

**MINUTE BOOK 23, PAGE 207
CITY OF STATESVILLE COUNCIL MEETING – July 20, 2009
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Kutteh presiding:

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

Staff Present: Hites, Craddock, Salmon, Gaines, Davis, Blevins, Pritchard, Byerly, Bullins, Smyth, Currier, Pressley, Stephens, Rimmer, Miglin

Media Present: D Vieser – Charlotte Observer;
J McNally – Record & Landmark

Visitors: 15

Invocation

The invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

Public Comments

There were no speakers

CONSENT AGENDA

- A. Approve minutes of the pre-agenda meeting of June 11, 2009, and Council meeting of June 15, 2009.**
- B. Second reading of an ordinance establishing stop intersections at Cloverdale Street and North Mulberry and at Mables Court and North Mulberry Street. Appropriate signage will accompany this ordinance. (Ord. #28-09)**
- C. Consider passing a motion to close the traffic circle in the Tara's Trace subdivision, which consists of the intersection of Ballingarry Drive and Cappoquin Drive, on Saturday, July 25, 2009, between 4:00 p.m. and 10:00 p.m. This closure is being requested by the Tara's Trace Home Owner's Association (HOA) in order to host a community concert in which funds are being raised to support the Dove House.**
- D. Request permission to accept a grant from the NC Governor's Crime Commission (GCC) for a total of \$ 2,000 (which includes a 25% match of \$ 500.00 from the city) towards the purchase of a portable ID maker and approve BA# 02.**
- E. Consider a request from Chong Cha N Vang to connect his residence at 2033 Bristol Road to the City Water System.**
- F. Consider a request from Comfort Home Properties to connect his residence at 2930 Newton Drive to the City Water System.**

- G. 1. Consider passing a resolution directing the City Clerk to investigate a petition of annexation. (Packman Property) (Reso#21-09)
- 2. Receive City Clerk's Certificate of Sufficiency.
- 3. Consider passing a resolution fixing a date (8-3-09) for a public hearing on the questions of the petition annexation. (Reso#22-09)
- H. Consider a request approving a review appraiser to review the appraisal of property (completed by T.B. Harris) at the airport for the purpose of acquisition.
- I. Establish a capital budget for the demolition of Grace Park Gym and ancillary buildings and approve BA#1.

Council member Eisele asked for item I to be moved to the regular agenda.

Upon a motion by Council member Steele, seconded by Council member Gregory, items A – H of the consent agenda were unanimously approved.

REGULAR AGENDA

Establish a capital budget for the demolition of Grace Park Gym and ancillary buildings and approve BA#1.

City Manager Hites stated that earlier in the year the Council voted to demolish the Grace Park recreation facility. Council member Eisele requested that I place this item on the agenda at an appropriate time for consideration.

As we consider purchasing capital items previously approved in last year's budget your staff recommends that you create a capital budget of \$116,000 for demolition of the facility.

We requested an estimate for removal of any asbestos and demolition of the buildings, underground piping and the pool rim 24" below the surface. The estimate and related costs amounted to the above request.

At this time we recommend that you appropriate the funds from the General Fund Balance. When we close out the Recreation Center Capital Account we estimate that approximately \$1 million will be returned to the General Fund; more than enough to cover the cost of the demolition.

Mr. Hites advised specifications the contractor wrote were to demolish the buildings on site (including Scout Hut), take the pad out of the gym, remove the pool 2' below the current surface but not completely excavate the old pool and take it out. The piping would be removed and leave 24" of fill before reaching the bottom of pool. This would be covered, seeded and grassed. At a future date Council could appropriate funds for a park for the property.

Council member Eisele requested the City Manager bring back a plan by the first meeting in September. Mr. Hites stated that we have already done the sketch plan where we will put the play equipment and the walking trail so it should not be a problem to provide a plan by September.

Council member Steele made a motion to approve BA#1, approve tearing down of Grace Park, instruct staff to bring back a plan by the first meeting in September so we can begin planting and building a passive park on this site in October. Council member Eisele seconded the motion and it was unanimously approved.

Receive a report on All America City

Mayor Kutteh presented the All America City plaque to City Manager Hites. He also read a resolution from Iredell County.

Conduct Public Hearing and consider passing first reading of ZC09-09 filed by Martin Marietta for the properties located at 224 and 230 Quarry Road; Tax Maps 4735-22-6709 and 4735-02-6026 pt. from B-2 to HI CU and HI CU to HI CU Change of Conditions.

