

**MINUTE BOOK 23, PAGE 186
CITY OF STATESVILLE – June 15, 2009
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Kutteh presiding:

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

Staff Present: Hites, Craddock, Davis, Jenkins, Anderson, Salmon,
L Smyth, Currier, Pressley, Gaines, Bullins, Earnhardt,
Miller

Media Present: J McNally - Record and Landmark
D Vieser – Charlotte Observer

Others Present: Jeff Kirby – LPA

Visitors: 100

Invocation

The invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

All America City Presentation

City Council joined the audience to watch the final rehearsal of the All-America City presentation that will be given later this week at the awards finals in Tampa, Florida. The presentation includes stories on Fifth Street Ministries Shelter; Boys & Girls Club of the Piedmont; and Mi Familia.

Rob Lee, a rising junior at Statesville High School speaking for the group, stated they were ready to go and anxious to tell the story of Statesville.

Public Comments

There were no speakers.

CONSENT AGENDA

A. Approve minutes of the pre-agenda meeting of May 28, 2009, and Council meeting of June 1, 2009.

**B. Second reading of an ordinance prohibiting sex offenders in public parks, recreational facilities and greenway trails.
(Ord. #22-09)**

C. Consider passing the first 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.

D. Approve reciprocal fire protection response contracts with Cool Springs VFD, Monticello VFD, Wayside VFD, and Troutman Fire & Rescue to meet ISO 5 mile response requirements.

PAGE 187

- E. Approve the revised Municipal Records Retention and Disposition Schedule.**
- F. Consider passing a motion closing selected streets in Downtown Statesville for the Statesville Criterium bicycle race on Friday, August 7, 2009. Staff requests a temporary towing enforcement of vehicles along the race route be in effect during the closure period.**
- G. The Downtown Statesville Development Corporation (DSDC) requests permission to temporarily close the City parking lot on East Broad Street, between Nu-Way Shoes and the Clock Tower Building, on Saturday, July 11, between 8:30 a.m. and 11:00 a.m. in order to host a Downtown Independence Bicycle Kids Parade and Celebration.**
- H. Make a formal request that the City of Statesville be an official co-sponsor of the *Independence Day Kids Bike Parade*, by providing in-kind services**
- I. Make a formal request that the City of Statesville be an official co-sponsor of the *Statesville Criterium Bike Race*, by providing in-kind services.**
- J. Appropriate fund balance of \$100,000 in the Health Insurance Fund to pay claims for the remainder of the 2008/2009 claims year and approve BA #33 to account for this change.**
- K. Consider a request from Gary Johnson to connect his house at 308 Bristol Drive to city water.**
- L. Approve an Ordinance Establishing the South Parallel Taxiway and Hangar Expansion Capital Project Fund. (Ord. #23-09)**
- M. Approve BA #37 in the General Fund**
- N. Approve BA #36 in the Community Development Fund.**
- O. Approve BA #35 in the Drug Seizure Fund.**
- P. Approve BA #34 in the Property & Casualty Liability Insurance Fund.**

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

REGULAR AGENDA

- 1. Consider passing a resolution directing the City Clerk to investigate petition for annexation (Larkin) (Reso#19-09)**
- 2. Receive City Clerk's Certificate of Sufficiency**
- 3. Consider passing a resolution fixing a date (7-20-09) for a public hearing on the questions of the petitioned annexation. (Reso#20-09)**

PAGE 188

David Currier stated that the property being considered for annexation is located to the east of Amity Hill Road and the Larkin Phase I property. The subject property is approximately 131.29 acres in size and encompasses Iredell County Parcel Identification Numbers 4752-25-7086, 4725-26-8998, 4752-27-5081, 4752-35-5667, 4752-36-6404, 4752-37-4411 and 4752-16-1205. The developer of the property is proposing to develop the property as part of a mixed use development and is requesting that the property be rezoned to a complimentary City of Statesville zoning district. The subject property is contiguous to the current primary municipal limits of the City of Statesville. Therefore, this request is being processed as a voluntary contiguous annexation.

David Currier stated the Larkin officials will also present new plans to the Council for Phase I of the project, which include 500 dwelling units, 40,000 square feet of retail space and a 150-room hotel. The date to begin construction has tentatively been set for next March.

