

MINUTE BOOK 23, Page 348
CITY OF STATESVILLE COUNCIL MEETING – December 7, 2009
CITY COUNCIL CHAMBERS –7:00 P.M.
STATESVILLE, NORTH CAROLINA

Mayor Costi Kutteh presiding

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

Staff Present: Hites, Gaines, Smyth, Pressley, Salmon, Currier, Cornelison, Bullins, Hutchens, Davis, Miglin, Hudson, Anderson, Watts, Riter, Cranford, Stevens

Media Present: J. McNally – Record and Landmark
B. Matlock, Record and Landmark
D. Vieser – Charlotte Observer

Visitors: 10

Invocation

The invocation was given by the Deputy City Clerk and was followed by Pledge of Allegiance.

Mayor Kutteh explained the Council would complete all old business with current Council and pending the completion of that business, Judge Christopher Collier would swear in reelected Board members. Upon completion of the swearing in functions, the Council would continue with new business.

Old Business:

Mayor Kutteh led Council through the consent agenda as follows:

IV 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 minutes of the special meeting of November 12, 2009, pre-agenda meeting of November 12, 2009, and Council meeting of November 16, 2009.

B. Second reading of ZC09-12 filed by the City of Statesville for property located off Old Mocksville Rd; Tax Map 4755-79-1379 from Iredell County's RO to the City's O&I-2 due to annexation.

Upon a motion by Councilmember Matthews, seconded by Councilmember Gregory, the Consent Agenda was unanimously approved.

REGULAR AGENDA

V. Second reading of TA09-05 filed by the City of Statesville to amend Section 30.2.20 (G) Window Signs* and footnote referring to sign options for the CB, CBP, Municipal Service and H-115 districts.

David Currier advised that changes requested by the Council have been incorporated into the ordinance for their consideration. The proposed ordinance includes a proportional formula for window signs that will allow more signage for larger window space. In addition, the total square footage for all types signs changes from ten percent (10%) to twelve (12%).

Councilmember M. Johnson, seconded by Councilmember Stallard, made a motion to approve second reading of TA09-05 to amend Section 30.2.20(G) Window Signs and the motion was unanimously approved.

New Business

Judge Christopher M. Collier administered the oath of office to reelected Mayor Costi Kutteh. Immediately following, he administered oath of office to reelected Councilmembers Stallard, Gregory, Matthews, J. Johnson and Eisele. Judge Collier offered his congratulation and honored the service to the community of these elected officials.

Election of Mayor Pro-Tempore

Mayor Kutteh asked for nominations for the office of mayor pro-tempore. Councilmember J. Johnson nominated Councilmember Stallard and Councilmember Matthews nominated Councilmember M. Johnson. Mayor Kutteh requested the Clerk provide councilmembers ballot paper and he asked each Councilmember to record their vote on the paper, sign it and return to the City Attorney.

Councilmember J. Johnson said he nominated Councilmember Stallard in accordance with previous Council practice of electing a new mayor pro-tempore each election assuming there was interest in serving from a councilmember other than the current pro-tempore. Councilmember J. Johnson also thought the position should be filled by an at large Councilmember.

After tabulation of the vote by Attorney Gaines, Mayor Kutteh announced Councilmember M. Johnson will serve as mayor pro-tempore. The vote was as follows.

For M. Johnson: Matthews, Huggins, Steele, Gregory, Eisele, M. Johnson

For C. Stallard: J. Johnson, Stallard

Re-appointment of City Manager

Upon a motion by Councilmember Steele, seconded by Councilmember Eisele, the reappointment of City Manager Rob Hites was unanimously approved by Council.

Re-appointment of City Attorney

Upon a motion by Councilmember Steele, seconded by Councilmember Eisele, the reappointment of City Attorney Edmund Gaines was unanimously approved by Council.

Attorney Gaines requested Council add to the agenda consideration to purchase some property at the Statesville Municipal Airport.

CONSENT AGENDA

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. Approval of a semi-annual write-off of approximately \$91,492.54 in utility accounts**
- B. Receive the Statesville’s Convention and Visitor Bureau’s Annual Financial Report for the fiscal year ended June 30, 2009.**
- C. Approve schedule of regular Council meetings for 2010 year.**
- D. Accept Andy Briggs resignation as Chairman with the CVB and appoint Bryan George as Chairman.**
- E. Authorize the purchase of 6 police vehicles in the 2008-2009 budget.**
- F. Amend the city’s VI electric rate.**
- G. Approval to apply for the 2010 Staffing for Adequate Fire and Emergency Response (SAFER) grant administered through FEMA.**
- H. Approve corporate rate structure changes for the Fitness and Activity Center.**
- I. Authorize the purchase of 1 treadmill and 1 elliptical trainer in the amount of \$11,873.33 from the Recreation Center Construction Fund.**

- J. **Appropriate \$500 from contingency funds to assist in cost associated with Complete Count Committee for 2010 census.**
- K. **Consider purchase of a front load garbage truck using previously approved capital appropriations.**
- L. **Consider purchase of two compact pickup trucks and approve BA#23.**

Upon a motion by Councilmember Steele, seconded by Councilmember Gregory, the motion to approve the consent agenda was unanimously approved.

