The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, June 6, 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 Jerry Hodge 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 May 16, 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 Jerry Hodge, it was unanimously RESOLVED:

That the Consent Agenda be – APPROVED

A. Proclamation – Flag Day

B. Consideration of Resolution to Write off Uncollectible Account

C. Consideration of Municipal Declaration to Enact Speed Limits and Request for Concurrence

(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: Presentations

A. North Carolina’s Area Wide Optimization Program Award – Water Treatment Plant

Public Works and Utilities Director Dusty Wentz announced that the City’s Water Treatment Plant has received the North Carolina’s Area Wide Optimization Program Award for the third year. Mayor Stedman presented Mr. Wentz and the Water Department Staff with the plaque and expressed appreciation on behalf of herself and the city council.

B. Catawba County Historical Association

Dr. Amber Clawson Albert, Director of the Catawba County Historical Association gave a presentation concerning current and upcoming happenings at the Catawba County Museum. The highlights this summer are; The Downtown Newton Historical Landmark Walking Tours and Self guided Tour, with the help of the Catawba County Library; the “North Carolina in the Great War” exhibit; the “Hmong Heritage Project”; “Museum on Main Street”; and the “The Way We Worked” exhibit.

ITEM 7: Public Hearing

A. Consideration of Fiscal Year 2017-2018 Budget

Mayor Stedman opened the Public Hearing.

City Manager presented a summary of the proposed budget. He stated that the budget was presented on May 2nd and after four work sessions there were several proposed changes that are outlined in the summary. These changes are noted below:

City of Newton
Recommended Budget Changes
FY 2017-2018

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Water/ Wastewater Fund</th>
<th>Electric Fund</th>
<th>Federal Asset Seizure Fund</th>
<th>Powell Bill System Fund</th>
<th>Emergency Telephone System Fund</th>
<th>Health Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,796,150</td>
<td>6,380,650</td>
<td>15,893,300</td>
<td>3,000</td>
<td>454,450</td>
<td>12,850</td>
<td>1,065,500</td>
<td>14,796,150</td>
</tr>
</tbody>
</table>

\[\text{General Fund:} \]

- Fund Balance Appropriation - Increase from $296,410 to $304,400: $666,000
- Fund Balance Appropriation - Local Funds: $691,000
- Transfer from General Fund: ($1,000,000 to $1,000,000): $1,000,000

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Total Budget by Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,796,150</td>
<td>6,380,650</td>
</tr>
</tbody>
</table>

\[\text{Expenditures:} \]

- Newton Depot Authority ($3,500 to $6,000): $3,500
- Western Piedmont Symphony ($0 to $5,000): $5,000
- Capital Outlay - Land/Land Improvements (revenue $661,000 for Construction of Soccer Field at Jacob Fork Park: $661,000)
- Transfer to Powell Bill Fund (Street Repairs): $100,000
- Powell Bill Street Resurfacing Repairs-Maint: ($143,000 to $143,000): $143,000
- Powell Bill Sidewalk ConRec/ReconRepair ($300,000 to $160,000): $160,000

<table>
<thead>
<tr>
<th>Summary of Financial Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remove Capital Outlay - Land/Land Improvements for Construction of Soccer Field at Jacob Fork Park from $661,000 to $0; remove $661,000 Fund Balance Appropriation - Frank &amp; Earl Jones</td>
</tr>
<tr>
<td>Increased Powell Bill Fund Street Repairs-Maint Repairs-Maint: $143,000 to $143,000; Increase Fund Balance Appropriation by $50,000</td>
</tr>
<tr>
<td>Increase Powell Bill Fund Street Repairs-Maint: $143,000 to $143,000; Increase Fund Balance Appropriation by $50,000</td>
</tr>
<tr>
<td>Increase Western Piedmont Symphony Special Appropriation from $0 to $5,000; Increase Fund Balance Appropriation by $3,000</td>
</tr>
<tr>
<td>Increase Powell Bill Fund Street Repairs-Maint: $300,000 to $300,000; Increase Fund Balance Appropriation by $50,000</td>
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</tbody>
</table>

Additional changes recommended by Council:
- 5" Water Main $1,200 (inside) / $2,000 (outside)
- 3" Water Main $1,200 (inside) / $2,000 (outside)
- 4" Sewer Man $1,200 (inside) / $2,000 (outside)
Mayor Stedman thanked staff for their hard work on the budget, and she asked if there was anyone present that would like to speak during the public hearing. No one appeared.