Upon a motion by Council member M Johnson, seconded by Council member Stallard the Council unanimously approved the following:

- 1. Consider passing a resolution directing the City Clerk to investigate petition for annexation (Larkin) (Reso#19-09)**
- 2. Receive City Clerk's Certificate of Sufficiency**
- 3. Consider passing a resolution fixing a date (7-20-09) for a public hearing on the questions of the petitioned annexation. (Reso#20-09)**

The Bureau of Justice Assistance (BJA) recently advised the Statesville Police Department (SPD) that we are eligible to receive \$35,730 in funding via the 2009 Justice Assistance Grant (JAG). No match is required from the City to receive this grant. The SPD proposes to utilize these funds to purchase various police-related equipment and supplies. I also request permission to pursue this grant and to allow Sergeant Daniel Miglin to represent the City in the application and management of the grant, if awarded.

- **Chief Tom Anderson stated that the SPD is eligible to receive a 2009 JAG grant from the BJA in the amount of \$35,730 (no match required). If awarded, the grant would go into effect on October 1, 2009.**
- **Application is due on July 9, 2009.**
- **Grant funds are drawn down on a reimbursement basis. The SPD would have up to 4 years to expend funds.**
- **An early JAG application, valued at \$147,022, was filed as a part of the Recovery Stimulus program via BJA. This grant is the regular, annual JAG grant awarded based on our UCR crime stats.**
- **The SPD proposes to use these funds...**
 - 1. To purchase two (2) unmarked 2010 Ford Fusion vehicles for non-patrol related functions, along with miscellaneous vehicle accessories;**
 - 2. To purchase five (5) TASER Cams; and**
 - 3. To purchase a vehicle wrap graphics package for the Training Captain's vehicle in order to improve recruiting efforts.**

Upon a motion by Council member Huggins, seconded by Council member Steele, the 2009 Justice Assistance Grant for \$ 35,730 with no matching funds was unanimously approved and Sergeant Miglin was authorized to represent the city in the application and management of the grant, if awarded.

Consider appointments to the Planning Board

The following Planning Board members' terms expire June 30, 2009. These members continue to serve until new appointments are made:

Planning Board:

Scott Neely- Served two terms. Would like to be re-appointed to a third term.

Robb Collier-Served one term. Would like to be re-appointed to a second term.

In addition, there was some confusion regarding unfulfilled terms therefore:

Jesse Barker- Was appointed on January 22, 2007 to fulfill unexpired term for Brian Robinette which expired June 30, 2008. Therefore if re-appointed would serve to term limit June 30, 2011. He would like to be re-appointed.

William Morgan- Was recently appointed to fill Bob Conkey's term which should have expired June 30, 2008. Therefore staff is requesting to extend his term limit to June 30, 2011. He would like to continue the term.

There are several active applications in addition to the current members' applications.

Council member Steele, seconded by Council member M Johnson made a motion to extend the terms of William Morgan and Jesse Barker until June 30, 2011. The motion was unanimously approved.

Council member J Johnson nominated Robb Collier. Council member M Johnson nominated Scott Neely. Council member Huggins nominated Warren Campbell.

Council member J Johnson moved to close the nominations.

Council voted by written ballots which are incorporated into these minutes by reference. The vote was: Robb Collier –8; Scott Neely – 7; Warren Campbell - 1

Mayor Kutteh announced that Robb Collier and Scott Neely were reappointed to the Planning Board.

Consider appointment to the Design Review Committee.

The Downtown Design Review Committee (DRC) is made of five members who specialize or have related experience in architectural design, construction, city planning, or have a commitment to the redevelopment of downtown. The board has one member from the DSDC Board of Directors and the other four members can be persons in the community that fit the description above. Currently on the DRC the following people are serving; Becky Hill (2 year term), John Marshall (2 year term), Chuck Goode (3 year term), Bryan George (3 year term) and Jan Woodside (DSDC Board of Directors Representative, 1 year term). Mrs. Woodside's term has agreed to serve if she is reappointed. The term is July 1, 2009 – July 1, 2012.

Council member M Johnson, seconded by Council member Eisele reappointed Jan Woodside for a three-year term to the Design Review Committee.

