AGENDA
CITY OF NEWTON
NEWTON CITY COUNCIL - REGULAR MEETING
January 22, 2019
7:00 p.m.

1. **Call to Order – Mayor Anne P. Stedman**

2. **Opening – Council Member Jody Dixon**

3. **Approval of Minutes from the January 8, 2019 Regular Meeting**

4. **Consideration of Consent Agenda Items**
   A. Sewer Adjustments

5. **Comments from the Public: (IF YOU WOULD LIKE TO MAKE A PUBLIC COMMENT ON NON-AGENDA ITEMS PLEASE SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING):**

6. **Presentation**
   A. St. Andrews Anglican Church – Check Presentation
   B. Fiscal Year 2018 Audit

7. **Old Business**
   A. Consideration of Reimbursement for Water Line Replacement Project on N. Ship Ave.

8. **New Business**
   A. Consideration of Budget Amendment to Establish a Storm Water Pollution Prevention Plan for Both the Public Works Facility and the Wastewater Treatment Plant
   B. Consideration of a Creation of Three-way Stop at the Intersection of County Center Drive and Constitution Ave.

9. **City Manager’s Report**

10. **Questions and Comments From Mayor and Council**
    A. Reports from Appointed Representatives on Outside Boards – Mayor Pro Tem John Stiver

11. **Closed Session - Per North Carolina General Statutes 143-318.11(a)(4) and 143-318.11(a)(5)**

12. **Adjournment**

PERSONS WANTING TO SPEAK ON AN AGENDA ITEM MUST SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING. PERSONS WANTING TO BE PLACED ON THE AGENDA FOR THE NEXT MEETING MUST CONTACT THE CITY MANAGER AT LEAST SEVEN WORKING DAYS BEFORE THE MEETING.
MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL
January 8, 2019 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, January 8, 2019 at Newton City Hall.

PRESENT: Mayor Anne P. Stedman, Mayor Pro Tem John Stiver and Council Members Jerry Hodge, Anne Wepner, Jody Dixon, Tom Rowe and Ed Sain

STAFF: City Manager Todd Clark, City Clerk Amy S. Falowski, City Attorney John Cilley, City Department Heads and members of the management team

ITEM 1: CALL TO ORDER

Mayor Anne P. Stedman welcomed everyone and called the meeting to order.

ITEM 2: OPENING Invocation and Pledge of Allegiance

Council Member Tom Rowe provided the invocation and Pledge of Allegiance.

ITEM 3: APPROVAL OF MINUTES

Upon motion duly made by Council Member Ed Sain, seconded by Council Member Tom Rowe, it was unanimously RESOLVED:

That the Regular Minutes of the December 4, 2018 City Council meeting be – APPROVED

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

Upon motion duly made by Council Member Ed Sain, seconded by Council Member Anne Wepner, it was unanimously RESOLVED:

That the Consent Agenda be – APPROVED

A. Tax Releases

B. Sewer Adjustments

C. Consideration to Recognize Funds from ElectriCities for System Betterment Program

D. Consideration of Appointments to Boards and/or Committees

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 5: COMMENTS FROM THE PUBLIC: PEOPLE WHO WISH TO COMMENT ON NON-AGENDA ITEMS ARE ASKED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING.

Mayor Anne P. Stedman asked if anyone present would like to make comment concerning non-agenda items. No one appeared.
ITEM 6:  Presentation

A. Western Piedmont Council of Governments – Transportation Patterns

Taylor Dellinger and Brian Horton provided City Council with presentations concerning transportation patterns for the region.

ITEM 7:  Public Hearing

A. Consideration of Rezoning Application as Filed by Babamov Enterprises NC, LLC

Mayor Stedman opened the Public Hearing.

Planner Alex Fulbright stated that a rezoning request has been filed by Babamov Enterprises NC, LLC. The request is to rezone a portion of property located at 2306 N Main Ave from R-9 Multi-Family Residential to M-1 General Manufacturing so that the entire site is zoned M-1. Mr. Fulbright stated the subject site consists of a 1.41 acre tract identified as Catawba County Pin 3741-17-12-0274. The purpose of the request is to have the entire site zoned M-1 so that the western portion of the site and the building is not restricted by the R-9 zoning.