Council member Eisele asked to be excused.

Upon a motion by Council member J Johnson, seconded by Council member Steele, Bonita Eisele was excused from this item.

Planning Director David Currier stated that the owner, Martin Marietta is requesting: 1) the rezoning of the property off Quarry Road directly behind Fred's from B-2 to HI CU to allow construction of a new office/scale house, an employee/quality control building and a shop building which will replace the existing facilities on the east half of the site. The west half is proposed to contain parts of the secondary plant, including a wash screen, sand screw, conveyors and stockpiles with conditions.

Martin Marietta is also requesting: 2) to rezone the existing site from HI CU to HI CU to change the following conditions: 1) Remove the 100 ft buffer requirement and relocate it behind Fred's and remove the "No Activity" restriction on the portion of Parcel 2 north of the creek in order to permit the uses requested for conveyors and stockpiles. There are also other conditions proposed for parcel 2.

Parcel 1 which is located directly behind Fred's contains approximately 28.59 acres and is zoned B-2. The majority of the area for the new structures is open field. The office/scale house is proposed to be 40' x 60', 20' high; the employee/QC building is proposed to be 30' x 70', 20' high and the shop building is proposed to be 55' x 110', 50' high. The 100 ft. buffer being requested to be removed from Parcel 2 is proposed to be relocated on Parcel 1 directly behind Fred's. Parcel 1 is also proposed to contain portions of the secondary crusher referenced above however, no crushing will occur on parcel 1. The crusher will be located on Parcel 3 where it is already permitted. As stated in the application, the purpose of these reconfigurations is part of a larger plan to construct a modern, fully automated, high capacity, high efficiency plant to replace the existing plant which is aging, inefficient and in need of repair. The new plant will be cleaner and quieter and will produce more stone in fewer hours of operation. The application also states that Martin Marietta does not anticipate a noticeable change in noise levels, traffic and access will be the same, the frequency of blast events will not change and the intensity of the operation will not change.

The surrounding zoning district and land uses were reviewed.

The 2005 Land Development Plan projects this area to be commercial. However, Parcel 1 does not have any street frontage other than Quarry Road. This is a logical expansion for the quarry. Staff supports the rezoning and change of conditions with the conditions proposed with the exception that hardwoods are mixed with the pine seedlings planted on the buffer. Staff would recommend that the Land Use Plan be revisited in regards to this area.

Mr. Currier reviewed the following conditions:

Parcel 1:

1. No mining or blasting will occur on Parcel 1.
2. No crushing will be allowed on Parcel 1.
3. The height of the highest plant component will be a maximum of 80', which is lower than the height of the tree line separating the eastern side of Parcel 1 from the western side.

4. The current, existing access to the quarry from Quarry Road will remain as the sole access to the quarry and to Parcel 1; there will be no additional access to or from Parcel 1 to or from any public roadway.
5. Parcel 1 will be developed in accordance with the Concept Plan attached at Tab 8, except that driveway cuts will be made at locations yet to be determined from Parcel 1 onto Quarry Road.
6. Prior to the start of site work on Parcel 1, Martin Marietta will amend its state Mining Permit to include Parcel 1 so that activities on the Parcel 1 will fall under the jurisdiction of the NC Department of Environment and Natural Resources.
7. A minimum 50' buffer from properties not owned by applicant will be maintained around Parcel 1 except where roads access Parcel 1 from Quarry Road and along the common line with AMH Holdings, where the buffer will be expanded to at least 100'. An earthen berm, minimum height 25', will be constructed in part of this 100' buffer, and the berm will be planted with pine seedlings.
8. Applicant will comply with the requirements of Buffer Yard C or D, as set forth in Section 30.6 of the Zoning Ordinance. As Applicant intends to leave as much of the existing trees and vegetation as can be left and accommodate Applicant's use, Applicant proposes to meet with appropriate City Planning Staff to agree on plantings that may be necessary to meet the Buffer Yard requirements.
9. Applicant will install fencing as necessary to comply with ordinance requirements.

