AGENDA
CITY OF NEWTON

May 2, 2017
AGENDA
CITY OF NEWTON
NEWTON CITY COUNCIL - REGULAR MEETING
May 2, 2017
6:30 p.m.

1. Call to Order – Mayor Anne P. Stedman
2. Opening – Council Member Jody Dixon
3. Approval of Minutes from the April 18, 2017, Regular Meeting
4. Consideration of Consent Agenda Items
   A. Tax Releases – March 2017
   B. Sewer Adjustments
   C. Consideration to Ratify Resolution – Certificate of Achievement, Newton-Conover High School Band Variety Show 50 Year Anniversary
   D. Consideration to Adopt a Budget Ordinance Amendment for Governor’s Crime Commission Grant
   E. Consideration to Recognize and Accept a Partnership with the North Carolina Department of Transportation for the Watch for Me NC Bicycle and Pedestrian Safety Program
   F. Consideration of Proclamation – Police Week – May 14-20, 2017
   G. Consideration of Proclamation – Public Works Week – May 21-27, 2017
   H. Consideration of Proclamation – National Day of Prayer – May 4, 2017
5. Comments from the Public: (PERSONS WANTING TO MAKE A PUBLIC COMMENT ON NON-AGENDA ITEMS ARE ASKED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING):
6. Public Hearing
   A. Consideration to Enter into an Economic Development Agreement with Room & Board and the Proposed Appropriations and Expenditure of Funds for this Project
7. Presentations
   A. Teen Leadership
   B. North Star – Branding and Marketing
8. New Business
   A. Consideration of ED Rider No. 2 to 2016-2017 Schedule of Fees and Charges
   B. Presentation of Fiscal Year 2017/2018 Budget
9. City Manager’s Report
10. Questions and Comments From Mayor and Council
    A. Reports from Appointed Representatives on Outside Boards – Council Member Robert C. Abernethy, Jr.
11. 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.

The City of Newton does not discriminate on the basis of disability in the provision of its services as charged by the City Council of the City of Newton. All meetings are held in accessible facilities. Any person with a disability needing special accommodations should contact Teresa Laffon, ADA Coordinator, at least 48 hours prior to the scheduled meeting.
MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL
April 18, 2017 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, April 4, 2017 at Newton City Hall.

PRESENT: Mayor Anne P. Stedman, Mayor Pro Tem John Stiver, and Council Members Tom Rowe, Jerry Hodge, Wes Weaver, and Robert C. Abernethy Jr.

ABSENT: Council Member Jody Dixon

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 Robert C. Abernethy, Jr., seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That the Regular Minutes of the April 4, 2017 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 Jerry Hodge, it was unanimously RESOLVED:

That the Consent Agenda be – APPROVED

A. Consideration of Grant Project Ordinance for NC Main Street Grant – Hen & Egg

B. Consideration of Commission/Committee Membership Appointments

C. Consideration of Budget Ordinance Amendment for Emergency Telephone System Fund

D. Consideration of DNDA Street Closure Request

E. Consideration of Carolina Vines Street Closure Request

(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.
Michael Waltuch, Carolina Vines, stated that he would like to thank the council and the city for their support and stated that he hopes the Thursday night events will be a great benefit for businesses downtown leading right up to Soldiers Reunion.

Council Member Wes Weaver asked what the differences would be between the DNDA event and Carolina Vines’ event. Mr. Waltuch stated that the 9 events would all be music oriented events. Shannon Johnson stated that there would be art events at every event that would be family friendly. Mr. Weaver stated that he was concerned that there would be a distinguishable difference. Ms. Johnson stated that Carolina Vines’ event would be roped off. Mr. Weaver said that he supports events, but doesn’t want loopholes so that some businesses have more events than were agreed to by City Council. Mr. Waltuch stated that they had 12 last year and 9 scheduled for this year.

ITEM 6: Public Hearing

A. Consideration of Rezoning – Filed by Hugh D. Sample Jr., Smyre Farm road from EM-1 Exclusive Manufacturing to M-1 General Manufacturing

Mayor Stedman opened the Public Hearing.

Planner Alex Fulbright stated that Hugh D. Sample has filed a rezoning application to rezone property located on the south side of Smyre Farm Road just west of the intersection of Indian Trail from EM-1 Exclusive Manufacturing to M-1 General Manufacturing. The subject site is an 8.25 acre tract identified as Catawba County Pin # 3649-17-21-1735 and is owned by Hugh Sample. Mr. Fulbright said the property is located within the Extra Territorial Jurisdiction of the City of Newton.

Surrounding Zoning and Land Use:

<table>
<thead>
<tr>
<th></th>
<th>ZONING</th>
<th>LANDUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>EM-1 Exclusive Manufacturing</td>
<td>Vacant/agriculture</td>
</tr>
<tr>
<td>North</td>
<td>R-20 Single Family Residential</td>
<td>Vacant/agriculture</td>
</tr>
<tr>
<td>South</td>
<td>EM-1 Exclusive Manufacturing</td>
<td>Vacant/agriculture</td>
</tr>
<tr>
<td>East</td>
<td>M-1 General Manufacturing</td>
<td>Asphalt plant</td>
</tr>
<tr>
<td>West</td>
<td>R-20 Single Family Residential</td>
<td>Vacant building</td>
</tr>
</tbody>
</table>

Mr. Fulbright stated the area under consideration has been zoned EM-1 Exclusive Manufacturing since the expansion of the City’s Extraterritorial Jurisdiction in 1982. There have not been any zoning map amendments to the subject site but there have been changes in the zoning for adjoining properties. Mr. Fulbright explained that in 1994, the property that the asphalt plant is located on was rezoned from EM-1 to M-1. Also, in 2011, the property to the west was rezoned from EM-1 to R-20 to allow the building to be used as a church.

Mr. Fulbright stated the site has frontage along Smyre Farm Road, which is classified as Collector Street. There are no planned improvements to either street, or the average daily traffic counts are approximately 2,500 vehicles per day. City water and sewer are not currently available and the site will need to utilize a well and septic system.

Mr. Fulbright stated that the proposed request is consistent with the 2008 Southeast Area Plan’s Future Land Use. The property applying for the rezoning is located within the Southeast Industrial District. The plan and the associated map document do not differentiate between the Exclusive and General Manufacturing Districts.
M-1 general manufacturing districts. The M-1 districts provide a place for the location of manufacturing and other uses which would be incompatible with general business areas. It is intended to permit in these districts any use which is inherently obnoxious to urban areas because of noise, odors, smoke, light, dust or the use of dangerous material.

EM-1 exclusive manufacturing districts. The EM-1 districts are intended to accommodate the exclusive use of land and structures for manufacturing purposes. The districts are established to provide for and maintain manufacturing areas and to prohibit the intrusion of incompatible uses. It is not intended to permit in these districts any use which is inherently obnoxious to urban areas, because of noise, odors, smoke, light, dust or the use of dangerous materials.

Mr. Fulbright stated that it is the Planning Commission’s unanimous recommendation that the City Council approve the application as requested because the application is in compliance with the intent and policies the Southeast Area Plan adopted by the City Council in 2008.

Mayor Stedman asked if anyone would like to speak.

Ms. Leah Poovey, a neighbor to the property, asked what the proposed use would be. Mr. Samples stated that it would be a diesel repair shop and a case workshop.

Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, Jr., the Public Hearing was CLOSED.

Council Member John Stiver asked if there would be barriers between the properties. Mr. Fulbright said that it would be in the plans.

Council Member Weaver asked Ms. Poovey if she is opposed to the rezoning. She stated that she is not.

Council Member Jerry Hodge asked how many people would be employed. Mr. Samples said there would be approximately 15.

City Attorney John Cilley stated that this rezoning would require 4 votes at the first reading.

Upon motion duly made by Council Member Robert C. Abernethy, Jr., seconded by Council Member Jerry Hodge, it was unanimously RESOLVED:

That Consideration of Rezoning – Filed by Hugh D. Sample Jr., Smyre Farm road from EM-1 Exclusive Manufacturing to M-1 General Manufacturing be - APPROVED

B. Consideration of Adoption of an Ordinance to Annex Property at 1760 and 1761 Southfork Drive

Planner Alex Fulbright stated that Roserock Holdings LLC has filed a petition seeking a non-contiguous annexation to the City. They are seeking to annex property located on the north side of NC 10 Hwy West at the intersection of Southfork Drive. Mr. Fulbright said the petition includes two parcels, which consist of a 10.44 acre tract identified as Catawba County Pin #3619-15-64-4521 and a 7.55 acre tract identified as 3619-15-54-7096 and that both parcels are owned by Roserock Holdings LLC and is the location of the Love’s Truck Stop, which is currently under construction.

Mr. Fulbright stated that this annexation is outside the City’s extraterritorial planning jurisdiction, which means the City will need to establish zoning on the annexed parcel after completing the annexation. Mr. Fulbright stated that the Planning Commission is recommending that the zoning district established within the annexed area essentially mirror the existing county zoning in the area. Please note that the
petition was received in June 2016 with the understanding that it would not be processed until all permits were issued by Catawba County.

Mayor Stedman opened the Public Hearing.

City Manager Todd Clark noted that the effective date would be June 30, 2017.

Council Member Robert C. Abernethy, Jr. asked about water and electric to the customer. Mr. Fulbright stated that they already are connected.

Mr. Chad Bruner thanked City Council. Council Member Jerry Hodge told Mr. Bruner that the city is glad they are here in Newton.

Upon motion duly made by Council Member Robert C. Abernethy, Jr., seconded by Mayor Pro Tem John Stiver, the Public Hearing was CLOSED.

