Commerce for the Pate Dawson Building Reuse Project.

Mrs. Salmon stated the City received notification from the NC Department of Commerce that it has been awarded a Community Development Block Grant (CDBG) economic development grant in the amount of \$466,000 to loan to the Pate Dawson Company to

renovate a vacant industrial building in the business park. The company has pledged to create 45 full-time jobs and invest over \$9,000,000 as the result of this project. Budget Amendment #05 appropriates \$466,000 from the NC Department of Commerce to be disbursed to Pate Dawson Company

XIII Consider approving the purchase of ArcFm Solution Software and authorize sole source purchase.

Kent Houpe stated that ArcFM™ is a complete GIS utility solution for modeling, editing, maintaining, and managing facility asset data both in the field and on the desktop. It serves as a powerful extension to ESRI's ArcGIS® for electric, gas, and water/wastewater utilities. ArcFM includes tracing tasks to automate utility operations, an extensive set of editing tools such as automated snapping and attribute inheritance, complex features and user favorite creation. ArcFM also has tools to quickly define and recall map sheet collections for map production. Users can also create and edit a session in the field, then send it back to the enterprise to be used for editing the enterprise geo-database through the use of Session Manager. Staff recommends a sole source purchase from Telvent USA Corp for \$13,900.

XIV Approve the negotiated purchase price for two property acquisitions for the eastern portion of the South Parallel Taxiway at the Statesville Regional Airport.

City Attorney Eddie Gaines stated that since the July 16th meeting, staff has negotiated and reached an agreement on two additional properties to be acquired for construction of the eastern portion of the South Parallel Taxiway. The first tract is County Pin #4723-18-4250, 1.19, acres owned by Elizabeth Clark Turner and others, and the contract price is \$21,600 which is less than 125% of the appraised value.

Council member Stallard made a motion to authorize staff to enter into a contract for the purchase of Tract 1 (Turner, Clark, Alexander, Mintz property) for the amount of \$21,600, seconded by Council members West and Eisele. The motion carried unanimously.

Mr. Gaines advised that the second tract is County Pin #4723-18-3232, 1.42 acres, owned by Shilie Richards, Curtis Holloway, Jr. and others, and the contract price is \$19,000 which is also within the City's parameters regarding appraised value.

Council member Eisele made a motion to authorize staff to enter into a contract for the purchase of Tract 2 (Caldwell, Richards, Holloway, Summers property) for the amount of \$19,000, seconded by Council member Stallard. The motion carried unanimously.

XV Authorize staff to develop an Alternate Industrial Street Standard.

Larry Pressley explained that there is an area inside the corporate limits on Commerce Boulevard where the road has not been accepted by the City for maintenance. These business owners approached City staff to inquire as to what improvements needed to be made to the road to bring it up to City standards in order for the City to take over the maintenance. Mr. Pressley stated this road seems to function just fine without curb and gutter so staff advised the property owners that they would bring a proposal for an Alternate Industrial Street Standard before City Council for consideration. This Alternate Industrial Street Standard would not require curb and gutter to be built on industrial zoned streets only, but the road must still be built to the City standards of 10" inches of stone base, a minimum of four inches of asphalt (two inches of binder and two inches of surface course). Mr. Pressley advised that State funding for business parks typically does not fund curb and gutter. Staff recommends adopting the Alternate Industrial Street Standard. Council member J. Johnson asked if the owner will bring the entire road up to City standards or just the area that needs to be fixed. Mr. Pressley stated the City would only accept for maintenance what had been built to City standards.

Council member West asked if previous industrial streets built in the City were required to install curb and gutter. Mr. Pressley replied that most of the development that has occurred has been either residential or commercial. He stated he could not recall a single industrial street that has been built with curb and gutter. We have been developing existing property.

Mr. Hites advised that the Statesville Business Park was built without curb and gutter but he believed that Harry Tsumas's business park was built with curb and gutter. Council member West asked if the Mr. Tsumas was required to install curb and gutter. Council member M. Johnson stated Council did require it and as he recalled this goes back to when the Statesville Soccer Fields were built. The argument was because the City did not require the same commercial standard as it put down, so at that point in time Council went ahead and made them all curb and gutter.

