

MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL

June 7, 2016 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, June 7, 2016 at Newton City Hall.

PRESENT: Mayor Anne P. Stedman, Mayor Pro Tem John Stiver and Council Members Tom Rowe, Wes Weaver, Robert C. Abernethy, Jr., Jerry Hodge, and 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 Jerry Hodge provided the invocation and Pledge of Allegiance. Mr. Hodge stated the following in honor of fallen Fire Captain Bradley Long:

- I have a somber story to share this evening about a brave and dedicated young fireman man by the name of Captain Bradley Long with the Newton Fire Department
- Bradley died during a search for a missing swimmer on Lake Norman yesterday, Monday June 6th....Bradley was 28 yrs old.
- Let me tell you what he did.
- He started as a Jr firefighter at the age of 14 with the Sherrills Ford-Terrell Fire and Rescue.
- He joined the Newton Fire Department as a part-time firefighter in June 2007
- He became a full-time engineer with Newton in May 2011
- And he was promoted to fire captain in August 2015.
- He was a highly trained and a dedicated member of the Newton Fire Department.
- He was so accomplished and respected – he was named Fireman of the Year by the Newton Elks Lodge this year.
- That is only part **WHAT HE DID** - **But, WHO HE WAS** became apparent last evening as fellow firefighters, rescue workers, City staff, clergy and members of the faith community and City council members gathered to learn about Bradley’s death from Newton Fire Chief, Kevin Yoder - and to learn that Bradley died doing what he like doing most of all – being a fireman and rescue worker - helping people.
- **WHO HE WAS** – was a human being who was loved, admired, he was and is part of a brotherhood of men and women who help people during a time of danger and need.
- He will be honored, he will be celebrated and he will be missed.
- So, please join me at this time for a moment of silence to remember a fallen hero– Captain Bradley Long.

May he rest in peace. Amen.

ITEM 3: APPROVAL OF MINUTES

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

That the Regular Minutes of the May 17, 2016 City Council meeting be –
APPROVED.

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

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

That the Consent Agenda be – APPROVED

- A. Tax Releases
- B. Sewer Adjustments
- C. Consideration of Capital Project Ordinance to Close Capital Projects
- D. Consideration of Resolution to Write off Uncollectible Accounts and Related Budget Ordinance Amendment
- E. Consideration of Budget Ordinance Amendment for FY 2016 Payroll Accrual
- F. Consideration of Resolution to Dispose of Surplus Utility Poles per G.S. 160A-280
- G. Proclamation – Flag Day, June 14, 2016
- H. Acceptance of AWOP Award

(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 reminded everyone of the Thursday night series that has begun and invited everyone to come out. He stated that he has read the mission statement on the Downtown Development Association's web site and that it reads that the mission of the DNDA is to create economic development for private and public interests. He stated that he knows the DNDA supports the Folk Art Festival, and that while he hopes the Folk Art Festival thrives, he also hopes the DNDA cooperates with private interests.

Mayor Stedman asked if there was anyone else that would like to speak. No one appeared.

ITEM 6: Public Hearing

- A. Consideration of Fiscal Year 2016-2017 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 3rd and after four work sessions there were several proposed changes that are outlined in the summary. These changes are noted below:

