

**MINUTE BOOK 26, PAGE 017  
CITY OF STATESVILLE COUNCIL RETREAT MEETING – February 11, 2016  
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 8:00 A.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

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

**Council Absent:** Phifer

**Staff Present:** Pressley, Gaines, Fugett, Davis, Smyth, Currier, Houpe, Hudson, Ashley, Cornelison, Styers, Gregory, Staley, Barone, Ferguson, Harrell

**Others:** 1

**Media Present:** Nina Mastandrea – Statesville Record & Landmark

**I Call to Order**

Mayor Kutteh called the meeting to order and thanked staff for putting the meeting together.

**II Financial Update**

**GENERAL FUND**

**Revenues**

Finance Director Ralph Staley reviewed General Fund revenues. He stated the revaluation caused property taxes to decrease the base by about 1% but the collection rate went up 1 ½ to 2% so we still received more money. Sales taxes are up about 5% through the first quarter of our year. This includes sales of electricity and gas. Sales tax revenue is down 4% due to the loss of the Privilege Tax revenue. At this point we have received about \$150,000 over what we used to get for the Franchise Tax. Intergovernmental Revenue is down due to the expiration of the one-time Thread Trail Grant. Investment earnings are up. Permits, sales, etc. are down because the airport funds have been moved in a separate fund. Transfers are lower because payments on debt were lower this year. The fund balance appropriations included the appropriation of \$1.8 million at the beginning of the year at budget adoption, encumbrance rollovers that totaled \$1.2 million, and new appropriations of about \$450,000.

Mayor Kutteh asked how long the hold harmless will be in effect and what is the funding source for it. Mr. Staley replied it is basically a new sales tax on natural gas. He said that last year it was over a half a million more last year that what the City received in Franchise Taxes and this year we are running ahead of that.

Mayor Kutteh asked where we are on the RZB debt appropriation five year cycle. Do we need to reserve funds for the next set of payments? Mr. Pressley further explained and said staff will research this and report on the status as soon as possible.

Mayor Kutteh asked if there is any way to anticipate trends. Does it look like sales tax revenues are going up? Is there growth in housing starts that would lead us to believe that ad valorem property taxes are on the rise, down or flat, based on the same before there is another evaluation? Mr. Staley replied that as a general rule, the property tax base will go down each year because of the depreciation of the assets that are taxable. It will go up by any new construction. He said he has seen some multi-family structures being built around town, but he is not sure about single family structures. Mr. Staley said that Council will notice that if they approve a lot of construction related items, this will usually result in an increase in the tax base a couple of years later. Another driver is how well people actually pay their taxes. So as economic times are better, then everybody should pay their taxes more. We have not yet received any information of what the County expects the evaluation to be this year.

**Expenditures**

Mr. Staley stated that expenditures are down 2% from last year primarily due to less capital outlay projects this year. Operating expenses are almost flat.

**AIRPORT FUND**

Mr. Staley stated that prior year revenues are from the General Fund. The biggest change from last year is the County's \$167,745 for debt-service share. The debt is now gone so the funding from the County is gone as well now. Next year we will have a better comparison of revenues and expenditures because these were previously buried in the General Fund. At this point airport revenue from rent and fuel flow fees are up compared to last year.

**ELECTRIC FUND**

**Revenues**

Mr. Staley said that revenues are up about 3% due to increased sales. Mayor Kutteh pointed out that the net is probably a 6% increase because there was a 3% cut in residential rates on August 1, 2015. Mr. Staley said that Investment Earnings are up a little bit, but Other Revenues decreased due to the sales tax that we take in was higher last year than this year. After checking his notes Mr. Staley stated that revenues are actually flat, not up 3%, because that 3% in the current year, the Utility Sales Tax is included in Electric Sales, but last year the Utility Sales Tax was included in Other Revenues, so if they had both been included in the same, this number would have been around \$100,000 more, so it is basically flat.

Mayor Kutteh stated that by March 2017 City residential customers will have experienced a 10% reduction in electric rates. He commended all those involved for quickly analyzing this and getting the rate reductions in place, pointing out that no other municipalities have accomplished this yet.

**Expenditures**

Mr. Staley said that the Wholesale Purchased Power cost was lower and that is the biggest driver in the decrease in electrical operations. The primary driver is also related to capital purchases.

