MINUTE BOOK 25, PAGE 319
CITY OF STATESVILLE COUNCIL MEETING – November 17, 2014
CITY HALL COUNCIL CHAMBERS– 7:00 P.M.
STATESVILLE, NORTH CAROLINA

Mayor Costi Kutteh presiding:

Council Present: J. Johnson, Phifer, Watt, Morgan, Schlesinger, West, M. Johnson via phone

Council Absent: 0

Staff Present: Pressley, Fugett, Gaines, Davis, Salmon, Harrell, Currier, Smyth, Martin, Triplett, Byers, Anderson, Watts, Hutchens

Visitors: 7

Media Present: Jim McNally-Statesville Record & Landmark, Dave Veiser-Charlotte Observer

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
Members of various Girl Scout Troops led the Pledge of Allegiance.

Mayor Kutteh advised that Council member Michael Johnson is out of town so is attending the meeting via telephone. Council member M. Johnson will send his vote on matters via text message to City Attorney Gaines.

Mayor Kutteh advised there is one addition to the agenda: To consider approving a work authorization for Parrish & Partners to replace the Runway 10 and 28 PAPI Systems and Runway 10 REIL Systems.

IV Public Comment
Mayor Kutteh advised that during the second meeting of each month citizens are invited to speak about matters not on the current agenda. There were no speakers.

V 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 October 30, 2014 Pre-Agenda meeting and the November 03, 2014 City Council meeting.

B. Consider approving a resolution directing the City Clerk to investigate a petition of annexation for property located at 2184 Salisbury Highway, Iredell County Parcel Identification Number 4753-85-7975; receive the City Clerk's Certificate of Sufficiency, and consider approving a resolution fixing a date, December 01, 2014, for a public hearing on the questions of the petitioned annexation.

C. Receive a report of a non-depreciable purchase in the Water Resources Department, Fourth Creek WWTP.

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

Regular Agenda

VI Discussion and vote on an appointment to the vacant Ward 6 Council seat.
Mayor Kutteh advised there are three applicants for the position, Mr. Frederick Foster, Mr. Juan "JD" Williams and Mr. Keith Williams. He asked if any Council member wished to nominate anyone else from Ward 6 for the position. There being none Mayor Kutteh asked Mr. Gaines to distribute the ballots.

The vote was as follows:

Frederick Foster - 0
Juan "JD" Williams - J. Johnson, Phifer
Keith Williams – Morgan, West, Watt, Schlesinger, M. Johnson

Mayor Kutteh advised that Keith Williams would be sworn in at the December 01, 2014 City Council meeting.

VII Conduct a public hearing and consider making an economic incentive to an existing industry supplier, Heung IL USA.
Mike Smith stated an existing industry supplier, Heung IL USA, is considering an adjacent location to support operations in the City of Statesville. Heung IL, USA proposes a minimum investment of $2,341,507 and will create 30 new full time jobs, averaging $18.15 per hour and paying at least 50% of employee health benefits. The economic incentive shall be based upon the City's making an appropriation of $31,451 over a 5 year period based on the investment. Notice of this public hearing was advertised in the November 7, 2014 edition of the Statesville Record & Landmark newspaper.

Mayor Kutteh declared the public hearing open and asked if anyone wished to speak for or against this item. There being none he declared the public hearing closed.

Council member West made a motion to grant the economic incentive to Heung IL USA, seconded by Council member Schlesinger. The motion carried unanimously.

VIII Receive the City's audited Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.
Lisa Salmon stated that as required by GS § 159-34, an independent audit of the City's financial records for the fiscal year ended June 30, 2014 was performed by the certified public accounting firm Potter & Company, P.A. in Mooresville, NC. The firm issued an unqualified opinion, which means the City's financial statements are free from material misstatements and are presented fairly in accordance with generally accepted accounting principles. Mrs. Salmon thanked fellow Department Heads and the Finance Department staff for their cooperation and work on the audit.

Mayor Kutteh advised that the Finance Department recently received a Budget Award for the 14th consecutive year.

Mr. Jim Prosser with Potter & Company briefly reported on the audit.

IX Receive an update on "Statesville Connects."
Mrs. Salmon explained that Statesville Connects is a voluntary assistance program funded by donations from the City's utility customers, and others, to provide emergency assistance for low income families and people in financial distress. Only Statesville residential utility customers who meet the Salvation Army's requirements are eligible to receive assistance with their bills. Mrs. Salmon stated that 80 utility customers currently make donations. The average total of donations per year is $3,700. Since the program's inception, 400 customers have received assistance for a total of over $33,600. The average amount given per customer is about $85.00. Customers are only eligible for assistance one time per year. Mrs. Salmon explained how customers can sign up to donate to the program.

X Consider approving two appointments to the Historic Preservation Commission for unexpired terms.
Kalen Martin stated that Philip Fowler resigned from the Historic Preservation Commission as of October 24, 2014 due to ongoing health concerns. On February 17, 2014, he received the appointment for the unexpired term of Steven DiFiore. The newly

appointed member would serve on the Commission until January 1, 2015. The Historic Preservation Commission term previously held by Janice Burns still remains unfilled and expires on January 1, 2017. Therefore, two new member needs to be appointed to the Historic Preservation Commission to have a full Commission. All applications are attached for review.

The Unified Development Code ordinance requires the Commission to consist of the following:

- The Commission shall be a nine member commission appointed by the City Council;
- A majority of the members of the Commission (e.g., five of the nine members) shall have demonstrated special interest, experience or education in history, architecture, archaeology, or related fields;
- All members shall reside within the extra-territorial jurisdiction of the City of Statesville;
- Members shall be appointed for three year staggered terms

Mayor Kutteh asked Mr. Gaines if Council may appoint a member to the term ending January 01, 2015 and include at this the next term of three years since it is such a short time before the seat would need to be reappointed. Mr. Gaines advised that Council should follow procedure and the seat should be reappointed January 01, 2015 for the next term.

