

**MINUTE BOOK 25, PAGE 432
CITY OF STATESVILLE PRE-AGENDA MEETING – June 11, 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, Williams, M. Johnson, West, Watt

Council Absent: Phifer

Staff Present: Pressley, Fugett, Ferguson, Smyth,, Barone, Byerly, Hudson, Triplett, Watts, Chipman, Onley, Cornelius, Styers, Nicholson, Cornelison, Harrell, Currier, Houpe

Others: 0

Media Present: Jim McNally-Statesville Record & Landmark

I Call to Order

Mayor Kutteh called the meeting to order and advised an Executive Session would be held prior to the Pre-Agenda meeting to discuss three land acquisition matters, a contract matter and to preserve the attorney client privilege for all.

Upon return from Executive Session Mayor Kutteh stated that in accordance with N.C.G.S. 143-318.11(a)(5) and N.C.G.S. 143-318.11(a)(3) three land acquisition matters and a contract matter were discussed and the attorney client privilege preserved for all.

Mayor Kutteh asked if Council had any questions about any items on the Consent Agenda.

Mayor Kutteh asked Scott Harrell if staff has analyzed Item G regarding a voluntary annexation. Mr. Harrell replied that given the property's location and that it has tax exempt status staff did not feel that annexation was necessary. Mayor Kutteh asked if there is any likelihood of development from the city limits to this area. Mr. Harrell replied staff does not foresee that.

II Consent Agenda

- A. Consider approving the minutes of the May 18, 2015 Council meeting, May 28, 2015 Pre-Agenda meeting, and June 01, 2015 Council meeting.**
- B. Consider approving 2nd reading of an ordinance establishing a 25 mph speed limit on Beverly Drive with appropriate signage to accompany the change.**
- C. Consider approving a request from the Police Department to appropriate \$8,270.75 in the Drug seizure Fund, and approve Budget Amendment #42.**
- D. Make a formal request that the City of Statesville serve as an official co-sponsor of the Carolina BalloonFest and provide in-kind services.**
- E. Consider approving a request by the Electric Utility Department to appropriate an additional \$535,000 for purchase power and utility sales tax and approve Budget Amendment #41.**
- F. Consider granting permission to the Electric Utilities Department to apply for a System Betterment Project Grant for up to \$5,000 to assist with funding for municipal system betterment projects.**
- G. Consider a request from Mt. Pleasant AME Zion Church for a water tap to serve a parcel at 1218 Wall Street.**
- H. Consider awarding a contract for the Water Treatment Plant Sedimentation Basin Repairs and a project budget of \$233,029.**

Regular Agenda

III Downtown Development discussion with Jim Prosser.

IV Consider accepting a donation of 6.55 acres from Sullivan Road Partners, LLC.
Mayor Kutteh explained this property is contiguous to the Statesville Recreation Center and is in a flood plain, therefore undevelopable.

Council member Schlesinger asked if this property could be a liability to the City since it is in a flood plain. Mr. Pressley replied there are no plans to build any kind of recreational facility in this location so there would be no liability issues.

V Consider accepting the low bid from Schneider Engineering, Ltd. for an AMI Business Case Review and Analysis in the amount of \$24,500 and a contingency fund of \$2,450.

Kent Houpe explained this review and analysis will go beyond what Electricities did.

VI Consider approving a sketch plan for Larkin Golf Club Subdivision (formerly Fox Den) located off Amity Hill Road; Tax Map 4736-61-5421.

Mayor Kutteh advised that all of the new roads meet the requirements with the exception of "Road B" which exceeds the maximum cul-de-sac length of 1,000 feet. This street should be connected to the existing section of Megby Trail; however, the applicant requested an exemption from the City Engineer due to topographical and unusual physical conditions. An exemption was granted based on the ground slope being greater than 20% and the amount of fill needed.

Council member M. Johnson commented that he hopes that if it comes back that the lots on Megby require letters of map revision because of dam break that the City does not end up involved. He said if there is a flood issue on those lots then the City should not allow houses to be built on them unless whoever chooses to build on them acknowledges that issue and accepts responsibility for it.

VII Consider approving appointments to the Board of Adjustment.

Mayor Kutteh suggested putting this item on the Consent Agenda if other applications are not received before the meeting on Monday.

