

**MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL**

March 6, 2012 – 7:00 P.M.

The regular meeting of the Newton City Council was held on Tuesday, March 6, 2012 at 7:00 p.m. in the Council Chambers at City Hall.

PRESENT: Mayor Anne P. Stedman, Mayor Pro Tem Bill Lutz, Council Members Wayne Dellinger, Mary Bess Lawing, Tom Rowe, Robert C. Abernethy, Jr., and Wes Weaver

STAFF: City Manager Todd Clark, City Attorney Larry Pitts, City Clerk Amy S. Falowski, City Department Heads, and members of the Management Team.

ITEM 1: CALL TO ORDER – Mayor Anne P. Stedman

Mayor Anne P. Stedman welcomed everyone and called the meeting to order.

ITEM 2: OPENING – Mayor Pro Tem Bill Lutz

Mayor Pro Tem Bill Lutz provided the invocation and led the Pledge of Allegiance.

ITEM 3: APPROVAL OF MINUTES FROM THE FEBRUARY 21, 2012 REGULAR CITY COUNCIL MEETING

Upon motion duly made by Council Member Robert C. Abernethy, Jr., seconded by Council Member Mary Bess Lawing, it was unanimously RESOLVED:

That the Minutes of the February 21, 2012 Regular City Council Meeting be – APPROVED.

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

Upon motion duly made by Council Member Mary Bess Lawing, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That Consent Agenda be – APPROVED and that Mayor Pro Tem Bill Lutz and Council Member Wayne Dellinger be Appointed to the Fire Department Review Committee.

- A. Consideration of Resolution Approving Terms of Re-Financing and Related Budget Ordinance

Resolution 1-2012
Approving Terms of Re-financing

WHEREAS, the City of Newton, North Carolina (the "City") has determined to change the terms of the Payment Schedules to those Financing Agreements (the "Original Agreements") granted for the benefit of Branch Banking and Trust Company ("BB&T"); and

WHEREAS, the changes to the terms of the Payment Schedules of the Original Agreements include revising the interest rates from:

4.13% to 2.59% for contract 003-1405245-022 (original date July 30, 2004)
3.97% to 2.63% for contract 003-1405245-026 (original date November 30, 2004)
3.97% to 3.03% for contract 003-1405245-035 (original date January 8, 2009); and

NOW, THEREFORE BE IT RESOLVED by the governing body of the City of Newton, North Carolina that the proposed changes to the Payment Schedules of the Original Agreements are hereby approved and the officers designated to sign financing documents are hereby authorized and directed to take such action as may be necessary to effectuate such changes. All other terms and conditions of the Original Agreements and the Payment Schedules thereof remain in full force and effect.

Adopted this 6th day of March, 2012.

ORDINANCE 2012-6

AN ORDINANCE TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR
2011-2012 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton has adopted a Budget Ordinance for fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the General Statutes of the State of North Carolina, and

WHEREAS, City Council desires to re-finance three (3) existing loans with BB&T Governmental Finance. The re-financing of these loans changes the terms of our original financing agreements by modifying the interest rates on each of these loans. The length of the payoff terms has not been modified. BB&T Governmental Finance has offered very competitive rates on these loans. The City will realize a savings of \$400,795.06 as a result of the modification.

4.13% to 2.59% for contract 003-1405245-022 - **\$ 83,963.74 Savings**
3.97% to 2.63% for contract 003-1405245-026 - **\$ 82,277.96 Savings**
3.97% to 3.03% for contract 003-1405245-035 - **\$234,553.36 Savings**

WHEREAS, the City Council desires to utilize fund balance and authorize the related expenditure appropriation within the operating budget of each respective fund to recognize accrued interest through March 15 which is the anticipated closing date on the above re-financings as well as closing fees.