Parcel 2:

1. The 100' buffer required by the Conditional Use Zoning Permit issued on January 5, 1987 is deleted for the portion of Parcel 2 that joins Parcel 1.
2. The height of the highest plant component will be a maximum of 80'.
3. No mining or blasting will occur on Parcel 2.
4. No crushing will be allowed on Parcel 2.
5. Access to the quarry from Quarry Road will remain as the sole access to the quarry and to Parcel 2; there will be no additional access to or from Parcel 2 to or from any public roadway.
6. Parcel 2 will be developed in accordance with the Concept Plan attached at Tab 8.
7. Prior to the start of site work on Parcel 2, Martin Marietta will amend its state Mining Permit to permit the uses herein requested for Parcel 2 so that activities on Parcel 2 fall under the jurisdiction of the NC Department of Environmental and Natural Resources.
8. A minimum 50' buffer from adjoining properties not owned by applicant will be maintained around Parcel 2 except where roads access the Parcel 2 from Quarry Road.
9. Applicant will comply with the requirements of Buffer Yard C or D, as set forth in Section 30.6 of the Zoning Ordinance. As Applicant intends to leave as much of the existing trees and vegetation as can be left and accommodate Applicant's use, Applicant proposes to meet with appropriate City Planning Staff to agree on plantings that may be necessary to meet the Buffer Yard requirements.

10. Applicant will install fencing as necessary to comply with ordinance requirements.

Mayor Kutteh asked if staff has received a petition for voluntary annexation. Mr. Currier replied yes.

Council member Stallard confirmed there is no other access than Quarry Road. Currier confirmed. Council member Stallard asked if this is approved will they have to obtain a special use permit. Currier replied yes definitely.

Council member Steele noted the applicant is required to install any fencing required by ordinance. Currier stated the Special Use Permit requires fencing of the entire site.

Mayor Kutteh invited the applicant to speak.

Attorney Ed Pressley introduced the Martin Marietta team before recognizing Martin Marietta Vice President Engineering Services Paxton Badham.

Mr. Badham stated that what is driving this application is the fact that we need to build a new processing plant. The proposed plant will produce more in less time; it will be quieter and cleaner. We started to think about where to put the new station. We realized it would be better not to put it on our reserves. We hope to get another 20 years by not putting on reserves. The property is bisected north and south by a small stream with trees on each side. We will leave those trees as buffer. Before we can do anything we have to be approved by the state for a mining permit. This triggers all environmental agencies to look at this operation. This application should be more notable for what it is not. It is not a blasting footprint, increase in intensity of the operation, not increasing crushing area, and no increase in traffic. We have met with neighbors of adjoining property. Mr. Badham offered a letter from Mitchell College in support of the project.

Mayor Kutteh opened the public hearing and asked if there was anyone who wished to speak.

Tom Wilson, President of G L Wilson, stated he is a customer of Martin Marietta. They are a good community supporter. They are big supporters of Boys & Girls club and Fifth Street Ministries. This company produces a product that supports our infrastructure.

Mayor Kutteh closed the public hearing and asked if there were any questions of Council.

Council M Johnson asked about annexation. Is there current building on a well? Mr. Currier stated that in order to get city water/sewer they have to be in the annexation process. Council member M Johnson asked if this requirement has been agreed to. Mr. Currier replied yes. M Johnson asked if the private road meet standards for fire protection. Currier replied yes.

Council member Stallard made a motion, seconded by Council member Gregory to approve 1st reading of ZC09-09 filed by Martin Marietta for the properties located at 224 and 230 Quarry Road. The motion was unanimously approved.

Upon a motion by Council member Steele, seconded by Council member J Johnson, Council member Eisele returned to her seat.

Conduct Public Hearing and consider passing first reading of ZC09-08 filed by Nelson Jones/Saws Limited Partnership for the property located at 214 Phoenix Street; Tax Map 4734-27-3387 from R-10M to LI.

The owner, Mr. Nelson Jones and Mr. Roger Spillman with Saws Limited Partnership are requesting the rezoning of the property located at 214 Phoenix Street from R-10M to LI to allow construction of an office for an asset recovery and truck transporting business. Currently the parking lot which is grandfathered

is being used for the parking/storage of trucks. Because the owner and applicant would like to expand the business to add an office, rezoning is necessary. The tract is currently zoned R-10M and contains approximately 4.35 acres. The majority of the lot is paved and was used as the parking lot for the former Burlington Industries which is directly across Phoenix Street from the site. The surrounding zoning district and land uses were reviewed.

