

MINUTES
REGULAR MEETING
CITY COUNCIL

December 7, 2015

Mel L. Cohen, Mayor - absent

Sally W. Sandy, City Manager
Louis E. Vinay, Jr., City Attorney

John H. Cantrell)
Forrest A. Fleming) Councilmen
Sidney Simmons)
Ronnie Thompson)

Becky Brinkley, Interpreter

I. The meeting was called to order in the Council Chamber at City Hall at 5:30 p.m. by Mayor Pro-tem John Cantrell.

II. Public Comment – The Mayor Pro-tem stated the guidelines for public comment.

• Richard Garrison, who resides at 105 Kimberly Drive, stated he feels the fact the public comment period is not televised is not in compliance with City ordinances. He stated his hopes that the public comment period will be televised in the future.

There were no other speakers; the Mayor Pro-tem recessed the meeting at 5:31 p.m.

III. Business of the Council – The Mayor Pro-tem reconvened the meeting at 6:00 p.m.

IV. Pledge of Allegiance to the Flag – Councilman Fleming led the recitation of the Pledge of Allegiance to the Flag.

V. Invocation – The invocation was given by Pastor David Doster, Burke Community Bible Church.

VI. Organization of Council

a. Swearing in of Council Members – Judge Robert C. Ervin was present to swear in Mayor-elect Thompson, and Councilmen Forrest Fleming and Sidney Simmons. Mayor Pro-tem Cantrell introduced Judge Ervin to the audience and asked him to come forward to administer the oaths of office.

Judge Ervin then administered the Oath of Office to Mayor-elect Ronnie Thompson. Mrs. Anne Thompson held the Bible for her husband during the oath.

Judge Ervin administered the Oath of Office to Councilman Forrest Fleming. Mrs. Nancy Fleming held the Bible for her husband during the oath.

Judge Ervin administered the Oath of Office to Councilman Sidney Simmons. Mrs. Brenda Simmons held the Bible for her husband during the oath and was also surrounded by his daughters.

b. Remarks by Mayor and Council Members – Councilman Fleming expressed his thanks to the citizens of Morganton. He pledged to continue to work hard to make Morganton a wonderful place to live and raise a family. He asked for prayers for a successful 4 years.

Councilman Simmons expressed his thanks to the citizens of the community for their continued support and their vote of confidence in him. He pledged to work hard and hopes he does not disappoint.

Mayor Thompson stated his thanks to the citizens who took the time to vote. He stated he feels honored and humbled to be Mayor. He commended Mayor Cohen and stated the City and Council owe him a debt of gratitude for his wisdom and guidance in the past. He thanked the staff for their support during the beginning of this transition. Mayor Thompson thanked his wife for her patience during the election process.

c. Election of Mayor Pro Tem – Upon nomination and motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously the Council elected Councilman Cantrell as Mayor Pro-tem.

d. Setting of Meeting Date and Time – Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously the Council adopted the first Monday of each month at 6:00 p.m., as the meeting time for the monthly council meetings, excepting the month of July in which there will be no meeting.

e. Appointment of Standing Committees by the Mayor – Mayor Thompson designated the following members to each Standing Committee:

Finance – Mayor Thompson and Councilman Simmons
Personnel – Councilmen Fleming and Simmons
Streets – Councilmen Fleming and Cantrell
Utility – Councilmen Cantrell and Fleming

•The Mayor stated that since this was the 75th anniversary of the bombing of Pearl Harbor, he would read a Proclamation to be given to Morganton resident Blanch Beam, a survivor of the Pearl Harbor bombing honoring Mr. Beam and, through him, all surviving World War II veterans. After the proclamation was read Councilman Fleming presented it to Mr. Beam with words of appreciation for his service to our Country.

VII. Introduction of Council – The Mayor introduced the Council and staff.

VIII. Retiree Resolutions

•The Mayor read a resolution recognizing retiring employee Michael J. Ferraro, III. Mike retired from the City of Morganton on December 1, 2015 with over 30 years' service. Mike retired from the Public Safety Department as a Sergeant.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council approved Resolution #15-43 recognizing retiring employee Michael J. Ferraro, III.

Mike was unable to attend the meeting and will be presented with his retirement resolution at a later time.

a. Consideration of Award of Service Weapon and Fire Services Helmet

Historically, the City has followed the North Carolina General Statutes and awarded a retiring member with their service weapon along with their fire services helmet. This has been done by the Council declaring the particular items as surplus and then allowing someone to purchase the weapon for the officer for a fee of one dollar.

