

**MINUTE BOOK 26, PAGE 109  
CITY OF STATESVILLE COUNCIL MEETING – June 20, 2016  
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 7:00 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

**Council Present:** J. Johnson, Morgan, Williams, M. Johnson, Phifer

**Council Absent:** West, Watt, Schlesinger

**Staff Present:** Pressley, Smyth, Gaines, Fugett, Currier, Davis, Ferguson, Staley, Barone, Shelton, Gregory, Nicholson, Harrell, Slocum

**Media Present** Nina Mastandrea-Statesville Record & Landmark, Amy Fuhrman-Statesville Free News

**Others** 5

**I Call to Order**

**II Invocation**

The City Clerk gave the invocation.

**III Pledge of Allegiance**

Mayor Kutteh led the Pledge of Allegiance

**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.

Phil Hazel stated that the enabling legislation to establish the Statesville CVB was specific in its intent. It allowed the City to establish a collection of hotel/motel occupancy tax on room income of 5%. The collections could be used for two purposes: the first was the construction and debt retirement for the Statesville Civic Center. The second was the operation of a Statesville Convention and Visitors Authority.

The City has both constructed and retired the debt associated with the Civic Center and is now accumulating a fund balance for other uses. The CVB receives 20% of the collected occupancy tax (net of collection costs) for the purposes of promoting tourism and administering the promotion of tourism. There is no language in the enabling legislation that specifically allows capital projects like performance venues, maintenance and/or development of tourism boosting projects. The "Occupancy Tax Guidelines" governing language does include the following: "Tourism-related expenditures – the term includes tourism-related capital expenditures".

Three years ago, the CVB decided to reduce its budget by eliminating the executive director position and become a "working Board". The Board decided to establish a grant program similar to a grant program created by the Kinston CVB to fund community organizations with good ideas that would boost tourism and also fund a substantial billboard advertising campaign on our two interstates.

Occupancy tax collections have increased in the last three years and the grant program has helped community groups in promoting their tourism development activities. The CVB leadership, particularly the Hotel/Motel members, are active and in favor of doing more to put "heads in beds".

The Board is asking City Council to understand and support the CVB's decision to follow the published guidelines to fund capital projects within the framework of its obligation to promote tourism. If, in the opinion of the City Attorney, this requires the insertion of specific language defining such projects, the Board request Council's concurrence and support in any required modification. This is no way is intended to change the collection and distribution formula currently in place. Some possible examples of capital projects are: Road improvements to improve access to the Balloon Fest site, Improvements and maintenance funding to improve the experience in the 4<sup>th</sup> Creek Burial Ground, performance venue improvements for local events so as to increase attendance by visitors, and Help in the reconstruction of Fort Dobbs.

Mayor Kutteh thanked the CVB for their work and stated that the grant program is a good way to encourage activity in travel and tourism. He said Council will not take any action on this tonight, but Council will review the information with the City Manager and the CVB before any future action is taken; however the first and foremost consideration must be for the well-being of the Civic Center.

**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 May 2, 2016 and May 16, 2016 Pre-Agenda and Council meeting minutes and the May 10, 2016 Pay Study Review meeting minutes.**
- B. Consider approving Budget Amendment #25 to provide sufficient appropriation for health claims for the remainder of the fiscal year.**
- C. Consider approving an agricultural lease at the Statesville Regional Airport.**
- D. Consider approving 2<sup>nd</sup> reading of ZC16-05 filed by Ronald & Margaret Skinner for the property located at 1470 W. Front Street; Tax Map 4734-25-7963; from L-I (Light Industrial) District to B-5 (General Business) District.**
- E. Consider approving 2<sup>nd</sup> reading of an ordinance to re-establish a Downtown Municipal Service District.**
- F. Consider approving a motion authorizing the City Manager to enter into a service contract for the Downtown Municipal Service District.**
- G. Consider granting permission to Statesville Police Department staff to apply for a Justice Assistance Grant (JAG) in the amount of \$17,657 for the purpose of purchasing body-worn cameras and associated storage.**
- H. Consider approving administrative budget changes transferring funds from capital lines to operating for items purchased below the capitalization threshold.**

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

**REGULAR AGENDA**

**VI Conduct a public hearing and consider approving a Resolution to Close, a portion of right-of-way on Camden Drive between Harmony Drive and Interstate 77.**

David Currier stated that Mr. Rusty Chapman, representing St. Philip Apostle Catholic Church, is petitioning to close the portion of Camden Drive that runs from Harmony Drive to Interstate 77. C & P Properties of Statesville LP and Mr. Peter Jugis along with the church are the adjoining property owners along this section. Staff understands that the church has a contract to purchase the three adjoining properties (labeled 3, 4, and 5 on the aerial photo) from C & P Properties of Statesville LP for additional parking. Currently, there are city electrical lines, water and sewer lines and a PSNC gas line along this portion of the street. Therefore a utility easement has been reserved as shown on the survey and described in the resolution. The church has also revised the restrictive covenants for the subdivision and is aware that the properties will have to be combined to meet the city's lot dimensional requirements. On May 16, 2016 the City Council passed the Resolution of Intent to schedule the public hearing for this request.

