

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

**April 17, 2012 – 7:00 P.M.**

The regular meeting of the Newton City Council was held on Tuesday, April 17, 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 – Council Member Robert C. Abernethy, Jr.**

Council Member Robert C. Abernethy, Jr. provided the invocation and led the Pledge of Allegiance.

**ITEM 3:      APPROVAL OF MINUTES FROM THE MARCH 20, 2012 REGULAR CITY COUNCIL MEETING**

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

That the Minutes of the March 20, 2012 Regular City Council Meeting be – APPROVED.

**ITEM 4:      CONSIDERATION OF CONSENT AGENDA ITEMS**

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

That Consent Agenda be – APPROVED

- A.      Sewer Adjustments – April 17, 2012
- B.      Consideration of Resolution to Close Out Capital Projects
- C.      Consideration of Commission/Committee Membership Appointments 2012

- D. Consideration of Public Fee Structure Statement of Intent for “MayFest 2012” – Newton Merchants, Inc. May 12, 2012
- E. Consideration of Street Closure for MayFest – Newton Merchants Group, Inc.
- F. Consideration of Proclamation – Municipal Clerks Week April 29-May 5, 2012

(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 there was anyone present that would like to make any comments concerning non-agenda items.

No one appeared.

**ITEM 6:      Special Presentation – Certificates of Recognition – Newton-Conover Wrestling State Champions**

Mayor Stedman presented Newton-Conover High School Sophomore Franklin Wepner and Senior Addison Klutz with certificates of achievement for their wins at the state level.

Mayor Stedman stated that Franklin Wepner won an individual wrestling state title at 126 pounds, finishing 50-5 on the season and that he is the first Newton-Conover sophomore to win an individual wrestling state title.

Senior Addison Klutz finished 52-6 and won his title on points, 4-0 and finished with a 2-2 record in the senior division.

Mayor Stedman stated that Wepner and Klutz were part of 13 Newton-Conover wrestlers named All-Catawba Valley 2A, and that both wrestlers also helped lead Newton-Conover to a 2A Western Regional Championship.

**ITEM 7:      Public Hearings**

- A. Closeout of Community Development Block Grant #06-E-1556 – Target Distribution Center Economic Development Project

Mayor Stedman opened the Public Hearing.

Sherry Long, Project Administrator from the Western Piedmont Council of Governments, stated that the City of Newton applied for and received \$1,000,000 in Community Development Block Grant (CDBG) funds in 1997 and that originally all of the funds were to be used to provide water and sewer service to the new distribution site. Ms. Long stated that the City was fortunate to receive additional funding from the NC Rural Center (\$500,000) and the NC Industrial Development Fund (IDF) (\$300,000) and that the additional funding and the competitive bidding allowed the City to complete the original scope of the project and to install lighting to the road leading to the Target facility. Ms. Long stated that Target employs over 550 people. Mayor Stedman stated that Target is adding more jobs in the very near future.

Ms. Long stated that the project is completed, and that all utilities have been installed. The City spent \$999,234.97 of a \$1,000,000 grant and will now need to de-obligate \$765.03 to the Department of Commerce. She explained that this Public Hearing is to notify the public that the project is completed and answer any questions the citizens may have, and that after the Public Hearing is closed, the Board should make a motion to proceed with final project closeout so that she can submit the required paperwork to the Department of Commerce. She explained that after this project is closed, the City may then apply for new grants, but that those grants will require a 25% match.

Mayor Stedman asked if there was anyone present to speak in favor of or against the proposed closeout of the Target CDBG project. No one appeared.

Upon motion duly made by Council Member Mary Bess Lawing, seconded by Council Member Bill Lutz, it was unanimously RESOLVED:

That Public Hearing be – CLOSED.

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

That Community Development Block Grant #06-E-1556 – Target Distribution Center Economic Development Project be – CLOSED.

**ITEM 8:      Old Business**

**A.      Consideration of Contract – Second Nature Technology**

Rob Powell, Commercial Development Coordinator, stated that included in the agenda packet is a proposed Sub-Recipient Agreement between the City of Newton and Second Nature Technology, Inc., a North Carolina corporation. Mr. Powell explained that the City is the recipient of a North Carolina Main Street Solutions Fund Grant in the amount of \$80,830 for the purpose of assisting Second Nature Technology (the sub-recipient) with its renovation of the interior and exterior of a building located in the City's Central Business District at 19 North College Avenue. He stated that Second Nature Technology has acquired the building and will renovate the façade and the first floor for a wine bar.

