

**MINUTE BOOK 25, PAGE 436
CITY OF STATESVILLE COUNCIL MEETING – June 15, 2015
CITY HALL COUNCIL CHAMBERS – 7:00P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: 0

Staff Present: Pressley, Fugett, Davis, Gaines, Houpe, Byerly, Currier, Barone, Ferguson, Smyth, Harrell, Triplett, Cornelius, Anderson, Watts, Tomlin

Visitors: 8

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

I Call to Order
Mayor Kutteh called the meeting to order.

II Invocation
The City Clerk gave the Invocation.

III Pledge of Allegiance
Mayor Kutteh led the Pledge of Allegiance.

Mayor Kutteh advised that the July and August Thursday Pre-Agenda meetings will be cancelled and held instead on Monday nights at 6:00 p.m. prior to the City Council meetings in the City Hall 3rd floor conference room. Staff meeting will still be held as usual on Thursday mornings. Any Closed Sessions will also be held before the Council meetings. Mayor Kutteh stated that Mr. Pressley will give City Council more frequent updates and he asked Senior Management to advise Council of anything they are working on at that time also.

IV Public Comment
Mayor Kutteh stated that during the second meeting of each month citizens are invited to speak about matters not on the current agenda.

Seifullah El-Amin with IMPACT stated that IMPACT has sponsored the Juneteenth celebration for the last 16 years with this year marking 17 years. He thanked the City for its participation in this. He said IMPACT would like to form a Juneteenth Committee to make the Juneteenth celebration a community celebration instead of just one group. There are plans to contact other groups to gain their participation. Mr. El-Amin reminded everyone that the Juneteenth celebration would be held Saturday, June 20th.

V Consent Agenda

Mayor Kutteh stated that 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 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.**
- I. **Consider reappointing John Gilbert III and Sandra Campbell as regular members to the Board of Adjustment; consider appointing Nicholas Yount as a regular member and consider appointing O. David Tharpe Jr. and Gurney Wike as Alternate members.**

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 Schlesinger. The motion carried unanimously.

Regular Agenda

VI Downtown Development discussion with Jim Prosser.

Jim Prosser stated Council is at a point as to which developer it will proceed with. The entire process is designed around making decisions in smaller increments in order to provide Council with information as to whether it wishes to go to the next step. This does two things; it manages risk and manages time. Mr. Prosser said he would hope to negotiate a preliminary development agreement within 30 days.

Several Council members stated the numbers did not add up to support using the Vance as a hotel.

Council member West made a motion to enter into a Preliminary Development Agreement with Mr. Angino for the purpose of using the Vance as a residential building, seconded by Council member M. Johnson.

Council member M. Johnson said the City should negotiate with Mr. Angino regarding the lobby area.

After further discussion, Council member M. Johnson withdrew his second.

Council member Schlesinger made a motion to explore using the Vance as a hotel predicated on the six requirements set forth, seconded by Council member Watt. The vote was as follows:

**Ayes: Schlesinger, Watt, Morgan, M. Johnson, Williams
Nays: West, J. Johnson, Phifer
Motion carried 5-3**

Mr. Prosser will report back to Council in 30 days.

VII Consider accepting a donation of 6.55 acres from Sullivan Road Partners, LLC.

Scott Harrell stated that Sullivan Road Partners, LLC has offered to donate the above-referenced parcel to the City. The property is across Fourth Creek from the Recreation

Center and greenway and lies within the flood plain. Staff recommends acceptance of the parcel for future City use.

Council member J. Johnson made a motion to accept a donation of 6.55 acres from Sullivan Road Partners, LLC, seconded by Council member West. The motion carried unanimously.

VIII 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 stated the proposed services to include, but are not limited to the following:

- Review of the Electricities Business Case
- AMI vendor/feature comparison
- Review the strengths and weaknesses of the Nexgrid proposal and the pilot objectives, and evaluate the need for a MDM system.
- Clarify project/system requirements and determine if the Nexgrid system is capable of achieving the anticipated operating benefits.
- Examine current business practices and identify future business process improvements that can be brought about through AMI.
- Recommend whether to proceed with Nexgrid or issue an RFP.

Informal bids were received for the proposed services as listed below:

- UtiliWorks Consulting, LLC. \$43,900
- Valutech Solutions \$27,280
- Schneider Engineering, Ltd \$24,500

Staff Recommends acceptance of low bid from Schneider Engineering in the amount of \$24,500 and a contingency fund of \$2,450 for a total project budget of \$26,950. Funds are available in the 2015 budget.

Council member J. Johnson made a motion to accept 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, seconded by Council member Watt. The motion carried unanimously.

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

David Currier stated a rezoning request was approved in 1994 for the Fox Den Development for a total of 509 units. The first subdivision plans for the Fox Den and golf course were approved in 2004 with 207 single-family lots and 78 attached dwelling units. Currently there are 212 platted lots and 97 single-family homes and 4 condos constructed. Fox Den Golf Club changed its name to Larkin Golf Club in 2014. The Fox Den development is located off Amity Hill Road and is zoned R-8MF. Mr. Christopher Borst with US Developments, LLC is requesting approval of a sketch plan for 181 single-family lots at the Larkin Golf Club. The sketch plan indicates that 181 single-family lots and 5 new roads will be added to the current development. This is considered a cluster subdivision which allows lots to be reduced from 8,000 sq. ft. to 6,000 sq. ft. provided the difference is put into open space. The sketch plan meets this requirement with the golf course being the open space. 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. Therefore 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. Sketch plans require TRC, Planning Board and City Council approval. The TRC reviewed and approved the sketch plan on April 15, 2015 contingent upon a connection being made between the new road labeled "Road B" and the existing Megby Trail which was before the exemption was requested. Otherwise the sketch plan meets the City's standards. Road names, once proposed will have to be approved by City Council. The Planning Board's recommendation is favorable with the exemption. The vote was unanimous. Two residents from Fox Den attended the Planning Board meeting.