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

That Consideration of Adoption of an Ordinance to Annex Property at 1760 and 1761 Southfork Drive be – APPROVED.

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

C. Consideration of Establishing Zoning at 1760 and 1761 Southfork Drive

Planner Alex Fulbright stated that this request will establish City zoning on property that is pending annexation. The property is located on the north side of NC 10 Hwy West at the intersection of Southfork Drive and includes two parcels, which consist of a 10.44 acre tract identified as Catawba County Pin #3619-15-64-4521 and a 7.55 acre tract identified as 3619-15-54-7096. Both parcels are owned by Roserock Holdings LLC. Mr. Fulbright stated the proposed zoning will be 321-Economic Development District-Industrial (321-ED(I)) Zoning Classification. Mr. Fulbright explained the proposed change is from an existing County 321-Economic Development District-Industrial (321-ED(I)) Zoning Classification and County R-20 Residential District to City of Newton 321-Economic Development District-Industrial (321-ED(I)) Zoning Classification.

Mr. Fulbright stated that the area requested to be rezoned is currently 321-Economic Development District-Industrial (321-ED(I)) Zoning Classification and has been since 1996, when the US 321 Corridor Plan was adopted by the Catawba County Board of Commissioners and it was updated in 2011. This Plan represents formal policy statements by Catawba County concerning land use and land development within the Corridor. The 321-Economic Development District (321-ED) is designed to implement these policy statements and achieve the desired goals for the 321 Corridor.

<table>
<thead>
<tr>
<th>Current Land Use and Zoning</th>
<th>Zoning</th>
<th>Landuse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject North</td>
<td>Newton Zoning 321-ED(I)</td>
<td>Warehouse</td>
</tr>
<tr>
<td>South</td>
<td>County Zoning 321-ED(I)&amp; R-40</td>
<td>Agriculture &amp; vacant</td>
</tr>
<tr>
<td>East</td>
<td>County Zoning R-40</td>
<td>Warehousing, Agriculture &amp; vacant</td>
</tr>
<tr>
<td>West</td>
<td>County Zoning 321-ED(I)</td>
<td>Agriculture &amp; vacant</td>
</tr>
</tbody>
</table>
Mr. Fulbright stated the City has no adopted plans that address the site; however, the City was an active participant in the process that created the US 321 Corridor Plan as well as the update of the Plan in 2011. The plan supports the proposal, which is reflective of the existing County zoning. Also, city water, sewer, and electric are available to the site.

Mr. Fulbright stated the Planning Commission unanimously recommends to the City Council approval of this request.

Upon motion duly made by Council Member Wes Weaver, seconded by Mayor Pro Tem John Stiver, the Public Hearing was CLOSED.

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

That Consideration of Establishing Zoning at 1760 and 1761 Southfork Drive be – APPROVED.

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

ITEM 7: New Business

A. Consideration of Multi-Family Housing Bonds Related to Affordable Housing

Finance Director Serina Hinson explained city staff has been contacted by Thomas Robinson, Acquisition and Development Analyst, of Alco Management, Inc. a firm that owns, develops and manages affordable housing, concerning a proposal for Multi-Family Housing Bonds for Catawba Pines Apartments. The proposed renovations would be financed through a combination of tax exempt bonds and federal low income housing tax credits. The tax credits are the main purpose for this type of financing. The tax credits generated will be reinvested into the renovations of this project, and the tax exempt bond portion of the financing would require that the bonds be issued in the name of the City of Newton using a pass-through or conduit type arrangement.

Ms. Hinson explained that as a “conduit issuer” the city would have no obligation for payments on the bonds, no pledge of the faith and credit of the city’s taxing power, nor an impact on the city’s $10 million bank qualified debt issuance limit.

Finance Director Serina Hinson introduced Thomas Robinson of Alco Management and Kristen Kirby, Bond Attorney, of McGuire Woods. Mr. Robinson gave a presentation on the ins and outs of a Multi-Family Housing Bond Financing with a Conduit Issuer and offered to answer any questions that council had on this subject.

Mayor Anne Stedman told Mr. Robinson that the city appreciates their attention to this matter.

Council Member Tom Rowe asked if there would be new landscaping. Mr. Robinson stated that the landscaping would be restored after the renovation.

Council Member Robert C. Abernethy, Jr. asked how many facilities Alco Management operates. Mr. Robinson said 73 properties with anywhere from 48 to 500 units. He stated that the company is financially stable and that he is comfortable saying that it is in their best interest to make the plan work.
Council Member Wes Weaver asked where Alco Management would acquire the funding. Mr. Robinson stated that it is from tax credits from the IRS. He said the lender is a traditional lender with HUD insurance. Mr. Weaver asked which city department would oversee the project. Mr. Clark stated that it would be under the finance department.

Council Member Abernethy asked if this is typical, to use a municipality as the conduit. Ms. Kirby said that it was unless the was a housing authority located in the city. Council Member Jerry Hodge asked if the Western Piedmont Council of Governments could be the conduit. Ms. Kirby said no. Mr. Weaver asked why Catawba County would not be the conduit. Mr. Robinson stated that the property is located in the city limits of Newton.

Council Member John Stiver asked if this is the first renovation to this property since it was built. Mr. Robinson stated that it would be.

Council Member Jerry Hodge asked if the project would affect the city’s bond rating. Mr. Clark said that we do not have a bond rating at this time and asked Ms. Hinson to explain. Ms. Hinson stated that the city has not been rated for the past 4 years due to the fact that the last government issued bonds were paid off. The city is not required to be rated for this project. Mr. Hodge asked if it could impact the city’s borrowing. Ms. Hinson said that it would have no impact on borrowing.

Council Member Abernethy asked Mr. Robinson how many of these projects he has been involved in, or have been done. Mr. Robinson said that there have been 26 similar projects.

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

That the City Move Forward as the Conduit for this Project at Catawba Pines Apartments

Upon motion duly made by Council Member Robert C. Abernethy, Jr., seconded by Council Member Wes Weaver, it was unanimously RESOLVED:

That the Inducement Resolution be - ADOPTED

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

B. Consideration to Declare Property Located at S. Ervin Avenue as Surplus

City Manager Todd Clark stated that the city presently owns numerous parcels of land for various reasons and purposes. In some cases, land owned by the city is of no practical use and serves no purpose in carrying out the delivery of services to the public. He stated that the staff has identified one parcel that City Council may want to declare as surplus and sell according to the laws of the State of North Carolina.

Mr. Clark stated that the parcel is located at South Ervin Avenue is vacant and has not been assigned a street. The property is identified as Catawba County Parcel Identification Number 374017202867 and is depicted on a map that has been included with this Request for Council Action. Mr. Clark pointed out that the property is bisected by South Ervin Avenue, with a small triangular section of the property currently used by an adjacent property owner for a residential driveway at 341 S Ervin Ave.

Mr. Clark said that in order to sell property, the City Council must first deem the property as surplus. The Council may then follow the procedures set forth in North Carolina General Statute 160A-269. A copy of this statute has been included with this Request for Council Action as information for City Council.
Mr. Clark asked City Council to consider deeming the parcel of land located at on South Ervin Avenue, and further identified as Catawba County Parcel Identification number 374017202867, as surplus and directing him to follow the procedures set forth in NCGS 160A-269 to sale the property.

Upon motion duly made by Council Member John Stiver, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That Property Located at S. Ervin Avenue be Declared Surplus and that the Owner of the Property Adjacent be Notified

C. Consideration of Powell Bill Paving Contract Award

Public Works and Utilities Director Dusty Wentz stated that this year resurfacing is focused on E. 11th Street and E. 1st Street. He stated both were selected from the Asphalt and Sidewalk Condition assessment completed in late 2015. Mr. Wentz explained they are the city roads that the assessment indicated as having the most severe issues that could be replaced with available funds.

Mr. Wentz stated that E. 11th St. has three different paving designs. The first, from Caldwell St. to Gaither St., will have the asphalt milled 3” in depth and replaced. The second, from Caldwell St. to N. College, will have asphalt milled 2” in depth and replaced. The third section, from Main to College, will have 4” of asphalt completely removed and replaced.

Mr. Wentz stated that E. 1st St. between Gather and Davis will also have 4” of asphalt removed and replaced.

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

1. Carolina Paving $218,735.00
2. Evans Bros. $226,981.04
3. MidState $174,366.50
4. J. T. Russell $203,771.70
5. Maymead No Bid

Mr. Wentz stated that all three bids include a 10% contingency, and were complete and accurate.

Mr. Wentz stated staff has been in contact with Norfolk Southern concerning repairs to the railroad crossing on E. A, E. 2nd, and E. 11th Streets. This contract does not include work on the crossing on E. 11th St.

Mr. Wentz explained that as part of the City’s budget process, Council approved $100,000 within the General Fund Budget for additional overlay paving in addition to the $80,400 within the Powell Bill Budget. Therefore a Budget Ordinance Amendment in the amount of $94,000 is necessary to accommodate the transfer of funds for these projects.

Mr. Wentz asked that City Council award the bid for the Annual Overlay project to MidState in the amount of $158,515, and hold a 10% contingency of $15,851.50 in reserve for a total of $174,366.50. Any utilization of contingency funds will be presented to council and approve the related Budget Ordinance Amendment in the amount of $94,000 to recognize the transfer of funds for street overlay paving from the General Fund to the Powell Bill Fund.

