

**MINUTE BOOK 26, PAGE 148
CITY OF STATESVILLE COUNCIL – September 19, 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, West, Watt, Schlesinger, Phifer

Council Absent: 0

Staff Present: Pressley, Fugett, Gaines, Davis, Smyth, Currier, Staley, Styers, Ferguson, Onley, Barone, Hudson, Cornelison, Souther, Harrell, Gregory, Shelton, Ashley, Slocum

Media Present Amy Fuhrman-Statesville Free News

Others 40

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

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.

Jeff Porter, Executive Director for the Habitat for Humanity that serves this area. He thanked the City Council and the citizens of Statesville for their support of Habitat for Humanity.

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 August 15, 2016 Pre-Agenda and City Council meeting minutes and the August 29, 2016 Called City Council meeting minutes.

B. Consider approving an annual request from the Statesville ABC Board to approve the Board's adopted Travel Policy.

C. Consider re-appointing Michelle Rokes to the ABC Board.

D. To direct staff to advertise the intent to donate a surplus awning frame from the Fire Department to Iredell County.

E. Consider approving the Airport Market Study.

IX Consider replacing the City Office Building roof and approving Budget Amendment #7 in the amount of \$47,125.

XIII Consider approving a Resolution of Intent to permanently close a 30' unopened right-of-way located at the end of Boyd Street running from 3rd Street to 5th Street.

XV Consider approving a change to the Airport Commission By-Laws.

- XVI Consider granting permission to the Statesville Police Department staff to accept the Justice Assistance Grant (JAG) Award #2016-DJ-BX-1063 in the amount of \$17,657 for the purpose of purchasing body-worn cameras and associated storage and approve Budget Amendment #08.**
- XVIII Consider approving an ordinance establishing a 25 mph speed limit on Mulberry Street between West Front Street and West End Avenue with appropriate signage to accompany the change.**
- XIX Consider a request to apply the alternate industrial street standard to Wilson Park Road.**
- XXI Consider reclassifying a Skilled Laborer position in the Street Division to a Concrete Craftsman.**
- XXII Consider approving a request from Iredell County to relinquish City maintenance of Short Street.**
- XXIII Consider a request from Piedmont Design Associates to use the alternate industrial street standard for a new public road to be built off Fanjoy Road.**

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 Recognize Statesville Police Department officer promotions and Mayor Kutteh will swear in two new officers.**
Assistant Chief David Onley announced that Captain Kenny Cornelius has been promoted to the rank of Assistant Chief, Sergeant Michael Mitchell has been promoted to the rank of Captain and K-9 Officer Mark Carmona has been promoted to the rank of Sergeant.

Mayor Kutteh swore in two new officers, Michael Anthony Vaught Jr. and Phillip Ian Henshaw.
- VII Receive a report from Jim Prosser and Richard Angino regarding the Vance Hotel.**
Jim Prosser reviewed possible use of the first floor space. He reviewed drawings of Option 1 with the first floor being used as non-residential. Option 2 would use as much of the first floor space as residential as possible. Lenders are typically comfortable with either residential or retail but not both at the same time or under the same roof. Their loans typically are not able to finance retail space that is not secured. Neither of these options must be chosen and most likely the space will end up being a combination of the two.

Council members discussed the rental rate that would be needed to include retail space.

Council member M. Johnson stated that Richard Angino and his wife were at the Downtown Art Crawl and he was very impressed by the turnout.
- VIII Receive a report and authorize the City Manager to sign a Memorandum of Understanding (MOU) for membership in the Yadkin-Pee Dee Water Management Group and approve Budget Amendment #5 for membership dues.**
Joe Hudson explained that this group is similar to the existing Catawba Wateree Water Management Group, of which Statesville is also a member. This Group provides a structure for regional collaboration that can coordinate activities and explore mutually beneficial ways to protect and develop our water supply – and save money and time. This MOU creates the Yadkin-Pee Dee Water Management Group (referred to as Group) and was developed through a collaborative effort by a workgroup of 13 Governmental, public water utility and reservoir operator parties providing service within the Yadkin-Pee Dee Basin. The discussions began in 2015 and have developed to a point where a formal organization is now desired. The MOU has been reviewed and

approved by the City Attorney. The cost of membership is \$5,000. The consultant is present to answer any questions Council may have.

