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CITY OF STATESVILLE COUNCIL MEETING – June 03, 2013
CITY HALL COUNCIL CHAMBERS – 7:00 p.m.
STATESVILLE, NORTH CAROLINA

Mayor Constantine H. Kutteh presiding:

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

Council Absent: 0

Staff Present: Pressley, Fugett, Gaines, Salmon, Collins, Currier, Adams, Miller, Harrell, Anderson

Media Present: Jim McNally-Record & Landmark

Others: 5

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 Mayor Kutteh.

Mayor Kutteh stated there was an addition to the Regular Agenda, to approve funding of a Phase 2 Environmental Study of the Brittain Lumber property recently purchased at the Statesville Airport.

Consent Agenda
Mayor Kutteh explained that all items below 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 stated that Council member J. Johnson has asked to move Item G to the Regular Agenda. Mayor Kutteh read the Consent Agenda as follows:

A. **Approve minutes of the May 16, 2013 Pre-agenda meeting and the May 20, 2013 City Council meeting.**

B. **Consider approving 2nd reading of an ordinance amending Chapter 10, Article II, Section 10-31 of the City Code to add a privilege license tax on electronic video games.**

C. **Consider approving 2nd reading of an ordinance to annex the Commerce Boulevard Right-of-Way Property located to the east of Crawford Road.**

D. **Consider approving 2nd reading of an ordinance to amend Chapter 15, Article II, Section 15-25, of the code of the City of Statesville by allowing the possession of concealed handguns by concealed handgun permit holders in certain City of Statesville park properties**

E. **Approve administrative budget changes transferring funds from capital lines to operating for items purchased below the capitalization threshold.**

F. **Receive and concur with the financial report of the Statesville Convention and Visitor Bureau as of March 31, 2013.**

G. **Approve a write-off of approximately $1,488.15 in water and sewer assessments.**
This item was moved to the Regular Agenda at the request of Council member J. Johnson.

H. **Consider passing a motion to close the 500 block of South Center Street, between West Bell Street and Garfield Street on Saturday, June 15, 2013, between 12:00 noon and 8:00 p.m. This closure is being requested by Impact Inc., which is sponsoring the annual "Juneteenth" event celebrating the end of slavery in the United States.**

I. **Consider passing a motion to close a portion of North Center Street, between Feimster and Bingham Streets on Saturday, June 8, 2013 from 7:30 a.m. until 11:00 a.m. to accommodate the Statesville High School graduation ceremony at "Greyhound Hollow".**

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

Regular Agenda

Add **Consider approving funding of a Phase 2 Environmental Study for the Brittain Lumber Property.**

Phil Collins reminded Council they had approved a work authorization to perform a Phase 1 Environmental Study on the Brittain Lumber Property. The results have been received and indicate that a Phase 2 Environmental Study will be required as well. Funding for this study would be covered by the current land acquisition grant. The consulting engineer has discussed this study with the company that performed the Phase 1 Study and determined that the Phase 2 Environmental Study would cost approximately $5,000. Therefore, staff is requesting that City Council approve use of funds in the amount of $5,000 to conduct the Phase 2 Environmental Study.

Council member M. Johnson asked what prompted the Phase 2 study. Mr. Collins replied there is a 1,000 gallon underground storage tank on the property that was used to hold heating oil.

Council member Eisele asked if there were any other concerns. Mr. Collins stated there is nothing else.

Council member J. Johnson made a motion to approve the Phase 2 Environmental Study, seconded by Council member M. Johnson. The motion carried unanimously.

V **Consider a modification to the Kesolowski/Penske assignment document of the Evernham Lease.**

Mr. Collins stated City Council approved the lease assignment request from Kesolowski/Penske Racing of the Evernham lease at its March 4, 2013 meeting. Since that time representatives of Kesolowski/Penske Racing (Checkered Flag) have worked with the City Attorney to more specifically define the ownership of the lease assignment and consequently who would have the right to use the leasehold.

City Attorney Edmund Gaines provided additional details of the revisions to the lease.

Council member J. Johnson made a motion to approve the modification to the Kesolowski/Penske assignment document of the Evernham Lease, seconded by Council member West. The motion carried unanimously.

VI **Request approval to write off approximately $15,569.51 in miscellaneous accounts receivables.**

Lisa Salmon stated that for many years staff has requested on an annual basis to write off Miscellaneous Account Receivables that are considered uncollectible due to age, bankruptcy, the cost of pursuing further action to collect the debt exceeds the debt itself or in situations where there is no cost effective means to collect the debt. These Miscellaneous accounts consist of fire inspection fees and damage to City property that are considerably old. At the Pre-agenda meeting there was discussion as to whether or not staff has turned these debts over to the collection agency; they have not and historically have not. The Collection Agency the City currently contracts with has agreed to accept these accounts to attempt collection. Due to this staff requests to remove this item from the agenda at this time. The Collection Agency will process these debts under the same terms as the utility bill collections. Staff will work with the various departments

that generated these accounts receivables to make sure the accounts are okay to be sent to the Collection Agency as they have been billed and will make sure that staff is available to address any disputed claims. Mrs. Salmon said staff will review the accounts receivables software to make sure that a collections process can be implemented with it. If that is not possible staff will advise Council of what upgrades will be necessary in order to manage the collection process. Once the accounts are sent to the Collection Agency staff will implement a process that gives the agency time to work the accounts before they are submitted for write-off.

