

**MINUTE BOOK 25, PAGE 238  
CITY OF STATESVILLE COUNCIL MEETING – June 02, 2014  
CITY HALL COUNCIL CHAMBERS– 7:00 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

**Council Present:** J. Johnson, West, M. Johnson, Huggins, Watt, Morgan, Phifer, Schlesinger

**Council Absent:** 0

**Staff Present:** Gaines, Pressley, Fugett, Davis, Smyth, Harrell, Collins, Salmon, Hutchens, Cornelison, Watts, Hudson, Currier, Houpe

**Visitors:** 2

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

**I Call to Order**

Mayor Kutteh called the meeting to order.

**II Invocation**

The Invocation was given by the City Clerk.

**III Pledge of Allegiance**

Mayor Kutteh led the Pledge of Allegiance.

**IV Consent Agenda – 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.**

- A. Consider approving the minutes of the May 15, 2014 Pre-Agenda meeting and the May 19, 2014 City Council meeting.**
- B. Consider approving a request from the Statesville Police Department to apply for a grant from the National Association of Drug Diversion Investigators (NADDI) for \$5,000 in evidence purchase funds and to authorize Daniel Miglin to represent the City of Statesville in this process.**
- C. Consider approving a request from Impact Inc. to close the 500 block of South Center Street, between West Bell Street and Garfield Street on Saturday, June 14, 2014, between 12:00 noon and 8:00 p.m. to sponsor the annual “Juneteenth” event celebrating the end of slavery in the United States.**
- D. Consider approving 2<sup>nd</sup> reading of an amendment to the City Code, Chapter 13 Nuisances, Section 13-2.3 Nuisances enumerated.**
- E. Consider approving a request by the Finance Department to write-off approximately \$650.00 in miscellaneous accounts receivables.**
- F. Consider approving a request by the Finance Department to write-off parking tickets that are 7 years or older in the amount of approximately \$158,360.**
- G. Consider approval of a semi-annual write-off of approximately \$104,026.21 in utility accounts.**
- H. Consider approving the write-off of approximately \$1,462.25 in water and sewer assessments.**
- I. Receive and concur with the financial report of the Statesville Convention and Visitor Bureau as of April 30, 2014.**

- J. **Receive and concur with the 2014-2015 Budget for the Statesville Convention and Visitors Bureau.**
- K. **Consider a request from Ms. Mary Byers for a water tap to be installed to serve 309 Bristol Drive.**
- L. **Consider approving a request from local resident, Sherri Coarsey to close a portion of N. Mulberry Street between Carroll Street and Oakhurst Road, on Saturday, June 14, 2014, between 5:00 p.m. and 9:00 p.m. to host a community party.**

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

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

### **Regular Agenda**

- V **Conduct a public hearing and consider approving first reading of an ordinance to annex the LR Wooten Property located to the north of Northside Drive, Iredell County Parcel Identification Number 4725-90-3950.**

Phil Collins stated the property being considered for annexation is approximately 1.962 acres in size and encompasses Iredell County Parcel Identification Number (PIN) 4725-90-3950. The subject property is currently occupied by industrial uses and zoned Heavy Industrial (HI) District. The property is surrounded on three sides by the primary corporate limits of the City of Statesville, and therefore, the petition is being processed as a voluntary contiguous annexation. The tax value of the subject property is currently \$325,010 which would generate property tax revenue in the amount of \$1,332.54 annually for the City of Statesville.

Council member had no questions for Mr. Collins.

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

**Council member J. Johnson made a motion to approve first reading of an ordinance to annex the LR Wooten Property located to the north of Northside Drive, Iredell County Parcel Identification Number 4725-90-3950, seconded by Council member Schlesinger. The motion carried unanimously.**

- VI **Consider approval of a municipal agreement between NC Department of Transportation and the City of Statesville to provide sewer service to the proposed I-77 Rest Area.**

Scott Harrell stated NCDOT is planning to build a new rest area on I-77 north of Statesville to replace four existing rest areas in Iredell County. The advantage to the chosen location, just south of Tomlin Mill Road (Exit 59), is that the rest area can be built in the median of the interstate, allowing motorists traveling in both directions to enter the rest area by exiting left.