Warren Miller with Fountain Works stated he is the moderator for the group which contains thirteen entities. Mr. Miller reviewed the Memorandum of Understanding.

Council member M. Johnson asked who the original organizer of the group was. Mr. Hudson replied that Winston-Salem talked to Salisbury who then contacted the City of Statesville. Council member M. Johnson stated he is concerned about the language in paragraph 1C that states "Unless otherwise specified in this Memorandum of Understanding, the vote of a simple majority of those Members present and voting shall be required for the disposition of all matters before the Yadkin-Pee Dee Water Management Group" because Winston-Salem is the biggest user in the Yadkin basin. Also, in Paragraph 2 it appears that Winston-Salem can act unilaterally. Hudson stated that participation in the group allows the City to participate in the group and their project. The group will grow and have influence with the State.

Council member M. Johnson made a motion to approve subject to a correction to the MOU that there must be a quorum present, not just a vote of the simple majority of those present or at least a review by the City Attorney. Morgan seconded the motion and it carried unanimously.

X Conduct a public hearing and consider approving first reading of ZC16-06 filed by Nathan Rankin for the properties located at 138 & 144 James Farm Road; Tax Maps 4745-48-7810 & 4745-48-8821; from O&I-2 (Office and Institutional Complex) District to R-15 (Urban Fringe Low Density Residential) District.

David Currier stated that Nathan Rankin is requesting to rezone the properties from O&I-2 (Office and Institutional Complex) District to R-15 (Urban Fringe Low Density Residential) District. The properties are approximately 1.90 acres in size (0.95 acres each). The properties are in proximity to residential, office, commercial and industrial uses. The 2005 Land Use Plan calls for this area to be commercial. The surrounding zoning districts and land uses are as follows:

- NORTH OF THE SITE:** R-15 & R-10, Vacant land and Single-family homes.
- EAST OF THE SITE:** LI, A single-family home, vacant land and cell tower.
- SOUTH OF THE SITE:** LI, North Statesville Business Park & scattered light industrial uses.
- WEST OF THE SITE:** O&I-2, Single Family homes and the Iredell County Health Department.

The Land Use Plan calls for this area to be commercial, however the applicant states that he has no intentions of eliminating the residential uses on the properties. Being that the sites have residential zoning in proximity, staff recommends approving the request. Also, if the owner wishes to zone the property to a commercial district in the future he can apply for a rezoning request. The Planning Board's recommendation is to approve the request as presented with a 7-0 vote and no one spoke in favor or opposition of this request.

Mayor Kutteh asked what the advantage is to the rezoning. Mr. Currier replied a reduction in property tax by most likely 50%. Mayor Kutteh clarified that these properties are not in the City of Statesville. Mr. Currier agreed that is correct.

Mayor Kutteh declared the public hearing open and asked if there is anyone present who wished to speak in favor or in opposition of this item. There being none, he asked for a motion on the matter.

Council member J. Johnson made a motion to approve first reading of ZC16-06, seconded by Council member Williams.

Council member M. Johnson pointed out that the Land Use Plan calls for this area to be commercial and does not understand why Council would deviate from the plan. This will create a residential node that will need to be dealt with at some point in the future. There is no compelling reason to rezone the property.

The vote was as follows:

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

Tie Vote: Mayor Kutteh voted Nay

First Reading of ZC16-06 Denied

XI Conduct a public hearing and consider approving first reading of ZC16-08 filed by Larkin Golf Course Development, LLC for the property located adjacent to 2529 Amity Hill Road; Tax Map 4742-59-6862; from B-2 (Neighborhood Business) District to R-8MF (Medium Density Multi-Family Residential) District.