Council member M. Johnson made a motion to approve a sketch plan for Larkin Golf Club Subdivision (Formerly Fox Den) Located off Amity Hill Road; Tax Map 4736-61-5421, seconded by Council member Phifer. The motion carried unanimously.

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

Mr. Currier stated that the following Planning Board members' terms expire June 30, 2015. These members continue to serve until new appointments are made:

Planning Board:

Scott Neely - Served four terms. Would like to be reappointed for a fifth term

Todd Lange - Served unexpired term of Robb Collier (appointed 3/2/15). Would like to be reappointed to a first full term

There are 7 active applicants on file for the Planning Board. They are Peter Molleur, Barry Goldstein, Larry Rosenfeld (who is on the BOA), Gurney Wike, Brittany Marlow (who is on HPC), Nicholas Yount (who is on the BOA) and Kelly Standish.

Council member Morgan made a motion to reappoint Scott Neely and Todd Lange to the Planning Board, seconded by Schlesinger. The motion carried unanimously.

Council member West made a motion to appoint Larry Rosenfeld to serve on the Planning Board with the condition that he resign from the Board of Adjustment, seconded by Council member M. Johnson. The motion carried unanimously.

XI Consider approving a Resolution to amend Residential Electric Rate Schedules R and RL.

Kent Houpe stated the current rates were established as part of Ordinance No. 08-14 on June 2, 2014. Staff recommends a three percent residential rate decrease at this time to be effective for bills rendered after August 1, 2015 pending NCMPA1 final Bond Closing.

Council member M. Johnson made a motion to approve a Resolution to amend Residential Electric Rate Schedules R and RL, seconded by J. Johnson. The motion carried unanimously.

XII Consider approving the 2015-2016 Budget Ordinance for Operations & Capital.

Gene Triplett stated that in accordance with provisions of N.C. General Statutes, the City Manager's Proposed Municipal Operating Budget for FY 2015-2016 was presented to Council on May 4, 2015. A public hearing was held by Council on May 18, 2015. A City Council budget review was held on June 11, 2015.

This request is to adopt the 2015-2016 Municipal Operating and Capital Budget Ordinance as follows:

General Fund	\$28,498,982
Electric Fund	50,878,983
Water & Sewer Fund	11,068,443
Civic Center Fund	<u>860,791</u>
Total	<u>\$91,307,199</u>

Various General Fund fees will increase effective July 1, 2015 as shown in Attachment A, B, C, and D of the Budget Ordinance. As directed by the City Council, the General Fund property tax remains at a rate of \$0.41 cents per \$100 of assessed value. Other changes as directed by City Council have been added or adjusted.

Council member Williams made a motion to approve the 2015-2016 Budget Ordinance for Operations & Capital in the amount of \$91,307,199, seconded by Council member Morgan. The motion carried unanimously.

XIII Consider approving the 2015-2016 Budget Ordinance for the Health Insurance Fund.

Mr. Triplett stated this request is to adopt the 2015-2016 Budget Ordinance for the Health Insurance Fund in the amount of \$3,632,480.

Council member Schlesinger made a motion to approve the 2015-2016 Budget Ordinance for the Health Insurance Fund in the amount of \$3,632,480, seconded by Council member J. Johnson. The motion carried unanimously.

XIV Consider approving the 2015-2016 Budget Ordinance for the Property and Casualty Liability Fund.

Mr. Triplett stated this request is to adopt the 2015-2016 Budget Ordinance for the Property and Casualty Liability Fund in the amount of \$805,062.

Council member J. Johnson made a motion to approve the 2015-2016 Budget Ordinance for the Property and Casualty Liability Fund in the amount of \$805,062, seconded by Council member West. The motion carried unanimously.

XV Consider approving the 2015-2016 Budget Ordinance for the Occupancy Tax Fund.

Mr. Triplett stated this request is to adopt the 2015-2016 Budget Ordinance for the Occupancy Tax Fund in the amount of \$900,000.

Council member Watt made a motion to approve the 2015-2016 Budget Ordinance for the Occupancy Tax Fund in the amount of \$900,000, seconded by Council member Schlesinger. The motion carried unanimously.

XVI Consider approving the creation of an Airport Operating Fund and the 2015-2016 Budget Ordinance for the Airport Operating Fund.

Mr. Triplett stated this request is to adopt the 2015-2016 Budget Ordinance for the Airport Operating Fund in the amount of \$367,000 and approval of creating an Airport Operating Fund.

Council member J. Johnson made a motion to approve creating an Airport Operating Fund and the 2015-2016 Budget Ordinance for the Airport Operating Fund in the amount of \$367,000, seconded by Council member Morgan. The motion carried unanimously.

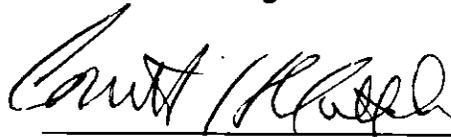
XVII Consider approving the 2016-2021 Capital Improvement Plan.

Mr. Triplett stated capital items included in the 2016 year are included in the City's 2015-16 Municipal Operating and Capital Budget Ordinance. Capital items listed in the five future planning years are subject to annual review and approval.

Council member M. Johnson made a motion to approve the 2016-2021 Capital Improvement Plan, seconded by Council member Watt. The motion carried unanimously.

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




Constantine H. Kutteh, Mayor

Attest:


Brenda Fugett, City Clerk