Council member J. Johnson said he would like a policy implemented that nothing would be written off until it has been dealt with by a collection agency. Mayor Kutteh said he did not know whether a formal policy is needed for this, but that he agreed with Council member J. Johnson that an attempt should be made to collect on debts by a collection agency before being written off.

G **Approve a write-off of approximately $1,488.15 in water and sewer assessments.**
Mrs. Salmon explained that in 1988, the City's legal staff advised the City that it may not pursue any legal proceedings on amounts greater than 10 years old from the date of the last installment billed. On advice from legal counsel, staff requested that Council begin an annual write-off of assessments on accounts that have surpassed the statute of limitation for collection. At this time, we request that Council approve the write-off of water and sewer assessments in the amount of $1,488.15. This amount may decrease slightly should we collect monies on an account prior to the actual write-off date.

Council member West asked if there is still a record of this after it is written off and what the assessment process is. Mrs. Salmon explained.

Council advised staff to monitor assessments monthly in the future and not allow them to get to this point. Mrs. Salmon said in the early 2000's the City had a very large balance of outstanding water/sewer assessments. At that time staff undertook significant action to collect those funds such as using a collection agency, the attachment and garnishment statute and Council appointed a Tax Collector. These measures enabled staff to collect approximately $350,000 of the outstanding amount. The remaining debts are a combination of properties that may not yield the value needed by foreclosing on the properties or the owners have filed bankruptcy. The amount remaining would be very difficult to collect. Council member Eisele asked why a lien cannot be attached to the property. Mrs. Salmon said there is a lien attached and when the property sells, these debts go with the property, but if the property does not sell before the statute of limitations expires (10 years) then the lien expires. Mrs. Salmon clarified that the 10 years statute of limitations begins when the last payment is received so it takes 20 years for the entire assessment to be written off, because only 10% per year is written off. The assessments that staff are asking to write off today were made in 1993 and 1994. Council member J. Johnson asked if the liens can be renewed at the end of 10 years. City Attorney Gaines explained a judgment can be renewed when it runs out but this is a different situation.

Council member West made a motion to approve a write-off of approximately $1,488.15 in water and sewer assessments, seconded by Council member M. Johnson. The motion carried unanimously.

VII **Consider two appointments to the Planning Board.**
David Currier stated the following Planning Board members' terms expire June 30, 2013. These members continue to serve until new appointments are made: Mark Tart - Served one term and would like to be re-appointed to a second term. Duane Smyth - Served three terms and due to a new job, he does not wish to seek re-appointment. There are 8 active applicants on file for these positions, including Mr. Tart's application. Mayor Kutteh asked Council for nominations.

Council member West nominated Mark Tart and Don Daniel.

Council member J. Johnson made a motion to close the nominations and to appoint Mark Tart and Don Daniel to the Planning Board, seconded by Council member Gregory. The motion carried unanimously.

VIII **Consider re-appointing/appointing one member to the Statesville Airport Commission to serve a term beginning on July 1, 2013 and ending on June 30, 2016.**

Mr. Currier stated the terms of Jay Brown and Steve Johnson on the Statesville Airport Commission will come to an end on the 30th day of June. Mr. Brown and Mr. Johnson are both willing to serve another term on the Airport Commission, however, Mr. Johnson is the County Commission Representative and his reappointment will be considered by the Iredell County Commissioners in the coming weeks. Staff has received 12 applications from volunteers interested in serving on the Airport Commission. The Airport Commission consists of seven (7) voting members (5 appointed by the city council, 1 member of City Council appointed by the Mayor and 1 member of the County Commission). No more than three of the seven appointed members may live out of the City limits. There currently is one member who lives outside of the City limits.

Council member J. Johnson nominated Jay Brown.

Council member J. Johnson advised that Jay Brown has been a tremendous asset to the Airport Commission and described various contributions he has made during his term on the Commission.

Council member West made a motion to close the nominations and to reappoint Jay Brown to the Airport Commission, seconded by Council member Eisele. The motion carried unanimously.

IX **Consider re-appointing/appointing two members to the Board of Adjustment to serve new terms beginning on July 1, 2013 and ending on June 30, 2016.**

Mr. Currier stated the terms of three regular members, David Steele, Larry Rosenfeld and David Aman, of the Statesville Board of Adjustment will come to an end on the 30th of June 2013. Both Mr. Steele and Mr. Rosenfeld have submitted updated volunteer forms and have stated that they wish to continue their service on the Board of Adjustment. Staff has also received volunteer forms from Edward E. Doughty, Kevin Combs, Brian Long, Nicholas Yount and Tiffany Moss. All of these applicants reside within the City Limits. Mr. Aman resides within the ETJ and has expressed interest in remaining on the Board of Adjustment and the Iredell County Commissioners will be considering his reappointment in the coming weeks.