Surrounding Zoning and Land Use:

<table>
<thead>
<tr>
<th>Subject(s)</th>
<th>ZONING</th>
<th>LANDUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M-1 General Manufacturing</td>
<td>Warehouse and vehicle repair</td>
</tr>
<tr>
<td></td>
<td>R-9 Multifamily Residential</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>R-9 Multifamily Residential</td>
<td>Single family residential</td>
</tr>
<tr>
<td>South</td>
<td>R-9 Multifamily Residential, B-4 General Business</td>
<td>Single family and multifamily residential</td>
</tr>
<tr>
<td>East</td>
<td>M-1 General Manufacturing</td>
<td>Catawba County Schools parking lot and single family residential</td>
</tr>
<tr>
<td>West</td>
<td>R-9 Multifamily Residential</td>
<td>Single family residential</td>
</tr>
</tbody>
</table>

Mr. Fulbright stated that the area to be rezoned is currently zoned R-9, and that according to the current, 1982, and 1966 Zoning Map the area has been zoned R-9. The portions of the property that is currently zoned M-1 General Manufacturing was zoned that way on both the 1966 and 1982 zoning map.

Mr. Fulbright stated the site has frontage on both East 23rd Street and N. Main Ave. East 23rd Street is considered a neighborhood street. Traffic on East 23rd is minimal (no traffic counts are available). North Main is also known as NC Hwy 16 and is a major arterial for the city. Traffic counts along N. Main in this area are around 8,400 (2017 DOT count) vehicles per day. He explained that it is not anticipated that the rezoning request would have a significant impact on existing or future traffic patterns. City water and sewer are available.

Mr. Fulbright stated the 2010 Core Area Plan Future Land Use Map shows the area being zoned residential. The request is inconsistent with the current land use plan for the area but would be consistent with the existing land use of the area and it would not adversely impact the adjoining residential area.

Mr. Fulbright stated that public notice for this rezoning case has been performed as follows:

Newspaper: published on December 27, 2018 and January 3, 2019.
Posted on-site: posted November 15, 2018
Mailed notices: sent notice to the owner of the site, owners of adjacent property, and the owners of property within 100 feet of the property adjacent to the subject site. 20 letters were sent on December 28, 2018.

Mr. Fulbright stated that the Planning Commission unanimously recommends to the City Council approval of this rezoning request. The request is inconsistent with the 2010 Core Area Plan, but the request is consistent with existing use of the property and would not adversely impact nor hamper the development of the adjoining residential areas.

Mayor Stedman asked if anyone present would like to speak. No one appeared.

Upon motion duly made by council Member Ed Sain, seconded by Council Member Jody Dixon, it was unanimously RESOLVED:

That the Public Hearing be – CLOSED

Upon motion duly made by council Member Ed Sain, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Rezoning Application as Filed by Babamov Enterprises NC, LLC, for Property located at 2306 N Main Ave - from R-9 Multi-Family Residential to M-1 General Manufacturing so that the entire site is zoned M-1 be – APPROVED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 8: Old Business

A. Consideration of Staff Recommendations for Splash Pad

Assistant Manager Sean Hovis stated that City Council has considered the utilization of proceeds from the Jones estate on several occasions. According to Lillian Sewell Jones’ will, there must be two unanimous votes by two seated City Councils that are at least 2 years and 3 months apart. Mr. Hovis stated the first unanimous vote occurred January 8, 2013, at the regularly scheduled council meeting, and the second unanimous vote occurred January 9, 2018.

Mr. Hovis stated that during the January 23, 2018, Council/Staff Workshop, City Council discussed projects on which to spend the proceeds. The three projects agreed upon were an amphitheater, splash pad, and ballfield lighting at Jacob Fork Park.

Mr. Hovis stated that the ballfield lighting at Jacob Fork Park was completed in November 2018 with a project cost of $404,000. The amphitheater is part of the Phase I Downtown Revitalization project and has an estimated cost of $200,000. The remaining balance of Mrs. Jones estate is approximately $953,000, which is available for completing the splash pad project.

Mr. Hovis explained that at the August 2018 City Council Workshop, City Council directed staff to complete an assessment of the area surrounding the pool at the Recreation Center as a potential location for the splash pad.

Staff met with a vendor that had been retained by neighboring Catawba County municipalities for similar projects and had a reputation as being a leader in this industry. Mr. Hovis explained that over the course of the next two months, the staff worked with this vendor. Unfortunately, staff determined that the vendor could not reliably produce renderings for the project and was not responsive to questions asked by staff. Staff also learned the vendor had not satisfactorily completed their construction projects as
specified in contracts with two other local governments in Catawba County. Consequently, staff decided to evaluate the services of other vendors. Mr. Hovis stated that staff has worked diligently with the Parks and Recreation Commission since November to assess the site and evaluate other vendors.

Mr. Hovis stated that through discussions with City Council and input from members of the Recreation Commission, staff selected a specific design and accessories that stood out and was different from what nearby locations currently had.

