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CITY OF STATESVILLE COUNCIL MEETING – April 15, 2013
CITY HALL COUNCIL CHAMBERS – 7:00 p.m.
STATESVILLE, NORTH CAROLINA

Mayor Constantine H. Kutteh presiding:

Council Present:	J. Johnson, Eisele, West, Huggins, Stallard, Matthews, M. Johnson, Gregory
Council Absent:	0
Staff Present:	Pressley, Fugett, Salmon, Gaines, Smyth, Collins, Harrell, Watts, Hutchens, Davis, Currier, Roberts, Anderson, Cornelison, Houpe
Media Present:	Jim McNally-Record & Landmark, Dave Veiser-Charlotte Observer
Others:	Girl Scout Troop 10363

Call to Order
Mayor Kutteh called the meeting to order.

Invocation
The Invocation was given by the City Clerk.

Pledge of Allegiance
The Pledge of Allegiance was led by Girl Scout troop 10363.

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

Todd Long, representing the Charlotte Regional Realtors Association, said this year marks the 5th anniversary of "Realtor Care Day". Mr. Long stated that this is a project by the Charlotte Realtor Association and the Housing Opportunity Foundation. He explained that this is an all day community wide initiative that assists homeowners with critical exterior home repairs, as well as adaptive and safety modifications to their homes. Since 2009 this project has assisted 110 families with an estimated financial impact of over $800,000. This year, realtors will work on 19 home sites. The Foundation collaborates with community housing advocates and nonprofits to identify homeowners who are in need and meet the criteria for support. The Foundation works with the Builders of Hope, the City of Charlotte's Neighborhood and Business Services Department, Love In the Name of Christ, the Davidson Housing Coalition's HAMMERS program, Belmont Community Development Corporation, and the following Habitat for Humanity chapters: Charlotte, Iredell County, Matthews and Our Towns. Realtors will mark the 5th anniversary by rehabbing three residences at the Barium Home for Children as well as 16 other homes. Mr. Long invited Council members to participate in this year's project that will take place on April 19th at home sites throughout Mecklenburg and Iredell Counties.

Consent Agenda
Mayor Kutteh explained that all items on the Consent Agenda are considered to be routine by 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. Mayor Kutteh read the Consent Agenda.

A. **Approve the minutes of the Pre-agenda meeting of March 28, 2013 and the City Council meeting of April 01, 2013.**

B. **Consider approval of an annual audit contract with the certified public accounting firm of Potter and Company for fiscal year ending June 30, 2013.**

C. **Consider approval of Budget Amendment #35 for $11,000 from the Civic Center Fund for HVAC repairs.**

Mayor Kutteh asked if there were any items on the Consent Agenda that a Council member wished to be moved to the Regular Agenda. There being none, he asked for a motion to approve the Consent Agenda.

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

Mayor Kutteh stated he would like to add a personnel matter, to approve a contract with Larry Pressley to be the City Manager of the City of Statesville, to the Regular Agenda.

REGULAR AGENDA

VI Consider approving a contract with Larry Pressley to be the City Manager of the City of Statesville.

Council member M. Johnson made a motion to approve the contract with Larry Pressley, seconded by Council member Gregory. The motion carried unanimously.

Mayor Kutteh advised that Mr. Pressley's resume and contract will be available on the City website within an hour following the meeting. He made the following statement regarding Larry Pressley's appointment as City Manager.

Seven and a half months ago, the City of Statesville was without a City Manager. Immediately, the elected officials began discussing what we were looking for in an interim manager. We knew we had very talented Department Heads and Assistant Managers. At that time, a decision was made to select an Interim Manager from among the current staff. Larry Pressley was selected and he has served us well.

Immediately after Larry started as interim manager, we began to discuss a process for the selection of a new, permanent, manager. We fully understood this would be the most important Personnel decision, if not the most important decision, any of us would make for our City. We reviewed job descriptions, discussed our hopes and dreams, the pros and cons of an internal versus external search, and how we might proceed.

After many sessions together, in which many opinions were shared, we realized, by unanimous consensus, that Larry Pressley is the person to lead Statesville into the future. In addition to being an intelligent and insightful leader, Larry exhibits interpersonal communication skills which will be invaluable. His Engineering background will be essential as we undertake significant projects in the near future. Larry is thoughtful and considerate. Simply stated, he is a good man and the right man for the job.

So, as our first act with Larry as City Manager of Statesville, North Carolina, I invite Larry to join me as we remove the "Interim" name plate and replace it with the plate that says "Pressley – City Manager".

Congratulations Larry. All the citizens of Statesville look forward to working with you.

Mr. Pressley thanked Mayor Kutteh for his comments. He stated it has been a great seven months and he has been overwhelmed by the support he has received from City staff as well as the elected officials. Mr. Pressley said he is proud to be a part of the City of Statesville, and looks forward to working together for many years.

VI Consider approving first reading of an ordinance to amend Chapter 12, Section 11-121, Civil Penalties, of the Statesville City Code by redefining a portion of (d) and establishing a process to address delinquent tickets.