VIII Consider approving two regular member appointments to the Planning Board and 2 additional alternate members to the board for a total of 4 appointments.

IX Consider an appointment to the Statesville Airport Commission.

This item was removed from the agenda at the request of staff.

X Budget Workshop

Larry Pressley reviewed adjustments to the budget that have occurred since the budget was issued. Staff recommends reducing Reconnection Fees for next day service from \$50.00 to \$25.00 and Reconnection Fees for same day and after hours from \$100.00 to \$75.00 effective July 1, 2015. This would result in a decrease in revenue of \$34,625. Staff felt the current extension policy should be kept as is which is one free extension per year, then after that it is \$50 per extension. Staff also recommends keeping Special Appropriations at their current level.

Mayor Kutteh stated he supports keeping Special Appropriations at their current levels but would like to remove the Chamber of Commerce from Special Appropriations and put them somewhere else. He said the Chamber of Commerce provides direct assistance to the City to make it better and is really not a charitable organization.

Council member J. Johnson stated he disagrees and would also like the Chamber of Commerce to submit a report each month to City Council of what they do for the City.

Council members discussed eliminating all Special Appropriations in the future but members acknowledged the need to give at least a year's notice to the organizations involved.

Staff will include this item on a future agenda.

Vote to move the Chamber of Commerce out of Special Appropriations.

Ayes: M. Johnson, Morgan, Schlesinger, West, Watt, Williams
Nays: J. Johnson

Council members agreed unanimously to keep Special Appropriations at their present rate in this budget and put it on the agenda in July to discuss eliminating them in the next budget year.

Council member M. Johnson made a motion to increase the appropriation to the Chamber of Commerce to \$15,000, seconded by Watt. The vote was as follows:

Ayes: M. Johnson, Watt, Morgan, Schlesinger, West, Williams
Nays: J. Johnson

Council member West stated he thinks that electric and water deposits should be reduced by 50% because the high deposits are inhibiting business growth in the downtown. Mayor Kutteh said this is really not a budget item but can be added to the agenda at a later date for discussion. Mayor Kutteh asked staff to research how other municipalities handle deposits. Mr. Pressley advised staff will present this at the first or second meeting in August.

Pay Increase and Classification and Pay Study

Council member J. Johnson stated that in 2008 100 lower classified employees were left out of the pay increase and were supposed to be caught up after the pay study was done but that has never happened. He said he is completely against doing a pay study.

Mayor Kutteh asked Council what their wishes are concerning a pay raise.

Council member J. Johnson made a motion to give a 3.5% pay raise to every eligible employee beginning July 1, 2015 and omit the Classification and Pay Study from the budget.

Motion failed for lack of a second.

Council members discussed this item at length.

Council member M. Johnson made a motion to give a 2% pay raise to every eligible employee, fund the pay study at the maximum cost of \$25,000 and reserve 1 ½% for a merit raise after the pay study is complete which would be retroactive to July 1, 2015. Council member Schlesinger seconded the motion.

The vote to approve the pay study at a cost of no more than \$25,000 was as follows:

Ayes: M. Johnson, Schlesinger, Morgan, West, Watt, Williams
Nays: J. Johnson

The vote to approve a 2% pay raise to every eligible employee effective July 1, 2015 and reserve 1 ½% for a merit raise to be given after the pay study is complete and approved, retroactive to July 1, 2015 was as follows:

Ayes: M. Johnson, Schlesinger, Morgan, West, Watt, Williams, J. Johnson

Tax Rate Increase

Council members agreed unanimously to retain the tax rate at \$.41 and balance the budget with funds from the General Fund.

Council member Schlesinger asked if the amount budgeted for the ICATS shuttle, The Bloom, had been reduced as discussed when Council first approved contributing to it. Mr. Pressley explained it had been reduced from \$25,000 to \$16,000.

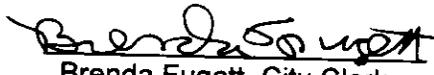
Council member M. Johnson commended Mr. Pressley and Department Heads on their management of capital expenditures for the last two budgets during a time of financial constraint.

Council member West made a motion to adjourn, seconded by Council member Schlesinger. The motion carried unanimously.

Attest:




Constantine H. Kutteh, Mayor


Brenda Fugett, City Clerk