**WATER/SEWER FUND**

**Revenues**

Mr. Staley stated that revenues are up 8% in Water and 9% in Sewer. System Development Fees almost doubled again, they are up \$110,000. Other Revenue includes a transfer from the Capital Reserve and Investment Earnings are up over the last year. This is driven more by the amount of money in the fund rather than the rate.

**Expenses**

Expenditures are down \$260,000 primarily because capital spending is down this year.

**CIVIC CENTER FUND**

**Revenues**

Revenues are up 15% and expenses are down 6%.

Council member Schlesinger asked what improvements are planned for the Civic Center specifically in the technology area. Lynn Smyth stated that last year there was a comprehensive rework of the sound system and technology was added to the media room to make it more conducive for group meetings. Staff has been looking at the electronic messaging boards and Council may see that in the upcoming budget.

Council member Watt asked if any thought has been given to adding a cooking kitchen. Mrs. Smyth replied this is certainly something that staff can research and report back to Council on.

**AVAILABLE AND OBLIGATED FUNDS**

Mr. Staley explained that most property taxes are paid in December which creates a large amount of cash in the General Fund at the beginning of the year that must last for the entire year. He stated that the City is in good financial health in these funds.

## **2016-2017 Budget Highlights**

### **GENERAL FUND**

- The Property Tax collection percentage increased from 96.64% to 98.14% or 1.55% budgetary increase for fiscal year 2017 or about \$175,000.
- Fiscal year 2008 was prior to the recession. Fiscal year 2015 receipts are approaching pre-recession sales tax revenues of \$6,016,074.
- The DOR stated that cities would be held harmless if receipts were lower from prior franchise revenues; however, 2015 utility tax revenues exceeded prior year's receipts by \$544,498.
- General statutes were amended to allow cities to levy up to \$30.00 vehicle fee. If levied at maximum of \$30.00 and assuming DMV numbers are correct, this fee would generate \$630,900 that is limited to street maintenance. Powell funds are now subject to annual appropriations.

### **WATER & SEWER FUND**

- Consider budgeting a cost of service and rate study.

### **Vehicle Licensing Fee**

General statutes were amended to allow cities to levy up to \$30.00 vehicle fee. If levied at maximum of \$30.00 and assuming DMV numbers are correct, this fee would generate \$630,900 that is limited to street maintenance. Mr. Staley explained this would be for any vehicle in the City; however the statute does not mention trailers.

### **Special Appropriations**

In response to a previous question about LifeSpan Lynn Smyth explained that the City began funding the Iredell Vocational Workshop at its inception in 1964. At that time, Iredell County and the City of Statesville contributed \$7,500 each while the Town of Mooresville contributed \$1,500. Funding at this level continued through at least 1966 but grew to a maximum of \$26,500 by 2009. Based on newspaper articles, it appears the original allocations were set at least to some degree to assure State funding which required a local match. That amount grew to a maximum allocation of \$26,500 but in FY 2009/2010, the amount of funding was reduced to \$25,000 and has remained at that level. According to a former director of the facility, the Workshop was primarily funded from two State sources, one source which was pretty stable but the second source, mental health funding, was not stable and declined significantly. As that funding source diminished, Statesville assisted with greater support of the organization. From his recollection, the former employee believes Iredell County's allocation was eventually diverted to ICATS for the transportation of individuals participating in the Workshop's programs and Mooresville's allocation was discontinued. For some time, the City of Statesville made two special appropriations to LifeSpan, one for \$16,000 and the second for \$25,000 (up to \$26,500). These allocations were for two distinct organizations that were taken over by LifeSpan. The \$16,000 allocation was for the Development Day Care Center on West Broad Street and was discontinued in 2002 when the City gave the building at 302 West Broad Street to Life Span in lieu of the annual special appropriation. The building was donated for the specific purpose of a day care center for handicapped children and should that use discontinue, the property will revert back to City ownership. The second allocation of \$25,000 was the City's support for the Iredell Vocational Workshop whose purpose is to improve skills and employability of adult handicapped individuals. In 03/04, LifeSpan assumed operations of the Workshop and Council took action to continue funding the organization under the name of LifeSpan.

Mrs. Smyth reviewed the other appropriations and advised that all expressed their need for this funding from the City and what it provides for them.