Police Chief Tom Anderson explained that this is a two part presentation. The first part deals with the language of the ordinance in which the Police Department waives certain tickets. Currently the ordinance states that a parking citation may only be cleared by the appropriate supervisor within the Statesville Police Department upon a showing to the supervisor's satisfaction that the citation was issued as the result of a mistake. The department would like to revise the ordinance to give a better foundation as to how these matters are addressed by changing the language to read as follows: The Chief of Police or the Chief's designee may waive a civil parking fine when a determination is made that a parking citation has been issued by mistake or in error, or if circumstances existed that prevented the vehicles removal prior to the violation occurring. Such circumstances might include but are not limited to: medical emergency, mechanical breakdown,

unforeseen prolonged courtroom appearance, or any other "extenuating" situation clearly preventing vehicle removal. In these instances the burden of proof is on the violator in providing sufficient evidence that an extenuating circumstance existed at the time of issuance.

Chief Anderson stated the second part of the presentation addresses delinquent parking tickets. He said that a few years ago Rob Hites did a study of several cities and the study clearly showed that this is not just a Statesville problem. Mr. Hites' study revealed that cities with parking enforcement programs had the same challenges with delinquent offenders that Statesville has. Currently there is legislation in place that would help municipalities deal with this problem. This would include tying vehicle registrations to the parking tickets through DMV. He said he did not have a timeline or what that process would look like or how long it will take, but it is underway. Staff does expect voluntary compliance as other cities do, but when that does not occur, staff also expects violators to pay their fines and penalties, but it is understood that this is not the reality. This issue has led some cities to use harsher measures such as booting tires and towing vehicles; however, staff does not recommend this approach. Staff feels there are other positive measures that can be taken. Currently this issue is dealt with through the civil court process, which Mr. Hites also found that other cities use, but the cost of attorney fees and court fees sometimes end up exceeding what the actual fine is so this approach is sometimes not cost effective. Chief Anderson asked Mrs. Salmon to explain staff recommendation at this time.

Mayor Kutteh suggested Council should consider this item as two separate issues and deal with the ordinance amendment first. Council members agreed and Mayor Kutteh asked for a motion on the matter.

Council member Huggins made a motion to approve first reading of an ordinance to amend Chapter 12, Section 11-121, Civil Penalties, of the Statesville City Code by redefining a portion of subsection (d), seconded by Council member J. Johnson. The motion carried unanimously.

Mrs. Salmon reminded Council that the City had an annual system in place for parking ticket management up until 2002 when parking ticket software was installed. That system allows staff to know how many parking tickets have been issued, how many have been paid, how many are unpaid and how many are still outstanding. There has not been a write-off of this receivable since the system was put into place in 2002 which means we are continuing to accumulate accounts receivables on the books that are in some cases unlikely to be collected, at least by a material amount. When this happens we have to consider writing off a portion because the cost of pursuing further action to collect the debt may exceed the debt itself or in many cases there are no cost effective means to collect the debt.

Mrs. Salmon reviewed additional yearly breakdown information of one to eleven year old delinquent parking tickets that was requested by Council at the pre-agenda meeting. She advised the average collection rate was 55% in the beginning, but has diminished year after year since that time. The past three years the collection rate has been on average about 35%. The City Attorney confirmed there is no statute of limitations on parking tickets in North Carolina. The City is allowed to report delinquent tickets through the collection agency to the National Credit Bureaus for a period of seven years. The debt set off system cannot be used for tickets older than three years.

Mrs. Salmon said staff is recommending that tickets older than one year be written off and the remaining delinquent tickets that have aged from 45 days to one year be transferred to our collection agency. Delinquent parking tickets will be sent to the collection agency on a monthly basis going forward and any unpaid tickets not collected by the collection agency will be wrote off annually thereafter. The total amount of outstanding parking tickets that are one year old or less is $34,815. The total amount of tickets that are older than one year that staff is requesting to write-off is $357,920. Total amount of outstanding parking tickets $392,735. Mrs. Salmon advised the write-off amount may change slightly if payments are received before the write-off is processed. Mrs. Salmon explained the collection agency will use the same collection program as delinquent utility accounts including sending a written collection notice, phone calls, reporting to national credit bureaus (after 35 days), and debt setoff with the NC Dept. of Revenue for any state income tax refunds or lottery winnings (after 60 days). The collection agency's fee will be 25% of the amount collected. This new process should

yield a higher collection rate and keep the parking ticket receivable clear of uncollectible tickets.

Council member J. Johnson asked if there are offenders that have multiple tickets and if so what is the highest amount owed by one person. Mrs. Salmon replied there are several but she did not research that information.

Council member West asked what steps staff takes to collect prior to the ticket getting to the write off point. Mrs. Salmon explained the Police Department sends out one letter after the fourteen day time period is up.

Council member Stallard felt staff should attempt to collect all the delinquent tickets and asked why staff was not recommending that. Mrs. Salmon said that the amount of calls that will be generated from trying to collect on this age of debt, all at once, will strain staff to the point they will be unable to perform their regular duties. She explained that when debtors receive their first letter from the collection agency, they will contact the City to find out what the debt is and will then most likely dispute it considering the age of some of the tickets.