Amend rates for Statesville Fitness and Activity Center pool.

Lynn Miller stated that currently, the pool has a rental rate of \$2,000 per day for exclusive rental of the pool. During our initial season, we recommend Council defer the use of this rate until such time as we can gauge membership and public usage of the pool. As an alternative for corporations or individuals that would like an exclusive rental of the pool, staff recommends the following rates:

Time: 6:15 p.m. – 8:15 pm.

Monday – Thursday	\$1,000
Friday or Saturday	\$1,200

If membership only times are displaced for an exclusive rental, then these hours will be rescheduled at another time during the week with notice posted at pool and on web site. Pool capacity rule still applies. All day exclusive rentals could be available on days the pool is closed to the general public, assuming we can schedule an adequate number of life guards to work the event.

In addition, we recommend the rate for (birthday) parties be changes as follows:

\$80 per party which includes:

- 10 pool admissions
- 2 hour use of shade structure
- Ability to bring a birthday cake, cookie or cupcake

All party attendees must pay admission and additional admissions may be purchased at time the party is booked at \$5.00 per attendee. Currently the rate schedule charges \$40 for 8 attendees and does not specify any other particular amenities included in that rate. Parties must be booked and prepaid two weeks in advance.

The Quality of Life Committee has discussed these rate changes and recommends their approval.

Upon a motion by Council member J Johnson, seconded by Council member Steele, the staff recommendations were unanimously approved.

Consider Award of Bids for Runway & Taxiway Rehabilitation and Strengthening, BA #38 and Change Order.

Jeff Kirby's was available to answer any questions. Three bids were received and the bids were awarded last week to APAC Atlantic/Thompson Arthur Division in the amount of \$8,276,134.25.

Staff has received written notification of the \$1.8 million grant.

Staff presented a budget amendment for consideration which would be the matching funds.

Jeff Kirby recommends awarding the full contract amount, then adjusting the contract amount by a Deductive Change Order in the amount of \$425,850, which includes changing the asphalt quality and elimination of the prime coat between the stone and 1st course of asphalt.

Staff recommends the following:

- A. Award of Bid to APAC Atlantic in the amount of \$8,276,134.25.
- B. Approval of Budget Amendment for the matching portion of the new grant.
- C. Authorize a Deductive Change Order #1 in the amount of \$425,850.

PAGE 191

Council member M Johnson congratulated Jeff Kirby and staff on receiving the additional \$ 1.8 million grant.

Council member Stallard asked when construction begins.

Jeff Kirby advised construction should begin in August. He also advised that he held two meetings with stakeholders at the airport before he decided on the date for construction to begin in order to have a minimum impact on the airport.

Council member M Johnson questioned the asphalt prices and Mr. Kirby stated that those prices are locked in according to the contract.

Consider a request regarding the Joint Economic Development Agreement with JC Penney.

Finance Director Salmon stated that the City entered into the Joint Economic Development Agreement with JC Penney in March 2007 and an Addendum in June 2008. The agreement required the company to make a capital investment of at least \$3.6 million in equipment at its distribution facility in exchange for a maximum economic incentive by the City of \$34,200 over a five-year period. The agreement requires the company to certify each year that it continues to employ at least 650 people at the facility and pay an average wage to its employees that is at least \$11.06 per hour.

The company met all of the requirements of the agreement in 2007-08, and received an incentive payment from the City last year. However, due to the severe decline in the economy, the company was not able to maintain all 650 positions during the current fiscal year, and consequently, will not qualify for an incentive payment from the City under the agreement.

The company is requesting that City Council waive the job retention requirement so that it will qualify for this year's incentive payment from the City.

Staff recommends approval of the waiver of job retention requirements for fiscal year 2008-09, and to authorize an incentive payment to the company.

Council member Steele clarified this waiver is for this fiscal year only. Ms. Salmon agreed.

Upon a motion by Council member Matthews, seconded by Council member Stallard, the request regarding the Joint Economic Development Agreement with JC Penny was unanimously approved.

Consideration of Capital Improvement Plan (CIP) for fiscal years 2010 through 2015

Capital items included in the 2009-2010 year are included in the City's Municipal Operating and Capital Budget Ordinance. Capital items listed in the five future planning years are subject to annual review and approval.

