The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, June 20, 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 June 6, 2017 City Council meeting be – APPROVED

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

Council Member Jerry Hodge asked that Items 4F and 4G be moved to Old Business.

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

That Items 4F and 4G be moved to Old Business.

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. Tax Releases
B. Sewer Adjustments
C. Proclamation – July is Recreation and Parks Month
D. Consideration of Budget Ordinance Amendment to Write Off Uncollectible Accounts
E. Consideration of Budget Ordinance Amendment – Insurance Proceeds
F. Consideration of Grant Project Ordinance and Related Administrative Agreement—Building Reuse Grant—Newton Urgent Care
G. Consideration of Capital Budget Ordinance—Hwy 16 Project
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: New Business

A. Consideration to Adopt a Resolution Declaring Surplus Property – Fire Station

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. Mr. Clark stated that two parcels have been identified that Council would like to declare as surplus and sell according to the laws of the State of North Carolina.

Mr. Clark identified the first parcel as 116 West A Street and was the former Fire Headquarters for the city. The second parcel is the parking lot adjoining the former Fire Headquarters. Mr. Clark said that because construction is completed at the new headquarters and no other use has been identified for the properties, the staff recommends that they be sold.

Mr. Clark stated that City Council is asked to consider adopting the attached Resolution which declares the property located at 116 West A Street and the adjoining parking lot as surplus.

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

That Resolution Declaring Surplus Property – Fire Station property located at 116 West A Street and the adjoining parking lot property be – ADOPTED.

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

B. Consideration of Bid Award and Budget Ordinance Amendment – Emergency Sewer Realignment

Public Works and Utilities Director Dusty Wentz stated that in early June of 2017, PWU was notified of a Sanitary Sewer Overflow next to the football field at Newton-Conover High School. Camering of the line found a gravity sewer collapse in the outfield of the baseball field, near the visitor side bleachers for the football stadium. Mr. Wentz stated that after further investigation by PWU staff it was revealed that the gravity sewer was approximately 25 – 30 foot deep and was installed in 1928. Mr. Wentz explained that several options for repairing or replacing the sewer line were discussed with Newton-Conover School staff and Wooten Engineering, and finally a realignment through the outfield of the baseball stadium was agreed upon.
Mr. Wentz stated that design engineering and permitting has been completed at a cost of $13,100, and $7,200 is budgeted for construction engineering observation and administration. Additionally, $480 was spent on the fast track application for the NCDENR-Division of Water Quality.

Mr. Wentz stated that construction consists of 640 LF of 8” PVC gravity main installation, two new manholes, and filling the existing sewer line with grout. Mr. Wentz said the contract also includes a complete asphalt overlay on N. Ashe once the sewer line has been constructed.

Mr. Wentz stated that the project has been released for bid, and bids received on June 15th, 2017 are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bushy Mountain LLC</td>
<td>$179,810</td>
</tr>
<tr>
<td>Wesson Septic Tank</td>
<td>$148,895</td>
</tr>
<tr>
<td>Hickory Sand Company, Inc.</td>
<td>No Bid</td>
</tr>
</tbody>
</table>

The bids do not include contingency.

Wesson Septic Tank Service is the lowest bidder in the amount of $148,895. The engineer has recommended a construction contingency in the amount of $14,886 (10%).

Total project costs are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Engineering</td>
<td>$3,100</td>
</tr>
<tr>
<td>Permitting</td>
<td>$480</td>
</tr>
<tr>
<td>CO/CA Engineering</td>
<td>$7,200</td>
</tr>
<tr>
<td>Construction (Base)</td>
<td>$148,895</td>
</tr>
<tr>
<td>Contingency (10%)</td>
<td>$14,886</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$174,561</strong></td>
</tr>
</tbody>
</table>

Mr. Wentz stated that the staff recommends City Council entertain separate motions for the attached Budget Ordinance Amendment for the High School Gravity Sewer replacement project (attached), and award of the construction contract to Wesson Septic Tank Service in the amount of $148,895.

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

That Construction Contract to Wesson Septic Tank Service in the amount of $148,895 be – AWARDED.

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

That Budget Ordinance Amendment for the High School Gravity Sewer Replacement Project be – ADOPTED.

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

C. Consideration of Electronic Payments – Collections Counter

Finance Director Serina Hinson stated that G.S. 159-32.1 permits local governments the option to accept electronic payments from citizens and customers. Ms. Hinson stated that a local government is allowed to accept electronic payments for property taxes, rents, fees, assessments, penalties or any other amounts due to a local government. Local governments are authorized to pay the transaction fee imposed by the processing institution, for the handling of the electronic payment.