Council member West questioned if this was fair to business owners that were previously required to install curb and gutter. Council member M. Johnson stated that regarding the business park in question, due to the current cost of asphalt, the cost to bring the road up to City standards would probably cost more than it would to build the road with a lesser base and with curb and gutter.

Council member M. Johnson made a motion to authorize staff to develop an Alternate Industrial Street Standard, seconded by Council member Eisele. The vote was as follows:

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

Nays: West

Motion carried 7-1

XVI Consider approving an agreement with Zachary Construction to use a portion of City owned property located on Free Nancy Avenue in exchange for certain improvements to the property.

Mr. Pressley stated that Sam Perkins with Zachary Construction has requested to use a portion of the theater site on Free Nancy Avenue for four construction offices and parking. Zachary Construction has agreed to post a bond in the amount of \$30,000 for improvements to the parking lot at the conclusion of the I-40/77 project. The work will consist of an asphalt overlay and concrete curbs in the parking lot as directed by the City. In the event that Zachary did not perform as agreed; the City could collect on the bond. The work does not include landscaping. Staff recommends allowing Zachary Construction to use the lot as described and as shown on the sketch contingent upon posting a bond satisfactory to the City Attorney and an agreement describing the same.

Council member J. Johnson made a motion to approve an agreement with Zachary Construction to use a portion of City owned property located on Free Nancy Avenue in exchange for certain improvements to the property, seconded by Council member Stallard. The motion carried unanimously.

XVII Consider approving a resolution authorizing staff to apply for SRF Loans for the Fourth Creek Waste Water Treatment Plant projects.

Mr. Pressley explained that McGill & Associates has been working on a loan application to pursue low interest funding as requested by City Council earlier this year. As a part of the application process, a resolution is needed from City Council. If the City is successful in receiving the loan, it is not obligated to take the funding.

The major points of the wastewater SRF program are as follows:

- a. The interest rate is 1.89%.
- b. The SRF Program has funding in the amount of \$5.0 million "principal forgiveness" for qualified projects.
- c. If the project qualifies for: "principal forgiveness" but the \$5.0 million is already allocated, then a 0% interest rate is possible.
- d. A preliminary engineering report is not required to apply for funding.

The proposed project totaling about \$4,800,000 would include the following CIP projects:

- 1. Sta-Lime System at \$2,500,000
 - 2. Aerator Replacements at \$180,000
 - 3. Electrical MCC Units at \$200,000
 - 4. Influent Pump VFDs & Flow Meter at \$320,000
 - 5. SCADA Control System at \$1,600,000
- Staff recommends approval of the

resolution for Fourth Creek Wastewater funding in the amount of \$4,800,000.

Council member M. Johnson made a motion to approve a resolution authorizing staff to apply for SRF Loans for the Fourth Creek Waste Water Treatment Plant projects, seconded by Council member Matthews. The motion carried unanimously.

XVIII Receive an update report on the Streetscape project.

Brendon Pritchard reported that this is the 19th month of the Streetscape project and it is nearing completion. Since the last update the contractor has completed new curb and gutter on the north side of E. Broad Street and parking has been reestablished. New sidewalk and pavers have been completed and furniture installed. The electrical sub-contractor has completed the remainder of the wiring and the installation of the lights. The signal sub-contractor has completed the new traffic signal control cabinet. The majority of the irrigation system has been completed and trees planted. In the coming weeks landscaping should be completed and sod put down. The milling and paving has been scheduled for this Thursday and Friday night but this is subject to the weather. Crosswalks and other painting will be scheduled after paving is completed.

Mayor Kutteh thanked the staff who participated in Mr. Hites reception this evening.

There being no further business, Council member West made a motion to adjourn, seconded by Council member Eisele. The motion carried unanimously.



Constantine H. Kutteh
Constantine H. Kutteh, Mayor

ATTEST:

Brenda Fugett
Brenda Fugett, City Clerk