MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL
March 6, 2018 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, March 6, 2018 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 Anne Wepner 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 Jerry Hodge, it was unanimously RESOLVED:

That the Regular Minutes of the January 23, 2018 City Council meeting be – APPROVED

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

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

That the Consent Agenda be – APPROVED

A. Tax Releases

B. Sewer Adjustments

C. Consideration of Budget Ordinance Amendment – Whitten Property

D. Consideration to Accept Fire Prevention Grant from FM Global

E. Consideration of Financial Audit Contract for FY 2018

F. Consideration to Accept the Annual Reports for the Wastewater System and the Consumer Confidence Report for the Water System

(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. Catawba County Library – Suzanne White

Library Director Suzanne White presented a PowerPoint highlighting recent happenings at the Catawba County Library.

ITEM 7: Public Hearings

A. Consideration of Lease Agreement Between the City of Newton and AT&T

Mayor Stedman opened the Public Hearing.

City Manager Todd Clark stated that the City of Newton currently leases property behind the AT&T building to AT&T for parking of its vehicles, and has done so for the last fifteen years. The current lease expires August 18, 2018. AT&T has contacted the City of Newton about a new lease of that property. The current lease provided that the initial amount was $500 per month with an annual increase of 2%.

Mr. Clark stated that a new lease has been presented to the City for consideration. This draft sets a lease rate of $552.03 per month with an annual increase of 2% for a period of five years and shall be for a period of five years beginning on the 19th day of August, 2018.

Mr. Clark stated that there is a Resolution which Council is asked to adopt to establish the terms of this lease.

Mayor Stedman asked if there was anyone present to comment. No one appeared. Mayor Stedman closed the Public Hearing.

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

That the Request to Approve the Lease with AT&T be – APPROVED.

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

That Resolution Establishing the Terms of the Lease be – APPROVED.

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

B. Consideration of Financing Capital Infrastructure Projects

Mayor Stedman opened the Public Hearing.

Finance Director Serina Hinson stated that on January 25, 2018, bids were solicited for funding of vehicles and equipment. These capital items were approved as part of the FY 2017-2018 budget ordinance. Ms. Hinson stated that five RFP’s were submitted to the following financial institutions:
BB&T Governmental Finance, Wells Fargo, SunTrust Equipment Finance & Leasing Corp. (SunTrust),
First Citizens Bank, and Peoples Bank. Of the five financial institutions solicited, two of these
institutions provided a quote: BB&T Governmental Finance and Peoples Bank.

The bids were as follows:

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15 Year Amortization:</strong></td>
<td></td>
</tr>
<tr>
<td>BB&amp;T Governmental Finance</td>
<td>3.72%</td>
</tr>
<tr>
<td>Peoples Bank</td>
<td>3.45%</td>
</tr>
<tr>
<td><strong>20 Year Amortization:</strong></td>
<td></td>
</tr>
<tr>
<td>BB&amp;T Governmental Finance</td>
<td>3.90%</td>
</tr>
<tr>
<td>Peoples Bank</td>
<td>3.45%</td>
</tr>
</tbody>
</table>

Ms. Hinson stated that Peoples Bank provided the lowest bid and that staff is recommending that City
Council award both the 15 year amortization and the 20 year amortization to Peoples Bank.

Ms. Hinson explained that in an effort to streamline the process with the Local Government Commission,
the resolutions will reflect the bid request numbers and projects presented to the financial institutions;
however, the intent is to close our financings with a lesser amount due to savings in the amount of
$249,500 from the Westside Dr. Sewer Project (financed in FY 2017) and utilization of $198,000 from
the Frank and Sue Jones Funds for the Amphitheater. This also places the City in a better financial
position. She explained that the financing would be as follows: 15 year amortization - $137,000 in lieu of
$386,500 / 20 year amortization - $3,457,000 in lieu of $3,655,000.

**Action Suggested:**

1) Award the bid to provide financing to Peoples Bank for an amount **not to exceed**:
   a. $386,500 at stated interest rate of 3.45% for a 15 year amortization
   b. $3,655,000 at stated interest rate of 3.45% for a 20 year amortization

2) Adopt the Resolutions Approving Financing Terms based on:
   a. 15 year amortization at a stated interest rate of 3.45%.
   b. 20 year amortization at a stated interest rate of 3.45%

Mayor Stedman asked if there was anyone present to comment. No one appeared. Mayor Stedman
closed the Public Hearing.

**ITEM 8: Old Business**

A. Consideration of Sue Jones Estate

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

Mr. Clark 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 possible lighting at Jacob Fork Park.