Council member Schlesinger said he is okay with local matching funds, but questioned a couple of the organizations using some of the funds to make donations to other charitable organizations. He said the funds should be used for their operating expenses.

Council member J. Johnson asked if LifeSpan is able to bill insurance companies for services for these people. Mrs. Smyth replied they can, but a large number of the clients do not have insurance.

Council member Schlesinger said we should encourage people to utilize grants and then if they come to us for matching funds we can consider their application.

Council member West said he is torn about this issue because he has been on many of these non-profit's boards, but questioned whether or not Council should be deciding which non-profits receive tax payers money. Mayor Kutteh said he agreed.

Council member Schlesinger suggested moving the appropriations that are managed by the Recreation Department to that department and consider reducing the funding to 75% next year, then 50% the following year and so on, in order to give the organizations time to procure other funding sources.

Council members Watt and J. Johnson said it is a small amount of money and to leave it as it is, not add anymore and let it gradually phase itself out.

Council member Williams said if we cut the funding immediately it is going to hurt a lot a people that are served by these organizations.

**Council members agreed by consensus to keep Special Appropriations intact for this coming fiscal year and meet early next fiscal year about phasing it out.**

### **Sanitation Fees**

Scott Harrell reviewed Sanitation Fees charged by other similar municipalities and the estimated revenue for the City for various fee amounts. He said that 72% of other municipalities charge some sort of Sanitation Fees.

Council member West asked if residents may opt out of trash pickup and take it to the dump themselves. Mr. Harrell said that is a decision Council would have to make however operating costs would not be any lower because the trucks are still going down those streets. He said he did not recommend allowing this.

Council member J. Johnson stated he is not in favor of implementing any new fees. He said if the City needs the money he would rather raise taxes because at least those can be a tax deduction.

Council member Schlesinger asked if there is a real need for this funding. Mr. Pressley replied there are a lot of deferred capital needs such as vehicle replacement that have been put off during the recession.

**Council members, excluding J. Johnson, agreed to direct staff to include the Tag Fee in the budget but not the Sanitation Fee.**

Council member M. Johnson said there are two major projects that have been discussed. One is a distribution expansion off of 3<sup>rd</sup> Creek and the second one is additional improvements at 4<sup>th</sup> Creek. He asked Mr. Staley to report to Council how much additional capital debt we can service based on where we are in the model that we submitted, in terms of our rate structure and the increases we would have, making the assumption, that we are going to stay on this track, as opposed to the track that we have been on for the last six or seven years.

He pointed out that the NC Connect fund that is in this bond is for rural infrastructure improvements. They are going to distribute it by adding it back to the rotating fund in North Carolina and put a six year window on it. He would like to see Mr. Pressley contact them because one of these projects is in a rural area, under the assumption that that would happen, and that we could get that favorable circumstance, but remember that part of that is grant and part would be loan. He asked Mr. Pressley to detail what he feels would be Capital Expense Load for each of those and report to Council. One of them is critical or will be and we certainly don't want to hit the drawdown on the general fund to support that issue if there is a way for it to continue to pay for itself.

Mayor Kutteh said we seem to be ahead of what we projected on those analyses and would open up the flexibility for additional borrowing and we need to know how that model looks going forward.

**III Pay Study**

Matt Reece, Management Consult with Centralina Council of Governments stated that significant progress has been made with the study. Employees have completed the questionnaires, and job analysis interviews were completed last week. The data collection phase of the project has begun. For the purpose data collection the following comparison employers and data sources are being used:

City of Charlotte	City of Winston-Salem	City of Monroe
City of Gastonia	Town of Mooresville	City of Salisbury
City of Hickory	City of Concord	Iredell County
Town of Matthews	City of Greensboro	Survey data from
City of Rocky Mount	City of High Point	LEAD-NC Dept. of Commerce

These comparison employers were selected based on historical comparisons used by the City. These comparisons all include similar sector employers, population, ad valorem tax value, and/or geographic proximity. Overall, there is the expectation that the City would match to lead the aggregate average of these employers.

An important reminder is needed at this point. Not all classification will be externally comparable. Only those classes deemed similar enough in duties, responsibilities, and organizational context will be benchmarked. Simply put, we will be comparing apples to apples. Classifications without benchmarks will be assigned to grades based on internal relations with classes in their occupational family and reporting relationships.