Council member J. Johnson made a motion to turn 7 years worth of delinquent parking tickets over to the collection agency, seconded by Council member Stallard.

Mrs. Salmon stated there will be almost 3,500 tickets that are less than seven years old, so staff expects there will be a substantial number of inquiries and issues caused from dealing with that. Also, Police Department staff will spend quite a bit of time preparing the tickets to be turned over to the collection agency.

Council member M. Johnson asked if the amendment to Chapter 12 that was just approved, which allows the review of extenuating traffic tickets, will take a considerable amount of Police Department staff time as well. Mrs. Salmon said it absolutely will.

Council member J. Johnson said either all seven years worth of delinquent tickets or none should be turned over to collection, and if none are, then the City should discontinue issuing parking tickets.

Mayor Kutteh asked what precipitated the interest in doing this now since it has not been done for over a decade. Mrs. Salmon said staff felt they had preciously dealt with the situation as best as they could, with the tools they had. She pointed out that the previous City Manager had spent two years studying and researching how other cities were handling parking tickets. At this point staff is trying to develop a proposal that will improve the current collection rate without being overly aggressive and using tactics such as towing or booting vehicles.

Council members discussed offering offenders that owe very high amounts a reduced settlement amount. Council member M. Johnson suggested offering those that owe $400 or more a settlement offer to pay $0.50 on the dollar.

Council member J. Johnson agreed to amend his motion to include M. Johnson's suggestion as long as it also required that if the tickets are not paid within 60 days they will then be turned over to the collection agency. Tickets that are 45 days to 1 year old will go to collection immediately. Second to the motion, Council member Stallard, also agreed to the amendment of the motion.

Council member West said that sending seven years worth of tickets to collection will create an extreme burden on staff and most likely will not be collectible. He suggested sending three years worth of tickets instead.

Council member Eisele stated that staff's recommendation was reasonable. Council member Huggins agreed with Eisele, saying that seven years is too long and staff's recommendation is adequate.

Mayor Kutteh called for a vote on the motion made by Council member J. Johnson and seconded by Council member Stallard. The vote was as follows:

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

Tie Vote: Mayor Kutteh voted Aye

Motion carried 5-4

VII **Consider approval of a work authorization for Michael Baker Engineering to conduct a Phase 1 Environmental Study of the Brittain Lumber Property which is an extension of the property acquisitions associated with the eastern portion of the South Parallel Taxiway.**

Phil Collins stated that part of the land acquisition process is to conduct a Phase 1 Environmental Study on the property to be acquired. The purpose of this study is to reveal any potential environmental hazards associated with the property in question. The Brittain Lumber property is being acquired as an extension of the recent land acquisition efforts associated with the eastern portion of the South Parallel Taxiway. Michael Baker Engineering has submitted the work authorization to conduct this work. The cost of the study is estimated to be $2,000.

Council member West made a motion to approve a work authorization for Michael Baker Engineering to conduct a Phase 1 Environmental Study of the Brittain Lumber Property which is an extension of the property acquisitions associated with the eastern portion of the South Parallel Taxiway, seconded by Council member Gregory. The motion carried unanimously.

VIII **Consider awarding the contract for Street Improvement Projects – Division X and Unpaved Streets.**

The Public Works Department received bids for the annual street improvement contract on March 28, 2013 at 2 PM; the results of the bid opening are below:

1.	Maymead, Inc.	$444,755.50
2.	Carolina Paving of Hickory	$474,978.00

Maymead is the low bidder in the amount of $444,755.50.

Note: Bids were originally due on March 19, 2013, but only two were received. In accordance with state guidelines for the formal bidding process, the project was re-advertised for a period of seven days, with a new due date of March 28, 2013. On the second due date no additional bids were received, and the original two were opened.

The bid amount is based on unit prices and includes asphalt, adjusting manholes and valve boxes, and minor patching as necessary prior to resurfacing to improve rideability of the streets. The price of asphalt rose slightly compared to the previous street improvement contract, from $85 per ton to $87.78 per ton.

Dirt streets to be paved in this contract include Hawthorne Drive, Sharon Drive, and Hill Terrace. The City's Street Division will perform the grading work for these streets.

Funds available for Division X Streets total $512,535.97 and the bid amount is $444,755.50. Staff recommends a project budget of $512,535.97, and requests authorization to apply any remaining funds to street maintenance, with a priority on dirt streets. Maymead, Inc. has successfully completed paving projects in Statesville and surrounding areas and their work has been satisfactory.

Staff recommends award of the Street Improvement Projects – Division X and Unpaved Streets contract to Maymead, Inc. of Mountain City, Tennessee in the amount of $444,755.50, with a project budget of $512,535.97.

Council member Stallard made a motion to award the contract for Street Improvement Projects – Division X and Unpaved Streets to Maymead, Inc. of Mountain City, Tennessee in the amount of $444,755.50 with a project budget of $512,535.97, seconded by Council member Eisele. The motion carried unanimously.

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

Constantine H. Kutteh, Mayor

ATTEST:

Brenda Fugett, City Clerk