Mr. Clark stated that at this time staff requests that City Council consider an expenditure of principal
funds allocated to the City by Ms. Jones’ estate on the downtown amphitheater project rather than funding
this project through annual financing.
Mayor Pro Tem John Stiver stated that he would like to discuss the lighting and splash pad at the next meeting, and made a motion to utilize principal of funds allocated to the City by Ms. Jones’ estate on the downtown amphitheater project rather than funding the project through annual financing. The motion was seconded by Council Member Tom Rowe and the vote in favor was unanimous.

B. Consideration of Resolution Approving Financing Bid Award and Resolution Approving Financing

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

That the Bid to Provide Financing to Peoples Bank for an amount not to exceed:
   a. $386,500 at stated interest rate of 3.45% for a 15 year amortization
   b. $3,655,000 at stated interest rate of 3.45% for a 20 year amortization be – APPROVED.

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

That Resolution approving Financing Terms Based on 15 Year Amortization at a Stated Interest Rate of 3.45% be – APPROVED.

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

That Resolution approving Financing Terms Based on 20 Year Amortization at a Stated Interest Rate of 3.45% be – APPROVED.

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

ITEM 9: New Business

A. Consideration of Locally Administered Projects Program (LAPP) Sidewalk Grant Application

Planning Director Randy Williams stated that the Locally Administered Projects Program (LAPP) was adopted by the Greater Hickory Metropolitan Planning Organization (GHMPO) to be used by the GHMPO to prioritize and program all projects in the region that use federal funding. This process involves an annual call for all local highway, transit, bicycle and pedestrian projects, and will result in an annual program of projects added to the GHMPO’s Metropolitan Transportation Improvement Program (MTIP).

Mr. Williams stated that as a Transportation Management Area (TMA), the GHMPO will receive a direct allocation of approximately $2,700,000 in Surface Transportation Program Direct Attributable (STP-DA) and $200,000 in Transportation Alternatives Program (TAP) funding annually. He explained that these funds are distributed to local jurisdictions by application for grant funds to be used for transportation related activities and require a minimum 20% cash match.

Mr. Williams stated that since 2015, the City Council has adopted the Streetscape Master Plan and Strategic Growth Plan along with several similar studies which detail the improvements and priorities for the City of Newton for the future. Within those plans are design and implementation recommendations to enhance and reinforce the city’s downtown as an attractive and active place.
Mr. Williams stated that in 2016, the city was awarded this grant for the A Street corridor location due to its connection to Catawba County Government and Justice Center, Pin Station and Expo Center, and Downtown Newton combined with the high traffic counts. This sidewalk and bike lane improvement project was identified in this application and was chosen based on the connections to the existing sidewalk network, closing gaps in the sidewalk network, providing a sidewalk on a street with a high traffic volume, connecting business centers notably the County Government Center and Downtown Newton, and serving adjoining neighborhoods.

Mr. Williams stated that planning staff outlined the potential project and working closely with the public works staff, determined the required improvements necessary and a cost estimate for the project. The project consists of the planning, design, engineering, and administration to construct a combination of a protected bikeway and bike lane improvements, sidewalk construction and ADA improvements with connections in the gaps to the partial sidewalk network will allow users a more safe multi-modal connection between the areas. It also includes the replacement of waterlines and moving the utility poles for power lines which must be relocated as a part of these improvements and to conform to the federal standards for construction.

Mr. Williams explained that the initial project cost estimate was $1,900,000.00 in 2015 dollars. The initial grant funding approval was for $1,520,000 and City required 20% match is $380,000, of which NCDOT is funding $250,000. At this point the city has now entered into an agreement with NCDOT and hired an engineer to perform the design work. In reviewing the City estimates, it was stated that due to increased material and labor costs, the federal project cost could now be $3,330,000. This leaves a gap of $1,430,000 in funding.

Mr. Williams stated with the proposed increase in budget, the City is now requesting supplemental funding through this grant of $1,140,000 with the City’s 20% match of $290,000, equaling the $1,430,000 gap necessary. He stated this will bring the funding for the project to $2,660,000 federal funding, $250,000 NCDOT funding and $420,000 City funding match. Additionally, the City is contributing $854,000 in local funding to complete items within the project area that do not qualify for federal funding.

Mr. Williams stated that planning staff requests the City Council to endorse the project and authorize submission of the grant application to GHMPO for funding.

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

That Resolution to Consider Locally Administered Projects Program (LAPP) Sidewalk Grant Application be – APPROVED.