PTRC will be ready to confirm findings with management in early March, if not sooner.

Council member Williams asked if the study looks at where there are a lot of turnovers and do we ask an employee why they are leaving. Mrs. Smyth replied that Human Resources has a questionnaire for an employee to fill out who is leaving, but it is on a voluntary basis with about a 50% participation rate.

Council member West asked what factors created the compression problems. Mr. Reece explained that when an employee has been there for a long time then the pay practices changes and the employer is forced to hire someone at 100% but the old employee is still at 92%.

**Contract versus In-house Attorney**

Mrs. Smyth reviewed other municipalities that have in-house attorneys. Data shows that the total budget for an in-house attorney and one paralegal is \$269,637, Gastonia, two in-house attorney's and one paralegal is \$420,594, Mooresville, one in-house attorney and one paralegal is \$256,038, Morganton, one in-house attorney and one paralegal is \$251,320. Contracted legal services for the City of Statesville for fiscal year 2012/2013 was \$88,181; fiscal year 2013/2014 was \$92,199; fiscal year 2014/2015 was \$98,200 and fiscal year 2015/2016 \$97,500 was budgeted.

Council member Morgan asked what the research showed to be the advantages to having an in-house attorney versus a contract attorney. Mrs. Smyth replied accessibility was the main advantage.

Council member J. Johnson recalled that years ago the City had an in-house attorney and went to a contract attorney because the cost was double for an in-house attorney.

Council member West stated we have a problem with accessibility to the City Attorney and that he does not give Council all the options sometimes. He said some decisions of great magnitude need to be made by City Council and not by a Department Head or the City Attorney.

Council members questioned why the total amount for legal services was not higher in the years the Love's Truck Stop litigation occurred. Mr. Gaines stated he was sure his office had billed everything correctly and reminded Council that the amount has been spread out over two years.

**Council members agreed by consensus not to pursue an in-house attorney at this time.**

**IV Technology Study Update**

Mr. Moe Lonergan, the Team IA Project Manager leading the study, presented a project report on the status to date and upcoming milestones of the Technology Study. He advised the first draft will be ready February 26, 2016 and the final report on March 4, 2016.

Nikki Gregory, IT Director, stated that because of the City's relationship with Electricities we can save a considerable amount of money. INCO is hosted at Electricities and encompasses Human Resources, Utility Billing and Financials. The cost to implement would be \$500,000 or less but would be \$900,000 without the relationship with Electricities. The five year cost of keeping the AS400 program is \$500,000 and it will not be capable of doing what we need it to do. The system will be implemented about six months after the contract is signed.

**V Stormwater Phase 2**

Scott Harrell stated that the permit should be received by May then the City has five years to implement the federally mandated program, National Pollutant Dissemination Program-NPDES.

Doug Jewell with Jewell Engineering Consultants stated the NPDES program contains 6 minimum measures:

1. Public education and outreach
2. Public involvement / participation
3. Illicit discharge detection and elimination
4. Construction site SW runoff control (sediment and erosion control)
5. Post construction SW management
6. Pollution prevention, good housekeeping for municipal operations

Council needs to start thinking in terms of a capital improvement program to reduce flooding / improve water quality.

- State law allows a stormwater program funding mechanism.
- State law prohibits other uses of program dollars.
- Stormwater charges = fees for services, not taxes.
- Income matches needs.
- Implementation requirements:
  - Equitable
  - Adequate
  - Dependable
- Fees as applied to non-profits, municipal properties, streets, NCDOT, other government properties, etc.

**Stormwater Funding – The Means**

- Primary Funding: Equivalent Residential Unit (ERU)
  - Statistical basis, Single Family Residences
  - Legality tested and verified
- Secondary Funding:
  - Plan review fees, acreage charges, inspection fees, etc.
- Billing / collections system
- Credit allowance(?)
- Data needs / availability / maintenance
- PUBLIC EDUCATION!

**Stormwater Funding – the Potential**

- Stormwater Utility revenues potentially \$350,000 - \$2,300,000 / year.
- Revenue primarily depends on number of ERUs (charged) and rate.
- Estimate 31,300 to 37,600 ERUs in Statesville.

- ERU rate expected to be between \$2 and \$5 per ERU per month.
- Can fund SWU development from other sources with payback.