Upon a motion by Council member Huggins, seconded by Council member Stallard, the Capital Improvement Plan (CIP) for fiscal years 2010 through 2015 was unanimously approved.

Approve the 2009-2010 Municipal Operating and Capital Budget Ordinance. (Ord. #24-09)

In accordance with provisions of N.C. General Statutes, the City Manager's Proposed Municipal Operating Budget for FY 2009-2010 was presented to Council on May 4, 2009. A public hearing on the proposed budget was held by Council on May 18, 2009. A budget workshop was conducted on May 12, 2009.

This request is to adopt the 2009-2010 Municipal Operating and Capital Budget Ordinance as follows:

General Fund	\$24,741,039
Electric Fund	40,305,954
Water & Sewer Fund	9,281,741
Civic Center Fund	<u>663,074</u>
Total	<u>\$74,991,808</u>

The Citywide property tax rate is \$.38 per \$100 valuation and \$.10 per \$100 in the Downtown Service Tax District. An 8% increase in retail electric rates will become effective July 1, 2009.

Council member Gregory noted the city raised electric rates by 8%. He asked how much Duke's rates increased. Ms. Salmon replied Duke has proposed to increase their rates by 13% and a 4% fuel adjustment cost is pending.

Council member J Johnson noted the City received a wholesale rate increase of 5% so we are actually increasing our rates by 3%.

Council member M Johnson questioned the \$1.8 million appropriation that resides in the general fund. Ms. Salmon advised the \$ 1.8 million that was appropriated from the general fund for the overlay project still resides in the general fund. It is not reflected in the available general fund balance. Council can make a decision to reallocate those funds.

Upon a motion by Council member Gregory, seconded by Council member Stallard, the 2009-2010 Municipal Operating and Capital Budget Ordinance was unanimously approved.

Council member Steele asked about the renovations for the city hall building. Ms. Salmon noted this was on the list of capital items in the current fiscal year that was frozen. She advised she will bring recommendations at the next meeting regarding some of those 2009-2010 capital items.

Approve the 2009-2010 Budget Ordinance for the Property and Casualty Liability Fund (Ord. #25-09)

In accordance with provisions of N.C. General Statutes, a balanced financial plan for the Property and Casualty Liability Fund for FY 2009-2010 was presented to Council on May 4, 2009. A public hearing on the budget was held by Council on May 18, 2009.

This request is to adopt the 2009-2010 Budget Ordinance for the Property and Casualty Liability Fund in the amount of \$ 764,174.

Upon a motion by Council member M Johnson, seconded by Council member Steele, the 2009-2010 Budget Ordinance for the Property and Casualty Liability Fund was unanimously approved.

Approve the 2009-2010 Budget Ordinance for the Health Insurance Fund. (Ord. #26-09)

In accordance with provisions of N.C. General Statutes, a balanced financial plan for the Property and Casualty Liability Fund for FY 2009-2010 was presented to Council on May 4, 2009. A public hearing on the budget was held by Council on May 18, 2009.

This request is to adopt the 2009-2010 Budget Ordinance for the Health Insurance Fund in the amount of \$ 3,023,328.

PAGE 193

Upon a motion by Council member Stallard, seconded by Council member J Johnson, the 2009-2010 Budget Ordinance for the Health Insurance Fund was unanimously approved.

Approve the 2009-2010 Budget Ordinance for the Occupancy Tax Fund. (Ord. #27-09)

In accordance with provisions of N.C. General Statutes, the City Manager's proposed budget for the Occupancy Tax Fund for FY 2009-2010 was presented to Council on May 4, 2009. A public hearing on the budget was held by Council on May 18, 2009.

This request is to adopt the 2009-2010 Budget Ordinance for the Occupancy Tax Fund in the amount of \$620,000.

Upon a motion by Council member Huggins, seconded by Council member Matthews, the 2009-2010 Budget Ordinance for the Occupancy Tax Fund was unanimously approved.

There being no further business to come before Council, upon a motion by Councilmember Steele, seconded by Councilmember Matthews, the meeting was adjourned.

Mayor

ATTEST:

City Clerk