Details of the agreement include:

1. Extension of the City's sanitary sewer system by construction of two lift stations and approx. 38,650 linear feet of six-inch diameter force main;
2. Extension of a gravity sewer main to the facility location within the median of I-77;
3. Extension by NC DOT of an Iredell Water Corporation water main into the facility location within the median of I-77;
4. Design, construction, right-of-way, and easement acquisition costs to be borne by NC DOT;
5. Design and construction to be supervised by City staff;
6. Option to upsize the sewer system to provide additional capacity, at an estimated cost to the City of \$100,000 to \$125,000;
7. Completion of construction by April 2016. Estimated project cost is \$2,934,250.

Staff recommends approval of the municipal agreement with the following changes:

1. Page 2, last sentence of paragraph 2 – The words “lift station” have been replaced with “12” gravity line”
2. Page 3 – It has been recommended that the entire Paragraph 5 be removed.
3. Page 5 – Paragraph 13(B) – It is understood that the City Attorney fees will be included in the administrative costs.

Council member M. Johnson said he agreed with all these changes. He asked if Paragraphs 13 and 14 say that if bids come in and they exceed the engineers estimate is the City bound. Mr. Pressley replied absolutely not.

**Council member M. Johnson made a motion to approve a municipal agreement between NC Department of Transportation and the City of Statesville to provide sewer service to the proposed I-77 Rest Area, seconded by Council member Morgan. The motion carried unanimously.**

**VII Receive a report regarding the City of Statesville’s status as a Phase II Stormwater City.**

Mr. Harrell stated that staff received a letter dated May 8, 2014 indicating that the City is now subject to the stormwater permitting requirements of the Clean Water Act (Phase II), which is administered by the NC Department of Environment and Natural Resources (DENR). The Clean Water Act requires municipalities located within urbanized areas and with a population greater than 10,000 to submit an application for a Phase II Stormwater Discharge Permit.

The most recent US Census shows that the City is now located within an urbanized area. A deadline of June 1, 2015 has been given for the City to submit an application package for a Phase II Stormwater Discharge Permit. Once a permit is issued by DENR, permit holders are required to develop, implement, and maintain a stormwater management program consisting of six key measures:

1. Public education and outreach
2. Public participation/involvement
3. Illicit discharge detection and elimination
4. Construction site runoff control
5. Post-construction runoff control
6. Pollution prevention/good housekeeping

The May 8, 2014 letter included the following key dates and deadlines for complying with Phase II requirements:

- June 1, 2015: City submits application, stormwater management plan narrative, and application fee (\$860) to DENR
- Mid to Late 2015: DENR issues Phase II permit
- 12 months from permit date: City develops public education plan (mid to late 2016)
- 18 months from permit date: City develops post-construction program (early to mid-2017)
- 5 years from permit date: Full program implementation (mid to late 2020)

The permit term is five years; it is expected that the program be fully implemented by the end of the initial five year permit term, which is expected to occur in late 2020.

Council member West asked who oversees measures 4 and 5. Mr. Harrell replied eventually the Public Works Department but part of this will be overseen by DENR and Iredell County Erosion Control.

Mayor Kutteh pointed out that in anticipation of this requirement the City already complies with some of these measures. He asked Mr. Harrell to elaborate on this. Mr. Harrell explained that currently our ordinance requires that developments of 5 acres or more contain stormwater quantity controls.

**VIII Consider approving the 2014-2015 Budget Ordinance for Operations & Capital.**

Lisa Salmon stated that in accordance with the provisions of the N.C. General Statutes, the City Manager’s 2014-15 Proposed Budget was presented to the City Council on May

05, 2014. The City Council conducted a public hearing on the budget on May 19, 2014 and held a budget work-session on May 27, 2014. The Budget Ordinance holds the current property tax rate of \$0.41 per \$100 of assessed valuation with no change next year. The Budget Ordinance includes a 2.0% increase in retail electric rates necessary to offset an increase of the same amount to the City for wholesale purchased power. Also included is a 2.0% increase in water and sewer rates to provide for operations and capital, as well as the necessary debt service in the coming years for a major expansion to the Third Creek Wastewater Treatment Plant. These rate increases will be effective July 1, 2014. Staff recommends adoption of the 2014-15 Budget Ordinance as follows:

General Fund	\$28,743,250
Electric Fund	50,295,600
Water & Sewer Fund	10,155,197
Civic Center Fund	<u>903,404</u>
Total	\$90,097,451

**Council member Morgan made a motion to approve the 2014-2015 Budget Ordinance for Operations & Capital, seconded by Council member Schlesinger.**

Council member West stated he is not opposed to the ICATS program but he wanted it on the record that he feels that the County should participate in this also.