	General Fund	Water/Wastewater Fund	Electric Fund	Federal Asset Seizure Fund	Powell Bill Fund	Emergency Telephone System Fund	Health Fund	Total
Total Budget by Fund	12,494,800	7,329,550	16,703,650	0	400,250	15,800	1,657,250	38,601,300
Revenues								
General Fund:								
Fund Balance Appropriated (\$313,200 to \$426,400)	113,200	1,326						113,200
Water/Wastewater Fund:								
Sewer Surcharge - Indust Mon (Industrial Monitoring)		8,550						8,550
Water Sales - Inside		30,050						30,050
Water Sales - Rev Share - Balls Creek		450						450
Water Sales - Rev Share - Eastway		100						100
Water Sales - Rev Share - Rt 10		150						150
Water Sales - Outside		7,550						7,550
Sewer Charges - Inside		36,000						36,000
Sewer Charges - Outside		500						500
Electric Fund:								
Electric Sales - Residential			(60,500)					(60,500)
Electric Sales - Commercial			(45,950)					(45,950)
Electric Sales - Industrial			(42,400)					(42,400)
Electric Sales - Area Lights			(1,250)					(1,250)
	12,608,000	7,412,900	16,553,550	0	400,250	15,800	1,657,250	38,647,750
Expenditures	12,494,800	7,329,550	16,703,650	0	400,250	15,800	1,657,250	38,601,300
General Fund:								
Special Appropriations								
Newton Conover Auditorium Authority (\$10,000 to \$25,000)	15,000							15,000
Appearance Commission - Remove Banners, purchase FY 2016	(1,800)							(1,800)
Street Resurfacing Repair/Maint	100,000							100,000
Water/Wastewater Fund:								
Professional Services - Engineering (\$153,300 to \$228,100)		74,800						74,800
Other Appropriations								
Reserve		8,550						8,550
Electric Fund:								
Capital Outlay - Distribution			50,000					50,000
Other Appropriations								
Reserve - Rate Stabilization (\$537,300 to \$337,200)			(200,100)					(200,100)
	12,608,000	7,412,900	16,553,550	0	400,250	15,800	1,657,250	38,647,750
Summary of Financial Changes:								
Other non-financial budget changes:	1 Increase Newton Conover Auditorium Authority Special Appropriation from \$10,000 to \$25,000 (\$15,000 increase)							
Change title - "DNDA Folk Art Festival" to "DNDA Promotions"	2 Increase Sewer Surcharge - Indust Mon (Industrial Monitoring) from \$960 to \$9,500							
Fees and Charges	3 Increase Street Resurfacing Repair/Maint by \$100,000, Increase Fund Balance Appropriation by \$100,000							
Page 29 - should be 1 1/2" in lieu of 1 1/2"	4 Increase Water/Wastewater rates from 3.5% to 5%, increase engineering by \$74,800							
	5 Decrease Electric rate from 2% to 1%, Add \$50,000 for LED Lighting; These changes will result in \$200,100 decrease to rate stabilization							
	6 Decrease Appearance Commission by \$1,800 for banners due to purchasing in FY 2016 in lieu of FY 2017							

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.

Wayne Dellinger stated that for 5-6 years the council has not used fund balance to balance the budget. This year there is \$400,000 earmarked from fund balance. Mr. Dellinger asked when this policy changed. Council Member Rowe stated that it is actually \$426,000. Mayor Stedman stated that it was never a policy. She explained that the council review and discuss the budget every year. Mr. Dellinger stated that now water and sewer has a 5% increase. Mayor Stedman stated that some is earmarked for for engineering for the utility service. City Manager Todd Clark stated that the CIP shows that there is long term forecast showing how the plan is to pay. He said there is 3% for operation, 1/2% for street scape and council had a conversation about 1.5% for extension of lines. Mr. Dellinger asked if a study should only be done if it is asked for by the citizens. Council Member Wes Weaver stated that he suggested it to prevent future increases by adding customers. He said that the city has been kicking the can down the road for years and that there are clients close to the city center that need and can use this to stabilize rates. Mr. Dellinger stated that last year the council put \$500,000 in rate stabilization that would have prevented raising rates 8-10 years. Mr. Clark stated that the city would not contribute to rate stabilization, that the city would be using money. Council Member Abernethy stated that the city would have had \$530,000. Serina said that the 2017 proposal is \$537,300 and with changes would be \$337,200. Mr. Dellinger asked where the \$200,000 is going. Mr. Rowe stated that \$50,000 is for LED lighting and \$149,300 is rate. Mr. Dellinger stated that the LED is supposed to save electricity but the city will not see it. Mr. Weaver stated that LED will help control costs. Mr. Dellinger stated that money saved on electric will never get in reserve, it'll be in the electric fund. Mr. Weaver agreed, but stated that it is still revenue. City Manager Todd Clark stated that the CIP projections are conservative and Finance Director Serina Hinson stated that the savings with Smart Metering should be about \$250,000 once implemented for a full year.

Mr. Dellinger asked if the 1% tax rate put on last year is going to be taken off this year. Mayor Stedman stated that it will not.

Mayor Stedman asked if there was anyone else that would like to speak. No one appeared.

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

That Public Hearing be – CLOSED.

ITEM 7: New Business

A. Consideration of Adoption of Fiscal Year 2016-2017 Budget

Mayor Stedman thanked Mr. Clark and staff and City Council for all their hard work during the budget process. Council Member Jerry Hodge stated that the questions asked before were fair and knowledgeable but that each council adopts a budget. He stated that no council can hold a future council to a budget. City Attorney John Cilley pointed out excluding long term contractual items. Mr. Hodge stated that the strategic plan is a milestone document that the budget was based on along with 16 action steps that were created at the annual workshop. He stated that this budget addresses these goals and that it is a tool.