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

Fund Balance Appropriated	11.0000.3990	\$ 2,100
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General Fund Appropriations

Lease Purchase Interest	11.4132.9201	\$ 300
Lease Purchase Interest	11.4254.9201	\$ 1,300
Lease Purchase Interest	11.4260.9201	\$ 500

Water/Wastewater Fund Revenues

Retained Earnings Appropriated	61.0000.3995	\$75,250
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Water/Wastewater Fund Appropriations

Lease Purchase Interest	61.7100.9201	\$44,500
Lease Purchase Interest	61.7130.9201	\$ 250
Lease Purchase Interest	61.7141.9201	\$21,200
Debt Issuance Cost	61.9100.9501	\$ 9,300

Electric Fund Revenues

Retained Earnings Appropriated	63.0000.3995	\$19,550
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Electric Fund Appropriations

Lease Purchase Interest	63.7201.9201	\$17,150
Debt Issuance Cost	63.9100.9501	\$ 2,400

Adopted this 6th day of March, 2012.

- B. Consideration of Ordinance to Amend Capital Project Funds and Revenues and Expenditures for FY 2011-12 for Specific Capital Items

ORDINANCE 2012-7

AN ORDINANCE TO AMEND CAPITAL PROJECT FUNDS FOR SPECIFIC CAPITAL ITEMS AND TO AMEND REVENUES AND EXPENDITURES FOR FISCAL YEAR 2011-2012 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton has adopted a Budget Ordinance for Fiscal Year beginning July 1, 2011, and ending June 30, 2012, in accordance with the General Statutes of the State of North Carolina, and

WHEREAS, the City of Newton has bid out capital items which were approved and appropriated within the Fiscal Year 2011-12 operating budget. As part of the bid process, the City was able to reduce the Capital Financing by approximately \$1.7 million.

WHEREAS, the City Council desires to reduce specific Capital Project Funds for numerous Water Rehabilitation Projects; Sewer Rehabilitation Projects; 336 ACSR Line Extension, 4KV Conversion, and Generator Modifications as well as specific equipment.

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

Revenue

Proceeds from Borrowing	11.0000.3900	<u>(54,450.00)</u>
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Appropriation

Capital Outlay - Motor Vehicles	11.4252.8400	(40,650.00)
Capital Outlay - Data Processing Equipment	11.4310.8200	<u>(13,800.00)</u>
		<u>(54,450.00)</u>

Water & Wastewater Fund

Revenue

Proceeds from Borrowing	61.0000.3900	<u>(556,850.00)</u>
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Appropriation

Capital Outlay - Motor Vehicles	61.7100.8400	(10,100.00)
Capital Outlay - Other Equipment	61.7130.8500	(47,500.00)
Capital Outlay - Other Equipment	61.7141.8500	(52,000.00)
Capital Outlay - Building Improvements	61.7141.8800	(4,050.00)
Transfer to Capital Project Fund	61.9100.9947	(443,200.00)
		<hr/> <hr/> (556,850.00)

Water & Wastewater Capital Project Fund

Revenue

Transfer from Water/Wastewater Fund	47.0000.3961	<hr/> <hr/> (443,200.00)
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Appropriation

Water Rehabilitation Projects	47.7100.5957	
Shannonbrook		(101,650.00)
Hwy 70 W Conover		9,350.00
N. College		(148,500.00)
Ervin Ave - B St to Caldwell		(136,200.00)
Davis Ave - B St to Caldwell		8,050.00
E. E St - Ervin to Saunders		(3,350.00)
Boundary		(9,100.00)
S. Brady - 4th to D St		10,450.00
S. Brady - N St to K St		19,550.00
College St - E St to K St		(60,400.00)
Sewer Rehabilitation Projects	47.7100.5958	
Snow Creek to Fall Line		(108,050.00)
S. Cline to S. Main Ave		26,650.00
N. Frye Ave - 13th St to 15th St		50,000.00
		<hr/> <hr/> (443,200.00)

Electric Fund

Revenue

Proceeds from Borrowing	63.0000.3900	<hr/> <hr/> (1,106,450.00)
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Appropriation

Capital Outlay - Motor Vehicles	63.7201.8400	(15,850.00)
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Transfer to Capital Project Fund	63.9100.9930	(1,090,600.00)
		<u>(1,106,450.00)</u>

Electric Capital Project Fund

Revenue

Transfer from Electric Fund	38.0000.3963	(1,090,600.00)
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Appropriation

336 ACSR Line Extension	38.7201.5984	100.00
Electric System Conversion Continuation	38.7201.5983	(400,000.00)
Generator Modifications	38.7201.5988	(690,700.00)
		<u>(1,090,600.00)</u>

Adopted this 6th day of March, 2012.