Mayor Kutteh informed Council the upcoming Council retreat is scheduled for February 25 and 26, 2010 in Winston Salem.

For clarification, Mayor Kutteh noted in the consent agenda, Council approved the write off of \$91,492.54 in utility bills. Although that number appears quite large, it is only .43 percent of the total amount of utility bills collected in the same time period. Councilmember Stallard also pointed out that the write off does not mean the City stops efforts to collect and that we usually collect about \$35,000 each year of accounts previously "written off".

REGULAR AGENDA

- VI. **Conduct a public hearing regarding a request by Providencia USA, Inc. to participate in the city's economic incentive program.**

The City of Statesville staff in cooperation with Mike Smith at GSDC has been working to secure the location of a new business Providencia for the West business park. The business will be a non-woven fabrics plant that will invest up to \$80,000,000 and hire approximately 56 employees. They qualify and are requesting the VI electric utility rate as well as economic incentives. Although a previous public hearing regarding incentives was conducted, a new hearing is taking place due to the time lag between the hearing date and the actual business announcement as well as some changes in the incentive and electric rate.

Mayor Kutteh opened the public and asked for anyone wishing to speak against or in favor of the economic incentives for Providencia. There were no speakers and the public hearing was closed.

The Council discussed that although the company is only willing to commit to a \$70,000,000 investment over six years and 56 new jobs, it is in the business plan to eventually open four lines at the Statesville plant which should substantially increase that investment. Councilmember M. Johnson congratulated the efforts of Mayor Kutteh, Manager Hites, city staff and Mike Smith for their dedicated efforts in securing this business for Statesville.

Upon a motion by Councilmember Stallard, seconded by Councilmember Matthews, Council unanimously approved an economic incentive grant for Providencia and established the VI electric utility rate for their service.

- VII. **Consider approving application COA09-29 filed by Ms. Audrey Valencia, for the property located at 623 S. Mulberry Street, Tax Map Number 4734-93-6089.**

The home located at 623 S. Mulberry Street is a contributing structure in the Academy Hill Historic District built in approximately 1905. The overall form, material and roof of the structure are stated to be the contributing elements. There is not mention of the accessory structure being contributing to the site.

Applicant is requesting to have the accessory structure demolished. A portion of the structure is sitting on the ground with no foundation and has incurred termite damage and rot. There are many of the interior boards that are not abutting each other leaving gaps in the exterior walls. There has been an effort to board the walls; however boarding of the walls is not fixing the fact that the structure was faulty when originally constructed. Applicant's contractor has stated due to the damage and faulty construction the structure is not safe and he does not recommend trying to repair. Rebuilding would be a better solution. Applicant is not proposing to rebuild at this time. She would like to clean up the over grown area and re-seed with grass.

The Historic Preservation Commission unanimously recommended approval of the demolition of the accessory structure at the November 19, 2009 HPC meeting.

Councilmember Steele moved to approve demolition of the accessory structure located at 623 S. Mulberry Street, was seconded by Councilmember Gregory and the motion was unanimously approved by Council.

VIII Consider a motion certifying availability of local funds and requesting federal funds from the North Carolina Department of Transportation – Division of Aviation (Federal Appropriations and VISION 100 funds) and consider passing Budget Amendment No.24.

The City was awarded three grants for fiscal years 2009 and 2010. There were two federal appropriations 1) \$1,123,140 for continuation of the runway/taxiway rehabilitation and strengthening and 2) \$1,450,000 for land acquisition and a VISION 100 allocation of \$150,000 for runway/taxiway strengthening. Local matching funds from the City and County totaling \$161,111 will be necessary. The City and County will each be responsible for fifty percent of the matching funds. City Council will be requested to approve the Grant Agreement for the project when the agreement is received from the North Carolina Department of Transportation.

Upon a motion by Councilmember J. Johnson, seconded by Councilmember Stallard, Council unanimously certified availability of local funds for aviation grants and approved budget amendment number 24.