Mayor Kutteh declared the public hearing open and asked if anyone wished to speak in favor or in opposition of this item. There being no speaker, he declared the public hearing closed.

**Council member Morgan made a motion to approve a Resolution to Close, a portion of right-of-way on Camden Drive between Harmony Drive and Interstate 77, seconded by Council member Williams. The motion carried unanimously.**

**VII Consider an appointment to the Board of Adjustment.**

Mr. Currier stated Mr. David Steele's term on the Board of Adjustment expires June 30, 2016. Mr. Steele would like to be considered for reappointment. Mr. Steele has served as Chairman of the Board since August 4, 2015. There are two other active applicants on file for the Board of Adjustment, Wayne Miller and Dr. Robert Saltzman.

**Council member J. Johnson made a motion to reappoint David Steele, seconded by Council member Williams. The motion carried unanimously.**

**VIII Consider appointing two regular members to the Planning Board and one additional alternate member to the Board for a total of three appointments.**

Mr. Currier stated that the terms of Mark Tart and Don Daniel expire June 30, 2016. Mr. Tart has served two terms and would like to be re-appointed for a third term. Mr. Daniel has served one term and would like to be re-appointed for a second term. There are 6 active applicants on file for the Planning Board. They are: Peter Molleur, Brian Barnett, Joanne Lischin, Brittany Marlow (who is also on the Historic Preservation Commission), Kelly Standish and Charlotte Reid.

**Council member Morgan made a motion to re-appoint Mr. Tart and Mr. Daniel as regular members, seconded by Council member M. Johnson. The motion carried unanimously.**

**Council member M. Johnson made a motion to appoint Charlotte Reid as an Alternate Member, seconded by Morgan. The motion carried unanimously.**

**IX Appoint one member to the Airport Commission.**

John Ferguson stated that two positions on the Airport Commission are expiring at the end of June. One position is appointed by the Iredell County Commission. The other position is held by Mr. Jay Brown. Mr. Brown has expressed a desire to be re-appointed. There are seven active applications on file for the Airport Commission. They are: Jay Brown, David Gagnon, Joey Meier, Robert Palmes, Sr., Robert Saltzman, Patrick Tighe, W. David Wingle

**Council member M. Johnson made a motion to table this item, seconded by Council member Morgan. The motion carried unanimously.**

**ADD Consider approving a Senior Exemption on the Solid Waste Fee.**

Ralph Staley explained that when the 2016-2017 budget was adopted, one of the fees that was included in the budget was a solid waste fee. When staff began the process of implementing the fee, it was discovered during discussions with Iredell County that the County has a similar fee which applies to residences; however, they allow a 50% elderly exemption if the resident meets the NC Property Tax Law Elderly Exemption Process. Staff is asking for direction on whether or not Council will allow the County's definition of the Elderly Exemption and the non-billing of tax exempt properties.

Mayor Kutteh stated Council learned during pre-agenda that staff does not know exactly how many people this will apply to.

**Council member M. Johnson made a motion to proceed with the Elderly Exemption contingent upon the determination that the total number of residents eligible for the Elderly Exemption does not exceed 40% of the total number of collections within the City of Statesville, seconded by Council member Williams.**

Council member J. Johnson said he is opposed to the Solid Waste Fee and so is also opposed to this item.

The vote was as follows:

**Ayes: M. Johnson, Williams, Morgan, Phifer**  
**Nays: J. Johnson**  
**Motion carried 4-1**

**ADD Discussion of the Mohammad Ali mural that was painted over the weekend.**

David Currier explained the policy change that Council had recently approved in the Design Guidelines to allow Art Walls on specific buildings in the downtown area. He displayed the application and the permit that was issued for the art wall at New Art South Galleries, 224 N. Center Street. He explained that any deviation from the permit can result in immediate revocation and civil penalties which were attested to by the building owner and the tenant. Mr. Currier displayed a photo of the Prince mural that was not permitted originally. There is now graffiti that has been painted on either side of the mural this past weekend as well as a mural of Mohammad Ali that has been painted on the sidewall of 214 N. Center Street. The graffiti and the mural are both illegal and must be removed by the owner within seven days to avoid the City removing it, fining the owner, charging them the cost of the removal and possibly placing a lien on the property. Staff has not been able to get in touch with the gallery owner today.

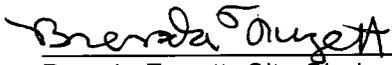
Mayor Kutteh pointed out that all the artist had to do was go to the Design Review Committee with an application for a permit at no cost.

Council member J. Johnson stated that Council compounded the problem by allowing the Prince mural to remain.

Council member Morgan encouraged whoever is doing this to contact staff and follow procedures to get a permit.

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

Attest:

  
Brenda Fugett, City Clerk



  
Constantine H. Kutteh, Mayor