The pricing breakdown is as follows:

- Splash pad installation (including permits, engineered drawings) $465,354.40
- Site amenities package (includes benches, trash receptacles, etc.) $58,357.45
- ADA accessible sidewalk from back parking lot $13,850.00
- 10% Contingency $53,756.00
- Total $591,317.85

Mr. Hovis stated that City Staff has worked in cooperation with the Parks and Recreation Commission to develop a site specific recommendation as presented herein. Staff respectfully asks City Council to consider these recommendations.

Council Member Hodge asked if any other splash pad in the area would have the same features. Mr. Hovis said that they may have the same types of features, but not exactly the same. Mr. Hodge asked if the company is a North Carolina Company, Mr. Hovis said they are located in Mooresville.

Council Member Anne Wepner asked about parking at the Recreation Center during construction and how it would be affected. Mr. Hovis stated that it would be affected mostly during the demolition stage. City Manager Todd Clark stated that a lot of the staging for the project would be done in the back of the building.

Council Member Jerry Hodge asked how many parking spaces are in back of the building. Recreation Director Sandra Waters stated that there are around 50-75 spaces. Mr. Hodge asked if we would be losing 19 in front. Ms. Waters stated there would be 40 left in the front.

Mayor Stedman stated that the city needs to move forward with the project.

Upon motion duly made by council Member Jody Dixon, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That the Bid to Waterplay for the Construction of the Splash Pad at the Newton Recreation Center be – APPROVED

B. Consideration to Eliminate Traffic Signals on Ashe Ave and Brady Ave

Interim Police Chief Tim Hayes stated that on December 4th 2018, Council was presented with information regarding the elimination of traffic signals at the intersections of ‘A’ Street and Ashe Avenue, 1st Street and Ashe Avenue, and ‘A’ Street and Brady Avenue. Traffic signals at all three intersections are all owned by the City of Newton.

Interim Chief Hayes stated that based on the observed number of accidents and the traffic flow and volume, staff believes traffic can be moderated just as easily with the use of stop signs as opposed to traffic signals. Additionally, the removal of the signals represents a financial benefit to the city through cost savings related to electrical expenses. Finally, the city regularly receives complaints from motorists concerning wait times at these intersections. Interim Chief Hayes stated that elimination of the signals
will satisfy motorist, as wait times at stop signs will be less than at traffic lights based on the current traffic flow and volume.

Council had a brief discussion concerning the removal of the listed traffic signals and replacing them with stop signs. Council requested more time to review the proposal before they advise staff how to proceed.

Interim Chief Hayes stated that staff has conducted a safety review at all three intersections. At the intersection of ‘A’ Street and Ashe Avenue, buildings are located on each corner of the intersection radius which creates limited sight distance. There is also a building located on the northeast corner of 1st Street and Ashe Avenue and the northeast corner Brady Avenue and ‘A’ Street near the intersection radius at both locations.

Interim Chief Hayes stated it is the recommendation of staff that if the traffic signals are removed, all three intersections be made all-way stop due to limited sight distance.

Mayor Pro Tem John Stiver stated that he is not in favor of a four way stop, and that at this time there is enough disruption to traffic downtown and that the timing for this is not right. Council Member Jerry Hodge agreed.

Council Member Tom Rowe made a motion that A Street and Ashe be left as is and that on Ashe and 1st, two stop signs be added. Also that Brady and A would be through for traffic and two stop signs added at A Street, at Renwood Mills and at Citizens Bank. Motion FAILED for lack of a second.

Mayor Stedman stated that this matter may be revisited after construction.

ITEM 9: New Business

A. Consideration to Amend the City of Newton Water Shortage Response Plan and Call for a Public Hearing, February 19, 2019

Public Works and Utilities Director Dusty Wentz stated that on August 21, 2007 City Council adopted a Water Shortage Response Plan (WSRP). Since then this plan has been amended four times. The initial adoption, in the fall of 2018, the North Carolina Department of Environmental Quality (NCDEQ) reviewed our Water Shortage Response Plan and wanted changes. Mr. Wentz stated that having a Water Shortage Response Plan is a requirement from the North Carolina Department of Quality.

Mr. Wentz stated that city staff made changes which NCDEQ approved. When there are significant changes that will require the plan to be revised the Council must set a date to hold a public hearing. Upon completion of the public hearing, the City Council may adopt the revisions.

Mr. Wentz recommended that Council set a public hearing for February 19, 2019 to receive public comment.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Jerry Hodge, it was unanimously RESOLVED:

That Public Hearing for February 19, 2019 to Receive Public Comment be – APPROVED

B. Consideration of Budget Ordinance Amendment for Legal Services and Lease of Office Space

City Manager Todd Clark stated that City Council has determined that a need exists for full time legal services. As a result, the Council has offered a contract for full time employment to the current City Attorney. Mr. Clark stated that Council has authorized the employment of a paralegal to assist the City
Attorney in meeting the needs of the City. A budget amendment is required to appropriate funds for salary, benefits, associated training and travel for each of these positions.