Mayor Kutteh stated that we did learn that the van that runs those routes will very predominately display the Statesville logo.

**The motion to approve carried unanimously.**

**IX Consider approving the 2014-2015 Budget Ordinance for the Health Insurance Fund.**

Mrs. Salmon stated that in accordance with the provisions of the N.C. General Statutes, the City Manager's 2014-15 Proposed Budget was presented to the City Council on May 5, 2014. The City Council conducted a public hearing on the budget on May 19, 2014 and held a budget work-session on May 27, 2014. Staff recommends adoption of the 2014-15 Budget Ordinance for the Health Insurance Fund in the amount of \$3,664,916.

At the request of Mayor Kutteh, Mrs. Salmon briefly explained the Health Insurance Fund.

**Council member Watt made a motion to approve the 2014-2015 Budget Ordinance for the Health Insurance Fund, seconded by Council member Schlesinger. The motion carried unanimously.**

**X Consider approving the 2014-2015 Budget Ordinance for the Property and Casualty Liability Fund.**

Mrs. Salmon stated that in accordance with the provisions of the N.C. General Statutes, the City Manager's 2014-15 Proposed Budget was presented to the City Council on May 5, 2014. The City Council conducted a public hearing on the budget on May 19, 2014 and held a budget work-session on May 27, 2014. Staff recommends adoption of the 2014-15 Budget Ordinance for the Property & Casualty Liability Fund in the amount of \$792,924.

**Council member Huggins made a motion to approve the 2014-2015 Budget Ordinance for the Property and Casualty Liability Fund, seconded by Council member Schlesinger. The motion carried unanimously.**

**XI Consider approving the 2014-2015 Budget Ordinance for the Occupancy Tax Fund.**

Mrs. Salmon stated that in accordance with the provisions of the N.C. General Statutes, the City Manager's 2014-15 Proposed Budget was presented to the City Council on May 5, 2014. The City Council conducted a public hearing on the budget on May 19, 2014 and held a budget work-session on May 27, 2014. Staff recommends adoption of the 2014-15 Budget Ordinance for the Occupancy Tax Fund in the amount of \$815,000.

**Council member Huggins made a motion to approve the 2014-2015 Budget Ordinance for the Occupancy Tax Fund, seconded by Council member Watt. The motion carried unanimously.**

**XII Consider approving the 2015-2020 Capital Improvement Plan.**

Mrs. Salmon stated the capital improvements plan includes the capital outlay appropriated in the operating funds for the upcoming fiscal year (2014-15), plus projected capital needs for five planning years. Staff recommends adoption of the 2015 – 2020 Capital Improvement Plan (CIP).

Mayor Kutteh stated that this is just a roadmap for Council and Staff and there are items that have been on the CIP for years.

**Council member West made a motion to approve the 2015-2020 Capital Improvement Plan, seconded by Council member Morgan.**

Council member M. Johnson stated there are issues relative to timing in this. He asked Mr. Pressley to speak to the \$5.3 million in the electric fund in 2016 for the Smart Grid Program Implementation.

Mr. Pressley explained stating this program allows control of the electric system electronically to be able to turn on and off and read meters. There are many different features to this and that is one of the main reasons we wanted to go with the pilot program. Council member M. Johnson asked how we would recapture \$5.3 million. Mr. Pressley explained a fair amount of this would be spent over time anyway, such as replacing meters and this will shift how meters are purchased.

Mayor Kutteh asked when staff would anticipate implementing this. Kent Houpe replied as soon as possible. Mr. Houpe stated this will extend 2-way communication to the meter and we can do load control. He said we know that the technology works and this program would eliminate the need estimate bills.

Council member M. Johnson asked Mr. Pressley to provide him with what line items are covered in the \$4.8 million in the loan for the 4<sup>th</sup> Creek WWTP.

Council member Huggins asked if the Powell Bill funds have been fluctuating. Mrs. Salmon replied staff predicts an increase in funds the upcoming fiscal year.

**The motion to approve the 2015-2020 Capital Improvement Plan carried unanimously.**

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

Attest:



  
Brenda Fugett, City Clerk

  
Constantine H. Kutteh, Mayor