Council Member Robert C. Abernethy, Jr. asked to be recused from the Award of Bid vote.
Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Jerry Hodge, it was unanimously RESOLVED:

That Robert C. Abernethy, Jr. be RECUSED from the Vote for the Award of Bid

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

That Powell Bill Paving Contract be AWARDED to MidState in the amount of $158,515, and hold a 10% contingency of $15,851.50 in reserve for a total of $174,366.50. Any utilization of contingency funds will be presented to council and approve the related Budget Ordinance Amendment in the amount of $94,000 to recognize the transfer of funds for street overlay paving from the General Fund to the Powell Bill Fund.

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

That Budget Ordinance Amendment in the amount of $94,000 to recognize the transfer of funds for street overlay paving from the General Fund to the Powell Bill Fund be – ADOPTED.

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

**ITEM 8: City Manager’s Report**

**Meetings & Events**

- April 19th - Cohort #3 Service Excellence University begins, 8:00 a.m. in Council Chamber
- April 20, 2017 – The State Transportation Program, Western Piedmont Council of Government Offices, 5-7 p.m.
- April 21, 2017 – Terry Laws Retirement Celebration at Wastewater Treatment Plant
- April 22, 2017 – Arbor Day Celebration at City Hall, 10:00 a.m.
- Saturday, April 22 – Catawba County Residential Hazardous Waste and Electronics Collection Event at Bandys High School, 9 a.m.-1 p.m.
- April 26th – Cohort #4 Service Excellence University begins, 8:00 a.m. in Council Chamber
- April 27, 2017 – WPCOG Annual Meeting
- Saturday, April 29 – Spring Yard Sale at Southside Park, 6:30 a.m.-12:30 p.m.
- Saturday, April 29 – Newton Spring Litter Sweep, 9 a.m.-noon
- Appearance Commission is now accepting nominations for Yard of the Month. Applications are available at [www.newtonnc.gov/yard.pdf](http://www.newtonnc.gov/yard.pdf)
- Foothills Folk Art Festival is now accepting artist applications. Applications are available at [www.foothillsfolkartfestival.com](http://www.foothillsfolkartfestival.com)
- May 4, 2017 – South Newton Elementary’ s Leadership Day

**Budget Workshop Dates **

*All begin at 5:15 in the Council Chamber*

- May 4, 2017
- May 9, 2017
- May 11, 2017
- May 16, 2017
ITEM 9:  Questions and Comments from Mayor and Council

Council Member Tom Rowe gave a brief summary of things going on with the Newton Depot including a recent event with a symphony. He stated that the Depot had 15,000 visitors in the last year and that the capital campaign is up to $200,000. Mr. Rowe stated that there would be a ground breaking for the new plaza on October 1, 2017.

ITEM 10:  Closed Session – per North Carolina General Statutes 143-318.11(a)(4)

Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, it was unanimously RESOLVED:

That City Council enter CLOSED SESSION per General Statute 143-318.11(a)(4)

Motion was then made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, Jr. to return to open session

All ayes.

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

That a Public Hearing be set for the Regular Meeting of May 2, 2017

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

That the Meeting Time of the Regular Meeting of May 2, 2017 be moved to 6:30 p.m.

ITEM 11:  Adjournment

Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That the Meeting be - ADJOURNED

________________________________
Anne P. Stedman, Mayor

_________________________________
Amy S. Falowski, City Clerk
TO: E. Todd Clark, City Manager

DATE: April 24, 2017

RE: Tax Releases – March 2017

FROM: Serina T. Hinson, Finance Director

The following tax releases have been received from the Catawba County Tax Collector. The reason for each release is annotated beside the name.

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Tax Release Number</th>
<th>Name</th>
<th>Reason</th>
<th>Amount of Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>107</td>
<td>Atkinson, Barron D</td>
<td>Small underpayment</td>
<td>$0.04</td>
</tr>
<tr>
<td>2015</td>
<td>108</td>
<td>Crutchfield, Jackie</td>
<td>Small underpayment</td>
<td>$0.02</td>
</tr>
<tr>
<td>2016</td>
<td>109</td>
<td>Crutchfield, Jackie</td>
<td>Small underpayment</td>
<td>$0.02</td>
</tr>
<tr>
<td>2016</td>
<td>110</td>
<td>McCorkle, Kenneth W</td>
<td>Small underpayment</td>
<td>$0.26</td>
</tr>
<tr>
<td>2009</td>
<td>111</td>
<td>Piedmont Flag Co.</td>
<td>Small underpayment</td>
<td>$0.03</td>
</tr>
<tr>
<td>2016</td>
<td>112</td>
<td>Ross, Randall D</td>
<td>Small underpayment</td>
<td>$0.46</td>
</tr>
<tr>
<td>2014</td>
<td>113</td>
<td>Setzer, Teresa D</td>
<td>Small underpayment</td>
<td>$0.03</td>
</tr>
<tr>
<td>2015</td>
<td>114</td>
<td>Ward, Rodney W</td>
<td>Small underpayment</td>
<td>$0.31</td>
</tr>
</tbody>
</table>

Should you have any questions or need clarification, please notify. Releases are submitted as required by NCGS § 105-381(b).
CITY OF NEWTON

Sewer Adjustments

TO: E. Todd Clark, City Manager  DATE: April 27, 2017
RE: Sewer Adjustments – May 2, 2017

FROM: Serina Hinson, Finance Director

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>54000700-001</td>
<td>Clarence Haney Jr.</td>
<td>1665 Nelson Dr.</td>
<td>Mar</td>
<td>$193.58</td>
</tr>
<tr>
<td>33000180-002</td>
<td>Wilce Martin</td>
<td>120 W. 13th St.</td>
<td>Jan-Mar</td>
<td>$174.25</td>
</tr>
<tr>
<td>58001020-015</td>
<td>Michelle Mungro</td>
<td>132 S. Davis Ave.</td>
<td>Jan-Feb</td>
<td>$ 33.27</td>
</tr>
<tr>
<td>19000225-002</td>
<td>Carlos Ramia</td>
<td>1110 Edgefield Ln</td>
<td>Dec</td>
<td>$368.54</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.
WHEREAS, May 13, 2017 marks the 50th anniversary of the Newton-Conover High School Band Variety Show; and

WHEREAS, the Band Variety Show was started in 1968 by Band Director Billy Farmer; and

WHEREAS, from 1969 to 1998 Band Director Jim Stockner led the Variety Show to many wonderful performances. In 1999 Haskew Smith became the Band Director and has let the band and variety show since that time; and

WHEREAS, the Show has become a spring tradition for the band program; and

WHEREAS, students get involved in many different ways including song and dance numbers. Students who are not performing get involved in the technical aspects of running the show including sound, lights and stage work; and

WHEREAS, the Variety Show will be held May 13th, 2017 with performances at 2:00 p.m. and 7:00 p.m. at the Newton-Conover Auditorium.

NOW, THEREFORE, BE IT RESOLVED that the Newton City Council, on behalf of the citizens of Newton, and the Conover City Council, on behalf of the citizens of Conover, publicly commends the Newton-Conover High School Band Variety Show for this outstanding achievement.

Adopted this the 1st day of May, 2017

Conover Mayor Lee E. Moritz, Jr.
Council Member Kyle Hayman
Council Member Don Beal
Council Member Bruce Eckard
Council Member Joie Fulbright
Council Member Mark Canrobert
City Clerk Cara C. Reed

Adopted this the 18th day of April, 2017

Newton Mayor Anne P. Stedman
Council Member Robert Abernethy
Council Member John Stiver
Council Member Tom Rowe
Council Member Wes Weaver
Council Member Jerry Hodge
Council Member Jody Dixon
City Clerk Amy S. Falowski
CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

DATE: April 21, 2017

TO: E. Todd Clark, City Manager

FROM: Donald G. Brown II, Chief of Police

CONSIDERATION OF: Adopt Budget Ordinance Amendment for Governor’s Crime Commission Grant

Approved for Council Consideration

Background:

On November 8th, 2016 the Newton Police Department was notified they had been awarded a Governor’s Crime Commission grant totaling $21,400.00 with no matching funds required. These grant funds will be used to purchase a large format printer / scanner so officers can print scalable documents used for accident and incident reports as they work to solve cases and present evidence in court. This grant will also allow for the purchase of software to be used in conjunction with the printer for design and diagraming purposes.

Summary:

This is a Governor’s Crime Commission grant for $21,400.00 with no matching funds required to be used for printing hardware and software.

Requested Action:

Motion to adopt the attached budget ordinance to recognize grant revenues and authorize the expenditure appropriation in the Police Department operating budget.
April 13, 2016

Tim Hayes
City of Newton
Post Office Box 550
Newton, NC 28658-3101

Dear Mr. Tim Hayes:

The Governor’s Crime Commission is pleased to inform you that your application entitled 2016 - Newton Police Department - Large Scale Printer (PROJ011701) has been selected to move forward in the grant application process by submitting a revised application.

Please be aware that the uncertainty of federal budget allocations may require additional budget adjustments or reductions to the federal grant amount recommended for your program. All applications are subject to the availability and level of funding that the state will receive once the final federal budgets are approved and funding is allocated to our state.

When completing this application, please refer to the attached Modification Conditions for a detailed listing of the required revisions. All grant awards are contingent upon your acceptance of these Modification Conditions, the correction of the conditions indicated, and upon the availability of federal funding. Subsequently, the application will be reviewed by the staff of the Governor’s Crime Commission to ensure all special conditions and budget modifications have been completed as required. All revisions must be completed within two (2) weeks from the receipt of this letter. Please upload a signed copy of the attached Modification Conditions into the GEMS system. Mail in the last page of the document, signed by the Authorizing Official and the Project Director to:

N.C. Governor’s Crime Commission
Attn: Acceptance of Modification Conditions
1201 Front Street
Raleigh, NC 27609-7533
Continuation of the funding process is contingent upon your attendance at one of the three required Program Development Training Workshops that will be held in September. Both the Project Director and Financial Officer must attend one of the scheduled workshops. The dates and locations of each workshop and registration information will be available on the GCC website.