Sergeant Ferraro has complied with the North Carolina General Statutes in regard to obtaining a valid gun permit for the weapon. City staff recommends that his weapon Glock Model 22, .40 caliber, serial number XHY519, and fire services helmet be declared surplus, sold for one dollar, and presented to Sergeant Ferraro.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and unanimously carried, the Council declared as surplus Glock Model 22, .40 caliber, serial number XHY519, and a fire services helmet, which was bought by the City Manager for one dollar and will be presented to retired Public Safety Sergeant Michael J. Ferraro, III at a later time.

•The Mayor read a resolution recognizing retiring employee Ronald W. Coleman. Ronald retired from the City of Morganton on December 1, 2015 with over 30 years' service. Ronald retired as Superintendent from the Public Works Sanitation Department.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved Resolution #15-44 recognizing retiring employee Ronald W. Coleman.

Ronald was unable to attend the meeting and will be presented with his retirement resolution at a later time.

IX. Public Advocacy Issues and Strategies

a. The City Manager announced that due to the recent elections there is a vacant seat on the City Council for District 4. She stated that applications were being accepted

for those interested who are registered voters living in District 4. The appointment will be on the agenda for the January meeting.

b. The Mayor announced the following upcoming events at CoMMA – Tony Orlando, and a Homegrown Christmas. He also announced events in Downtown Morganton including a Holiday Farmers' Market, carriage rides, and that Santa Claus would continue to make appearances in the Downtown area. He announced a workshop on Scams and Identity Theft at the Burke County Senior Center.

c. Fiscal Year 2015 Audit Presentation – The Mayor asked Eric Bowman to present the Fiscal Year 2015 Audit Report. Karen Duncan, Director of Finance, stated that she would present a power point then Eric would wrap up with his statements.

Duncan started with a graph showing the City revenues, then showed expenditures, stating most are from utility funds. She continued going over specific points for the Council.

Eric Bowman's company is hired to render an opinion on whether the City financial statements are materially correct. The reports are then sent on to the Local Government Commission for its approval. Bowman commended Denise Smith for the 99% tax collection rate. He also commended the City for a fund balance of about 4 months' expenditures in reserve. Bowman expressed concern for long-term debt service which at the end of this year was \$16.8 million of which \$13 million is utility debt. He stated the annual interest and principal requirement is about \$2 million which he stated is quite significant and of which about \$400,000 is interest. He gave a few different scenarios, then stated that by his way of thinking the City should not be entering into too many long-term debt situations, stating he feels there should be a moratorium on long-term debt for a while.

Councilman Cantrell stated that most of that debt was taken-on due to a large expansion in sewer and water which are necessities. Bowman stated the Council might need to consider raising the water/sewer rates but knew that no one wants to see that happen.

Bowman stated he appreciates the support and willingness-to-help shown to him and his staff during the time they are on site during the audit process.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council accepted the Audit Report as submitted.

X. North Carolina Municipal Power Agency Number 1 Update

The City Manager stated at the recent NCMPA1 Board of Directors Elections Latimer Alexander of High Point and Steve Peeler of Lincolnton were elected. Both candidates were supported by the City of Morganton.

XI. Consent Agenda – The City Manager presented the consent agenda and asked if any items should be removed from the Consent Agenda. No request was made.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and unanimously carried, the consent agenda was approved and each individual item adopted as stated, these being as follows:

- A. Minutes for a Regular Meeting held on November 2, 2015 and a Special Joint Meeting with the Burke County Commissioners held on October 19, 2015 were approved as submitted.
- B. Tax Releases in the amount of \$497.86 were approved.
- C. The first reading of issuance of Taxicab Franchises to Michael W. Gilbert (Ace Cab), Larry Segars (City Cab) and Claudia Morales (Becerra Translation & Associates) was approved. A second reading will be held in January 2016.
- D. Authorized and contracted with Kustars Zima Corporation to purchase primary clarifier equipment in the amount of \$155,905 and with Brushy Mountain Builders, Inc. of Lenoir, NC in the amount of \$268,433 for the installation of primary clarifier equipment at the wastewater treatment plant.
- E. Approved Sharon Jablonski for reappointment to the Burke County Tourism Development Authority for a term to expire on December 31, 2017.

XII. Items Removed from Consent Agenda – There were no items removed from the Consent Agenda.

XIII. New Business

1. Consideration of Water & Wastewater System Master Plan Update with Rate Study and Budget Amendment

The City Manager stated the Water & Wastewater CIP includes \$250,000 in FY 2016-2017 for an updated master plan and rate study. The previous study was done over 10-years ago. Both water and wastewater processes are changing and significant capital investment is underway or in planning in each fund. Additionally, in-depth financial analysis is in process for each utility.