Mr. Clark stated City Council has also recognized the need to provide work space accommodations for each of these positions. Mr. Clark stated that at the direction of the Council, he has evaluated various options and recommend leasing office space for a term of six (6) months, with an option to extend an additional six (6) months, at 217 North Main Avenue in Newton. Mr. Clark stated that it is important to note that the City Attorney has no ownership interest in the property and will derive no income through the lease agreement. His office however is, presently located within the office building jointly owned by Gary Corne and Bob Grant.

Mr. Clark stated that the lease amount is $1500 per month plus a proportionate share of utility expenses. A budget amendment is necessary to cover these expenses for the remainder of the fiscal year.

Mr. Clark stated that staff recommends that City Council to approve the proposed lease as outlined in the attached lease agreement.

Mr. Clark stated that staff also recommends a separate action to approve the proposed budget amendment for expenses related to the employment of the City Attorney and Paralegal, as well as expenses related to the lease of property located at 217 North Main Avenue, Newton.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Lease for Property Located at 217 North Main Ave be – APPROVED

Upon motion duly made by Council Member Ed Sain, seconded by Council Member Anne Wepner, it was unanimously RESOLVED:

That Budget Amendment for Expenses Related to the Employment of the City Attorney and Paralegal be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 10: City Manager’s Report

Meetings & Events

- Feb 5-8 – City Council/Staff Workshop 2:00 p.m. – 6:00 p.m.
  - BAC Workshop
- Feb 13 – Catawba County Chamber of Commerce Shareholders and Investors Meeting, Hickory Metro Convention Center – 11:30 a.m. – 1:30 p.m.
- Feb 15 – Breakfast with the Stars – Western Steer, 7:00 a.m.

Other Projects

- Leaf Collection ends January 18th
- CIP
- Budget
- Annual Audit
- AVAC at Central Recreation
- Update on Fire Dept. Heavy Rescue Vehicle Purchase
- Star Awards
Water/Sewer Rate Study
Update on 20th Street
High School Intern
Valley Drive Line Replacement
Streetscape Meeting with Downtown Businesses

Employee Updates

- Patrick Moore, Landscaper with the Parks and Recreation Department, attended and successfully completed the National Recreation and Park Association course. Patrick is now a Certified Public Playground Safety Inspector.
- Greg Moser, Maintenance Worker with the Parks and Recreation Department, completed a 132 credit hour course and received a Bachelor of Science in Agricultural Education/Agricultural Professional Services and secondary major in Plant and Soil Science.
- Sgt. Jason Hill, with the Police Department, received a Bachelor of Arts degree from Arizona State University with a major in history and minor in religious studies.

ITEM 11: Questions and Comments from Mayor and Council

Mayor Stedman asked if there were any questions or comments from City Council.

Mayor Stedman gave a report on the Public Arts Commission.

ITEM 10: Adjournment

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That the Meeting be – ADJOURNED

________________________________________
Anne P. Stedman, Mayor

________________________________________
Amy S. Falowski, City Clerk
CITY OF NEWTON

Sewer Adjustments

TO: E. Todd Clark, City Manager
RE: Sewer Adjustments – 01/22/2019
FROM: Vickie Thomas, Finance Director

DATE: 01/14/2019

The following sewer adjustment is recommended for approval. The adjustment is recommended as a result of a water leak at the service address or a pool fill up.

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Name</th>
<th>Service Address</th>
<th>Adjustment Period</th>
<th>Amount of Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>22001880-002</td>
<td>Andrew Layton</td>
<td>428 Clover Ln</td>
<td>Nov</td>
<td>$15.54</td>
</tr>
<tr>
<td>63000680-005</td>
<td>Jarrad Duncan</td>
<td>209 S Caldwell Ave</td>
<td>Sept-Nov</td>
<td>$62.73</td>
</tr>
</tbody>
</table>

Backup documentation to support each adjustment is on file in the Finance Department. Should you have questions or require further clarification, please notify.
CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

DATE: January 18, 2019

TO: Anne Stedman, Mayor

FROM: Todd Clark, City Manager

CONSIDERATION OF: St. Andrews Anglican Church Donation

Background:

St. Andrews Anglican Church of Newton contacted me asking to make a cash donation to support the City’s downtown rehabilitation project. Mrs. Virginia Reid told me the church feels that it is important to support the city in this endeavor and support other organizations in our community that make contributions to the lives of citizens. She also said the church hopes the donation will encourage other groups and individuals to recognize the value of the revitalization project and support it through like contributions. Mr. Rick Reid is the minister of St. Andrews Anglican Church and will be present to make the check presentation.
DATE: January 15, 2019

TO: E. Todd Clark, City Manager

FROM: Vickie Thomas, Finance Director

CONSIDERATION OF: Presentation of Fiscal Year 2018 Audit.