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

That Public Hearing be – CLOSED.

ITEM 8:  Old Business

A.  Consideration of Lease Agreement with The Green Room Community Theatre

City Manager Todd Clark stated that the City Council considered leasing the City’s former Fire Station I to The Green Room Community Theatre at their May 16, 2017, regular meeting. After considerable review and discussion of the terms of the lease, the Council directed the City Clerk to advertise the City’s intent to lease the building in accordance with NCGS 160A-272(a1). Accordingly, a 30 day advertisement period announcing the Council’s intent is required prior to the City executing a multi-year lease agreement.

Mr. Clark stated that as directed by City Council, the City Clerk contacted our local newspaper and coordinated an advertisement that was scheduled to run in the May 19, 2017, edition. Unfortunately, the newspaper failed to run the advertisement per the request of our City Clerk.

Mr. Clark explained the advertisement was a critical part of meeting the 30 day public notice requirement in order for the City Council to move forward and take action to execute the lease agreement at the June 20, 2017, City Council meeting. He stated that because adequate public notice was not provided, the Council will not be able to formally execute the lease, but rather have to revisit the term of the lease that was supposed to start on July 1, 2017 and expire on June 30, 2020. In effect, City Council will need to consider an amendment to the lease that sets the new effective date as July 15, 2017. Mr. Clark stated if that date is acceptable and City Council continues to support the lease agreement with The Green Room Community Theatre, the City Clerk will need to run a 30 day advertisement in accordance with NCGS 160A-272(a1). The City Council will then be able to formally take action to execute the lease agreement at the July 11, 2017 City Council Meeting.

Mr. Clark stated that it is the recommendation of staff is to consider the presented lease agreement, as amended and pursuant to the direction of City Council on May 16, 2017, and direct the City Clerk to advertise a 30 day public notice of the City’s intent to enter into a lease agreement with The Green Room Community Theatre.

City Attorney John Cilley went over the changes that were made to the lease per direction of City Council at the May 16th meeting.

Council Member Jerry Hodge stated that basically the new lease is resetting the dates along with the changes discussed at the May 16th meeting.

Mr. Clark stated that there has been considerable interest in the purchase of the property since the staff has placed For Lease/Sale signs in the windows. Assistant City Manager Sean Hovis stated that he has had at least 10 telephone calls about the property and has shown it around 6 times. Council Member Tom
Rowe asked if there have been any offers made. Mr. Clark said that there have not yet been offers, but that the city has received one letter of interest to evaluate as well.

Council Member Wes Weaver stated that he was pleased the property is on the market as he doesn’t want to be in the lease business. Mr. Abernethy agreed and said he would rather sell the property than rent it and wondered how moving forward with the lease would affect the desirability of the building.

Mayor Pro Tem John Stiver stated that he has had negative phone calls about the lease agreement because it wasn’t advertised before it was discussed. He stated that the City Manager should have been the one involved in the lease agreement discussions and that he agreed with Mr. Weaver.

Council Member Tom Rowe made a motion to enter into the new lease agreement with The Green Room Community Theatre, seconded by Council Member Jerry Hodge.

Council Member Robert Abernethy asked if the property could still be offered for sale. Mr. Cilley stated that it would have to be declared surplus first. Mr. Abernethy stated he would like to consider this. Mr. Stiver stated that all the discussions have revolved around commerce. He stated if advertised as surplus, the city can reject any offers and the city can have some say in the business in that it matches the use that we want. Mr. Abernethy asked if we turn down a bid and someone makes a lower bid, can that be accepted. Mr. Cilley said that after a bid is rejected the whole process would then start over.