#### **Stormwater Utility Development**

- Utility development—parallel process - 3 tracks
  - Policies
  - Budget
  - Revenue
- Public Education – 3 main elements
  - Understand the need
  - Understand the fairness
  - Reasonable expectations
- Process should be open, orderly, and based on sound judgment and decisions.

#### **Stormwater Utility Development - Next Steps**

- Authorize Staff to proceed (12-15 month process)
- Citizens Advisory Committee
  - Education
  - Input from citizens
  - Disseminate information back to community
- Initiate public education campaign  
(Multiple steps to reach Goal by May 2017)
- Goal: Approve/adopt Utility Ordinance & Rate Ordinance and begin operation

**Council members agreed by consensus to move forward with the program and instructed staff to bring back a proposal for their consideration.**

#### **VI Wastewater Permit Update**

Joe Hudson explained that the NPDES permit allows the wastewater treatment plant to operate. It gives us our limits and tells us what we can and cannot do. The permits go through a five year renewal cycle and the 4<sup>th</sup> Creek WWTP (waste water treatment plant) NPDES permit came up for renewal June 31, 2014. Staff contacted the State when we did not receive the new permit and was told that they were behind and would soon be in touch. In January of 2016 the State contacted City staff and expressed concern that they were going to give us nitrogen limits, knowing that we have a facility that is not designed to deal with these types of limits and they want to know what was the City's plans on how to deal with this. Staff contacted McGill & Associates look at this situation, assess it and give us some options on how to approach this.

Andy Lovingood with McGill & Associates reviewed a PowerPoint presentation regarding new regulatory requirements, discharge permits and a proposed plan of action. Mr. Lovingood recommended for the upcoming fiscal year: evaluating the 4<sup>th</sup> Creek WWTP, process optimization, determine a nutrient removal strategy for 6.0 MPGD, determine capital costs, funding sources and a target schedule. In the long term, ask for the continuation of artificial limits, determine a strategy that lets us optimize 4<sup>th</sup> Creek for ammonia couple with another project.

Council member M. Johnson asked what the paper flow is for the plant right now. Mr. Lovingood replied over 2.3 but has been close to 3.6. He explained why this number is very important and why it is important to stay ahead of the curve and plan for the future which helps stabilize user rates.

Mr. Lovingood stated the first thing that will be asked for from the state on the 3<sup>rd</sup> Creek WWTP is a continuation of our strategy, which is using artificial limits because we do not have the TMDL yet. For the 4<sup>th</sup> creek plant we want to negotiate a strategy that lets us optimize the plant for ammonia now, which may take a chemical addition and would not be a high value project, and then couple the ammonia issue with TMDL's when we receive them. We anticipate that not happening until at least 2024 and that it will be centered on phosphorous.

Council member M. Johnson asked if this is the right site. Mr. Lovingood replied that it will depend on the amount of infrastructure he can use from the site and restoring its original investment value.

**Council member accepted Mr. Lovingood's recommendation and to budget \$6,000 - \$7,000 in the upcoming budget for a by the hour function of the parts and another \$40,000 - \$50,000 for the evaluation study of the 4<sup>th</sup> Creek WWTP.**

## **VII Marketing Position Discussion**

Lynn Smyth stated In an effort to determine how area cities handle the function of marketing within the municipal environment, we contacted several North Carolina entities to ask specifically who does what to "sell" their respective cities, with an emphasis on business and economic development. As expected, we found that many of the cities spoke to partnerships in this area with various organizations to include Chambers of Commerce, Downtown Development agencies, Economic Development organizations and other regional partnerships. Most cities expressed the value of these relationships in reaching out to site selection groups and business location firms but several also recognized the need to supplement these services.

One way that we saw cities responding to the need to cultivate and manage their municipalities "corporate" image was by establishing a Corporate Communications division. In the larger cities, this division will consist of several employees and often times a print shop to produce promotional materials in-house. In mid-size cities, this might be one or two people that have developed from a Public Relations position. This division will sometimes include an individual whose primary focus is business outreach and who serves as a liaison with the business community and their relationships with the City. In an instance or two, positions in this area would create a "one-stop" shop environment for new, expanding or current businesses to maneuver through and resolve issues related to business development in the City.