Before submitting your modifications, be sure that the Authorizing Official, Financial Officer and Project Director for your application are current in GEMS and that your SAMs registration is current.

Applicants who complete the required program modifications, within two (2) weeks of the receipt of this letter, and who attend the mandatory Program Development Training Workshops will be approved to continue with the funding process. Please note, funding is not available until federal grant awards are received. Programs approved for Governor’s Crime Commission funding must comply with all programmatic requirements and the fiscal reporting requirements as set forth in the DOJ Grant Financial Guide and in compliance with the Code of Federal Regulations 2 CFR §200.

Applicants are also required to comply with the programmatic guidelines established by the Criminal Justice Improvement Committee. Reductions in funding and/or program termination may result if fiscal and reporting requirements are not completed in a timely manner. This provision will be discussed in detail at the Program Development Training Workshops. After completing the training sessions and the required modifications to your grant application, the Governor’s Crime Commission may issue the formal Grant Award and Special Conditions contracts to your agency. The signed contracts must be returned to the Governor’s Crime Commission before any further action can take place on your project.

If you have any questions or need further assistance, please contact a member of the Criminal Justice Improvement team at (919) 733-4564 and they will be able to assist you. The Governor’s Crime Commission looks forward to working with you on this important and promising project.

Sincerely,

L. David Huffman
Executive Director

Attachments
CRIMINAL JUSTICE IMPROVEMENT COMMITTEE
MODIFICATION CONDITIONS LETTER

PROJECT NAME: 2016 - Newton Police Department - Large Scale Printer
IMPLEMENTING AGENCY: Newton Police Department
PROJECT ID: PROJ 011701

The Governor's Crime Commission is pleased to inform you that your grant application has been selected to submit a final revised application.

All federal grant programs may be subject to federal cuts and revisions for U.S. Department of Justice funding for this fiscal year. As a result, unlike in previous years, a submission of full application does not guarantee that your final application will be funded or funded in the amount requested. All applications are subject to the availability and level of federal funding that the state will receive once federal allocations for states have been finalized. Consequently, please be prepared that there may be a delay in determining the grants selected for funding and the amount of each grant award.

In addition, funding of grant projects are subject to receipt of federal funding to the NC Governor's Crime Commission. The official start date of projects is October 1, 2016, due to our office converting to the federal fiscal cycle. Funds expended by your agency prior to the October 1, 2016 date will not be reimbursed. The grant award packet will contain the start date for the project. This is the date for which GCC may reimburse expenditures for allowable costs. Expenditures prior to the date on the grant award packet cannot be reimbursed. It is important to note that any correspondence outside of the grant award packet signed by all parties is not legally binding.

In order to be considered for funding, all applications must be completed using the new on-line Grants Enterprise Management System (GEMS) by 11:59 p.m. on April 15, 2016. Subsequently, the application will be reviewed by staff of the Governor’s Crime Commission (GCC) to ensure all modification conditions and budget modifications have been completed as required.

Your application has been reviewed for compliance with federal and state guidelines in consideration of being awarded a grant. To be considered for funding you must review this document and submit the requested information in the content of your full application.

Total Federal Amount Requested - $21,400  Total Federal Amount Approved - $21,400

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<thead>
<tr>
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<th>RECOMMENDED</th>
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<tbody>
<tr>
<td>Total Budget</td>
<td>$21,400</td>
</tr>
<tr>
<td>Match Share</td>
<td>0</td>
</tr>
<tr>
<td>Federal Share</td>
<td>$21,400</td>
</tr>
</tbody>
</table>

Tentative Start Date: 10/1/2016  End Date: 9/30/2017

Required Budget and Programmatic Changes:

1. Due to a change to the federal fiscal year, the start date of this project must be October 1, 2016 and the end date can be September 30, 2017. Please make those changes in the Application in GEMS.

2. Prior to procurement transactions, sub-recipients are required to upload to Project Attachments the agency’s purchasing/procurement policy OR procurement/purchasing protocol and notify the designated Community Development Specialist.

3. If a role change occurs with the authorizing official, financial officer and/or project director for this project, the GEMS organization administrator must update the project in GEMS as soon as possible. Please refer to section 2.1.2.1 (page 10) of the "GEMS Grant proposal User Guide
For Criminal Justice Improvement and Juvenile Justice Projects on the GEMS homepage for instructions. Failure to update project roles in GEMS may delay receipt of the grant award.

4. Please review each of the following sections carefully. Check the box indicating the sections have been read, understood and the project will be compliant to the requirements stated.

For detailed information regarding application requirements, please refer to the GEMS Grant proposal User Guide for Criminal Justice Improvement and Juvenile Justice Projects found on the GEMS homepage (http://gems.ncdps.gov/) under the “training materials” section.

Your recommended federal share total does not reflect the required match amount, if applicable. This is not a guaranteed amount or award. Totals may change after your agency has responded to this letter and the federal budget is approved. Please ensure you have made the necessary changes to the individual line items of the budget to reflect the federal amount approved, as indicated above.

DETAILED BUDGET PAGES

A Detailed Budget Narrative must be uploaded into GEMS (Application Attachments section) to illustrate the detailed line item budget information. It is vital that this uploaded information be consistent with the information that is included in your budget.

Unallowable Costs

The NC Office and Management and Budget along with the NC State Auditors have clearly defined rules regarding unallowable costs including following but not exclusive to:

- Indirect Costs
- Travel & Compensation for Federal/GCC Employees
- Lobbying Activities
- Fund Raising
- Land Acquisition
- Bonuses or Commissions
- Military-Type Equipment
- State and Local Sales Taxes
- Corporate Formation
- Honorariums
- Stipends
- Incentives
- Fines and Penalties
- Entertainment
- Aircraft & Vehicle Purchases
- Vehicle maintenance and Repairs
- Building Insurance
- General Liability Insurance
- Auto Insurance
- Gas cards
- Audits - Audit costs for audits not required or performed in accordance with OMB Circular A-133 are unallowable. Must qualify for OMB Audit (Audit Threshold = expend $750,000 or more in federal funds in organizational fiscal year).
- Construction
- Food & Beverage (except per diem)
- Common Area Maintenance Fees
- Gift Cards
- Sporting events
- Visa fees / Passport Charges
- Tips
- Bar Charges / Alcoholic Beverages
- Laundry charges
- Travel & lodging in excess of state per diem
- Membership fees to organizations whose primary activity is lobbying
- Premium pay
- Costs incurred outside the project period
- Trinkets, give-away items, promotional items (t-shirts, mugs, logo-typed pens, etc.)
MATCH REQUIREMENTS

☐ Your agency is required to provide a match of 0

PERSONNEL

☐ All federally funded and match personnel listed in the application must include a complete job description for each position listed and must include the job title as listed on the grant proposal, key responsibilities, and all required day-to-day activities of that position. In addition, the job description should specify whether the position is part-time or full-time, the percentage of time allocated to the grant funded project and the specific duties as they directly relate to the grant. Also, non-profits are required to provide a full staff roster and a list of current board of directors indicating their place of employment (if applicable). These items must be uploaded into GEMS at the time of the full application.

CONTRACTUAL

☐ Be aware that contracted services cannot exceed $650.00 for an 8-hour day and cannot exceed $81.25 per hour (excluding travel and subsistence costs) without written PRIOR APPROVAL from the Governor’s Crime Commission. All contractual services must be approved in advance by GCC. A signed contract for services between your agency and the agency or individual that you plan to contract with should be forwarded to GCC for approval prior to its execution. Funds will not be reimbursed for expenses incurred prior to the approval of the draft contract.

☐ The following must be included for approval of a contract:
  - Name of GCC Subrecipient
  - The contractor’s name
  - Position title
  - Service period falls within the grant period. (Cannot be before grant periods start date or beyond the grant periods end date.)
  - Project ID is included
  - Community Development Specialist has verified the status of the implementing/applicant agency to which the grant has been awarded.
  - Contractor’s resume.
  - Scope of services/outcomes are outlined.
  - Contractual hourly rate matches that which is approved in GEMS.
  - Contractor status is verified in www.sam.gov by the Community Development Specialist.
  - Contractual total amount matches that which is approved in GEMS.
  - Include the following language:
    - “The AGENCY will pay the CONTRACTOR at a rate of $_______ per hour, for a total sum not to exceed $_______ to be paid by GCC and $_______ to be paid using non-GCC funds (match) for services performed by the contractor.”

If contractual line items in the budget section are to fund a position, please indicate such in the new application question requesting the information. For any contractual full-time or part-time positions, please be aware that more specific job description boxes will appear for you to fill out. These boxes must be completed; along with a complete job description in the large job
description box. This box will allow up to 2000 characters. Please be advised that you cannot proceed further in your full application until all of this information has been filled out.

**TRAVEL**

- All out-of-state travel must be requested in advance and approved by the Community Development Specialist assigned to your project. A current Travel Policy must be submitted within 90-days of the grant project’s implementation and must not exceed the allowable State rate based on fiscal year 10/1/2016 allowances for mileage and Per Diem. However, you are encouraged to upload the policy at this time to expedite reimbursements after the project is awarded. Prior approval from GCC is required for consideration to utilize the federal per diem rate for subsistence and lodging. You must verify that your travel reimbursement request is consistent with the Travel Policy of your agency. If your agency does not have a Travel Policy you may follow the state of North Carolina’s Travel Policy and the IRS rate for ground travel. The IRS rate for ground travel is $.54 cents/mile. State rates for lodging: $67.30 per night for in-state lodging and $79.50 per night for out-of-state lodging. State rates for meals: $37.90 per day for in-state meals and $40.50 per day for out-of-state meals. Receipts are required, regardless of your agency’s travel policy.

