

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

**February 18, 2014 – 4:00 P.M.**

The regular meeting of the Newton City Council was held on Tuesday, February 18, 2014 at 4:00 p.m. at the Newton Expo.

**PRESENT:** Mayor Anne P. Stedman, Mayor Pro Tem Mary Bess Lawing, Tom Rowe, Wayne Dellinger, Robert C. Abernethy, Jr., Wes Weaver, and John Stiver

**STAFF:** City Manager Todd Clark, City Clerk Amy S. Falowski, Assistant City Manager Sean Hovis, City Attorney John Cilley, Public Information Officer Julie Chang, City Department Heads and members of the management team

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

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

**ITEM 2:      OPENING – Council Member Wayne Dellinger**

Council Member Wayne Dellinger led the Pledge of Allegiance.

**ITEM 3:      APPROVAL OF MINUTES FROM THE February 4, 2014 REGULAR CITY COUNCIL MEETING**

Upon motion duly made by Mayor Pro Tem Mary Bess Lawing, seconded by Council Member John Stiver, it was unanimously RESOLVED:

That the Regular Minutes of the February 4, 2014 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 Mayor Pro Tem Mary Bess Lawing, it was unanimously RESOLVED:

That Consent Agenda be – APPROVED.

- A. Tax Releases
- B. Sewer Adjustments
- C. Consideration of Appointments to Business Advisory Committee

Council Member Robert C. Abernethy asked if the appointees were required to live in or own a business in Newton. Mr. Clark stated that if the appointee did not live in or own a business in Newton, that the by-laws read that a letter must be obtained from the employer of the appointee that he/she did work in Newton.

- D. Consideration of Audit Contract for Fiscal Year 2013-2014

(Ordinances, Resolutions and Proclamations are 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 anyone present would like to make any comments concerning non-agenda items. No one appeared.

**ITEM 6:**        **Old Business**

A. Consideration to Execute the Main Street Solutions Grant Agreement with Carolina Vines

Economic Development Coordinator Rob Powell stated that The City of Newton was notified on April 7, 2011 by the N.C. Department of Commerce that the City had been awarded a grant through the North Carolina Main Street Solutions Fund Grant in the amount of \$80,830 for the purpose of assisting Second Nature Technology with its renovation of the interior and exterior of a building located in the City's central business district at 19 North College Avenue. Mr. Powell stated that at the August 2, 2011 City Council meeting, Council approved an Agreement between the City of Newton and the North Carolina Department of Commerce (DOC) for the 19 North Main Avenue Renovation Project. That agreement included certain performance requirements to be met by the project developer, Second Nature Technology, including the creation of four new full-time jobs. Mr. Powell stated those requirements were spelled out in the City's subsequent agreement with Second Nature Technology, and that the City Council authorized the Mayor to execute that Sub-Recipient Agreement with Second Nature Technology, Inc. for the development of the 19 North Main Avenue Renovation Project at their April 17, 2012 meeting.

Mr. Powell stated Second Nature Technology completed the renovation of 19 North Main Avenue in May of 2013 and began doing business at that location as Carolina Vines, obtaining a Certificate of Occupancy on May 14<sup>th</sup>, 2013. The City and Second Nature Technology have submitted the required project documentation to the Department of Commerce, and the DOC has now approved payment of the grant, but with modifications. Mr. Powell explained per the terms of the grant agreement, the grant amount is limited to \$25,000 per full-time job created, and the project developer must show that those jobs are maintained for at least a six-month period. He stated the terms of the grant agreement allow DOC to claw back any grant monies paid out for jobs that are not maintained and documented for six-months after project completion.

Mr. Powell stated The Department of Commerce has reduced the amount of the grant from the original \$80,830 to \$50,000 based on the documentation provided by Carolina Vines showing that only two of the newly-created jobs meet the definition of full-time employment and have been maintained for the required six-month period. Mr. Powell stated with the amendment from four full-time jobs to two full-time jobs, the requirements of the grant agreement have now been met, including the requirement to maintain the new jobs for the six-month maintenance period. Mr. Powell stated The City Finance Department has received the grant money from the Department of Commerce.

Mr. Powell asked City Council to authorize payment of the \$50,000 grant to Second Nature Technology, Inc. for the development of the 19 North Main Avenue Renovation Project per the terms of the grant agreements with the North Carolina Department of Commerce and with Second Nature Technology.

Mayor Anne Stedman asked if this would be the end of the contract. Mr. Powell stated that it would.

Upon motion duly made by Council Member John Stiver, seconded by Mayor Pro Tem Mary Bess Lawing, it was unanimously RESOLVED:

That Main Street Solutions Grant Agreement with Carolina Vines be – EXECUTED in the amount of \$50,000 for the development of the 19 North Main Avenue Renovation Project per the Terms of the Grant Agreements with the North Carolina Department of Commerce with Second Nature Technology.

**ITEM 7:**      **New Business**

- A. Consideration to Approve the Use of Contingency Funds for the Closing Change Order for the Water Treatment Plant Pump Installation Project.

Public Works and Utilities Director Wilce Martin stated that the contract drawings for the Water Treatment Plant (WTP) Pump Installation Project called for a flanged type joint for the connection to the existing 30" line. Mr. Martin stated once the connection was fully accessed in the field (removal of paint and rust), the existing joint was determined to be a mechanical joint flange, not a typical flanged connection. As a result, the contractor submitted a change order to return the flanged joint to the supplier and order a mechanical joint. Mr. Martin stated that with the installation labor and parts the change order totaled \$2,780.00, and that it would be necessary to use Contingency Funds for this change order.

Mr. Martin stated the original contract amount was \$352,000 and the contingency was 10% (\$35,200) which provides a sufficient amount of contingency funds.

Upon motion duly made by Mayor Pro Tem Mary Bess Lawing, seconded by Council Member Tom Rowe, it was unanimously RESOLVED:

That Use of Contingency Funds for the Closing Change Order for the Water Treatment Plant Pump Installation Project be – APPROVED.

**ITEM 8:**      **City Manager's Report**

- Business Advisory Committee Meeting/Annual Business Owners Meeting – Thursday, February 27<sup>th</sup> 5:30 p.m. – Newton-Conover Auditorium
- Teen Leadership will begin February 20<sup>th</sup>, with presentations to Council scheduled March 18<sup>th</sup>
- Duke Energy Carolinas' Rate Increase Request
- There will be a budget revenue and CIP workshop at 5:00 p.m. before the regularly scheduled March 4<sup>th</sup> City Council Meeting

**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.

**ITEM 10:**      **Adjournment**

Mayor Stedman recessed the meeting until February 19<sup>th</sup> at 9:00 a.m. for the continuation of the City Council/Staff Workshop.

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Anne P. Stedman, Mayor

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Amy S. Falowski, City Clerk