We also saw quite a bit of the traditional Downtown Development Directors who focused specifically on business development in the downtown area but there was not a counterpart for this role Citywide. Often paired with the Downtown Development Director was an Economic Development Director (often external to the municipality). A staff member would assist as needed with marketing when called upon by one of these two directors.

Finally, we also saw some instances where business marketing citywide was the focus for a staff position. In these instances, the municipal position will usually work closely with supporting agencies like Chambers, DSDC and Economic Development but the position will also reach out to new businesses (primarily commercial development) independently. The position will author and oversee production of Citywide marketing materials, maintain a section of the municipal website for the purpose of business recruitment, attend trade shows on behalf of the organization, assist expanding businesses with growth efforts and organize staff response to larger scale economic development recruitment efforts. The position can be used to promote specific services or amenities of the City, such as an airport or electric utility.

## **VIII AMI Business Case Review and Analysis and Next Steps**

Kent Houpe stated that Schneider is an independent engineering group from ElectriCities. He gave a brief background of the AMI project and reviewed a PowerPoint presentation. The findings are as follows:

1. The ElectriCities Smart Grid RFP process was thorough and well documented. The selection of Nexgrid as the "best" AMI system for the entities served by ElectriCities was based on objective data and information.
2. Nexgrid's hardware and software and functioned as intended in the pilot and in other regional implementations.
3. Cost / Pricing
  - a. The pricing for Nexgrid's AMI system is competitive with pricing for other comparable AMI solutions. This is within the range that other Municipal electric and water utility systems have experienced.
  - b. Installed cost projection (equipment and installation of meters) is approximately \$228 meter. (Many budgetary estimates for electric and water AMI deployment is in the range of \$200-\$250 per meter.)

4. Technology / Hardware and Software
  - a. The Nexgrid's system hardware is based on "open standards". Open standards will enable the City to integrate with other systems and fully utilize the current and future AMI related functions and features.
  - b. The software is "very good" to "excellent" when compared with the various AMI systems in the market today.
  - c. The utility portal and the customer portal have the appearance of very user-friendly and functional – along with the look and feel of the latest applications on the market.
5. Service
  - a. Based on the City of Statesville pilot project with Nexgrid and independent observations regarding Nexgrid's service and project management, SE is impressed with the level and quality of service provided by Nexgrid to support the implementation of Nexgrid systems AMI systems.
  - b. Nexgrid provides options for the related product warranties and offers ongoing service at a reasonable price.
  - c. Nexgrid's approach to continually improving their products and maintaining one product line is a good approach. COS will essentially be part of a larger users group and will benefit with new features and functions based on best practices and uses of the product by other utilities.

Mr. Houpe stated the initial cost to implement would be \$5.8 million which would be split between the Electric Fund and the Water/Sewer Fund and should be implemented after the new CIS technology system is in place. Implementation would occur much faster if we were able to go ahead and allow the CIS system to be implemented in this budget year. He asked if Council wanted staff to come back with a budget amendment if it decides to move forward in this budget year. Mr. Houpe stated this would allow the front end work for the CIS system, integration and implementation to begin, then after July 1<sup>st</sup> we can move forward with full deployment instead of waiting until the next budget year to start the entire implementation.

Council member M. Johnson asked about the financing. He stated he would first like to see the whole financial picture before making any final decisions.

#### **IX UDC Update & Term Limits on Boards/Commissions**

David Currier reviewed a rough draft of an ordinance prepared by the City Attorney to modify the language in the Unified Development Code as it pertains to responsibilities for application of the code, procedures for application processes, summary of application procedures, certificate of zoning compliance, and uses not specifically listed in the use table. If Council agrees on changes to the Unified Development Code, the finalized document would need to be presented to the Planning Board for recommendation to the City Council via the text amendment process. The modifications are as follows:

#### **Section 1.04 – Responsibilities for Application of Code**

##### **A. City Council**

The City Council shall:

16. ~~Other responsibilities assigned by this Code, the City Charter, and other sections of the Municipal Code, or State Law.~~ Review and render interpretations of this Code and the Official Zoning Map when called upon for review and interpretation by the City of Statesville Planning Director in his or her capacity.
17. Recommend approval, approval with conditions, or denial of zoning applications when called upon by the City of Statesville Planning Director in his or her capacity.
18. Other responsibilities assigned by this Code, the City Charter, and other sections of the Municipal Code, or State Law.