Approved for Council Consideration

Background:

Martin, Starnes & Associates, Certified Public Accountants, have completed the audit of the City of Newton for Fiscal Year Ended June 30, 2018. Marcie Spivey, Partner, for Martin Starnes & Associates, will be presenting the audit.

The audit was conducted in accordance with auditing standards generally accepted in the US and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the US. Those standards require that the auditors plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In the auditor’s opinion, the financial statements of the City of Newton present fairly, in all material respects, the respective financial position which results in an unmodified opinion.

This opinion basically states that the auditors feel that the City of Newton followed all accounting rules appropriately and that the financial statements are an accurate reflection of the financial position of the City with no material misstatements.

Action Suggested:

No Action Necessary.
### City of Newton
### Financial Highlights
### Fiscal Year 2018, 2017, and 2016

#### General Fund

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Cash</td>
<td>7,170,083</td>
<td>A 6,083,686</td>
<td>5,921,078</td>
</tr>
<tr>
<td>Total Assets</td>
<td>10,381,486</td>
<td>9,694,988</td>
<td>9,643,764</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>9,359,014</td>
<td>A 8,856,266</td>
<td>8,621,096</td>
</tr>
<tr>
<td>Unassigned (unrestricted) Fund Balance</td>
<td>5,678,078</td>
<td>4,459,761</td>
<td>4,960,008</td>
</tr>
<tr>
<td>Unassigned (unrestricted) Fund Balance as a % of Expenditures</td>
<td>44.14%</td>
<td>34.58%</td>
<td>40.72%</td>
</tr>
<tr>
<td>Equivalent of 5 months operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Fund Balance Percentage as a % of Expenditures</td>
<td>62.84%</td>
<td>B 57.00%</td>
<td>60.92%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>13,003,894</td>
<td>C 12,830,891</td>
<td>12,587,203</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>12,863,096</td>
<td>D 12,893,539</td>
<td>12,177,643</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>140,798</td>
<td>E (62,648)</td>
<td>409,560</td>
</tr>
</tbody>
</table>

**Notes:**

**A** - Increase in Sales Tax Revenues $113,728 or 3.4%; investment earnings up $66,728 or 138.5% - all are indications of economic growth. In addition, salaries and benefits below budget by $505,357 due to numerous position vacancies.

**B** - Available Fund Balance includes FY2019 $537,500 Fund Balance Appropriation, $1.5 million Frank & Sue Jones Recreation Fund, and Unassigned (unrestricted) Fund Balance of $5.7 million

**C** - Revenues increased $173,003 due to growth noted in **A** above.

**D** - Expenditures were $30,443 lower than FY2017.

**E** - This figure does not include the issuance of debt of $361,950, resulting in a $502,748 increase to our Fund Balance.

#### Water/Wastewater Fund

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Cash</td>
<td>2,778,990</td>
<td>F 3,436,931</td>
<td>2,425,987</td>
</tr>
<tr>
<td>Total Assets</td>
<td>33,718,703</td>
<td>34,397,520</td>
<td>34,060,486</td>
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<tr>
<td>Total Net Position (&quot;fund balance&quot;)</td>
<td>22,968,647</td>
<td>22,989,204</td>
<td>23,172,092</td>
</tr>
<tr>
<td>Unrestricted Net Position (&quot;fund balance&quot;)</td>
<td>3,124,894</td>
<td>G 3,582,809</td>
<td>2,918,805</td>
</tr>
<tr>
<td>Equivalent of 5 months operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>7,191,570</td>
<td>H 6,937,232</td>
<td>6,588,633</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>7,243,045</td>
<td>I 6,958,008</td>
<td>6,467,505</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(51,475)</td>
<td>(20,776)</td>
<td>121,128</td>
</tr>
</tbody>
</table>

**Notes:**

**F** - Decrease mainly due to payments on current debt exceeding current year borrowings.

**G** - Decrease mainly due to adjustment for implementation of GASB # 75 to record liability for post-employment benefits.