- C. Consideration of Appointments to a Fire Department Review Committee

(Ordinances 2012-6, 2012-7, and Resolution 1-2012 is hereby referenced and on file in the office of the City Clerk)

ITEM 5: COMMENTS FROM THE PUBLIC: (PERSONS WANTING TO MAKE A PUBLIC COMMENT ON NON-AGENDA ITEMS ARE REQUESTED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING):

Mayor Anne P. Stedman asked if there was anyone present that would like to make any comments concerning non-agenda items.

No one appeared.

ITEM 6: Old Business

- A. Consideration of Clean Water Management Trust Fund Grant Budget Agreement Amendment for Burris Road Pump Station

Finance Director Serina Hinson stated that on November 1, 2010 the City was approved for loan assistance from the Clean Water State Revolving Fund (SRF) in the amount of \$1,950,000 to finance the replacement of our Burris Road Pump Station. She stated that on November 18,

2010 the City received notice that it had been awarded a Clean Water Management Trust Fund (CWMTF) grant in the amount of \$1,175,274 for the Burris Road Pump Station project. Mrs. Hinson stated that construction bids came in substantially lower as a result of lower material costs which reduced the total Burris Road Project from \$1,950,000 to \$1,409,060 plus an additional contingency of \$7,662.

Mrs. Hinson stated that on October 5, 2011 the City submitted a letter with a proposed revised budget based on the estimated project cost after construction bids were taken. She explained that the amendment reduces the original grant amount of \$1,175,274 by \$318,582 to a revised grant amount of \$856,692 and recommended approval to the City Council.

Mrs. Hinson stated that if approved, the total Burris Road Project will be funded as follows:

Clean Water Management Trust Fund Grant	\$ 856,692
State Revolving Loan Fund (SRF) - match	545,280
City match	14,750
Total	<u>\$1,416,722</u>

Mayor Stedman stated that this was very good news.

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

That Clean Water Management Trust Fund Grant Budget Agreement Amendment for Burris Road Pump Station be – APPROVED.

ITEM 7: New Business

A. Consideration of Contract for Consultative Services with Solutions 4 Local Government Concerning Former Central High School

City Manager Todd Clark stated that the city was informed in July 2011 that Head Start would no longer operate out of the former Central High School and that the facility would be vacated as a result. Mr. Clark stated that the city has met with local residents and held numerous meetings concerning the future use of the facility, and that in response to community feedback the staff contacted Mr. Steve Allan with Solutions 4 Local Government. Mr. Clark explained that Mr. Allan has provided a scope of services concerning the future use of the facility as desired by the community and also indicated by members of the city staff. Mr. Clark stated that a copy of the proposed services, including his fee of \$6,800, has been attached for City Council's review and consideration. Mr. Clark stated that if approved by City Council, the staff will need to prepare a budget amendment appropriating funds from General Fund to pay for Mr. Allan's services, and that the budget amendment will need to be approved by Council at the March 20, 2012 City Council meeting.

Mayor Anne Stedman stated that this seems like a reasonable cost, and that this needs to be done.

Council Member Wayne Dellinger stated that he feels like this is a lot of money to spend on a project that will probably be put on a shelf for later. Mr. Clark explained that this study would arm the city to be able to apply for future grants.

Council Member Tom Rowe stated that he feels like this will be money well spent, and hopes that the Police Department can eventually move there.

Council Member Wes Weaver asked if there were any grant opportunities out there for future rehabilitation of the building. Parks and Recreation Director Sandra Waters stated that there weren't many, but that she and staff are always on the lookout for them. Council Member Weaver stated that it would be a shame to pay for the study only to tear down the building.

Council Member Mary Bess Lawing stated that people in that community would like to reuse the building. Council Member Robert C. Abernethy, Jr. agreed, and stated that the building holds historical significance. Council Member Rowe stated that if the building is torn down, it will be hard to replace. Council Member Weaver stated that people he has heard from are concerned about the history of the building.

Upon motion duly made by Mayor Pro Tem Bill Lutz, seconded by Council Member Mary Bess Lawing, with a vote of five in favor and Council Member Wayne Dellinger voting in opposition of, it was unanimously RESOLVED:

That Contract for Consultative Services with Solutions 4 Local Government Concerning Former Central High School be – APPROVED.