Council Member Jody Dixon made a motion to adopt the Fiscal Year 2016-2017 Budget. Council Member Tom Rowe seconded the motion.

Council Member Robert Abernethy stated that this is the 7th budget he has participated in. He stated that he has seen furloughs and job cuts as well as numerous increases. He stated that the tax rate has been raised 12% and reserve funds have grown. He stated that the LGC requires a 8% minimum, but the City of Newton requires a 21% minimum in fund balance, and it is currently at 30%. He stated that he thinks the council should implement a portion of fund balance because high tax rates can prohibit growth and can affect becoming a bedroom community. Mr. Abernethy stated that he appreciates the compromises made in the budget, but last year it was asked that the tax rate be lowered by one penny and that he can't vote for this budget since that didn't happen. Mr. Abernethy stated that the economy has been at a low simmer and business people are waiting to invest and that the city needs a low tax rate.

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Tom Rowe, 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 2016-2017 Fiscal Year Budget be – ADOPTED.

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

B. Consideration of the Purchase of Real Property – 24 S College Ave

City Manager Todd Clark stated the City Council adopted a Strategic Growth Plan in June of 2015 which identified the need to develop additional public parking in the downtown core business district (Policy Action 2.1.2). City staff has worked to identify opportunities to create more parking and also enhance the appearance of existing lots.

Mr. Clark stated the City staff has identified an established parking lot located at 24 S. College Avenue as a potential location for a municipal parking lot. Mr. Clark stated the present condition of the lot is considered to be poor however and various improvements will be needed including the complete removal of the existing asphalt surface, installation of a new rock base, overlay of asphalt, installation of storm drains and vegetation to enhance the appearance of the property. Mr. Clark explained that the City staff included funding within the proposed FY 2017 budget for parking lot improvements, which could be used to make some or all of the improvements listed above.

Mr. Clark stated the present assessed tax value of the property is \$63,500. Mr. Dellinger is seeking \$65,000 for the property which is \$5,000 less than he paid for the property in 1987. Mr. Clark stated that if City Council desires to purchase the property, the staff recommends utilizing savings recognized in the

current operating budget that were originally appropriated for expenses related to a bond referendum (\$40,000 for bond rating agency expenses and \$25,000 for legal expenses).

Mr. Clark stated that the purchase of the property by the City ensures its future use will be under the City's control and that it will be used for public parking until otherwise determined by the Council and recommended the purchase of this parcel of land located at 24 S. College Avenue and further identified by Catawba County, NC Geospatial Information Services, as parcel identification number 373016939297 for the amount of \$65,000.

Council Member Jerry Hodge stated that the city is about to gain an asset and incur some expense, but consider it a parking lot, a way to generate in income in other ways and that the council was open minded and forward thinking.

Council Member Wes Weaver stated that this council did a good job and that plans are in place before it was even purchased, with things such as festivals and parking.

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

That the City Manager be allowed to Execute the Agreement for the Purchase of Real Property – 24 S College Ave

C. Consideration of the Purchase of Real Property – 201 N Main Ave

City Manager Todd Clark stated the City Council adopted a Strategic Growth Plan in June of 2015 which identified the need to develop additional public parking in the downtown core business district (Policy Action 2.1.2). City staff has worked to identify opportunities to create more parking and also enhance the appearance of existing lots.

Mr. Clark stated that currently, the City leases a parking lot located at 201 N. Main Avenue from the Newton Merchants Association (designated as the "Red Lot") at an annual cost of \$3,553.48. This includes a monthly lease rate of \$250 plus \$553.48 for annual property taxes. There are twenty-six total spaces located within the Red Lot and thirteen are presently leased by the City to various individuals.

Mr. Clark stated the condition of the Red Lot is in fair condition but improvements will likely be necessary within the next 3 years as determined by staff, if not sooner. Planning Director Randy Williams has prepared a site plan for this lot which includes a variety of new improvements including pavement overlay, striping, landscaping and drainage. Mr. Clark stated that funding has not been included in the FY 2017 budget for any of the improvement listed above.

Mr. Clark stated the present assessed tax value of the property is \$47,700. The purchase price of \$30,000 has been negotiated with Mr. Wayne Dellinger, a representative of the Newton Merchants Association, and all closing documents have been prepared by the City Attorney should the City Council decide to purchase the property. Additionally, the City Council will need to appropriate \$31,100 from the General Fund Balance in order to complete the sale of this property.