**H** - 3% rate increase.

**I** - Increase mainly due to cost of System Asset Management Plan and fire damage at old Public Works yard.
### City of Newton
#### Financial Highlights
#### Fiscal Year 2018, 2017, and 2016

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fiscal Year</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Cash</td>
<td></td>
<td>4,862,551</td>
<td>J 3,971,637</td>
<td>3,781,363</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td>22,188,163</td>
<td>21,053,379</td>
<td>21,370,510</td>
</tr>
<tr>
<td>Total Net Position (&quot;fund balance&quot;)</td>
<td></td>
<td>14,891,226</td>
<td>J 14,098,352</td>
<td>13,449,631</td>
</tr>
<tr>
<td>Unrestricted Net Position (&quot;fund balance&quot;)</td>
<td></td>
<td>5,750,482</td>
<td>J 5,026,282</td>
<td>4,860,701</td>
</tr>
<tr>
<td><strong>Equivalent of 4.5 months operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td>15,658,169</td>
<td>K 14,742,720</td>
<td>14,806,776</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td>15,501,291</td>
<td>L 15,023,067</td>
<td>14,803,102</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td></td>
<td>156,878</td>
<td>M (280,347)</td>
<td>3,674</td>
</tr>
</tbody>
</table>

**Notes:**

- **J** - Added $792,874 to Total Net Position ("fund balance") with total revenues exceeding total expenses.
- **K** - Oper Revenues higher than prior year as economy improves and with addition of large, industrial customer.
- **L** - Operating Expenses increased with increased sales and with engineering costs for West A and Streetscape.
- **M** - This figure does not include non-operating revenues such as sales tax, capital contributions, etc.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fiscal Year</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health Fund</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Unrestricted Cash</td>
<td></td>
<td>1,536,452</td>
<td>1,490,319</td>
<td>1,484,537</td>
</tr>
<tr>
<td>Total Net Position (&quot;fund balance&quot;)</td>
<td></td>
<td>1,375,691</td>
<td>1,341,786</td>
<td>1,292,372</td>
</tr>
<tr>
<td>Unrestricted Net Position (&quot;fund balance&quot;)</td>
<td></td>
<td>1,375,691</td>
<td>1,341,786</td>
<td>1,292,372</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td>1,547,998</td>
<td>1,588,586</td>
<td>1,541,289</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td></td>
<td>1,532,411</td>
<td>1,547,190</td>
<td>1,475,011</td>
</tr>
</tbody>
</table>

**Notes:**

- $1 million, at a minimum, is recommended by healthcare advisors for fund balance

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fiscal Year</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt associated with capital increased by $1.1 million.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DATE: January 15, 2019

TO: Todd Clark, City Manager

FROM: Dusty Wentz, PWU Director


Background:

In July of 2018 City staff was made aware of low water pressure at five homes on the 2100 block of North Shipp Ave. The pressure was 15 psi, which is below the required 20 psi to maintain positive pressure to prevent backflow. After some investigation, it was determined that all five homes were all connected on the same one (1) inch line. Because of the severity, staff brought in engineering to start the permitting process with the State. Staff proceeded with ordering material to replace the 420 feet of one (1) inch water line with a new six (6) inch water main. City Staff did the installation. Installation included six (6) new water service lines and one (1) new fire hydrant. This project was completed the first part of November 2018. Currently, customers on the 2100 block of North Shipp Ave have sufficient water supply with good fire flow on a new fire hydrant.

The Distribution Supplies and Maintenance line item in the adopted fiscal year 2019 budget is $168,500.00. This budget is for all water distribution and sewer collection line repairs and minor replacements. As of January 15, 2019, there is $16,921.68 and just over four months left in this budget year. The Distribution – Collections division typically averages about $15,000 per month in spending out of this budget.

To complete this water line project, staff transfer $12,800.00 out of distribution supplies and maintenance budget to pay for engineering and did spend $18,849.76 on materials to get adequate water supply to five residents. A final cost report is attached. Total cost without labor and equipment was $31,649.76. The Distribution Supplies and Maintenance line item budget needs this amount to make it to the end of current fiscal year.

Action Suggested:

Staff recommends that council approve the attached budget ordinance amendment to reimburse the Distribution Supplies and Maintenance line item for the replacement of the N. Shipp Ave. water line.
<table>
<thead>
<tr>
<th>Material</th>
<th>Units</th>
<th>Amount</th>
<th>Unit Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6&quot; DIP Class 350</td>
<td>LF</td>
<td>420</td>
<td>$11.89</td>
<td>$4,993.80</td>
</tr>
<tr>
<td>8&quot; DIP Sewer Pipe</td>
<td>LF</td>
<td>20</td>
<td>$15.59</td>
<td>$311.80</td>
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<tr>
<td>Saddle, Service, 6&quot; DFW-6Y</td>
<td>EA</td>
<td>5</td>
<td>$33.08</td>
<td>$165.40</td>
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<tr>
<td>6&quot; Mechanical Joint Acc Kit</td>
<td>EA</td>
<td>4</td>
<td>$38.00</td>
<td>$152.00</td>
</tr>
<tr>
<td>6&quot; Mechanical Joint Transition</td>
<td>EA</td>
<td>4</td>
<td>$42.48</td>
<td>$169.92</td>
</tr>
<tr>
<td>Tubing, Copper 3/4</td>
<td>LF</td>
<td>150</td>
<td>$2.78</td>
<td>$417.00</td>
</tr>
<tr>
<td>Valve Box 36&quot;</td>
<td>EA</td>
<td>3</td>
<td>$34.96</td>
<td>$104.88</td>
</tr>
<tr>
<td>Corporation Stop 3/4</td>
<td>EA</td>
<td>6</td>
<td>$31.50</td>
<td>$189.00</td>
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<tr>
<td>Hydrant Extension Kit</td>
<td>EA</td>
<td>1</td>
<td>$211.55</td>
<td>$211.55</td>
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<tr>
<td>Hydrant, Fire W/ City Colors</td>
<td>EA</td>
<td>1</td>
<td>$1,815.04</td>
<td>$1,815.04</td>
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<tr>
<td>Hydrant, Tee 6</td>
<td>EA</td>
<td>1</td>
<td>$112.43</td>
<td>$112.43</td>
</tr>
<tr>
<td>Mechanical Joint, ELL</td>
<td>EA</td>
<td>2</td>
<td>$44.74</td>
<td>$89.48</td>
</tr>
<tr>
<td>Mega Lug 6</td>
<td>EA</td>
<td>8</td>
<td>$18.56</td>
<td>$148.48</td>
</tr>
<tr>
<td>Meter Washer 3/4</td>
<td>EA</td>
<td>12</td>
<td>$0.13</td>
<td>$1.56</td>
</tr>
<tr>
<td>Saddle, Service 6x3/4</td>
<td>EA</td>
<td>6</td>
<td>$25.07</td>
<td>$150.42</td>
</tr>
<tr>
<td>Setter, W/Check Valve 5/8&quot;x 9&quot;</td>
<td>EA</td>
<td>6</td>
<td>$127.00</td>
<td>$762.00</td>
</tr>
<tr>
<td>Valve 6&quot;</td>
<td>EA</td>
<td>2</td>
<td>$446.50</td>
<td>$893.00</td>
</tr>
<tr>
<td>10&quot; x 6&quot; Tapping Valve</td>
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<td>1</td>
<td>$2,082.00</td>
<td>$2,082.00</td>
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<tr>
<td>ABC Stone</td>
<td>Ton</td>
<td>300</td>
<td>$19.75</td>
<td>$5,925.00</td>
</tr>
<tr>
<td>Grass Seed &amp; Straw</td>
<td>LS</td>
<td>1</td>
<td>$155.00</td>
<td>$155.00</td>
</tr>
<tr>
<td>Engineering Cost</td>
<td>LS</td>
<td>1</td>
<td>$12,800.00</td>
<td>$12,800.00</td>
</tr>
</tbody>
</table>

**TOTAL**: $31,649.76
WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2018, and ending June 30, 2019, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City of Newton City Council desires to appropriate funds to partially reimburse the costs for the North Ship Avenue water main replacement; and,

WHEREAS, funds were transferred from the Distribution Supplies and Maintenance account to pay for engineering and materials required to replace the water main for North Ship Avenue; and,

WHEREAS, City Council desires to approve utilization of fund balance from the Water and Wastewater Fund and to approve the related appropriation within the Wastewater Treatment Plant operating budget.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

Water and Wastewater Fund Revenues
Fund Equity Appropriation 61-0000.3995 $31,650

Water and Wastewater Fund Appropriations
Distribution Supplies & Maintenance 61-7100.5460 $31,650

Adopted this 22nd day of January, 2019

Anne P. Stedman, Mayor

Amy S. Falowski, City Clerk
CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

DATE: January 15, 2019

TO: Todd Clark, City Manager

FROM: Dusty Wentz, PWU Director

CONSIDERATION OF: Budget Amendment to Establish a Storm Water Pollution Prevention Plan for both the Public Works Facility and the Wastewater Treatment Plant.

Background:

The North Carolina Department of Environmental Quality and United States Environmental Protection Agency requires both our Public Works Facility and Wastewater Treatment Plant have individual storm water permits. At Public Works, the permit is required due to the garage and the wash bay. At the Wastewater Treatment Plant, a permit is required due to the sewage treatment process with a design flow of 1.0 million gallons per day. Under both permits, a storm water pollution prevention plan is required to be in place. This plan is very comprehensive.