Mr. Powell stated that at the August 2, 2011 City Council meeting, Council approved a Match Grant Agreement between the City of Newton and the North Carolina Department of Commerce (DOC). He said that the Main Street Solutions Fund Match Grant Agreement places complete and total responsibility for compliance with all the requirements of the grant program, both now and in the future, upon the City of Newton. Also at the August 2<sup>nd</sup>, 2011 Council meeting, Council was informed that a future agreement with the sub-recipient developer would be brought to Council for approval. He explained the proposed Sub-Recipient Agreement between the City of Newton and Second Nature Technology requires Second Nature Technology to comply with all applicable sub-recipient responsibilities called for by the grant program.

Mr. Powell explained further that the proposed Sub-Recipient Agreement contains various exhibits which the Agreement makes reference to, and that the DOC requires that the project be completed and the proposed jobs created and documented before any grant funds will be paid. The DOC further stipulates that the newly created jobs must exist for six months past the completion of the project, or the DOC will have the right to demand reimbursement for a portion or all of any grant payments already made. Mr. Powell said that means that the Sub-Recipient Agreement gives the City of Newton the right to delay transfer of any grant funds to the sub-recipient, Second Nature Technology, until all requirements of the DOC are met, including the expiration of the six-month waiting period for the required new jobs. He explained that the Sub-Recipient would not receive any payments of grant funds from the City until it was free and clear of the documentation aspects required by DOC. Mr. Powell stated that the Main Street Solutions Fund grant program requires that the Recipient of grant funds must be legally committed to spend the funds on approved activities by April 7<sup>th</sup>, 2014.

Mr. Powell stated that the Sub-Recipient Agreement incorporates the changes in the project as described in a Project Amendment, approved by the DOC, relative to the developer's amended proposal to replace the previously-proposed bakery with a wine bar. He explained that this amendment was approved by Council at the November 15<sup>th</sup>, 2011 Council meeting and approved by DOC in a letter dated January 9<sup>th</sup>, 2012.

Mr. Powell stated that the City Attorney and the DOC, along with the City staff, have reviewed the attached Sub-Recipient Agreement and request that the City Council authorize the Mayor to execute the Sub-Recipient Agreement with Second Nature Technology, Inc. for the development of the 19 North College Avenue Renovation Project, a North Carolina Main Street Solutions Fund project.

Council Member Bill Lutz asked that if in the event of default by the sub-recipient, does that mean that the City is the lien holder. Mr. Powell stated that the City gets the money ahead of the developer and would make sure the Department of Commerce has approved before the money is disbursed.

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

That Contract – Second Nature Technology be – APPROVED.

**ITEM 9:      New Business**

A.      DNDA First Quarter Report

Jeremy Petty, Chairperson for the DNDA, provided Council with a bullet list of progress for the first quarter:

- Organize available property tour
- Organize a downtown walking tour
- Publicize historic district and educate downtown property owners
- Rebrand downtown and marketing efforts – wayfinding
- Makeover Project – Phostell’s
  - New awning
  - New windows
  - Upstairs windows
  - Painting façade
  - Dr. Sherrod found and restored authentic barber pole

**ITEM 10:      City Manager’s Report**

- Status Update of Catawba Unit 1
- WPCOG Mayor/Chairmen/Managers Meeting will be Thursday, April 26 at Glen Oaks Country Club. Golf – 1:00, Social – 6:15, Dinner – 6:45
- Ethics Webinar for Elected Officials – WPCOG, May 16<sup>th</sup> - 10 a.m. – Noon
- Visionaire Jets full scale cabin mockup – Thursday, April 19<sup>th</sup> at Conover Station 5:30 p.m.
- Big Sweep – April 21<sup>st</sup>
- Arbor Day Celebration – April 21<sup>st</sup>, 10:00 a.m. at First United Methodist Church
- Unity Day Celebration – April 28<sup>th</sup> from 12:00 to 4:00 p.m. at Southside Park
- MayFEST – May 12<sup>th</sup> from 10:00 a.m. to 7:00 p.m.
- Citywide Yard Sale – May 19<sup>th</sup>, 7:00 a.m. to Noon
- Newton swimming pool to open June 11<sup>th</sup>
- Movies in the Park begins June 15<sup>th</sup>
- Take a Kid Fishing Day – June 16<sup>th</sup>, 9:00 a.m. to Noon
- Tour of Target Facility – April 26<sup>th</sup>, 11:00 a.m. to 1:00 p.m.
- The City re-financed several loans by modifying the interest rates on each of these loans. We have **not** modified the length of the payoff terms. 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**

- CAFR award for FY 2011
- On 4-12-2012 the City received partial distribution in the amount of \$1,200,000 from the estate of Lillian Sewell Jones
- Council received a copy of the NC Water and Wastewater Rates Dashboard from UNC Environmental Finance Center dated March 2012

**ITEM 11: Questions and Comments from Mayor and Council**

There were none.

**ITEM 12: Adjournment:**

There being no further business, the meeting was ADJOURNED.

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Anne P. Stedman, Mayor

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Amy S. Falowski, City Clerk