Council member Schlesinger nominated Ginny Ton to fill the term ending January 01, 2015.

Council member Watt nominated Steven Bell to fill the term ending January 01, 2015.

The vote was as follows:

Ton – Schlesinger, West, Morgan,
Bell – M. Johnson, J. Johnson, Phifer, Watt

Steven Bell appointed to the Historic Preservation Commission to fill term ending January 01, 2015.

Council member Schlesinger made a motion to appoint Ginny Ton to fill the term ending January 01, 2017, seconded by Council member Morgan. The motion carried unanimously.

XI Consider approving a motion to certify local matching funds for the Airport Layout Plan and the Environmental Assessment for the south parallel taxiway.

David Currier stated the City Council has approved the work authorizations for Parrish & Partners for the ALP and EA. The State Aid Grant amount is $261,540 and the local match is $29,060.00 for a project total of $290,000. The County shares 50% of the local match so the total amount of the City local match is $14,530. After the funds are certified, the Division of Aviation will forward grant agreements and assurances to the City.

Council member J. Johnson made a motion to certify local matching funds for the Airport Layout Plan and the Environmental Assessment for the south parallel taxiway, seconded by Council member Watt. The motion carried unanimously.

XII Consider approving a hangar lease assignment from Michael Waltrip Racing to Price Solar.

Mr. Currier stated that MWR has closed its aviation division at Statesville Regional Airport. Price Solar is requesting that the City Council approve the assignment of the balance of the lease term, 16 years ending 7/31/2030. The following adjustments have been made:

- Increased land lease rate to $0.20 per square foot.
- Annual rent should be adjusted to the Consumer Price Index every three (3) years.
- The applicant will ensure that, at a minimum, $5 million in aircraft will be based at the hangar at all times. Currently Price Solar has one Beech Jet Hawker valued at

approximately $1,050,000, a Bell 429 Helicopter and a Bombardier Challenger 604 that are supposed to be in town around December 01, 2014. The estimated value of a new Bell 429 helicopter is $6 million and a used Bombardier Challenger 604 is valued between $6.5 and $9 million and a new one is valued around $25 million. Staff feels confident that Price Solar will meet and exceed the $5 million minimum threshold.

These are the same basic lease assignment adjustments approved by the City Council for the GEM, LLC to Checkered Flag Aviation, LLC in June 2013. The Airport Commission recommends approval of the lease assignment and it has been reviewed by the City Attorney.

Council member Schlesinger asked what the penalty is if Price Solar goes out of business. Mr. Currier explained they would still be responsible for abiding by the lease terms and taxes on the $5 million minimum.

Council member J. Johnson made a motion to approve a hangar lease assignment from Michael Waltrip Racing to Price Solar, seconded by Council member West. The motion carried unanimously.

XIII To consider approving a work authorization for Parrish & Partners to replace the Runway 10 and 28 PAPI Systems and Runway 10 REIL Systems.

Mr. Currier stated the FAA/NCDOA has released leftover grant money in the amount of $317,000 to the City for improvements at the Statesville Regional Airport. This addition to the agenda is for the consideration of approving a work authorization for Runway 10 and 28 PAPI Systems and Runway 10 REIL Systems. The work authorization is for planning, design, and engineering only and excludes construction phases. The construction work authorization would be considered after the award of the bid. The funds must be spent by March 30, 2015, which is an extremely short time frame for many airport projects. Jeff Kirby with Parrish & Partners is recommending that the pavement on runway 10/28 be grooved for safety purposes and purchasing upgrades for the Precision Approach Path Indicators and Runway End Identifier Lights. City Council has approved the work authorization for the pavement grooving (estimated cost $160,000) and will need to consider a work authorization for the PAPI's and REIL's (estimated cost $75,000 plus additional funds for LED upgrade). It will be very difficult to undertake the PAPI/REIL project with the time restraints, but at a minimum, the City can purchase the hardware and use Vision 100 funds to install the hardware at a later date. Mr. Currier said to carry a project through; a number of different approvals are required at the Council level. It most likely will be necessary to combine some of these approvals at the same Council meeting.

Jeff Kirby explained the planned time table to expedite the project.

Mayor Kutteh asked if these two projects will expend all the available funds. Mr. Kirby said yes but there are some other things that he may add into the project to get some alternate bids. For example, in the runway grooving project, there is some additional pavement at the airport that needs to be milled up and replaced, basically maintenance work, that he plans to include in the bid package as an alternate bid to use all the grant funding.

Mayor Kutteh stated that Council will be happy to accommodate staff in consideration of the short time table and will schedule Called Meetings or Continue a meeting if necessary. Council member J. Johnson added that the Airport Commission has agreed to schedule any necessary Called Meetings as well.

Council member West said he is still concerned about the runway grooving and how it will hold up through the freeze/thaw cycle. Mr. Kirby said it will not affect it at all. The grooves are very shallow and winter is actually the best time to groove a runway because the asphalt is harder during that time.

Council member Schlesinger asked how long the runway will be closed to do the runway grooving. Mr. Kirby stated he anticipates a week for the grooving and a week for striping. He explained the work will be done at night, which is the normal schedule for this type of work and flight schedules will be taken into consideration for minimal impact.

Council member J. Johnson made a motion to approve a work authorization for Parrish & Partners to replace the Runway 10 and 28 PAPI Systems and Runway 10 REIL Systems, seconded by Council member Watt. The motion carried unanimously.

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

Constantine H. Kutteh, Mayor

Attest:

Brenda Fugett, City Clerk