B. Consideration of Bid Award – Annual Paving

Public Works Director Dusty Wentz stated that this year, resurfacing is focused on N. Forney, S. Ceder, E. 14th, E. 16th, E. 1st, E. F St, Overlook, Chelsea Ln and Counselor Dr. All street segments were selected from the Asphalt and Sidewalk Condition assessment completed in late 2015. They are the city roads that the assessment indicated as having the most severe issues that could be replaced with available funds.

Staff has solicited and received three bids from local contractors. The responses are listed below:

1. Carolina Paving  
   No Bid

2. Evans Bros.  
   $406,648.45

3. J. T. Russell  
   No Bid

Evans Bros. bid was found to be complete and accurate.
Mr. Wentz stated that staff is uncertain of the subsurface conditions of several of the street segments. Therefore, staff recommends holding a 15% contingency of $61,000 for this project instead of the normal 10%. A 15% contingency will bring the total project cost to $467,645.72.

Mr. Wentz stated that city council budgeted $644,000 for paving this year. This leaves a total of $176,354.28 and staff is evaluating additional roads for paving under a separate contract. The second contract will be brought to council this fiscal year.

Mr. Wentz recommended that City Council consider awarding the bid for the Annual Overlay project to Evans Bros. in the amount of $406,648.45 and hold a 15% contingency of $61,000 in reserve. Any utilization of contingency funds will be presented to council.

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

That Consideration of Bid Award – Annual Paving be – APPROVED.

A. Consideration of Bid Award for Buffalo Shoals Rd and Balls Creed Rd Area Waterline Construction Project

Public Works Director Dusty Wentz stated that in March 2017, Catawba County and the City of Newton entered into an agreement to provide water in the Balls Creek area. This will create a hydraulic loop within the City’s water system and provide access to municipal water to citizens of Catawba County. The project area includes Balls Creek Road and Buffalo Shoals Road. Mr. Wentz stated the scope of the project on Balls Creed Rd will start where a current water main ends near Balls Creek Elementary School and end just before HWY 16 South. The scope of the project on Buffalo Shoals Road will start where a current water main ends near Mirrors Lake Road and end just before HWY 16 South. Both water mains will eventually tie into the water main that NCDOT and their contractor is installing as part of the HWY 16 South widening project. Combined, there will be 16,300 feet of 8” water line installed, 22 fire hydrants, and water services to each structure that is occupied.

Mr. Wentz stated that on February 1, 2018 a total of four bids were received out of nine that were sent.

<table>
<thead>
<tr>
<th>Utility Contractors</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuller &amp; Construction, LLC</td>
<td>$ 984,023.80</td>
</tr>
<tr>
<td>Iron Mountain Construction</td>
<td>$1,294,259.50</td>
</tr>
<tr>
<td>Piedmont Utility Group, Inc.</td>
<td>$ 896,540.32</td>
</tr>
<tr>
<td>Two Brothers Utilities, LLC</td>
<td>$ 987,120.00</td>
</tr>
</tbody>
</table>

McGill Associates, P.A. have reviewed the bids and determined that Piedmont Utility Group, Inc is the lowest qualified and most responsive bidder.

McGill Associates, P.A. recommends that a contingency of ($90,000) be allocated for the construction project. This contingency will raise the construction amount to $ 986,540.32.

Mr. Wentz stated that staff requests that Council consider award of the bid to Piedmont Utility Group, Inc. in the amount of $896,540.32. Additionally, staff recommends that a contingency of $90,000 (10%) be held in reserve.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Ed Sain, it was unanimously RESOLVED:
City Manager Todd Clark stated the City Council has expressed a need to extend water lines to currently un-served areas within the City’s service area. As part of this effort, the City Council authorized the construction of water lines on Fye Drive, Balls Creek Road and Buffalo Shoals Road during this fiscal year.

Mr. Clark stated that members of City Council have also expressed an interest in waiving tap fees as a way to encourage property owners to connect to water line extension projects at the time of construction. Consequently, the City staff have drafted an amendment to the 2017-2018 “Schedule of Fees and Charges” that, if adopted, will allow potential new customers to connect to water extension projects without having to pay the existing tap fee.

Mr. Clark explained that if approved by City Council, the following text will be incorporated into the Schedule of Fees and Charges:

“The City Council may on a case by case basis waive tap fees for the standard 3/4” water tap or standard 4” sewer tap for connections to newly installed water or sewer mains. The tapping fee will only be waived during the first 90 days after the date the water or sewer main is placed into service. The City will not waive or provide a credit for any tap fee other than the standard 3/4” for water or 4” for sewer. The cost for meter and transmitter fees will not be waived and will still be due and payable by the customer.”