At the Council Workshop on October 5, 2015, the need was discussed to accelerate the schedule for this planning and rate work. The acceleration of this work is necessary to better prepare us for making decisions in the upcoming budget season and future years.

As a result from recent changes to system and process needs, a Master Plan Update for the water treatment & distribution system along with the wastewater treatment &

collection system is required. A comprehensive capital improvement plan (CIP) will be developed along with a rate study to enable the funding of these future improvements.

A task authorization was received from our engineering firm, Freese & Nichols, for a Water & Wastewater System Master Plan Update and Rate Study for a fee of \$197,250.

A budget amendment appropriating funds for the master plan update and rate study would need approval.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved a task authorization from Freese & Nichols to complete a Water & Wastewater Master Plan Update and Rate Study in the amount of \$197,250.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council approved budget amendment Ordinance #15-52 in the amount of \$197,250 to appropriate funds for a water and sewer master plan update and rate study.

2. Consideration of Award of Contract for CoMPAS Consulting Business Assessment

The City Manager stated that during last year's budget process, staff indicated that during the 2015/2016 fiscal year, an in-depth financial analysis of all of the City's enterprise funds would take place. Additionally, the business model and the current trends in the industry will be evaluated.

In order to perform this evaluation for CoMPAS, a professional consultant in the industry will provide the service needed to make an informal assessment. Sonja Marston, Bill Harkins, and Karen Duncan have been in discussions with other municipal cable systems and consultants in the industry. Staff recommends a contract with Uptown Services for \$25,000 plus expenses. This consultant has experience with the City of Wilson and understands North Carolina law, which is unique in regards to cable.

The Manager stated it is the intent of the study to have information needed for rate setting prior to budget season. The study should be complete in 60-75 days after the start of the study as per the proposal.

Councilman Fleming asked if there was an estimate of how much the expenses would be. The City Manager stated it will likely be less than \$5,000.

Mayor Thompson commented on the consultant's resume. The City Manager stated he is one of the National Cable Television Cooperative (NCTC) vetted consultants and is recommended by NCTC to do this type of work.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council approved awarding a contract to Uptown Services in the amount of \$25,000 plus expenses for a business assessment of the City of Morganton Cable Antenna System (CoMPAS).

3. Consideration of Award of Contract for the Final Phase Construction Drawings of the Community House Renovation Project and Budget Amendment

The City Manager stated the Morganton Community House has undergone the first phase of renovations during the first half of 2015. In addition to some major infrastructure upgrades (electrical, plumbing, HVAC, roof and the kitchen), the Courtyard was constructed.

The final phase of the renovation will involve the reworking of the lobby, the relocation and upfit of restrooms to make them code compliant; work on the Cobb and Connelly rooms including rewiring, ceilings, and new/reconditioned floors; the creation of a Bridal Suite/Green Room; and adding an elevator. Additionally, the basement under the Cobb Room will be reworked to provide for 2 more meeting spaces, storage and restrooms, along with a new entrance that can be easily accessed by a car for drop off/pick up.

In order to begin this next and final phase, construction drawings need to be prepared so that cost estimates can be obtained. Glazer Architecture, who has prepared all necessary drawings to date, has prepared a contract, with the cost for the final phase of design which includes construction drawings to be \$64,500.

A budget amendment and project ordinance in the amount of \$64,500 transfers funds from the General Fund to the Capital Projects Fund. The project ordinance appropriates the receipt of funds from the General Fund and sets up the budget for Community House architectural design services.

Councilman Simmons asked if the money for this would come from the City budget. The City Manager stated it would be funded by the City and the drawings would become property of the City.

Councilman Simmons asked that if at the earlier workshop was it not discussed the first phase would be taxpayer money and the second phase would be fundraised money. The City Manager stated it is the intention that funds would be raised for the actual construction work but the architectural and engineering work should fall to the City.

Councilman Cantrell stated these drawings are needed in order to get bids for the work. The City Manager stated there has been some discussion about approaching a contractor for a contribution but until these drawings are available the contractors cannot make a decision.

Mayor Thompson asked Sharon Jablonski to talk about the meeting rooms planned for the basement area. Jablonski stated there are good design drawings but bids cannot be

done from those because it is just a vision. She stated that under the Cobb Room is a basement of the same size which could be split into two rooms. One would be a conference type room seating 12-16 people and another that would seat 50 or so. She stated there was also the need to address handicap accessibility.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council accepted Glazer Architecture's contract in the amount of \$64,500 for the final phase construction drawings of the Community House renovation project.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved a budget amendment Ordinance #15-53 and Project Ordinance #15-54 in the amount of \$64,500 to appropriate the transfer of funds from the General Fund to the Community House renovation capital project.