B. Consideration of Jacob Fork Master Plan

Assistant Planning Director Alex Fulbright stated that the Jacob Fork Master Plan was presented during the Council Workshop, and at that time, City Council requested that staff bring the Master Plan so that action could be taken.

Mr. Fulbright stated that the City of Newton's Parks and Recreation Master Plan adopted in 2001 recommended that a park be constructed on property that the City owned surrounding the water intake facility on Jacob Fork. In 2002, the City Council approved a master plan prepared by Gardner Gidley and Associates for the park, which was used to apply for grants to obtain funds to assist with the construction of the park. Mr. Fulbright stated that the City was awarded a grant from the North Carolina Parks and Recreation Trust Fund and the initial phase of the park was constructed, which consisted of a canoe launch, two (2) softball fields, and parking. He stated that the park was officially dedicated on Friday, July 16, 2010.

Mr. Fulbright explained that in addition to the Master Plan prepared by Gardner Gidley and Associates, Catawba Valley Heritage Alliance (CVHA) had Trail Dynamics create a Trails and Passive Recreation Master Plan. The plan complements the 2002 master plan prepared by Gardner Gidley and Associates, and includes a nature trail, mountain bike trail, mountain bike skills area, fitness trail, picnic area, and an adventure playground. Mr. Fulbright explained that the purpose of the plan was to add a passive recreation component to Jacob Fork Park and then

use the completed plan as a resource in pursuing grants to complete the elements within the plan. He stated that since completion of the plan in 2009, Boy Scouts, who were working on obtaining the rank of Eagle Scout, have constructed a fitness trail and picnic area. These projects were the result of a collaboration of CVHA, the City, and the individual scouts. Mr. Fulbright stated that currently, CVHA is pursuing grants to construct a mountain bike trail at the park.

Mr. Fulbright stated that as a result of the discussions with CVHA regarding their plans to acquire funding and construct elements of the Trails and Passive Recreation Master Plan, staff felt that there is need to create a unified and comprehensive plan for Jacob Fork Park by combining previous elements of the master plan, and is requesting that Council adopt the Jacob Fork Master Plan as recommended by the City's Recreation Commission.

Council Member Wayne Dellinger stated that he has no problem with what the group is trying to do, but that he does not agree with the soccer fields, etc. City Manager Todd Clark stated that this would serve as a guide so all interested parties know what the City wants in the park.

Mr. Fulbright stated that this is a build out- plan and is not included in the Capital Improvement Plan.

Council Member Mary Bess Lawing asked if having this plan in place will help secure grants in the future. Mr. Fulbright stated that it would.

Mayor Pro Tem Bill Lutz asked if this plan could be altered after it is approved. City Manager Todd Clark stated that yes, it could be changed if Council approved the change(s).

Upon motion duly made by Council Member Tom Rowe, seconded by Council Member Mary Bess Lawing, with a vote of five in favor and Council Member Wayne Dellinger voting in opposition of, it was unanimously RESOLVED:

That Jacob Fork Master Plan be – APPROVED.

ITEM 8: City Manager's Report

- Teen Leadership Newton will tour the Flowers Baking Company Facility Thursday, March 8, 2012
- Teen Leadership Newton will make their presentation at the March 20th City Council Meeting
- Council and Staff tours of Catawba Nuclear Station will be April 18th and 20th
- The Western Piedmont Council of Governments will have the dedication of their new facility on March 27th from 3 – 5 p.m.
- The City received a Resolution from the City of Rocky Mount expressing their gratitude for Newton's help after hurricane damage last summer.
- Recognized Spencer Cline for receiving his Criminal Investigators Certification

ITEM 9: Questions and Comments from Mayor and Council

There were none.

ITEM 10: Closed Session to Consult with the City Attorney – G.S. 143-318-11(a)(6)

A motion was made by Council Member Tom Rowe, seconded by Council Member Robert C. Abernethy, Jr. and unanimously approved to enter Closed Session to consult with the City Attorney per G.S. 143-318-11(a)(6).

ITEM 11: Adjournment:

There being no further business, the meeting was RECESSED until 5:30 p.m., March 20, 2012

Anne P. Stedman, Mayor

Amy S. Falowski, City Clerk