**OPERATING/SUPPLIES**

- Office supplies: You may have a general office supply line item for pens, paper, folders, etc. While such costs may be entered under one line item, it is required that the items to be purchased under this one line item be listed in a detailed and exhaustive attachment if all items cannot be listed in the project narrative. Refrain from using “etc.” A sample office supply list may be downloaded and modified for your use at [http://www.ncdps.gov/document/office-supply-list](http://www.ncdps.gov/document/office-supply-list). All costs should be broken down into monthly rates. For example:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Cost per Item</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>$125.00</td>
<td>$1,500.00</td>
</tr>
</tbody>
</table>

- Agencies are not allowed to request rent reimbursement for property they own/paying a mortgage.

- Please be aware cell phones must be under the name of the agency and cannot be under the name of an individual. Otherwise the expense will not be reimbursed.

- The procurement policy or purchasing policy must be submitted to the Community Development Specialist prior to the purchase. The NC Office of State Auditor requires all agencies funded by the Governor’s Crime Commission must have an adequate policy prior to making the purchase.

**FOOD & DRINKS**

- Food & Beverages are unallowable expenses of the Office of Justice Programs as of October 21, 2011. This restriction does not impact direct payment of per diem amounts to individuals in a travel status under your organization’s travel policy.

**EQUIPMENT**

- Drafts of lease agreements for equipment must be pre-approved by GCC prior to execution.

- *New* Items for which the single unit cost is under $5,000 are no longer considered equipment. These items should be entered in the budget detail under supplies.
PROJECT TIMELINE

☐ The project timeline should focus more on the delivery of grant funded activities as they relate to this project rather than grant reporting/requirement activities.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

☐ If on your grant proposal you certified that an Equal Employment Opportunity Program has been formulated and is on file, federal regulations require that such plans incorporate statistics from the preceding fiscal year. Please ensure that your plan is updated in conformity with this requirement. Your certification in the application ("Certification of Filing an Equal Employment Opportunity Program") should list a date on or after July 1, 2015, such as the case may be, for the plan that is on file. If your agency is exempt from filing an EEOP, please complete an EEOP exemption form and upload it into GEMS.

SAM REGISTRATION

☐ SAM Registration (System for Award Management) - Active sub-recipient registration with SAM must be maintained and active throughout the life of the grant. The GEMS organization administrator must update GEMS to reflect the new expiration date at the time of renewal and provide a screenshot from https://www.sam.gov as proof of active SAM registration. The screenshot proof must contain the DUNS number entered in GEMS for the agency and the expiration date.

COLLECTION OF TRAFFIC LAW ENFORCEMENT STATISTICS (Law Enforcement Agencies Only)

☐ For the year 2016, your agency required to report DCS traffic stop information to the NC State Bureau of Investigation.

N.C.G.S. § 114-10.01 requires that the North Carolina Department of Justice’s Division of Criminal Statistics (hereinafter “DCS”) collect, correlate, and maintain information relative to traffic stops conducted by law enforcement officers. Certain law enforcement agencies are to submit to DCS traffic stop information within 60 days of the close of each month. A list of agencies required to report this information may be found at http://www.ncdoj.gov/AgenciesRequiredList.aspx. Any listed agency that does not submit the required information is deemed ineligible to receive any law enforcement grants available by or through the State until that information which is reasonably available is submitted to DCS. To be eligible to receive Governor's Crime Commission funding, your agency must ensure that traffic stop information, including historical data that is reasonably available, is reported to the SBI. Additional information may be found at http://trafficstops.ncdoj.gov/Default.aspx.

PROJECT ATTACHMENTS

In addition to the modification conditions document, please ensure all required attachments are uploaded into GEMS.
**ATTENDANCE AT A PROGRAM DEVELOPMENT TRAINING WORKSHOP OF YOUR CHOICE IS MANDATORY**

PLEASE ENSURE THAT ALL CORRECTED BUDGET TOTALS ARE UPDATED IN THE GEMS APPLICATION ON THE RESPECTIVE BUDGET PAGES IN THE FULL APPLICATION AND THE BUDGET SUMMARY PAGE.

If you have any questions, please contact this office at (919) 733-4564.

This form must be signed by both parties and all pages uploaded into GEMS prior to finalizing the application submission. Should this project be selected to receive a grant award, mandatory attendance at the PROGRAM DEVELOPMENT TRAINING WORKSHOP is required in order for your account to be activated.

I fully understand and hereby agree to adhere to all Special Conditions as listed above by the Governor's Crime Commission.

I also fully understand and accept that any failure to meet any part of or all of these Special Conditions can and will constitute grounds for grant funds to be either suspended pending corrective compliance as directed by the Governor’s Crime Commission or terminated for gross or repeated violation of this policy.
Receipt of a new award is contingent upon receipt of all required reports for past awards. This includes the effective and thorough utilization of previous year’s awards. A decision to award this grant will not take place until all required reports are submitted and/or documentation providing justification for underutilization or for failure to submit reports is submitted and reviewed.
ORDINANCE #2017-21

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR
FISCAL YEAR 2016-2017 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, 2016, and ending June 30, 2017, in accordance with the General Statutes of the State of North Carolina, and

WHEREAS, the City would like to recognize a federal grant award from the Governor’s Crime Commission for a large format printer/scanner in the amount of $21,400 with no match required. The Police Department received notification of the award on November 8, 2016. These federal grant funds will enable the City to utilize the printer/scanner to print scalable documents used for accident and incident reports. This grant will also include the purchase of software in conjunction with the printer/scanner.

WHEREAS, The City Council desires to recognize the grant award of $21,400 and to authorize the related expenditure appropriation.

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.

General Fund Revenues
Federal Grants

General Fund Appropriations
Capital Outlay – Data Processing Equipment

Adopted this 2nd day of May, 2017.

Attest: Anne P. Stedman, Mayor

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

DATE: April 24, 2017

TO: E. Todd Clark, City Manager

FROM: Donald G. Brown II, Chief of Police

CONSIDERATION OF: Recognize and accept a partnership with the North Carolina Department of Transportation for the Watch for Me NC bicycle and pedestrian safety program.

Approved for Council Consideration

Background:

In February, 2017 the Newton Police Department applied to join the Watch for Me NC program. The campaign is supported by the NCDOT Governor’s Highway Safety Program in partnership with the NCDOT Division of Bicycle and Pedestrian Transportation. Watch for Me NC is a comprehensive program, run by the North Carolina Department of Transportation (NCDOT) in partnership with local communities, aimed at reducing the number of pedestrians and bicyclists hit and injured in crashes with vehicles. This partnership will coincide with both the Streetscape and Pedestrian Plan for the City of Newton. The Watch for Me NC program involves two key elements: 1) safety and educational messages directed toward drivers, pedestrians and bicyclists, and 2) enforcement efforts by area police to crack down on some of the violations of traffic safety laws.

The program provides training for law enforcement officers on methods for improving safety for road users in their areas. Communities will also receive technical assistance, materials, and purchased media promotion such as billboards to help raise public awareness about important pedestrian and bicycle safety issues.

Recently, the Newton Police Department was notified they were accepted to be a Watch for Me NC partner for the upcoming 2017 campaign. Training for selected officers will begin in May of 2017. The Newton Police Department will be also partnering with Newton-Conover City Schools for educating youth about pedestrian and bicyclist safety.

Summary:

The Watch for Me NC program leverages the strengths of law enforcement and public education to encourage safe and secure places to walk and bike. The N.C. Department of Transportation selected the new partners including the Newton Police Department to join 24 returning communities across the state to participate in this program.

Requested Action:

Motion to recognize and accept participation in the 2017 Watch for Me NC bicycle and pedestrian safety program.
RALEIGH - Eight communities will soon benefit from participation in Watch for Me NC, a comprehensive pedestrian and bicycle safety program aimed at reducing bicycle and pedestrian crashes and fatalities in North Carolina.

“We are thrilled to welcome our new community partners and the ideas they share to advance safety for all road users,” said Ed Johnson, acting director of the NCDOT Division of Bicycle and Pedestrian Transportation. “The Watch for Me NC program continues to grow and serves as a model for other cities and states across the nation.”

The program leverages the strengths of law enforcement and public education to encourage safe and secure places to walk and bike. The N.C. Department of Transportation selected the following new partners to join 24 returning communities across the state:

- Burgaw (Pender County)
- Oak Island (Brunswick County)
- Pine Knoll Shores (Carteret County)
- Elizabeth City (Pasquotank County)
- Newton (Catawba County)
- North Wilkesboro (Wilkes County)
- Cornelius (Mecklenburg County)
- Elon University (Alamance County)

The program provides training for law enforcement officers on methods for improving safety for road users in their areas. Communities will also receive technical assistance, materials, and purchased media promotion such as billboards to help raise public awareness about important pedestrian and bicycle safety issues.

The UNC Highway Safety Research Center provides technical support with campaign implementation and evaluation. For more information about the program, visit: www.watchformenc.org. To learn what past communities have done to improve safety, visit: http://www.watchformenc.org/about/partner-community-profiles/.
3/21/2017

Subject: Newton-Conover City Schools/Newton Police Department Partnership

Over the course of the last 4 years, the Newton-Conover City Schools and the Newton Police Department have formed a Memorandum of Understanding that has governed our relationship. The Newton Police have offered support not only in our high school but also in our elementary schools in the form of mentoring, education, and safety monitoring. Newton-Conover City Schools in turn have allowed our schools to be training sites for the Newton Police as they constantly refine their skills to ensure safety to the citizens they faithfully serve. One of the biggest things I have noted about the Newton Police Department is how much they care about the students overall well-being. Knowing that Newton-Conover City Schools similarly has the “whole child” as its primary focus, the type of support we have been able to give to our students and families surpasses what most citizens would expect but would greatly appreciate.