Ms. Hinson explained that the City currently accepts electronic forms of payment online via the City’s website. This form of payment was brought to Council in 2011. Council chose not to offer this service as a face-to-face transaction at Collections at that time. Other local governments were also choosing not to
provide that service face-to-face during a time when governments were trying to find ways to cut/minimize costs.

Ms. Hinson stated that acceptance of electronic payments for the City of Newton will improve customer service for citizens and increase collection revenues by reducing accounts receivable and reducing staff time and cost of delinquent payment collections. The request from customers to pay by electronic format continues to increase.

Ms. Hinson stated that proposals consisted of State Contract (Suntrust), BB&T, and Peoples Bank. We are recommending State Contract for merchant services (electronic payments) due to the excellent low rates provided.

Ms. Hinson stated that in providing this service, the City would absorb all fees associated with face-to-face electronic transactions which we are estimating at $7,200 annually. Convenience fees which are passed on to the customer are not permissible for face-to-face transactions. The $7,200 reflects an average utility payment amount of $263 and assumes we will collect 10% of our utility bills via face-to-face electronic payments. The only other cost to provide this service would be $649 to purchase each terminal. The City would require a minimum of two terminals to start with. Once we implement electronic payments at Collections, we would like to offer electronic payments for our citizens utilizing the City’s recreation facilities. There would be no change to the electronic services currently provided online through Official Payments.

Ms. Hinson asked that City Council approve the state contract bid for Merchant Services (electronic payments), and approve the attached Budget Ordinance Amendment to recognize fees associated with electronic forms of payment.

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

That the state contract bid for Merchant Services (electronic payments) be – AWARDDED.

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

That Budget Ordinance Amendment to Recognize Fees Associated with Electronic Forms of Payment be – ADOPTED.

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

**ITEM 7: Old Business**

A. Consideration of Grant Project Ordinance and Related Administrative Agreement – Building Reuse Grant – Newton Urgent Care

City Manager Todd Clark stated that on February 16, 2017 the City was awarded the Building Reuse Project Grant through the North Carolina Department of Commerce Rural Economic Development Division in an amount not to exceed $70,000 with a 5% match of $3,500 from the City. The agreement with the Western Piedmont Council of Governments to administer the grant will serve as the City’s 5% match.

Mr. Clark explained that this grant is to assist with stimulating economic activity in Newton and to create new jobs for citizens. More specifically, this grant will assist with renovations of a 2,400 square foot building located at 1366 South Newton Highway 16 for Newton Urgent Care. This business will offer
emergency care, seven days a week to residents of Newton and the southeastern region of Catawba County.

Mr. Clark stated that consideration of the related Grant Project Ordinance is necessary to recognize the $70,000 grant funds, authorize the 5% match from fund balance and to utilize these grant funds for the Newton Urgent Care renovation and consideration of the administrative agreement with the Western Piedmont Council of Governments.

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

That Grant Project Ordinance for the Building Reuse Grant – Newton Urgent Care be – ADOPTED.

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

That Administrative Agreement with the Western Piedmont Council of Governments be – ADOPTED.

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

B. Consideration of Capital Budget Ordinance – Hwy 16 Project

City Manager Todd Clark stated that in March 2017 City Council approved an amended contract between Catawba County and the City of Newton which included updated project costs, assignments of responsibility for construction, and financing of water lines to serve Highway 16, Buffalo Shoals Road and Balls Creek Road. Mr. Clark stated the updated project costs increased from the original estimate of $2,646,000 to $5,839,284. Those costs include NC Department of Transportation construction as per the contract which was also approved in March 2017 - $3,765,078, Buffalo Shoals and Balls Creek Construction - $1,474,206, Design Engineering - $300,000, and Engineering Construction Administration - $300,000.

Mr. Clark explained that an amendment to the Capital Project Ordinance is necessary to reflect the updated project costs as identified in both the NC Department of Transportation contract and the amended Catawba County contract and outlined above.

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

That Capital Project Ordinance Amendment for the Highway 16, Buffalo Shoals, and Balls Creek Waterline Project 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 23rd and 30th Movies in the Park, Southside Park beginning at dusk
- June 29th WPCOG Mayor/Chairmen/Managers Meeting, Mimosa Hills Country Club – 6:00 p.m.
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 Washington DC Trip
- Update on Red Parking Lot
- Soofa Charging Station – Corner of A and Main Street
- Update on Wastewater Treatment Plant influent pump
- New treadmill at the Recreation Center

ITEM 9: Questions and Comments from Mayor and Council

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

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 Mayor Pro Tem John Stiver. All Ayes.

ITEM 11: Adjournment

Upon motion duly made by Council Member Robert C. Abernethy, Jr., 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