IX Consider passing the first reading of an ordinance amending Chapter 12 Article 1 of the City Code, deleting Ordinance 30-80 which established three hour parking on West Broad Street (Section 12-208) and re-establishing two hour parking in this area

The Traffic Safety Director made a study of the parking conditions on the south and north side of West Broad Street east of South Mulberry Street and now recommends that the first thirty-two (32) spaces on the south side of West Broad Street be changed to a two-hour limit from a three-hour limit. Section 12-208 (Ordinance 30-80) established three hour parking on the south side of West Broad Street east of South Mulberry Street. This change from three hour parking to two hour parking will be consistent with the area parking and will allow more business patrons the opportunity to park. This request has been approved by DSDC, Mitchell Community College and local merchants.

Upon a motion by Councilmember M. Johnson, seconded by Councilmembers Eisele and Matthews, Council unanimously approved first reading of an ordinance amending Chapter 12, Article 1 of the City

Code, deleting Ordinance 30-80 which established three hour parking on West Broad Street and re-establishing two hour parking in the area.

X To approve the proposed changes to the Statesville / Iredell Gang Initiative budget, which includes an additional \$1,500 in supplies to the Statesville Police Department (including a 12.5% cash match of \$187.50 and 12.5% in-kind match of \$187.50), and BA # 22.

Teen Health's contractual agreement with the City of Statesville via Statesville / Iredell Gang Initiative (SIGI) has been terminated due to its merger with the Boys & Girls Club; the budget for Teen Health was \$46,833.33. The Boys & Girls Club's contractual agreement, as a result of the merger, was adjusted from \$23,460.33 to \$31,807.33.

The Iredell-Statesville School System has submitted a proposal to utilize \$29,000 of the \$38,486.33 funds now available via the merger, which was accepted by the SIGI steering committee and pending approval from the NC Governor's Crime Commission. The remaining \$9,486.33 funds were distributed among the other funded partners as follows: Appropriate Placement Options: \$3,662.11 in travel / training funds; Piedmont Mediation: \$2,662.11 in travel / training funds; Statesville Police Department: \$1,500 in supplies and Barium Springs Home for Children: \$1,662.11 in personnel funds. In addition, APO and Piedmont Mediation re-allocated some of their existing funds to other categories. The \$1,500 added to the Police Department's budget will require a 12.5% cash & in-kind match of \$187.50 each, which will come from drug seizure funds. New contractual agreements have been created for the effected agencies.

Councilmember Steele commented that having the school system on board with the initiative must significantly bolster the program and Miglin agreed.

Councilmember Steele made a motion to approve changes to Statesville/Iredell Gang Initiative budget and approve budget amendment number 22. The motion was seconded by Councilmember Steele and unanimously approved by the Council.

XI Receive a report of the use of "Recovery Zone Bonds" (RZB) to finance "shovel ready" city projects.

Salmon explained that Recovery Zone Bonds are financing tools available through the American Recovery and Rehabilitation Act of 2009. Iredell County was awarded \$12,150,000 in Recovery Zone Economic Development Bonds and the County does not plan to use the bonds to finance any projects. They have taken the necessary steps to allow the municipalities of Statesville, Troutman and Mooresville to use the County's allocation. Projects eligible for the bonds must be shovel ready and will need to submit request for the bonds to the Local Government Commission by May 2010. Salmon said that the City could submit Fire Station 4 construction for consideration in the amount of \$3,000,000. Consideration was given to using these bonds to finance some electrical expansion but due to the relative small amount of the project, it was determined not economically advantageous to include that project. Salmon clarified that submitting this project to the County for consideration will not require the City to use this financing tool but only makes it an option for the City. By financing the Fire Station using these bonds, the money budgeted for the station could be used to fund other projects should the Council so desire. The advantage of the Recovery Zone bonds is that 45% of the interest on the bond is refunded to the City annually thereby reducing the cost of financing. Salmon stated that the City would likely use a ten year term for this project but these details would need to be finalized prior to submission of the bond request.

Councilmember Huggins moved to submit the Fire Station Construction Project in the amount of \$3,000,000 to Iredell County for consideration in the allocation of Recovery Zone Economic Development Bonds. The motion was seconded by Councilmembers Stallard and Eisele and unanimously approved by the Council.

XII Receive a report for drafting design alternatives to the downtown streetscape plan.

As a result of the November 12th Council meeting and discussions about parking in the downtown area, staff has requested a proposal from Land Design for streetscape concept plan development. The intent is to have Land Design assist with concept plan development and determine a "footprint" of two specific projects. The professional services agreement with Land Design would be on an hourly basis, not to exceed \$28,000, (\$16,000 for Broad Street and \$12,000 for Amity Hill Road). The consultant would more fully develop options for the Broad Street area and the Amity Hill Road realignment.

