

**MINUTE BOOK 25, PAGE 343  
CITY OF STATESVILLE PRE-AGENDA MEETING – January 08, 2015  
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 4:30 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

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

**Council Absent:** Phifer

**Staff Present:** Fugett, Gaines, Pressley, Currier, Salmon, Smyth, Hutchens, Harrell, Anderson, Houpe

**Others:** Phil Hazel

**Media Present:** John Hamlin-Statesville Record & Landmark, Dave Veiser-Charlotte Observer

**I Call to Order**

Mayor Kutteh called the meeting to order and advised that City Council would hold an Executive Session following the meeting to discuss a land acquisition matter and to preserve the attorney-client privilege.

At Mayor Kutteh's request Eddie Gaines gave an update on the Love's Truck Stop matter. Mr. Gaines stated both parties have reached an agreement that will allow the City Council to review the site plan but will stay the start of any construction until the ruling comes down from the Superior Court of Appeals. The date agreed upon for this is February 16, 2015.

Mayor Kutteh suggested that additional dates may need to be picked in case it runs more than one meeting.

Mayor Kutteh reviewed the agenda as follows:

**II 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 December 11, 2014 Pre-Agenda meeting and the December 15, 2014 City Council meeting.**

Council member Williams advised that he was present at both the December 11<sup>th</sup> and December 15<sup>th</sup> meetings but he is not listed as present or absent. The Clerk will correct the minutes.

**B. Consider approving 2<sup>nd</sup> reading of TA14-04 filed by the City of Statesville to Amend Article 8 Streets, Section 8.06 Streets, B. Street Design, Table 8-2: Street Composition, and G. Other Improvements**

**C. Consider approving the renewal of two leases at the Statesville Regional Airport.**

Mayor Kutteh stated the leases for the Carolina Balloonfest and a small agricultural lease are due for renewal. The Carolina Balloonfest lease is for 192 square feet located at the rally site and a storage building is located on the leasehold. The lease amount is \$1.00 per year and the lease term is on an annual basis. The small agricultural lease contains 6.252 acres located on the south side of Bethlehem Road. Mr. McLain leases the property on an annual basis for \$625.20. The property was purchased from the Collier family for the south parallel taxiway. Mr. McLain farms the balance of the Collier property. Mayor Kutteh pointed out that the due date of the lease payment needs to be added to the lease and clarified that the lease amount is correct.

- D. Request permission to apply for a grant from the NC Governor's Crime Commission (GCC) for \$60,000 and to authorize Captain Kenny Cornelius to manage the project on behalf of the City of Statesville.**

Mayor Kutteh stated the Statesville Police Department is eligible to apply for a grant from the NC Governor's Crime Commission (GCC) to improve department technology. This grant will be used to purchase and install two (2) new emergency communications consoles in our Communications Center. These consoles connect our phone, radio, and 911 systems to our officers, thereby improving officer safety and efficient police response to the public. The current systems are obsolete and no longer serviceable. The application is due to the GCC on January 31, 2015. A match waiver will be included in the application. Notification of grant awards is expected by Spring 2015.

Mayor Kutteh asked what the match will be if the waiver is not granted. Chief Tom Anderson replied it would be 50% but the waiver was granted last year for the same amount.

- E. Receive the Statesville's Convention and Visitor Bureau's Audited Financial Statements for the fiscal year ended June 30, 2014.**

### **Regular Agenda**

- III Receive a report on Statesville Convention & Visitors Bureau matters from Phil Hazel, Chairman of the SCVB Board of Directors.**

Phil Hazel will report on the SCVB new grant program and give an update on the 2015 billboard program.

- IV Consider approving the transfer of \$135,000 from the Health Insurance Fund and appropriate \$15,000 deposit refund from NC League of Municipalities to cover additional workers' compensation cost for the remaining of the fiscal year and approve Budget Amendment #25.**

Mayor Kutteh stated that workers' compensation claims' costs continue to grow this year, due in large part to a few incidents resulting in long term claims with high medical and indemnity costs. The claims associated with car wrecks resulted from accidents in which the City driver was not at fault and staff expects to subrogate against the at-fault carrier. In these instances, the auto carrier has been put on notice of the City's intent to subrogate its claim costs against their policies. From these claims, staff would expect to recover the majority of what has been paid to date (\$84,772). With the exception of the car wreck claim in the current fiscal year, we seem to be trending back toward a more normal claim pattern for the City and staff is working diligently with all departments to enhance and improve their safety efforts. Staff is hopeful this will pay off with a continued reduction in volume and severity of workers' compensation claims.

- V Consider accepting a \$70,000 economic development grant (One NC Fund) for Highland Industries, Inc., and to approve Budget Amendment #24.**

Mayor Kutteh said the NC Department of Commerce has awarded a \$70,000 (One NC Fund grant) economic development grant to the City in connection with activity to be undertaken by Highland Industries, Inc.; a manufacturer of parts located in the Statesville Business Park. If accepted, the grant will be administered by the City and funds will be disbursed to the Company in accordance with the terms of the grant. Highlights of the grant terms:

- 29 new jobs (goal); 26 required for full grant
- \$8,250,000 new investment (goal); \$7,425,000 required for full grant
- \$1,051 average weekly wage for all full-time jobs; health insurance for all full time jobs.
- Grant proceeds will be used by the company for installation or purchase of equipment; structural repairs, improvements, or renovations to existing buildings.

The grant requires a 100% match by the City to the Company in the amount of \$70,000. The City's joint economic development agreement with the Company with a maximum obligation of \$89,496 is sufficient to fulfill the matching requirements of the grant.

**VI Consider approving Airport Market Analysis and Organizational Assessment Proposal and Budget Amendment #26**

Mayor Kutteh stated the cost of the proposal is not to exceed \$83,500. He said he has no concerns about doing this analysis and assessment but it seems there are components of it that we could be very certain of some of the facts without Parrish & Partners having to review them again that could cut down on their man hours

Larry Pressley said he spoke with the County and David Currier spoke with Airport Commission Chairman Steve Johnson. They have expressed concern with the timing and staff hopes to speak further with them before Monday so we can move forward with this and still have their participation.

Council member J. Johnson asked what percentage they will be participating in. Mr. Pressley replied staff had requested for them to pay 1/3 of the cost.

**Council member Watt made a motion to move to Executive Session in accordance with N.C.G.S. 143-318.11(a)(5) to discuss a real estate transaction and N.C.G.S. 143-318.11(a)(3) to preserve the attorney-client privilege, seconded by Council member Williams. The motion carried unanimously.**

**Upon return to open session Mayor Kutteh advised that a real estate transaction was discussed and the attorney-client privilege preserved. No action was taken.**

**There being no further business, Council member West made a motion to adjourn the meeting, seconded by Council member J. Johnson. The motion carried unanimously.**

Attest:



Constantine H. Kutteh, Mayor

Brenda Fugett, City Clerk