By living in a municipality, we have a large number of children who are bike riders and pedestrians (walkers). Unfortunately, many of them lack the basic safety equipment (helmets) or understand the basics of pedestrian safety needed to help them avoid accidents. As a school system we know who our children are who are bike riders and pedestrians (walkers). Additionally, we know that many of our children come from families that lack the resources necessary to provide them with safety equipment. If the Newton Police Department is awarded the grant funding they are seeking to provide bike safety helmets and pedestrian safety training to our students, the Newton-Conover City Schools staff will cooperate fully to provide the police department with the student access needed to assist, identify, and equip these children with the helmets and safety training they so desperately need to keep them safe. In Newton-Conover we strive alongside the Newton Police Department to protect our greatest resource: our children. Please consider Newton Police Department for this grant as they are a worthy recipient and will put the resources to good use.

Respectfully Submitted,

Aron R. Gabriel
Assistant Superintendent
Newton-Conover City Schools
21 March 2017

RE: 2017 Watch for Me NC Program

To Whom It May Concern;

The City of Newton is in the final stages of preparing a Comprehensive Pedestrian Plan with the draft being reviewed the NCDOT Bicycle and Pedestrian Division. The plan, funded by a matching grant from NCDOT, contains an analysis of deficiencies and recommends improvements and expansion of the pedestrian network throughout the city. Although the key focus of the plan is pedestrian needs, there are several other non-vehicular needs addressed directly in the plan as well, including bicycle safety and improvements.

Within the plan there are several recommendations for assistance for bicycle and pedestrian safety, education, and enforcement program. Residents expressed concern over the high speed corridors and the failure of motor vehicles drivers yielding to pedestrians in crosswalks. Newton is unique in the fact that there are two (2) elementary schools and two (2) high schools within the city limits which are urban neighborhood based campuses, rather than on the outskirts of development. This relates directly to an increase of students who are able to walk or ride their bicycles to the schools.

The Newton Police Department is a partner in the Pedestrian Plan process with an officer serving on the plan’s Steering Committee. Their involvement and insight was valuable and with the programs and materials offered by the Watch for Me campaign, the combination of education and enforcement efforts will improve safe and efficient access to schools along with pedestrian and bicycle safety throughout the city.

Watch for Me NC is specifically mentioned in this draft of the plan as a resource to increase public awareness and expand local capacity to improve bicycle and pedestrian safety. If awarded, Watch for Me NC awareness campaign and the resources it brings to Newton will be very timely in conjunction with the adoption of the Comprehensive Pedestrian Plan and serve as one of the first steps in implementation.

Sincerely,

[Signature]

Randolph S. Williams, AICP
Planning Director
City of Newton
PROCLAMATION
DESIGNATING MAY 15, 2017
AS NATIONAL PEACE OFFICERS MEMORIAL DAY
AND THE WEEK OF MAY 14-20, 2017
AS NATIONAL POLICE WEEK

WHEREAS, the Congress and President of the United States have designated May 15 as Peace Officers Memorial Day, and the week in which it falls as Police Week; and

WHEREAS, the International Association of Chiefs of Police has declared law enforcement officer safety and wellness a top priority, and the IACP’s Center for Officer Safety and Wellness promotes the importance of individual, agency, family, and community safety and wellness awareness; and

WHEREAS, the members of the law enforcement agency of the City of Newton plays an essential role in safeguarding the rights and freedoms of the citizens of the City of Newton; and

WHEREAS, it is important that all citizens know and understand the problems, duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence or disorder, and by protecting the innocent against deception and the weak against oppression or intimidation; and

WHEREAS, the police department of the City of Newton has grown to be modern and scientific law enforcement agency which unceasingly provides a vital public service;

NOW, THEREFORE, I, Mayor Anne P. Stedman call upon all citizens of the City of Newton and upon all patriotic, civil and educational organizations to observe the week of May 14-20, 2017, as Police Week with appropriate ceremonies in which all of our people may join in commemorating police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

I FURTHER call upon all citizens of the City of Newton to observe May 15, 2017, as Peace Officers Memorial Day to honor those peace officers who, through their courageous deeds, have lost their lives or have become disabled in the performance of duty.

In witness thereof, I have hereunto set my hand and caused the Seal of the City of Newton to be affixed.

Adopted the 2nd day of May 2016

________________________________
Anne P. Stedman, Mayor
City of Newton  
Proclamation

Whereas, public works services provided in our community are an integral part of our citizens’ everyday lives; and

Whereas, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets and highways, public buildings, and solid waste collection; and

Whereas, the health, safety and comfort of this community greatly depends on these facilities and services; and

Whereas, the quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skill of public works officials; and

Whereas, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people’s attitude and understanding of the importance of the work they perform,

Now, therefore, I, Anne P. Stedman Mayor of the City of Newton do hereby proclaim the week of May 21-27, 2017 as

in The City of Newton and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.

In witness thereof, I have hereunto set my hand and caused the Seal of the City of Newton to be affixed.

Adopted the 2nd day of May 2016

__________________________________

Anne P. Stedman, Mayor
PROCLAMATION
NATIONAL DAY OF PRAYER
MAY 4, 2017

WHEREAS, civic prayers and national days of prayer have a long and venerable history in our constitutional republic, dating back to the First Continental Congress in 1775; and

WHEREAS, the Declaration of Independence, our first statement as Americans of national purpose and identity, made “the Laws of Nature and Nature’s God” the foundation of our United States of America and asserted that people have inalienable rights that are God-given; and

WHEREAS, the Supreme Court has affirmed the right of state legislatures to open their sessions with prayer and the Supreme Court and the U. S. Congress themselves begin each day with prayer; and

WHEREAS, in 1988, legislation setting aside the first Thursday in May in each year as a National Day of Prayer was passed unanimously by both Houses of Congress and signed by President Ronald Reagan; and

WHEREAS, the National Day of Prayer is an opportunity for Americans of all faiths to join in united prayer to acknowledge our dependence on God, to give thanks for blessings received, to request healing for wounds endured, and to ask God to guide our leaders and bring wholeness to the United States and her citizens; and

WHEREAS, it is fitting and proper to give thanks to God by observing a day of prayer in the City of Newton when all may acknowledge our blessings and express gratitude for them, while recognizing the need for strengthening religious and moral values in our State and nation.

NOW, THEREFORE, I, Anne P. Stedman Mayor of the City of Newton, do hereby proclaim May 4, 2017 as

“A DAY OF PRAYER IN NEWTON, NORTH CAROLINA”

and encourage the citizens of Newton to observe the day in ways appropriate to its importance and significance.

IN WITNESS THEREOF, I have hereunto set my hand and caused the official seal of the City of Newton to be affixed this the 2nd day of May, 2017.

Anne P. Stedman, Mayor
This JOINT ECONOMIC DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into this ___day of ______, 2017, by and between City of Newton (the “City”), a North Carolina body politic, having a mailing address of Post Office Box 550, Newton, NC, 28658, and Room & Board, Inc. (“Room & Board” or “Company”), a Minnesota corporation qualified to do business in the State of North Carolina, having a mailing address of 4600 Olson Memorial Highway, Minneapolis, Minnesota 55422, Attn: Mark Miller.

WITNESSETH:

WHEREAS, North Carolina General Statute (NCGS) 158-7.1(a) authorizes City to make appropriations for the purpose of aiding and encouraging the location of business enterprises and industrial and commercial businesses in or near its boundaries, and Room & Board is engaged in warehousing and distributing manufactured furniture products to Room & Board’s retail stores nationwide within the meaning of NCGS 158-7.1; and

WHEREAS, Room & Board intends to enter into a lease (“Lease”) with TKC CCXLIX, LLC, as landlord (“Developer”). The Lease will contain obligations of Developer to construct, or cause to have constructed, a new distribution facility (the “Improvements”) at 3847 W. NC 10 Hwy, Newton, NC, (Parcel ID # 361903205632) (the “Property”), at a cost of not less than Twelve Million Eight Hundred Seventy Thousand Dollars ($12,870,000). Room & Board intends to create a minimum of thirteen (13) new jobs at the Property, with the Improvements to be made and new jobs to be created between May 1, 2017 and December 31, 2020 (the “Improvement Period”); and

WHEREAS, Room & Board expects to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of their employees and the greater community as a whole; and to consider participation in the Catawba EDC’s corporate Committee of 100 501(c)(3) non-profit sponsorship; and

WHEREAS, Room & Board is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:
SECTION I – ROOM & BOARD

1. On or before June 30, 2017 Room & Board shall:

1.1 Deliver to City a certificate confirming that Room & Board or the Developer has, or has caused to be, acquired the real Property and that the construction and installation of the Improvements will result in the creation, maintenance and availability of a minimum of 13 new jobs prior to December 31, 2020, and that the overall average weekly wage will equal or exceed 100% of the Average Weekly Wage, established for Catawba County by the North Carolina Department of Commerce’s Wage Standards for each year that City pays Room & Board the economic development incentive provided for herein. Room & Board affirms understanding of, and agrees to comply with, the Calendar of Responsibilities as outlined in Exhibit “A”. Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit “A”.