Mr. Clark stated that the recommendation is for City Council to amend the FY 2017-18 Schedule of Fees and Charges by including the aforementioned text.

Council Member Jerry Hodge stated that he would like to have another workshop concerning how the city plans paving projects for the city.

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

That Consideration of an Amendment to the FY 2017-18 Schedule of Fees and Charges be – APPROVED.

E. Consideration to Waive Waterline Tap Fees for Fye Dr, Buffalo Shoals Rd and Balls Creek Rd

City Manager Todd Clark stated this Request for Council Action has been prepared in anticipation of City Council adopting an amendment to the Schedule of Fees and Charges that will encourage potential new customers to connect to newly constructed water lines on Fye Drive, Balls Creek Road, and Buffalo Shoals Road.

Mr. Clark stated the amendment to the Schedule of Fees and Charges has been included as a separate agenda item on the March 6th City Council agenda and it allows the City Council to waive tap fees as set forth in the following paragraph:

“The City Council may on a case by case basis waive tap fees for the standard 3/4” water tap or standard 4” sewer tap for connections to newly installed water or sewer mains. The tapping fee will only be waived during the first 90 days after the date the water or sewer main is placed into service. The City will not waive or provide a credit for any tap fee other than the standard 3/4” for water or 4” for sewer. The cost for meter and transmitter fees will not be waived and will still be due and payable by the customer.”
Mr. Clark explained the City Council is asked to consider waiving the tap fee as set forth above for the water line extension projects on Fye Drive, Balls Creek Road, and Buffalo Shoals Road. The current tap fee of $940 per connection is what staff proposes to waive. The cost for each individual meter and transmitter associated with the project is currently $260 and is not recommended to be waived.

Mr. Clark stated the recommendation is for City Council to consider waiving the tap fee of $940 for a period of 90 days following the date each respective water line is installed on Fye Drive, Balls Creek Road, and Buffalo Shoals Road.

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

That Consideration to Waive Waterline Tap Fees for Fye Dr, Buffalo Shoals Rd and Balls Creek Rd be – APPROVED.

ITEM 10:  City Manager’s Report

Meetings & Events

- March 9th – Ribbon Cutting, Catawba First Insurance Associates, Inc., (232 West A St), 10:00 a.m.
- March 9th – Reception for Narrow Coffee & Nosh Along with The Local Crowd (Affordable Floors, 208 North College Ave.), 5:30-7:00 p.m.
- March 9th – City Manager Meeting with Roger Kumpf from Patrick McHenry’s Office, 2:00 p.m.
- March 13th – 15th - Main Street Conference, Clayton, NC – will be attended by Mayor Stedman and Council Members Anne Wepner and Ed Sain
- March 20th – NCMPA1 Board of Commissioners Mtg., Raleigh, NC
- March 20th – Capital Improvement Plan Workshop, Council Chamber, 5:15 p.m.
- March 22nd – Catawba Co. Chamber of Commerce “Future of Catawba County”, The Crossing at Hollar Mill, 7:30 a.m. – 12:00 p.m.
- March 25th - Newton Easter Egg Hunt (Southside Park)

- Meetings with Local Businesses are being scheduled

Budget Workshop Dates

May 3, 2018
May 8, 2018
May 10, 2018
May 15, 2018*
May 16, 2018*
May 17, 2018**

*Council meeting scheduled
**If needed
Other Items

- Core Business Revitalization Project Bid Opening – March 27th
- Marketing and Branding Presentation – March 20th
- Storm Water Enterprise Fund Presentation – March 20th
- SRF Loan Has Unofficially Been Awarded to the City of Newton for the Sewer Portion of the West A St. Project
- Update on Fye Drive and South Cedar Projects
- Update on Public Art Initiatives
- Update on Catawba Nuclear Station Tours
- Town Hall Meetings are Being Scheduled

ITEM 11: Questions and Comments from Mayor and Council

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

Council Member Anne Wepner gave a report on the Newton-Conover Auditorium Authority.

ITEM 12: Closed Session – Per North Carolina General Statute 143-318.11(a)(5)

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

That City Council enter CLOSED SESSION per General Statute 143-318.11(a)(5)

Motion was then made by Council Member Jody Dixon, seconded by Council Member Ed Sain to return to open session

All ayes.

ITEM 13: Adjournment

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

That the Meeting be – ADJOURNED