Mr. Weaver asked if the lease is completed with the Green Room, and someone wants to lease at fair market value could the lease with the Green Room be broken. Mr. Cilley said the lease could only be broken if the building is sold. Mr. Weaver stated that he hasn’t heard an argument to change his mind that the building should be sold and that the city should not enter in to a lease agreement.

Mayor Stedman stated that there is a motion and a second to approve the proposed lease and called for a vote.

With Council Members Tom Rowe and Jerry Hodge voted in favor of the new lease agreement with The Green Room Community Theatre; and with Mayor Pro Tem John Stiver, and Council Members Jody Dixon, Wes Weaver, and Robert C. Abernethy, Jr. voting against, motion - FAILED.

ITEM 9: New Business

A. Consideration of Adoption of Fiscal Year 2017-2018 Budget

Mayor Stedman thanked Mr. Clark and staff and City Council for all their hard work during the budget process. Mayor Pro Tem John Stiver stated that he was concerned with paving any road that will have water/sewer replacements in the next 4-5 years. He also asked about culverts for storm water and if they could be fixed. Mr. Clark stated that Mr. Wentz would be doing an analysis and looking at streets that will be having water/sewer repairs issues in 5-10 years.

Council Member Robert Abernethy stated that the street improvements are a positive part of this budget, also the lights and trying to get employees’ pay on par. He stated that the negative for him is the fact that the tax rate could not be decreased by a penny.

Mr. Hodge stated that the strengths of this budget are employee salaries and the fact that the city is planning in advance. Mr. Stiver agreed and said that it is a good budget and that we needed to look at more competitive small business for town, and the fact that the housing inventory has dropped.

Council Member Jody Dixon made a motion to adopt the Fiscal Year 2016-2017 Budget. Council Member Jerry Hodge seconded the motion.
Council Member Wes Weaver stated that the connection fees were an issue for him and that he feels like with the savings from AMI the tax rate could be reduced by one penny. Also, he is not happy about special appropriations, and the fact that one organization petitioned the council but still did not receive any funding.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Jerry Hodge, and with Mayor Pro Tem John Stiver, and Council Members Tom Rowe, Jody Dixon and Jerry Hodge voting in favor of, and Council Members Wes Weaver, and Robert C. Abernethy, Jr. voting in opposition of, it was RESOLVED:

That The Fiscal Year 2017-2018 Fiscal Year Budget 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

Planning Director Randy Williams gave an update on Streetscape, West A Street and the Brownfields Application.

Meetings & Events

- June 7, Biscuit Day on the Square
- June 12, Pool Opens (Mon-Sat, 1:00 p.m.- 6:00 p.m., Thurs evenings 6:00 p.m. – 8:00 p.m.)
- June 17, Take a Kid Fishing at the City Lake, 9:00 a.m. – 12:00 p.m.
- June 23rd and 30th Movies in the Park, Southside Park beginning at dusk
- June 8, June 15, June 22, July 6, July 13, and July 20, July 27, August 3, and August 10, 2017 from 7 p.m. until 11 p.m. “Get Your NewtOn – Thursdays on the Square”

Projects

- Report on Streetscape Revitalization
- Virtual Demonstration Model
- West A Street Pedestrian Island
- Update on Brownfield Assessment Grant Application
- Update on Fire Station Roof
- Electric Department Updates: Corning, Love’s Truck Stop, and Catawba County
- Westside Jaycee Park Sewer Line Project Update
- Sanitary Sewer Overflow at Newton-Conover High School
- Report on Old Saint Paul’s Waterline
- Report on Sanitation Truck Repairs
- Report on Red Parking Lot
- Sidewalk Construction

ITEM 9:  
Questions and Comments from Mayor and Council

Mayor Stedman asked if there were any questions or comments from City Council. There were none.

ITEM 10:  
Closed Session – Per North Carolina General Statutes 143-318.11(a)(5)

Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:
That City Council enter CLOSED SESSION per General Statutes 143-318.11(a)(5)

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

ITEM 11: Adjournment

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

That the Meeting be – ADJOURNED

______________________________________________
Anne P. Stedman, Mayor

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Amy S. Falowski, City Clerk