The 2005 Land Development Plan projects this area to be medium density residential even though it is an existing parking lot and is adjacent to industrial uses on both the south and west borders. This area is also identified in the Land Development Plan as an area for redevelopment in which the city will seek to qualify targeted neighborhoods with compatible and supportive neighborhood goods and services; provide density bonuses for planned developments that encompass the lesser of an existing city block or 2 acres; and focus city resources on capital improvements and code enforcement activities that promote private investment and neighborhood stability. Based on the lot containing an asphalt parking lot, the immediate uses being similar to the proposed use, and the necessary infrastructure being available to support the proposed use, staff's recommendation is favorable to rezone from R-10M to LI.

Staff would also recommend that the Land Use Plan be revisited in regards to this area.

The Planning Board reviewed and approved this rezoning. A large part of the site is for a non-conforming use and the balance of the property is vacant.

Council member Steele asked if this is rezoned to LI they could change to anything that is allowed under LI. Mr. Currier replied yes. He presented a list of things allowed in LI areas.

Mayor Kutteh asked if it has been determined whether they can create their own non-conforming use. Mr. Gaines replied that Burlington did that when they sold the property. Mayor Kutteh stated the issue may come up if another manufacturing plant wants to use that facility. Mr. Gaines stated the company would have the same parking requirements.

Council member Stallard asked if staff is aware of plans for Burlington. Currier replied no. Stallard stated there is a lot of testing but it may be 10-12 years out for extracting the contaminants.

Mayor opened public hearing and asked if there was anyone to speak against or for this issue. There being no speakers, Mayor Kutteh closed the public hearing.

Council member Eisele stated she has a big issue making this property LI. It is right beside NB Mills School. Council member M Johnson echoed that comment. That neighborhood is struggling. It doesn't need a viable LI district adding to the problems. He stated that he wouldn't support a by right district so close to that school. Johnson recalled about 5 years ago we were working on land use plan and had a discussion on environmental issues. M Johnson stated for him to entertain anything further it would have to be conditioned properly to support a rezoning on this site. Council member Matthews called and asked Council to wait on approving first reading since this is in his district.

Council member Steele asked if there is a rule that if Council turns down a rezoning they can't come back for 2 years. Currier stated there is a rule that if Council turns down a rezoning the applicant can't reapply for the same zone until 2 years or 1 year for another zone.

Currier stated that Council could table this while the developer works with staff to agree on conditions for a conditional use zoning.

Council member Steele made a motion, seconded by Council member Eisele to table the 1st reading.

Mayor Kutteh asked the applicant if they are willing to work with staff and they agreed.

Consider a request to waive the penalties for room occupancy taxes.

Finance Director Salmon stated the staff has been working with Ms. Lori Drury, owner of the Clichy Inn Bed and Breakfast located at 317 W Front Street, to determine the amount of occupancy taxes, penalties and interest that are due since its opening in May 2005. Ms. Drury has now paid for back privilege licenses that were due since opening.

The City's occupancy tax rate is 5% of gross sales for room accommodations. Ms. Drury has provided the staff with the amount of her gross sales since opening in 2005 so that occupancy taxes due can be calculated. However, by law, the amount of taxes due cannot be disclosed publicly as this information is proprietary. General Statutes do not provide for the waiver of the taxes or interest, but does authorize the Council to waive all or part of the penalties that are due.

Ms. Drury would like to request that Council waive the penalties due. The amount of penalties due as of July 31, 2009 is \$ 1,080.63.

If the Council waives the penalties, Ms. Drury will have 45 days to pay the total occupancy taxes, interest and any penalties due or the penalties that were waived will be reinstated.

Ms. Salmon advised that she met with Ms. Drury in June. Ms. Drury mentioned that when she initiated contact with the Planning Department in 2005 that she asked if there was any other requirements of the city. She also said that she had tried to find the appropriate department but was unable to contact anyone. She believed the city would contact her at some point in time. Council certainly has discretion to waive any part of the penalties that have incurred during that time; the amount is \$ 239.18.

Mayor Kutteh asked what the effective date was to remit the first occupancy tax payment. Ms. Salmon advised this was received in June for the month of May.

Council member Stallard asked if a like penalty has ever been waived before. Ms. Salmon replied not since she has been here. Council member Stallard noted that if Council waives this request it could set precedent for other hotels. Mr. Salmon agreed.