**Section 2.01 – Application Processes**

5. Planning Director’s Decision: After the applicant has had the opportunity to respond to the comments of staff, committees and other agencies, the Planning Director shall:
  - b. Under certain circumstances as they are outlined in Section 3.03(F) of this Code, refer this matter to the Statesville City Council and allow the Statesville City Council to step into the Planning Director’s shoes and either approve, approve with conditions, or deny applications for which the Planning Director is the decision-maker; or
  - b.c. Recommend approval or denial of the applications for which the Planning Board or City Council is the decision-maker.

**Table 2-1: Summary of Application Procedures**

- In the row labeled “Staff Issued Permits and Approvals,” column three shall be amended so as to read “Planning Director, or the City Council in the Planning Director’s discretion and in accordance with Section 3.03(F) this Code.”

**Section 2.17 – Certificate of Zoning Compliance**

B. Applicability

No land shall be occupied or used, nor shall the use of land or buildings thereon be changed, altered, erected or occupied, or used in whole or in part for any purpose, until a certificate of zoning compliance is issued by the Planning Department or Statesville City Council. No permit shall be issued approving a change unless the changes conform with the provisions of this Code.

D. Review Criteria

Applications shall be approved by the Planning Director or the City Council as authorized under Section 3.03(F) of this Code, if the use or development occurs on a legally created lot of parcel; is authorized in the existing zoning district; and complies with this Code.

F. Uses Not Specifically Listed

In the case where a use is not specifically listed under any of the district regulations, the Planning Director shall determine the appropriate district or districts where such use shall be allowed based on a comparison of other uses which most closely resemble the unlisted use. ~~Where the Planning Director is unable to determine the appropriate placement, shall be called upon~~ However, where a use is not specifically listed the Planning Director, in his discretion, may request that the City Council make this determination. When such a determination is made by the City Council, the same comparison of similar uses shall be made by the Council in reaching its decision.

Council member Schlesinger referred to Section 1.04, A. 5. - Review and decide on all site plan applications for new development in the B-3, B-4, and B-5 Districts, and asked why Council even reviews site plans when it does not actually have the authority to make any changes. Mr. Currier said staff is trying to secure funding to hold a training session for the quasi-judicial boards with School of Government staff on quasi-judicial procedure. Mayor Kutteh added that the County has said they would like to be included in this and offered to share part of the cost. Mr. Currier stated City staff wanted to focus the training on the City’s particular issues at this training session.

Council member Schlesinger said he was not referring to the quasi-judicial nature of the hearing, but the fact that the code does not give Council any authority to require changes to site plans even though Council is required to review and decide on all site plan applications in the B-3, B-4, and B-5 zoning districts. City Attorney Eddie Gaines stated that the real change to the code is in Section 2.17 (F) which was the main thing that staff was asked to amend in the code.

Council member M. Johnson stated he has asked staff to read Chapter 12 of the Cornelius Unified Development Ordinance for reference.

**Council members agreed by consensus to change the ordinance to state that any use not listed in the UDO Matrix will go to City Council for a decision. Mr. Currier and Mr. Gaines will have the revised ordinance ready for Council by Monday for their review then it will go before the Planning Board at their February meeting.**

**Term Limits**

Mr. Currier stated he reviewed the attendance numbers for the previous three years. He said there has been a lot of turnover in some of the boards and some board members did not make the required 70% attendance rate. Council member J. Johnson said the attendance rule needs to be enforced. Mr. Currier added that some did not make the 70% rule due to work obligations and rarely was a quorum not present. Mayor Kutteh stated that Council relies on the Council liaisons to the boards to advise Council if someone should not be reappointed.

**Council members agreed by consensus to leave board appointments as they are.**

**Council member J. Johnson made a motion to move to closed session to discuss a personnel matter and a property acquisition matter, seconded by Morgan. The motion carried unanimously.**

**Upon return from Executive Session Mayor Kutteh stated that a personnel matter and a property acquisition matter was discussed and no action was taken.**

**Council member West made a motion to adjourn seconded by Council member Morgan. The motion carried unanimously.**



  
Constantine H. Kutteh, Mayor

Attest:

  
Brenda Fugett, City Clerk