Council member West nominated David Steele and Larry Rosenfeld to be reappointed to the Board of Adjustment.

Council member Eisele nominated David Steele and Brian Long.

Mayor Kutteh advised that Brian Long is already on the Historic Preservation Commission. Council member Eisele withdrew her nominations.

Council member West made a motion to close the nominations and to reappoint David Steele and Larry Rosenfeld to the Board of Adjustment, seconded by Council member Gregory. The motion carried unanimously.

X **Consider two appointments to the Downtown Design Review Committee.**

Mr. Currier said there are two terms coming to an end June 30, 2013, one is Donna Karr, the DSDC member liaison and the other is Mr. John Marshall. Mr. Marshall has indicated an interest in being reappointed; however due to work conflicts Mrs. Karr does not wish to be considered for reappointment. There has been one volunteer application filed by Mrs. Rebecca Jones who most recently is a DSDC member. Per the ordinance the Design Review Committee is to have one member that is also a DSDC member.

Council member M. Johnson made a motion to appoint John Marshall and Rebecca Jones to the Downtown Design Review Committee, seconded by Council member J. Johnson. The motion carried unanimously.

XI **Consider a recommendation from the Design Review Committee to approve art work to be installed on the structure located at 128 W Front Street.**

Alison Adams stated the building located at 128 W. Front Street, known as the "Shell Building", is currently owned by the City of Statesville. The Statesville Community Appearance Commission made application to the Design Review Committee to install art work on western exterior wall of the building to cover the windows. This art work would be attached on wooden panels that would then be hung on the structure. In the future if the building was to be repurposed or demolished the art panels could be easily removed

and relocated to another site. The Appearance Commission is requesting to install one barn quilt in Phase I, an 8' X 8' square made of outdoor grade plywood framed in vinyl or metal and the City's new logo. The quilt square has been designed by Iredell Arts Council and named "Crossroads" to reflect Statesville. Subsequent phases would include placement of quilts over the other windows on the western wall of the structure. The Appearance Commission is proposing to pay for the quilt art work and the City logo, but will need the assistance of several City departments to help with installation. The Design Review Committee met on May 9th to review the request and make a recommendation to City Council. The Committee recommended approving the request to allow the Appearance Commission to install one City logo and one barn quilt with sequential quilt patterns to be reviewed by City Council per the ordinance.

Council member Matthews asked if the remaining pieces will be quilt patterns as well. Mrs. Adams replied they would be.

Council member West stated this building needs to be demolished and he would like to encourage Council to pursue researching the cost to do this, however, in light of the fact that a group wants to do this project at no cost to the City, he will support it. He said he hopes that Council will consider demolishing this building in the near future.

Council member J. Johnson made a motion to approve art work to be installed on the structure located at 128 W Front Street, seconded by Council member Eisele. The motion carried unanimously.

Council member Matthews asked if all the broken glass will be cleaned up before the panel is installed. Mr. Pressley replied it would be.

Mayor Kutteh thanked those from the Community Appearance Commission in attendance for their work on this project.

XII Approve Budget Amendment #46 transferring funds from the sale of the front load garbage trucks to the General Capital Reserve Fund to provide for future capital purchases.

Mrs. Salmon stated the front load garbage trucks were sold by electronic auction on April 23, 2013 and the results are listed below:

Vehicle	Reserve	Winning Bid	Buyer Premium	Total
1998 Mack Truck	$ 12,000.00	$ 42,525.00	$ 3,189.38	$ 45,714.38
2000 Volvo Truck	$ 8,000.00	$ 8,580.00	$ 643.50	$ 9,223.50
2006 Autu Truck	$ 69,000.00	$ 107,242.00	$7,890.50	$ 115,132.50
2010 Mack Truck	$ 140,000.00	$ 169,870.00	$ 11,267.50	$ 181,137.50
TOTALS	$ 229,000.00	**$ 328,217.00**	$ 22,990.88	$ 351,207.88

The buyer premium is the commission that the City normally pays to GovDeals; however, with this auction the City required the buyer to pay the "Buyer Premium" (commission) of $22,990.88 that was paid to GovDeals. Budget Amendment #46 will provide for the transfer of the net proceeds of $328,217 from the General Fund to the General Capital Reserve Fund to provide for future capital purchases.

Council member Huggins made a motion to approve Budget Amendment #46 transferring funds from the sale of the front load garbage trucks to the General Capital Reserve Fund to provide for future capital purchases, 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 J. Johnson. The motion carried unanimously.

Constantine H. Kutteh, Mayor

ATTEST:

Brenda Fugett, City Clerk