David Currier stated that this property along with the rest of the former Fox Den Development (now Larkin) was annexed into the City in 1996. When the property was originally zoned back in 1996 the subject parcel was zoned B-2 (and a portion R-8MF) to allow some neighborhood business to serve the development. This property has never developed commercially. Larkin Golf Course Development, LLC is requesting to rezone the property from B-2 (Neighborhood Business) District to R-8MF (Medium Density Multi Family Residential) District (Tax Map 4742-59-6862) to construct attached housing even though multi-family/attached housing is allowed in the B-2 District. The purpose of this request is to match the zoning on this parcel with the zoning of the rest of the development. The property is approximately 3.78 acres in size and located on Amity Hill Road (See Map). The property is part of the Fox Den Development and has access off Fox Den Circle. All of Fox Den was developed as a golf course community. The property will be served with City of Statesville utilities. The surrounding zoning districts and land uses are as follows:

<u>NORTH OF THE SITE:</u>	R-8MF, Larkin Subdivision and Golf Course
<u>EAST OF THE SITE:</u>	R-8MF & Iredell County RA, Larkin Subdivision, Single-Family Homes
<u>SOUTH OF THE SITE:</u>	R-5MF, Future Pine Forrest II Subdivision
<u>WEST OF THE SITE:</u>	R-8MF & Iredell County RA, Larkin Subdivision, Single-Family Homes

The 2005 Land Use Plan calls for the property to be Recreational/Institutional (which golf course communities fit), the property is currently zoned for a neighborhood commercial use. The property owner prefers to develop this piece of property as residential. The R-8MF zoning district matches the rest of the Larkin Development and fits with the current development pattern in the area. Therefore staff recommends approval of the request. The Planning Board's recommendation is to approve the request as presented with a 7-0 vote. Brandon Pridemore spoke in favor of this request at the Planning Board meeting.

Mayor Kutteh declared the public hearing open and asked if there is anyone present who wished to speak in favor or in opposition of this item.

Brandon Pridemore, representing the developer, spoke in favor of this item stating that he felt the zoning should match the rest.

There being no other speakers, Mayor Kutteh declared the public hearing closed.

Council member M. Johnson made a motion to approve first reading of ZC16-08, seconded by Council member Schlesinger. The motion carried unanimously.

XII Consider accepting Transportation Alternatives Program (TAP) funds in the amount of \$1.2 million for the greenway connector under US 21 North (Turnersburg Highway) at I-40, approve the locally administered project agreement and approve the Project Budget Ordinance and General Fund Budget Amendment #6 to the FY 2016-2017 Budget.

Sherry Ashley stated that in October of last year, City Council approved the Planning Department staff to apply for Transportation Alternatives Program funds to extend the greenway under US 21 to Pump Station Road. The City of Statesville was awarded \$1.2 million to complete this project. A breakdown of the costs is as follows: TAP Request - \$1,200,000 = \$ 470,000 (City portion/- \$150K Carolina Thread Trail Grant). The greenway extension and underpass should be ready to bid once the I-77/I-40/US 21

I-3819A improvements are completed in Spring of 2017. The North Carolina Department of Transportation has requested that the city delay the greenway connector construction until the improvements are complete in late 2017/early 2018.

Council member West made a motion to approve accepting Transportation Alternatives Program (TAP) funds in the amount of \$1.2 million for the greenway connector under US 21 North (Turnersburg Highway) at I-40, approve the locally administered project agreement and approve the Project Budget Ordinance and General Fund Budget Amendment #6 to the FY 2016-2017 Budget, seconded by Council member Watt. The motion carried unanimously.

XIV Consider approving a revised sketch plan for Hidden Lakes (Located off Arey & Wallace Springs Roads); Tax Map 4733-24-9042.

Sherry Ashley stated the site is located off Wallace Springs and Arey Roads. The site contains approximately 230.35 acres. The site was annexed and rezoned to R-10 in February of 2007. The City Council, as part of the rezoning, required a site for a future fire station to be located in either Hidden Lakes or Beaver Creek; it is shown on this plan in Hidden Lakes. This is a revised sketch plan for Hidden Lakes which was initially approved in 2007. This site will be developed as a cluster subdivision which will increase the amount of single-family lots from 410 to 598. Of the 598 lots, 100 are already existing (lots 1-35 & 44-108). Ten percent total open space is required for cluster developments. This would require 22.00 acres of open space. The plan shows 75.45 acres dedicated as open space. The required stream buffer will have to be shown on the preliminary plan. Two access points are proposed, on each from Wallace Springs and Arey Roads. A TIA has been completed and City staff and NCDOT are recommending the following off site-roadway improvements to be done by the developer in phases:

Phase 1 (Access #1 Improvements)

1. 125 foot southbound right turn lane on Wallace Springs Road

Phase 2 (Access #2 Improvements)

2. 50 foot eastbound left turn lane and 75 foot right turn lane on Arey Road at Access #2.
3. 100 foot southbound right-turn on Wallace Springs at Arey Road

Phase 3 (US 21/Hill Haven Improvements)

4. Traffic signal implementation when warranted (assuming full traffic signal warrant study to be performed shows that signal warrants are met based on 2026 full build out projects)
5. Turn Lanes upon 50% build out if traffic signal is not warranted:
 - 175 foot northbound left turn lane on US 21
 - 125 foot southbound right turn lane on US 21
 - 100 foot east bound right turn lane on Hill Haven Road

Sketch plans require TRC, Planning Board and City Council approval. The TRC reviewed and approved the sketch plan on April 20, 2016 contingent on language of curbing (no valley curbs) being changed and a TIA being submitted. These corrections have been made and the TIA has been completed. The sketch plan meets the city's standards and staff recommends approval with the indicated transportation improvements. The Planning Board's recommendation is favorable as is with no proposed added conditions and no one spoke on this issue at the Planning Board Meeting.

Council member M. Johnson made a motion to approve a revised sketch plan for Hidden Lakes (Located off Arey & Wallace Springs Roads); Tax Map 4733-24-9042, seconded by Council member Morgan. The motion carried unanimously.

XVII Consider accepting four K-9 bullet/stab proof vests from Vested Interest in K-9's, Inc.

Assistant Chief David Onley explained that Vested Interest in K9's is a non-profit organization that awards K-9 vests to selected agencies throughout the United States. The Statesville Police Department has been awarded four K-9 vests. The vests will be distributed to the agency as they become available. Staff has received notification that Sgt. Marc Carmona and K-9 Edo will be the first to receive a vest. Vested Interest

requires the agency create a media release in regards to acceptance of the vests and a second media release and photo of the K-9 team upon its arrival.

Council member J. Johnson made a motion to accept four K-9 bullet/stab proof vests from Vested Interest in K-9's, Inc., seconded by Council member West. The motion carried unanimously.

XX Consider applying for a grant from the NC Division of Water Infrastructure to conduct a condition assessment of the City's water distribution system.

Scott Harrell stated the NC Division of Water Infrastructure administers a grant and loan program to assist municipalities with several types of water and sewer infrastructure projects. One such grant is the Asset Inventory and Assessment (AIA) grant, the purpose of which is to help communities assess the condition of their existing infrastructure and to identify and prioritize maintenance and replacement projects. Staff proposes to apply for an AIA grant to conduct a condition assessment of the City's water distribution system. The objective is to identify and prioritize maintenance projects to enable staff to focus resources on the segments of the water system with the greatest risk and/or impact of failure. The maximum value of the grant is \$150,000. Based on Statesville's demographics and water system characteristics, staff anticipates a 15% match requirement for any funds that are awarded. In-kind services such as GIS support and field surveying can be counted toward the City's match and staff expects those services to count extensively towards the 15%. If awarded, staff will initiate a consultant selection process and develop a detailed project scope and schedule.

Council member Schlesinger made a motion to approve applying for a grant from the NC Division of Water Infrastructure to conduct a condition assessment of the City's water distribution system, seconded by Council member Morgan. The motion carried unanimously.

XXIV Approve implementation of a Career Development Program for designated positions within the Electric Utility Department.

Lynn Smyth stated that during the recently adopted pay study, position ranges were adjusted for all positions within the City and the overall plan was implemented using a combination of the new market data and longevity in position to help alleviate compression issues. During discussions about the pay study, staff reported to Council that we would be developing and bringing for Council consideration a Career Development program for the Electric Utility Department.

The Career Development Program is intended to address a significant spike in the turnover rate for employees in specific areas of our Electric Utility operation. Below follows the turnover rate for positions in the Lineman, Metering and Substation divisions of the Electric Utility Department. This represents an average turnover rate of about 14% for the previous four fiscal years.