Council member Steele advised the discussion point might be different in that someone in the city was remiss in getting back to her.

Council member M Johnson stated that Ms. Drury had exceptional circumstances with an ill spouse who passed away this year.

Ms. Salmon noted she was aware of that which is why we delayed in contacting her. She repeated that it would certainly be appropriate if Council wanted to waive any part of the fees and/or penalties.

Council member Stallard made a motion to waive the \$ 239.18 penalties. Council member Steele seconded the motion and it was unanimously approved.

Mayor Kutteh questioned if the rule for 45 days to pay the entire amount is from date of approval by Council. Ms. Salmon confirmed the 45 days begin tonight. If not approved it would have been due by July 31.

Consider a request from Statesville Flying Service to renew a lease for property at Statesville Regional Airport. (Reso #23-09)

Statesville Flying Service (SFS) is requesting to continue their lease of a 2,592 square foot area adjacent to the GL Wilson Hangar. The space is to accommodate a 24-foot by 60-foot portable office and 5 parking spaces. The lease will be temporary and allows SFS to provide office space for tenants that is not available in the current terminal. A \$100 monthly rate was applied to the lease when it was originally assigned.

Upon a motion by Council member J Johnson, seconded by Council member Gregory, the request from Statesville Flying Service to renew a lease for property at Statesville Regional Airport was unanimously approved.

Consider approving application COA09-10 filed by Mr. Steven Bell, for the property located at 231 Oakhurst Road; Tax Map Number 4734-86-2377.

Background

The home located at 231 Oakhurst Road is a Colonial Revival built in approximately 1940 and is in excellent condition. The home is a contributing feature to the Mitchell College Historic District. The main contributing features are the gabled roof; cornices, the elaborate front entrance with fanlight and the one story side porch.

Request

The applicant, Mr. Stephen Bell on behalf of Ms. Jean Elledge is requesting to demolish the rear porch and build a garage addition on the rear of the structure. The new addition will be a two story structure housing a garage and storage area on the first floor and a master suite/study on the 2nd floor. Also included in the demolition is the request to remove half of the paved drive (where the new structure will be located) and two large willow oak trees located on the rear of the lot. The materials that are requesting to be used will match the existing as close as possible. The applicant has requested if original materials are no longer available a considerable replacement will be determined based on style, texture and color that would have been applied in the 1930's and 1940's. The applicant is requesting windows and doors to be made of modern materials as long as the look of the product represents what was present when original construction took place. Due to the lack of information for materials staff is requesting the applicant explain his intentions.

Staff Review

The Historic Preservation Commission approved the concept of the proposed addition that Mr. Bell will be installing on the rear of the house. The Historic Preservation Commission recommended approval of demolishing the porch and double staircases located on the rear of the home at 231 Oakhurst Road. The applicant will be returning to the Historic Preservation Commission for approval of materials and landscaping.

Upon a motion by Council member J Johnson, seconded by Council member Stallard, COA09-10 filed by Mr. Steven Bell, for the property located at 231 Oakhurst Road was unanimously approved.

Consider passing a resolution authorizing the lease of certain property at the Third Creek and Fourth Creek WWTP sites. (Reso #24-09)

- In the past, the City has had a lease with a local farmer to maintain the property at the Fourth Creek and Third Creek facilities. This lease expired May 31, 2009.
- The department is now in need of renewing the lease.
- The land, approximately 20 acres at Fourth Creek and 15 acres at Third Creek, is not used in the regular operation of the plants. As stated in the lease agreement, portions of the land are permitted by the State of North Carolina as land application sites and a special provision for this activity is included.
- Lease payments are waived for services rendered to maintain the land. The term of the agreement is 10 years.

Upon a motion by Council member M Johnson, seconded by Council member Stallard, the resolution authorizing the lease of certain property at the Third Creek and Fourth Creek WWTP sites was unanimously approved.

Approve a contract with William H. Lock & Assoc. Inc. for the management of the harvesting and sale of timber at the Third Creek WWTP site.

City requested all departments to find ways of saving or generating revenue. Staff reviewed timber on the Third Creek WWTP site and found we have approximately 118 acres of timber that is ready to be harvested now.

The fee for the managing and harvesting of the timber is 7% of the gross timber sales proceeds. This fee is usual and customary for this type of work.

Staff requested three bids and received two. Both were for 7% however, William H. Lock & Assoc., Inc. was found to have a broader scope of services for this work.