Mr. Clark stated the purchase of the property by the City ensures its future use will be under the City's control and that it will continue to be used for public parking until otherwise determined by the Council and that the recommendation of staff is to purchase this parcel of land located at 201 N. Main Avenue and further identified by Catawba County, NC Geospatial Information Services, as parcel identification number 374013041166 for the amount of \$30,000. Staff also recommends City Council adopt the attached Budget Ordinance appropriating \$31,100 from the General Fund Balance to complete the land transaction.

Council Member Wes Weaver asked if Mr. Clark has an estimate for improvements. Mr. Clark stated that he does not at this time.

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

That the City Manager be allowed to Execute the Agreement for the Purchase of Real Property – 201 N Main Ave

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

That Ordinance 2016-15 to Amend Revenues and Expenditures – Appropriating \$31,100 From General Fund Balance to Complete the Land Transaction for 201 N Main Ave

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

A. Consideration of Resolution for Asset Inventory and Assessment Grant

Public Works and Utilities Director Dusty Wentz stated the City engaged Wooten Engineering to submit two Asset Inventory and Assessment (AIA) grants for State funding. One is for the water system and one is for the sewer system. These grants will help fund technical assistance by Wooten on both projects. Both grants were submitted to the State in late May.

Mr. Wentz stated the water grant is for providing assistance with determining what assets are in place and the condition of those assets in the downtown area and the project will include above ground locating and use of ground-penetrating radar to determine the exact location of the utilities. Mr. Wentz explained the project will also include a review of old plans and information both at the Public Works office and the State office in order to determine pipe material type and approximate age. .

Mr. Wentz stated the sewer grant is for providing assistance with determining the cause of flow spikes at the wastewater treatment plant, as well as the cause of sanitary sewer overflows, during rain events. This project will focus on the middle section (from east to west) of the City's gravity collection system, which includes South Newton, downtown and part of North Newton. Mr. Wentz stated the project will help determine points of inflow and infiltration (I&I) as well as current pipe conditions, and provide a recommendation on priority of replacement.

Mr. Wentz explained that both grants are capped at \$150,000 each, and the City's responsibility will be determined during the application review process. The match could range from 10 percent to 50 percent of the final cost of the project.

Mr. Wentz stated once selection is determined, the State will assist Wooten and the City with determining the scope of the project, and Wooten will provide a final cost estimate. Staff intends to leverage any projects that are recommended as a result of this investigative work during the application process this fall. Mr. Wentz stated these grant applications this fall will determine how proceeds from the utility bond approved by state voters this year will be allocated.

Mr. Wentz stated the attached resolutions are required as part of the grant application process. Due to the short response time for authoring and submitting grant applications, the state is allowing applicants to submit council resolutions after the application deadline.

Mayor Stedman clarified that these are two separate Resolutions.

Council Member Jody Dixon asked if council would vote on these projects before they were to start. Mr. Wentz stated that each project would be brought to council. Mr. Clark stated that this would lead to more opportunities for grants.

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

That Resolution 8-2016 be – ADOPTED

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

That Resolution 9-2016 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

- June 8th – Town Hall Day
- June 13th – Newton Pool Opens
- June 14th – Rotary Presentation – Lou Wetmore, 11:30 a.m.
- June 16th – Committee Appreciation Dinner, 6:00 p.m. Newton Recreation Center
- June 17th – Retirement Celebration for Susan Jones, Telecommunicator, 11:30 a.m. in the Gantt Room
- June 30th – Mayors/ Chairmen/Managers at Mimosa Hills Country Club – 6:00 p.m.

ITEM 9: Questions and Comments from Mayor and Council

Mayor Anne P. Stedman asked if any Council Members would like to make any comments. There were none.

Council Member Jerry Hodge gave reports on the Western Piedmont Council of Governments Transportation Advisory Committee and the Western Piedmont Council of Governments Policy Board.

ITEM 10: Closed Session to Consult with the City Attorney – G.S. 143-318-11(a)(4) and G.S. 143-318-11(a)(5)

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

That the City Council enter CLOSED SESSION per G.S. 143-318-11(a)(4) and G.S. 143-318-11(a)(5)

Council Member Wes Weaver made the motion to go back into open session, which was seconded by Council Member Robert C. Abernethy, Jr.,. All Ayes.

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 City Council Meeting Scheduled for June 21, 2016 be RESCHEDULED to June 28, 2016

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 – ADJORNED

Amy S. Falowski, City Clerk



Anne P. Stedman, Mayor