FY	Total Emp	Retirements	% Retirements	Voluntary	% Voluntary	Total
FY12/13	25	3	12%	2	8%	20%
FY 13/14	25	1	4%	3	12%	16%
FY 14/15	25	0	0%	1	4%	4%
FY 15/16	25	0	0%	4	16%	16%

Just over 70% of that turnover is voluntary termination, with several of those employees leaving to work for another utility company at higher rates of pay. Based on the information we have been able to obtain, our position range is adequate to address our concern but our current method of progression through the range is not sufficient to allow us to maintain a competitive wage at this point in time.

Many municipal electric departments have adopted a career development program that employs a more aggressive approach to moving employees through the pay range thereby creating a more competitive hourly rate of pay when comparing to private electric providers and contractors. Cities have access to a well-developed and comprehensive program that is administered and monitored by Electricities of North Carolina and the North Carolina Department of Commerce. City electrical employees have been participating in this training initiative for many years, but to date, the City has

not tied their successful completion of the program to pay. This request is to implement a program that recognizes and rewards specific accomplishments in highly skilled electrical craft labor.

The program has two mechanisms by which employees' pay advances. The first and new mechanism would be to allow a five percent (5%) increase each time an employee successfully completes a module of the career development program. The second leg of the progression, would then allow for the promotion of that employee into the next level of position in his/her chosen career path when service requirement is met. For example, employee is hired as a grounds man, and in the employee's tenth month of employment, he/she completes all the training modules for Line Tech 1 and passes the test administered by Electricities. The employee will receive a 5% pay adjustment. Upon the completion of the first year of employment as a grounds man and with the Line Tech I certification, the employee can promote to the Line Tech II position and will receive a 5% pay increase for promotion and another 5% increase upon the successful completion of the probationary period. The employee will now be ready to begin the second phase of the program. It is estimated by Electricities and the Electric Department staff that it takes approximately one year to complete the training required for each level of certification in the career paths. The last level may take as long as two years. Currently, the City sets the number of Line Tech I, Line Tech II and Line Tech III positions that the department may have and even though an employee may have completed the training requirements for a higher level position, the employee cannot move into that position until such time as a vacancy occurs in that particular position. This program would change that practice and the department would have a total number of lineman positions and the current training level would determine how many of each Level the department would have so theoretically, the City could have a full complement of Journeymen Lineman. The same would apply to the metering and substation paths. Several City employees have already completed the program and qualify as Journeyman Lineman. Others are at varying stages in the program. The implementation of this program would require the pay of these employees be adjusted to recognize their prior achievements in this program. The total estimated cost to fully implement these adjustments beginning with the first full pay period in October is \$83,113 with an annualized cost of around \$114,117. Finance Director, Ralph Staley believes this program could be implemented this year without a budget amendment due to current vacancies in the department and the length of time before those positions can be filled. Staley says he did not believe this program would result in the need for a rate increase in the upcoming fiscal year. The hiring of skilled tradesman is becoming difficult across the nation and in particular, North Carolina municipal power providers are experiencing a serious drain of their talent into the private sector. At the recent Electricities meeting, this issue was the subject of a full session for attendees. Statesville is certainly feeling the strain of this talent loss and we believe the implementation of a career development program will go a long way in helping us accomplish a much more competitive market position. Staff is requesting the approval of a Career Development Program for the Electric Utility Department in the craft areas of linemen, metering and substations.

As suggested by Council member Williams during the Pre-Agenda meeting, the term "discipline" will be replaced by "track" to avoid any confusion.

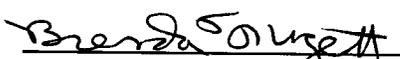
Council member Schlesinger asked if the funding for this will come from the Electric Fund. Mrs. Smyth replied that they will.

Council member Morgan made a motion to approve implementation of a Career Development Program for designated positions within the Electric Utility Department, seconded by Council member Williams. The motion carried unanimously.

Larry Pressley introduced the new Electric Utilities Director, John Maclaga.

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

Attest:


Brenda Fugett, City Clerk




Constantine H. Kutteh, Mayor