Services include estimating quality of timber, prepare the track for timber sale, prepare all sale documents, conduct the sale and monitor harvesting procedure for compliance with Best Management practices and Forest Practice Guidelines.

After harvest, reseedling will need to be done to sustain a managed forest.

Council member Steele questioned the replanting of trees. She asked if the contractor is going to plant new trees.

Jerry Byerly replied that staff would be coming back to Council to request funds to cover the cost of replanting.

Upon a motion by Council member M Johnson, seconded by Council member Stallard, a contract with William H. Lock & Assoc. Inc. for the management of the harvesting and sale of timber at the Third Creek WWTP site was unanimously approved.

Request authorization to conduct Security Light incentive promotion during the month of August in conjunction with the National Night Out Program.

Joe Blevins stated that the purpose of this program is to promote the installation of outdoor security lighting. Outdoor security lighting helps to increase off-peak kilowatt hour sales and provides an effective way to protect one's home and property.

Commercial and residential customers who have a new security light installed would receive three months of free service.

The contract period for security light installations are two years and it has been calculated that payback for the cost of labor and materials for a new light will occur during this period. When this promotion was conducted in 1994, 47 new lights were installed and all of these lights are still in service today.

Outdoor lighting is an economical way to deter crime, creating an atmosphere for work or play and providing an easy and safe entrance to your home or business at night.

This program would be promoted in conjunction with the National Night Out program, conducted by the Statesville Police Department, which promotes crime prevention.

Upon a motion by Council member Steele, seconded by Council member Gregory, authorization to conduct Security Light incentive promotion during the month of August in conjunction with the National Night Out Program was unanimously approved.

Request resolution to establish and offer Energy Star Home Rebate Program to residential customers and home builders. (Reso #25-09)

The purpose of this program is to promote and achieve energy efficiency and to encourage smart energy choices for our residential customers. Energy Star™ qualified homes use substantially less energy for heating, cooling and water heating.

A \$500.00 rebate will be paid to home owners for custom built homes and to builders for speculation homes. Rebates are offered on a first-come, first-served basis as funding is available each fiscal year from the North Carolina Municipal Power Agency 1.

John Keever of ElectriCities was available for questions. He explained the process of applying for the rebate.

Customers must have a certified Home Energy Rater (HERS) qualify their home as Energy Star rated and must submit a copy of the Energy Star Certificate with an index of 85 or less.

In addition to saving on electric power bills each month, these customers will be helping the City to comply with North Carolina's adopted Renewable Energy and Energy Efficiency Portfolio Standard, which was established by Senate Bill 3.

Upon a motion by Council member Huggins, seconded by Council member M Johnson, the resolution to establish and offer Energy Star Home Rebate Program to residential customers and home builders was unanimously approved.

Request resolution to establish and offer Commercial and Industrial Solar Thermal Rebate Program to commercial and industrial customers. (Reso #26-09)

The purpose of this program is to promote the use of solar technology and help commercial and industrial customers minimize hot water costs by investing in a solar thermal energy system.

All commercial and industrial customers whose electric service is provided by the City of Statesville are eligible to receive a \$700.00 rebate per certified solar thermal panel purchased and installed after January 1, 2009.

Small scale commercial solar thermal systems are developed for a building's main hot water consumption. Commercial solar thermal projects are almost

always set up as pre-heat applications for the building's existing water heating system.

Commercial and industrial customers participating in this program will be helping the City to comply with North Carolina's adopted Renewable Energy and Energy Efficiency Portfolio Standard, which was established by Senate Bill 3.

Council member Stallard questioned the cost of a solar panel. Mr. Keever stated it was approximately \$ 7,000 with a 10% rebate.

Upon a motion by Council member Steele, seconded by Council member Eisele, the resolution to establish and offer Commercial and Industrial Solar Thermal Rebate Program to commercial and industrial customers was unanimously approved.

Consider adopting an ordinance establishing the Statesville/Iredell Gang Initiative Fund in order to implement the Statesville/Iredell Gang Initiative (SIGI), an anti-gang grant from the NC Governor's Crime Commission (GCC) and approve BA#3. (Ord. #29-09)

The Statesville Police Department received official notice that the GCC has elected to fund the SIGI comprehensive anti-gang strategy based off the High Point Intervention Model and Charlotte's "Gang of One" model.