1.2 Provide an Opinion of Counsel for Room & Board, in form and substance reasonably satisfactory to City, that this Agreement has been duly authorized, executed and delivered by Room & Board; and

1.3 Provide an Opinion of Counsel for Room & Board, in form and substance reasonably satisfactory to City, stating that this Agreement is binding upon and enforceable against Room & Board, in North Carolina, in accordance with its terms.

Notwithstanding the foregoing, if the Lease is not executed by June 30, 2017, then Room & Board shall have the right to terminate this Agreement by giving written notice to the City and in such event neither party shall have any further obligation under this Agreement.

2. In order to induce City to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, Room & Board represents and warrants that, as of the execution date hereof:

2.1 Room & Board is a Minnesota corporation qualified to do business in the State of North Carolina, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;

2.2 Room & Board has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;

2.3 The undersigned representative of Room & Board has the right, authority and duty to execute this Agreement in the name and on behalf of Room & Board;

2.4 This Agreement (i) is the valid and binding instrument and agreement of Room & Board, enforceable against Room & Board in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.
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Room & Board, the charter documents or operating agreement of Room & Board or any provision of any indenture, agreement or other instrument to which Room & Board is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which Room & Board is a party;

2.5 To Room & Board's knowledge, after reasonable inquiry, there is no suit, claim, action or litigation pending, or threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein;

2.6 Subject to Developer's acquisition of the Property and execution of the Lease by Developer and Room & Board, there is no impediment to the use of the Property for the purposes contemplated by this Agreement.

2.7 Room & Board is not engaged in a business that would be exempt from property taxes.

2. In order to induce Room & Board to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, City represents and warrants that, to the best of City's knowledge that, as of the execution date hereof:

3.1 City is a North Carolina body politic corporate in nature and existing under North Carolina law;

3.2 City has the power and authority to carry on its business as now being conducted and has the power and authority to execute and perform this Agreement;

3.3 The undersigned authorized representative of City has the right, authority and duty to execute this Agreement in the name and on behalf of City;

3.4 This Agreement (i) is the valid and binding instrument and agreement of City, enforceable against City in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on City, the charter documents of City or any provision of any indenture, agreement or other instrument to which City is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which City is a party; and

3.5 There is no suit, claim, action or litigation pending, or to the knowledge of City threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein.

3. Room & Board will cause the Lease to require Developer to make or cause to be made investments to the Property and Improvements during the Improvement Period. Cumulative expenditures will meet or exceed Twelve Million Eight Hundred Seventy Thousand Dollars ($12,870,000) by December 31, 2020, all of which will qualify and result in additional value for ad valorem tax purposes as determined by the Catawba Joint Economic Development Agreement Between City of Newton and Room & Board, Inc.

      May, 2017

Page 3 of 14
County Tax Office, and Room & Board further agrees to maintain in place, in good
condition (ordinary wear and tear excepted), said Improvements for three years after the
final incentive payment.

4. Room & Board shall create a minimum of 13 new jobs at the Property in Newton by
December 31, 2020 and maintain or make available these jobs in place from December
31, 2020 until three years after the final incentive payment. A job is defined as
employment that provides 1600 hours or more of work in any 12 month period.

SECTION II – CITY

5. On or before June 30, 2017 City shall deliver to Room & Board an Opinion of Counsel
for City, in form and substance reasonably satisfactory to Room & Board, that this
Agreement has been duly authorized, executed and delivered by City; and stating that
this Agreement complies with the terms and requirements of NCGS 158-7.1(a) and is
binding upon and enforceable against City with its terms; and evidence in the form of a
Resolution or Resolutions, or official minutes, which City duly adopted authorizing the
economic development incentives set forth in this Agreement.

6. Payment of economic development incentives to Room & Board for Real and Personal
Investments and for Job Creation in accordance with this Agreement shall be made as
follows:

a. City will provide annual payments (each an "Annual Incentive Payment") in
an amount equal to 50% of the ad valorem taxes associated with the
additional value (exclusive of rolling stock) as paid to the City for the
applicable Grant Year during the Payment Period in excess of the assessed
value of the Property as of January 1, 2017 (which is __________). The
Annual Incentive Payment for each Grant Year shall not exceed the
maximum payments as reflected in the chart in paragraph b below.

b. In no event will the cumulative Annual Incentive Payments by City exceed
One Hundred Four Thousand Two Hundred Forty-Seven Dollars ($104,247)
for the Payment Period (as described in the chart).

<table>
<thead>
<tr>
<th>Payment Period</th>
<th>Maximum Annual Incentive Payment By County by Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Year 1 (2020)</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Grant Year 2 (2021)</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Grant Year 3 (2022)</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Total</td>
<td>$104,247</td>
</tr>
</tbody>
</table>

c. The Annual Incentive Payments shall be payable annually for three years,
beginning in 2020 (Grant Year 1).
d. Upon payment of ad valorem taxes to City for the Improvements for the applicable Grant Year of the Payment Period and certification by Company in the form or substantially in the form of the certificate attached hereto as Exhibit B, of Improvements made and proof of payment of taxes and verification that Company has created and maintained jobs as agreed herein, City will, within sixty (60) days, pay to Company the applicable Annual Incentive Payment. This same process will be followed by City and Company in each of the immediately following two (2) years.

e. Company shall furnish to City on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certification required by this Section 7 and proof of payment of all applicable taxes. If requested, Company shall provide City, at City's expense, independent certification as to such expenditures and number of existing jobs.

SECTION III - OTHER

8. Force Majeure. Notwithstanding the provisions of Paragraph 9, in the event Room & Board is unable to meet the requirements of this agreement as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability of Developer or Room & Board to successfully complete the annexation of the subject property into the City of Newton corporate limits or obtain the governmental permits or approvals (including appropriate zoning for the contemplated purposes as described herein) necessary for the acquisition of the Property, construction of the Improvements, or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of Room & Board; then, in such event, the Improvement Period shall be extended for a period equal to the delay caused by any of the foregoing events so long as Room & Board shall (a) have furnished City on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements. In accord with the foregoing, should the Room & Board be unable to meet the requirements as described above as a result of a force majeure, the obligation of the City to pay as provided in Section II above, shall be suspended until such time as the Room & Board is relieved from the effect of an event of force majeure and resumes completion of the Improvements.

9. It shall be an "Event of Default" by Room & Board if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

a. If Room & Board, except in the event of force majeure, shall commit a material breach of a material obligation hereunder (including without limitation, the obligation to meet the investment goals and maintaining a minimum of (13) newly created jobs as set forth herein) and such breach
shall continue for a period of sixty (60) or more days following receipt of written notice from City;

b. If Room & Board shall fail to qualify and/or maintain the requirements for eligibility and participation in agreements for State of North Carolina incentives applied for and awarded;

c. If Room & Board fails to timely file Exhibit A by June 30, 2017, or Exhibit B on or before March 5 of each year, following and corresponding to the previous July 1st when taxes are billed, and any qualifying incentive would be due to Room & Board, and such failure shall not be cured within sixty (60) days after written notice from the City, this shall be deemed a breach of the Agreement and notwithstanding paragraph 10 below, the sole remedy will be that City will not owe Room & Board any incentive that may have otherwise been due had those filings properly been made when due;

d. If any material representation, warranty or other statement of fact contained in this Agreement or in any final writing, certificate, report or statement furnished by Room & Board to City in connection with the transaction described in this Agreement, shall, to Room & Board's knowledge, to be false or misleading in any material respect at the time given;

e. If Room & Board shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of themselves or of the whole or any substantial part of their property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;

f. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Room & Board or of the whole or any substantial part of their properties, or approves a petition filed against Room & Board seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Room & Board or of the whole or any substantial part of their properties; or

g. If Room & Board shall allow its taxable assets, employment and average wage amounts to fall below the minimum values agreed upon in this Agreement, as each of the same pertain to the facility contemplated by this Agreement.

10. It shall be an “Event of Default” by the City if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.
May, 2017
Page 6 of 14
a. If City fails to pay Room & Board when such payment is due or is otherwise unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of an emergency manager, receiver, trustee, liquidator or conservator or any similar entity; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or North Carolina;

b. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing an emergency manager, custodian, receiver, trustee, liquidator, or conservator or any similar entity for City, or approves a petition filed against City seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of City.

11. City Remedy: If Room & Board fails to cure an Event of Default for which it receives written notice from City, the obligation of City as set out herein shall terminate, and Room & Board shall immediately refund to City all Annual Incentive Payments paid to Room & Board prior to the date of the Event of Default, plus interest at the rate of prime plus one percent (1%). The date the prime interest rate shall be determined shall be the date that Room & Board receives the notice of the Event of Default and prime will be the prime rate as published in the Wall Street Journal (WSJ). Room & Board shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, to cure the Event of Default. The remedies described in this Section 11 shall be the City’s sole remedies in connection with any Event of Default by Room & Board.

12. Room & Board Remedy: If City fails to cure an Event of Default for which it receives written notice from Room & Board, the obligations of Room & Board as set out herein shall terminate; however, the obligations of the City shall remain in full force and effect, including, the obligation to pay the Annual Incentive Payment. City shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, to cure the Event of Default.

13. Room & Board and City acknowledge that any monies appropriated and expended by City for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on NCGS 158-7.1. In the event a Court of competent jurisdiction rules to which either Room & Board or City is a party, that all monies expended by City pursuant to this Agreement were not offered and accepted in good faith and in compliance with NCGS 158-7.1 and, further, that such monies must be repaid, Room & Board will make such repayment to City. In the event one or more lawsuits are brought against City or any City elected official, officer, agent or employee, or Room & Board, challenging the legality of this Agreement, then City and Room & Board shall exercise their best efforts to defend against any and all such lawsuits, at their own cost and expense. In any event, if Room & Board is required to repay funds to City pursuant to this paragraph 12, the benefit of this Agreement to Room
& Board will have been lost and all further obligations of Room & Board hereunder shall terminate.

14. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

City of Newton: City of Newton
Attn: Todd Clark, City Manager
PO Box 550
Newton, NC, 28658

Copy to: City Attorney
Attn: John H. Cilley, City Attorney
PO Box 747
Newton, NC, 28658

Room & Board: Room & Board Inc.
Attn: Mark Miller
4600 Olson Memorial Highway
Minneapolis, Minnesota 55422

City or Room & Board may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

15. This Agreement shall inure to the benefit of, and is binding upon, City and Room & Board and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, nor claims created by this Agreement may be transferred by Room & Board without the prior, written approval of City, which approval will not be unreasonably withheld.

16. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.

17. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.

18. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in

Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.
May, 2017
Page 8 of 14
making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

19. Controlling Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Catawba County, or if in Federal court in the Western District of North Carolina.

20. The term of this Agreement shall commence on the date of execution and expire upon payment by City of all payments due to Room & Board and Room & Board fulfilling all of its requirements including real and personal property investments and the creation and maintenance of jobs, unless earlier terminated as provided herein.

21. Both Room & Board and City acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both Room & Board and City. As such, the doctrine of construction against the drafter shall have no application to this Agreement.
IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

City of Newton,
A North Carolina Municipal Corporation

By: ____________________________ (Seal)
   Anne P. Stedman, Mayor

Attest:
(SEAL)

Amy Falowski, City Clerk

ROOM & BOARD, INC.

By: ____________________________ (Seal)
STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

I, ________________________________, a Notary Public of said county and state, certify that Amy Falowski personally appeared before me this day and acknowledged that she is City Clerk of the City of Newton, a North Carolina Municipal Corporation, and that by authority duly given and as the act of the City Council of the City of Newton, the foregoing instrument was signed in its name by the Mayor, sealed with its body politic seal, and attested by herself as City Clerk.

Witness my hand and seal this _____ day of ________________________, 2017.

[Seal]

______________________________
Notary Public

My commission expires: ________________________

STATE OF ______________________
COUNTY OF ______________________

I, ________________________________, a Notary Public of said County and State, do certify that ______________________, _______title____________________ personally appeared before me this day and acknowledged on behalf of Room & Board, Inc. the voluntary due execution of the foregoing document, all for the purposes therein expressed.

Witness my hand and seal this _____ day of ________________________, 2017.

[Seal]

______________________________
Notary Public

My commission expires: ________________________

Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.
May, 2017
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This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

__________________________________________ Serina Hinson, Finance Officer, City of Newton

Approved as to form on behalf of City of Newton only:

__________________________________________ John H. Cilley IV, City Attorney, City of Newton
EXHIBIT A
Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.

CERTIFICATE

TO: City of Newton

This Certificate is delivered pursuant to paragraph 1.1 and paragraph 9 of the Joint Economic Development Agreement (the "Agreement"), dated __________, 2017, between City of Newton ("City") and Room & Board, Inc. ("Room & Board"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

I, ____________________________, do hereby certify, for and on behalf of Room & Board, that:

(a) Room & Board acquired or has caused to be acquired the real property necessary for the construction of the Facility and the Improvements; and

(b) Room & Board will create, maintain and make available a minimum of 13 new jobs prior to December 31, 2020 and the overall average weekly wage will meet or exceed 100% of the Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards for each year that pays Room & Board the economic development incentive provided for herein; and

(c) Room & Board agrees to comply with the Calendar of Responsibilities listed below.

Calendar of Responsibilities:

By January 5: Room & Board makes payment to City according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: Room & Board must provide Exhibit A and Exhibit B, supporting documents and proof of payment and/or compliance as required within Agreement.

By April 15: Room & Board must provide Real/Personal Property Tax listings to County Tax Office.

By April 22: County Tax Office to provide Tax Listing on Specified Accounts.*

*Note: This is not a company responsibility.

Dated at Catawba County, North Carolina, this _____ day of ____________, 201__.

Room & Board, Inc.

BY: ____________________________

TITLE: ____________________________

Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.
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EXHIBIT B
Joint Economic Development Agreement
Between City of Newton and Room & Board, Inc.

CERTIFICATE

TO: City of Newton

This Certificate is delivered pursuant to Section 7 and Section 9 of the Joint Economic Development Agreement ("the "Agreement") dated ________, 2017, between City of Newton ("City") and Room & Board, Inc. ("Room & Board"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

Room & Board does hereby certify that:

(a) The following improvements were made during the 20__ Calendar Year: __________________________________________________________;

(b) The following jobs were created during the 20__ Calendar Year: ________________ (please attach the most recent quarterly Form NCUI 101);

(c) The average wage of all of those employed at the ________ Newton facility during the 20__ Calendar Year is as follows: (Wage Forms Total Payroll divided by number of employees) ____________;

(d) Total cumulative personal property valuation installed at the ________ facility during the 20__ Calendar Year ____________________________; and

(e) Proof of taxes paid is attached to this certificate.

Dated at Catawba County, North Carolina, this ______ day of _____________, 20__.

Room & Board Inc.

BY: ____________________________
TITLE: __________________________

Attachments (required):
Current Year Catawba County personal and real property Tax Listing information as reported to Catawba County Tax Office, Most recent quarterly Form NCUI 101, Proof of taxes paid in full.

Calendar of Responsibilities:
By January 5: Room & Board makes payment to City according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: Room & Board must provide Exhibit A and Exhibit B, supporting documents and proof of payment and/or compliance as required within Agreement.

By April 15: Room & Board must provide Real/Personal Property Tax listings to County Tax Office.

By April 22: County Tax Office to provide Tax Listing on Specified Accounts.*

*Note: This is not a company responsibility.
NEWTON CITY COUNCIL NOTICE OF PUBLIC HEARING

Notice is hereby given of a public hearing by Newton City Council on Tuesday May 02, 2017, at 7:00 p.m. in the Council Chamber at Newton City Hall. City of Newton proposes to appropriate and expend city funds for an economic development project pursuant to North Carolina General Statute 158-7.1. The Newton City Council intends to consider entering into an economic development agreement with Room & Board. Newton City Council believes this project will help stimulate and stabilize the local economy. A contractual agreement has been developed to insure performance with Room & Board. Newton City Council will hold a public hearing on the City's proposed appropriations and expenditure of funds for this project.

All interested persons are invited to attend this meeting and present their comments.

Amy S. Falowski, City Clerk

Publish: April 21, 2017
CITY OF NEWTON
REQUEST FOR COUNCIL ACTION

DATE: April 24, 2017

TO: E. Todd Clark, City Manager

FROM: Doug Wesson


Background:

The city previously adopted an Economic Development Rider No. 1 with an effective of July 1, 1998, through June 30, 2012. This rate was offered to new Economic Development customers having a demand of 1,000 Kw or greater and who qualified for the CP(Coincidence Peak) Rate. After ElectriCities of North Carolina restructured wholesale electric rates due to allocated demand expenses among participants in NCMPA1, this rate could no longer be made available to new customers. Since that time, the city has had no new load that would qualify for an electric rate rider under the industrial classification until recently. The staff has drafted a new economic development rate rider (Economic Development Rider No. 2) which has been attached to this request for Council action for your review and consideration. The proposed rider sets forth the criteria the customer will be required to meet to qualify for this special rate. This Rider will have no additional financial impact to any other rate payers. Each term year can be extended on an annual basis set forth by Schedule of Fees and Charges approved by City Council.

Action Suggested:

City staff recommends adopting ED Rider No 2 to the 2016-2017 Schedule of Fees and Charges.
Availability

This rider is available for new load only in conjunction with the service under the City’s Electric Rate Schedule I for those customers with a monthly demand of 1,500 kW or greater. The availability of credits under this Rider is contingent upon the customer maintaining a minimum demand of 1,500 kW or greater and meeting the other requirements for service under the current effective Schedule I rates.

Any customer desiring to receive service under this Rider shall provide written notification to the City of such desire. Such notice shall provide the City with information concerning the load to be served and the customer’s facilities and shall provide the basis of the City representation that the characteristics of the load will meet the minimum eligibility requirements.

All terms and conditions of the Schedule I rate, whichever is applicable to the customer, shall apply to service supplied to the customer except as modified by this Rider.

Monthly Credit

For any month that the customer billing demand is 1,500 kW or greater the customer will receive a monthly credit on the bill calculated on the effective Schedule I rate, whichever is applicable to the customer. The schedule of monthly credits will be calculated as described below under the heading “Application of Credit”.

Application of Credit

Beginning with the date on which service under the then effective Schedule I rate is to commence for the eligible load, a monthly credit based on the following schedule will be applied to the total electrical billing, including Basic Facilities, On-Peak Demand Charge, Excess Demand Charge, Annual Demand Charge, Energy Charge, excluding other applicable riders and special charges, if any.

<table>
<thead>
<tr>
<th>Period</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 1-12</td>
<td>20%</td>
</tr>
<tr>
<td>Months 13-24</td>
<td>15%</td>
</tr>
<tr>
<td>Months 25-36</td>
<td>10%</td>
</tr>
<tr>
<td>Months 37-48</td>
<td>5%</td>
</tr>
<tr>
<td>After Month 48</td>
<td>0%</td>
</tr>
</tbody>
</table>

Contract Period

Customers receiving service under this Rider will be subject to a five year contract period.

Effective for billing rendered on or after July 1, 2017.