Staff reached out to The Wooten Company for a price to assist the City in developing storm water pollution prevention plans. A lump sum price to complete each of the plans follows:

- Public Works Facility: $14,000.00
- Wastewater Treatment Plant: $11,000.00

This mandated requirement was not funded in this year’s budget and is time sensitive. Failure to create the storm water pollution prevention plans will result in an inability to obtain the required permit, and daily fines up to $25,000 per day.

Action Suggested:

Staff recommends that Council adopt the attached budget amendment for development of two storm water pollution prevention plans.
ORDINANCE # 2019-
AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES
FOR FISCAL YEAR 2018-2019 FOR THE CITY OF NEWTON

WHEREAS, the City Council of the City of Newton have adopted a Budget Ordinance for fiscal year beginning July 1, 2018, and ending June 30, 2019, in accordance with the General Statutes of the State of North Carolina; and

WHEREAS, the City of Newton City Council desires to appropriate funds for the development of storm water pollution prevention plans for the Public Works Facility and the Wastewater Treatment Plant; and,

WHEREAS, the North Carolina Department of Environmental Quality and United States Environmental Protection Agency requires that both the Public Works Facility and the Wastewater Treatment Plant have individual storm water permits; and,

WHEREAS, both storm water permits require that a storm water pollution prevention plan be in place; and,

WHEREAS, City Council desires to approve utilization of fund balance and to approve the related appropriation for the development of the storm water pollution prevention plans.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEWTON, NORTH CAROLINA, THAT:

THE FOLLOWING SOURCE OF REVENUE AND APPROPRIATION ARE HEREBY APPROVED.

<table>
<thead>
<tr>
<th>Source Description</th>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance Appropriation</td>
<td>11-0000.3990</td>
<td>$14,000</td>
</tr>
<tr>
<td>General Fund Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Service - Engineering</td>
<td>11-4250.4940</td>
<td>$14,000</td>
</tr>
<tr>
<td>Water and Wastewater Fund Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Equity Appropriation</td>
<td>61-0000.3995</td>
<td>$11,000</td>
</tr>
<tr>
<td>Water and Wastewater Fund Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Service - Engineering</td>
<td>61-7141.4940</td>
<td>$11,000</td>
</tr>
</tbody>
</table>

Adopted this 22nd day of January, 2019.

Anne P. Stedman, Mayor

Amy S. Falowski, City Clerk
DATE: January 11, 2019

TO: E. Todd Clark, City Manager

FROM: Timothy W. Hayes, Interim Chief of Police

CONSIDERATION OF: Creation of three-way stop at the intersection of County Center Drive and Constitution Avenue

Approved for Council Consideration

Background:

In August of 2018, staff received a letter from Shuford Abernehty, President of Abingdon Senior Housing Services, Inc., about concerns residents of Stonecrest Townhomes are having at the intersection of County Center Drive and Trial Place. Specifically, neighbors are concerned with “limited site distance as you enter County Center Drive from Trial Place and the speed in which cars travel on County Center Drive”. As the Azalea Glen project progresses staff felt now was a good time to address these concerns. Police, Planning and Public Works analyzed these concerns and after a site visit it was determined that adjustments could easily be made to the existing traffic flow structure. Staff recommends the stop sign at the intersection of Trial Place and Constitution Avenue be changed to a yield sign. Staff also recommends two stop signs be added to County Center Drive, one to be located on County Center Drive at the intersection of Constitution Avenue traveling west and one located on County Center Drive at the intersection of Constitution Avenue traveling east.

Requested Action:

Change the current stop sign at the intersection of Trial Place and Constitution Avenue to a yield sign. Erect two stop signs east and west bound on County Center Drive at the intersection of Constitution Avenue to create a three-way stop.
August 24, 2018

Todd Clark
Newton City Manager
PO Box 500
Newton, NC 28658

Dear Todd,

This letter comes as a request for the City of Newton to consider making the intersection of County Center Drive and Constitution Avenue a 3-way stop. Last month, I met with Susan Quinn and a neighbor of hers who brought this intersection to my attention. Susan lives in at 825 Trial Place in the Stonecrest Townhomes. She and her neighbor utilize this intersection multiple times a day. Their concern is the limited site distance as you enter County Center Drive from Trial Place and the speed in which cars travel on County Center Drive. They said that they feel unsafe at this intersection.

Although this intersection at the present has little impact on Azalea Glen or its homeowners, this is likely to become a problem for people who eventually occupy Azalea Glen townhomes at the end of Trial Place. As an age 55+ community, we will have older drivers who may be more likely than other residents of the surrounding neighborhood to have these similar concerns.

I offered to Susan and her neighbor to bring this matter to your attention and to make this request. If you have questions or need to discuss this further with me please let me know. I would appreciate your response so I can share the City’s intent with these ladies.

Thanks,

Shuford Abernethy – President
Abingdon Senior Housing Services, Inc.