A collaboration of 34 partners, 9 of which are funded including Statesville Police Department, comprises this effort. Other funded partners are listed below.

The Statesville Police Department will receive the following from this grant: (A) 1 Gang Intelligence Officer (salary & benefits), a new officer, and (B) 1 newly created, non-sworn Community Resource Coordinator position (salary & benefits); and (C) overtime funding (incl. benefits).

The City of Statesville has agreed to be fiscal agent for the grant; funding is available on July 1, 2009. Sergeant Daniel Miglin is Project Manager. Grant funds are received on a reimbursement basis.

Total budget, including matching funds, for the first year is \$ 496,274 (\$372,208 Federal funds + \$124,066 match, 23.5% cash + 12.5% in-kind). A tentative second year budget is \$470,137 (\$352,603 Federal funds + \$ 117,534 match), and is being held in reserve by the GCC contingent on the success of our first year and Federal funding available to the State of NC by the Federal government.

The total funds available for the City will be \$ 80,856 of grant funds and the City's cash match of \$ 13,476 for a total of \$ 94,332. BA#3 transfers \$ 13,276 from the Drug Seizure Fund for the City's 12.5% cash match.

Upon a motion by Council member Steele, seconded by Council member Gregory, an ordinance establishing the Statesville/Iredell Gang Initiative Fund in order to implement the Statesville/Iredell Gang Initiative (SIGI), an anti-gang grant from the NC Governor's Crime Commission (GCC) and to approve BA#3 was unanimously approved.

Consider the disposition of frozen capital items in the 2008-09 budget.

Finance Director Salmon stated that in October 2008, the City Manager froze capital spending and later instructed departments to cut 5% from their operating budgets in order to evaluate and monitor the impact of the recession on the City's budget. As fiscal year-end close-out if being prepared the staff requests direction regarding the disposition of frozen capital items in the 2008-09 budget.

In the General Fund, revenues are estimated to exceed expenditures by approximately \$ 2.2 million. This is due primarily to cuts by departments in operating budgets, non-expenditure of capital items, and higher collections in property taxes than budgeted.

In order to alleviate a large backlog of capital needs, staff recommends to reserve for purchase rollover \$ 1,996,488 in capital funding. \$1,150,000 of this amount is for a fire pumper, a street sweeper, and two garbage trucks that were originally planned to be funded by the issuance of debt. We recommend purchasing these items without issuing debt because estimates indicate sufficient funds will be available for this purpose due to cuts by departments in operating budgets. The staff further recommends that the \$ 1,996,488 in capital purchases be held until at least October 1st in order to evaluate the impact to the City's budget of the State's budget adoption.

In the General Fund, there is \$ 510,846 in unspent sidewalk, street paving, and airport grant matching funds that is not recommended for purchase rollover. The 2008-09 original budget also contained fund balance appropriations of \$2,100,000 for items that are either in process or will be reserved as appropriated.

Land Acquisition Airport	1,225,000	Transferred to S.Parallel Capital Project Fund
Land Acquisition H 115	500,000	Reserved in fund balance
City Hall Renovations	250,000	Reserved in fund balance
Downtown Master Plan	125,000	in progress

In the Electric and Water & Sewer Funds, no reserve rollover for frozen capital is recommended at this time due to the operating loss that is expected in both funds at fiscal year end. The capital that was approved in 2008-09 but not purchased will be re-considered at a later date.

Council member M Johnson made a motion that the reserve of \$1,996,488 be released (purchased) and that the fund balance appropriated for city hall renovations be taken off the shelf, and that it be referred to Quality of Life Committee for study and recommendation back to council with respect to content composition and that the \$ 250,000 be reserved for planning and development of the city hall building if Council deems to move forward with the recommendations. Council member J Johnson seconded the motion and it was unanimously approved.

Mayor Kutteh explained that staff will compose plan and present to committee. The Quality of Life Committee will bring back a recommendation to Council.

Mayor Kutteh stated he needed a motion for executive session.

Council member Steele made a motion to go into executive session to discuss a land acquisition matter.

Council member Steele made a motion, seconded by Council member Gregory to return to open session.

Upon returning from executive session Mayor Kutteh advised that no action was taken.

There being no other business Council member Steele made a motion, seconded by Council member Eisele to adjourn.

Mayor

ATTEST:

City Clerk