Councilmember M. Johnson stated he was opposed to this request because at the previous Council meeting, the Council had approved obtaining "as built" surveys for the downtown area and the Amity Hill Road realignment area. The discussion regarding this item provided direction to staff allowing them seek the services of a landscape architectural specialist to assist with the issues relevant to the realignment of the Amity Hill Road. The completion of the "as built" surveys will assist the Council in determining if additional conceptual design work will be needed. They will identify situations where the current plan will not work from an engineering stand point and will require a redesign of that element. Councilmember M. Johnson expressed his concern that opening the plan at this point in time to reconsider the parking arrangement on Broad Street is tantamount to starting the process all over again. The plan as written was open to public comment numerous times during the development stage and to reopen the design will only delay the project and possibly completely derail the effort.

Councilmembers discussed when possible alternatives might be discussed if not at this juncture in the process. Councilmember M. Johnson stated that with the current plan adoption, changes would be considered only when an element of the current plan cannot be developed as planned due to plan design flaw rendering that element unfeasible. Council discussed several of their concerns with the current plan including saving the large trees in front of Broad Street Methodist Church, the parallel parking issue, lack of loading zones and potential traffic congestion created by the one lane, median divided street.

Councilmember M. Johnson made a motion to deny the request for a contract with Land Design to draft design alternatives to the downtown and Highway 115 streetscape plan. The motion was seconded by Councilmember Stallard and was approved by a majority vote of Council.

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

Nays: J. Johnson and Steele

XIII Accept the bid for the sale of marketable timber at the Third Creek Wastewater Treatment Plant.

During the July 20, 2009 City Council Meeting, a request was approved to enter into a contract with William H. Lock and Assoc. Inc. for the management and harvesting of the timber at the Third Creek Wastewater Treatment Plant. Pursuant to that agreement, a bid opening was held on December 3, 2009. This request is for Council to accept the high bid of \$541,250 from ASC Timber for the sale of the Third Creek Timber. Hudson explained the department is seeking to sell this timber after instruction from the Manager's office to look for ways to cut cost and generate revenue. Previously, consideration had been given to selling this timber but the timber was not mature at that time. Councilmember M. Johnson inquired about the timing of the sale as the price of timber is at an all time low. There was some discussion regarding the proper time to sell timber and how long "mature" timber will retain its maximum value.

Upon a motion by Councilmember Stallard, seconded by Councilmember Matthews, Council approved by majority vote the award of the high bid to ASC for the sale of timber at the Third Creek Wastewater Treatment Plant.

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

Nays: M. Johnson

XIV Recommend selection of architect and contract to define scope of work for City Hall Renovations.

On November 23rd, the Quality of Life Committee interviewed architects for the City Hall renovation and interviewed four well qualified firms. On December 3rd, the Quality of Life Committee met again to finalize the selection of the Winston-Salem firm of Walter, Robbs, Callahan & Pierce to provide professional services for the City Hall renovation. Staff proposes entering into an agreement to provide assessment of the existing conditions and work with the City to develop the scope of work and preliminary cost estimate before entering into an agreement for final design. Under this scenario, we would have a better understanding about the scope or work and a rough cost before authorizing final design.

Upon a motion by Councilmember Steele, seconded by Councilmember Gregory and M. Johnson, the Council unanimously approved the selection of Walter, Robbs, Callahan and Pierce as architects for the City Hall renovation project and approved negotiation of a contract to define scope of work for the project.

Approve purchase of property at Airport

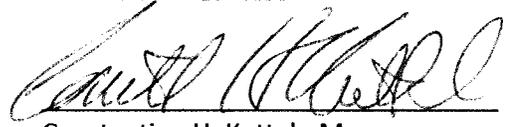
Attorney Gaines reported Council has discussed purchasing property at the Statesville Municipal Airport from Credit and Loan Company. The property is estimated to be about 10.5 acres and the agreed price is \$32,500 per acre. Gaines is currently waiting on a final survey but requests Council approve the purchase of the property up to an amount of \$373,750 plus closing costs.

Upon a motion by Councilmember J. Johnson, seconded by Councilmember Stallard, Council unanimously approved the purchase of up to 11.5 acres of property located at the Statesville Municipal Airport from Credit and Loan Company for a maximum cost of \$373,750 plus closing costs.

No other business was brought before the Council.

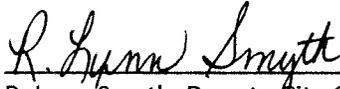
Upon a motion by Councilmember Steele, seconded by Councilmember Matthews, and approved unanimously, the meeting was adjourned.

CITY OF STATESVILLE



Constantine H. Kutteh, Mayor

ATTEST:



R. Lynn Smyth, Deputy City Clerk