REGULAR MEETING OF THE NEWTON CITY COUNCIL

May 2, 2017 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, May 2, 2017 at Newton City Hall.

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

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 Jody Dixon 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 18, 2017 City Council meeting be – APPROVED

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

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

That the Consent Agenda be – APPROVED

A. Tax Releases – March 217

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

Mayor Stedman also recognized Municipal Clerk’s Week, May 8-12, 2017 with a Proclamation.

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)
ITEM 5: COMMENTS FROM THE PUBLIC: PEOPLE WHO WISH TO COMMENT ON NON-AGENDA ITEMS ARE ASKED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING.

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

ITEM 6: Public Hearing

A. Consideration to Enter into an Economic Development Agreement with Room & Board and the Proposed Appropriations and the Proposed Appropriations and Expenditure of Funds for this Project

Mayor Stedman opened the Public Hearing.

Julie Pruett, Director, Business Recruitment for Catawba County Economic Development Corporation, presented City Council with a PowerPoint concerning the building of a new facility by Room & Board Home Furnishings. Ms. Pruett stated that Room & Board is a 37 year-old privately owned company with 876 employees with over $405 million in sales revenue annually and that 90% of the furniture sold by Room & Board is made in America as Room & Board is committed to supporting American manufacturers and small, family-owned businesses. Ms. Pruett stated that several furniture companies in Catawba County including McCreary Modern, Lee Industries and Precedent (a division of Sherrill Furniture) supply to Room & Board and that they would commit to a 15 year lease of a new facility, in essence committing to purchase furniture from locally owned furniture companies for 15 years.

Ms. Pruett stated that the investment would be $12,870,000 in new building construction and equipment over 3 years and would create 13 new jobs paying an overall average wage of $44,345 (county average $38,238). Ms. Pruett stated that Room & Board considered expanding an existing location in another county or new construction in Newton, which provides them with a site large enough to expand the building to 400,000 sf in the future.

Ms. Pruett stated that tonight the city is being asked to consider a Performance Based Incentive: Based on an economic development agreement with clawbacks should Room & Board fail to meet minimum contractual thresholds.

Ms. Pruett said that based on the New Incentives Calculation Matrix this amount would be equal to a percentage of new property taxes generated for 3 years with the following percentages and maximum amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>50%</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Year 2</td>
<td>50%</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Year 3</td>
<td>50%</td>
<td>$ 34,749</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 104,247</td>
</tr>
</tbody>
</table>

Amounts are prior to depreciation and valuation; as a result, numbers typically fluctuate and will likely be lower than reflected. Ms. Pruett asked if there were any questions.

Council Member Wes Weaver asked if there were any new jobs proposed with the possible expansion. Ms. Pruett stated that they were not committing to that, or the expansion, at this time.

Upon motion duly made by Council member Wes Weaver, seconded by Council Member Jerry Hodge, it was unanimously RESOLVED:
That Public Hearing be – CLOSED.

City Attorney John Cilley stated that the only difference between the city’s contract and the county’s is the annexation issues. The agreement is conditioned on a successful annexation.

Council Member Jerry Hodge asked if there are any comments on infrastructure. Mayor Stedman stated that is not part of this contract. City Manager Todd Clark stated that the city is in position to be able to provide services.

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

That Economic Development Agreement with Room & Board and the Proposed Appropriations and the Proposed Appropriations and Expenditure of Funds for this Project be – APPROVED.

ITEM 7: Presentations

A. Teen Leadership

Mayor Stedman introduced the students that made up this year’s Teen Leadership Newton Program. She explained that the students were from Newton-Conover High School and Discovery High School.

City Manager Todd Clark stated that the goal or objective of the program is to encourage high school students to take on leadership roles and explore their capabilities.

Mr. Clark explained that the students were divided into four groups that would now make a presentation to City Council.

Mayor Stedman thanked the Teen Leadership Newton group and stated that City Council and Staff appreciated their time and effort.

B. North Star – Branding and Marketing

Robert Ketter, Marketing Manager for North Star gave a presentation to City Council outlining the Research and Strategy that has been completed for the city. Mr. Ketter explained that through research done by his company in the form of audits, studies and surveys; they have come up with the city’s Strategic DNA.

Mr. Ketter stated for the Newton Brand DNA statement is “For people with old-school values who appreciate forward-thinking vision Newton, the county seat of Catawba County and just northwest of Charlotte, feels like historic charm but thinks outside the box and into the future (thinks = education & business) grounding you in tradition while opening up a world of innovation.”

Council Member Robert C. Abernethy, Jr. stated that this is a good assessment but websites show that our schools grade poorly. Council Member Jerry Hodge stated that schools are a tremendous part, he just wonders if the city will just attach the wagon to a plan that reflects only education. Mr. Abernethy agreed that it is a good starting point, but doesn’t want to get pigeonholed. Mayor Stedman stated that she likes where this is going, and that it seems authentic. Mr. Abernethy stated that the city needs to be proud of all that is being done and that this is a good starting point.
ITEM 8: New Business

A. Consideration of ED Rider No. 2 to 2016-2017 Schedule of Fees and Charges

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

That Consideration of ED Rider No. 2 to 2016-2017 Schedule of Fees and Charges be – POSTPONED.

A. Presentation of Fiscal Year 2017-2018 Budget

City Manager Todd Clark reviewed his message to the Council on the Fiscal Year 2017-2018 Budget.

Mayor Stedman thanked staff for their hard work and for presenting such a conservative budget.

ITEM 9: City Manager’s Report

Meetings & Events

- May 4, 2017 – South Newton Elementary’s Leadership Day, 9:00 a.m.
- May 5, 2017 – Catawba County Special Olympics Games at Newton-Conover High School
- May 8, 2017 – Service Excellence New Employee Workshop at Fire Department Headquarters, 9:00 a.m.
- May 24, 2017 – Newton, NC First Responders Appreciation Event at Willis-Reynolds Funeral Home, 11:30 a.m.

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 10: 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 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 – RECESSED

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Anne P. Stedman, Mayor

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Amy S. Falowski, City Clerk