4. Consideration of Entering into a CDBG Small Business Loan Agreement with Root and Vine, LLC for the Purpose of Expanding the Current Restaurant within the Central Business District of Morganton

The City Manager stated that Aimee Perez and Brian Miller are the owners of *root and vine*, LLC. They have requested CDBG small business loan funds in the amount of \$30,000 to initiate the renovation of the lower floor of an adjacent building located at 133 West Union Street. The purpose of this renovation is to expand the current restaurant to include 49 additional seats, 36 beer taps, and a wood fired pizza oven. The two owners have had a successful business in downtown Morganton for nearly 5 years. Root and Vine hopes to broaden their clientele and offerings with this new expansion as well as offer more take out, catered events, and potentially delivery. Hours of operation will also be extended to the afternoons.

The City has set aside CDBG Funds for the purpose of encouraging small businesses that meet both HUD hiring guidelines as well as City of Morganton Mission 2030 goals. Entrepreneurial development, downtown revitalization and tourism enhancement were each identified as essential Mission 2030 goals for economic development. This business loan is being recommended by the staff to promote these goals. *root and vine* will create 7 new jobs with this expansion.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved entering into a \$30,000 CDBG Loan Agreement with *root and vine*, LLC for the purpose of expanding the existing restaurant into an adjacent structure at 133 W. Union Street.

5. Consideration of Award of a Main Street Loan to Root & Vine

The City Manager stated a NC Main Street Solutions Fund Grant was originally awarded to Morganton in 2010 in the amount of \$271,455. As a component of that grant, \$214,255.00 was designated to create a revolving loan program which was

loaned out to 8 pre-qualified businesses. With the monies that have been paid back, one other loan in the amount of \$25,000 was made in 2014.

Currently the revolving loan program has a balance of \$40,750.49. At this time we have a request from *root and vine*, LLC owners, Aimee Perez and Brian Miller, for a loan in the amount of \$30,000.00. *root & vine* is planning to expand into the adjoining space (133 West Union Street) to provide additional seating when the patio is closed, as well as provide a space for private events, and give the current kitchen additional prep and storage space. This expansion will create 2 full time jobs and 6 part-time jobs

root and vine currently has a loan through the Main Street Loan program, which will close out in May of 2016. All payments on that loan are current and were made in a timely manner.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council approved entering into a loan agreement in the amount of \$30,000 with *root and vine*, LLC using monies from the Main Street Solutions Revolving Loan Fund, for expansion purposes.

6. Consideration of Appointments to the Burke Development, Inc. Board of Directors

The City Manager stated Burke Development, Inc. (BDI) has adopted new by-laws. As part of the approval of the by-laws a new board structure was adopted. The City of Morganton will now have two members on the BDI Board with three year terms.

The by-laws state: The City of Morganton shall appoint a total of two (2) Directors, one to be the Mayor of Morganton or designee (designee becomes board member). One Director shall be the City Manager. All appointments will be for a three year time period and they shall serve until their successors are appointed.

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council approved appointment of Sally Sandy, City Manager, to the BDI Board of Directors for a term to expire December 2018.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council approved appointment of Councilman John Cantrell as the Mayor's designee to the BDI Board of Directors for a term to expire December 2018.

7. Consideration of Reappointments for Boards and Commissions / Historic Preservation Commission

The City Manager stated the terms for appointees Ken Volz, Dottie Ervin, Joan Malloch and Mary Lou Furr have expired. These members have been excellent participants on the Historic Preservation Commission and have expressed interest in continuing to serve as members of the Commission.

Appointments are for 3-year terms. Due to staggered terms reappointments would work as follows: terms for Ken Volz and Mary Lou Furr will end in November 2017 while terms for Dottie Ervin and Joan Malloch will expire in November 2018.

The City Manager noted there is still one vacancy on this board for a term to expire in 2017.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council reappointed the following to the Historic Preservation Commission: Ken Volz and Mary Lou Furr for terms expiring in November 2017 and Dottie Ervin and Joan Malloch for terms to expire in November 2018.

8. 30-Day Notice for Vacancies on Boards and Commissions – The Mayor announced there was an upcoming vacancy on the Airport Authority due to term expiration. If anyone is interested in serving on this board they should submit an application to the City Clerk's office. These member would be appointed at the January 4, 2016 Council meeting.

XIV. Other Items from City Manager and City Council Not on Agenda – There were no other items presented.

XV. Reports – Reports were distributed for information.

XVI. Adjournment – The meeting was adjourned at 7:11 p.m.

XVII. Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk