

REGULAR MEETING
CITY COUNCIL

March 2, 2015

Mel L. Cohen, Mayor

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 Cohen.

II. Public Comment – The Mayor stated the guidelines for public comment, and then speakers were called in order of sign-up.

- Aziz Omer resides at 101 Ervingdale Lane. Omer stated the speaker the City brought in to talk about smart meters was a proponent of smart meters and didn't really care for the citizens of the City. Omer stated they needed to look at both sides of the coin. He feels there are many unanswered questions remaining.

- Dr. Syed Omer resides at 107 Castlegate Drive. He stated that smart meters produce EMF which causes problems in the body and on the premises they are placed. Prevention is an important part of his practice

There being no other speakers, the Mayor recessed the meeting at 5:38 p.m.

III. Business of the Council – The Mayor 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 the Rev. Mary Miller-Zurell, Interim Pastor of Calvary Lutheran Church.

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

VII. Public Advocacy Issues and Strategies

a. The North Carolina Main Street Conference will be held in Morganton March 18-20 with over 400 participants coming in from all over the State.

- b. The Mayor announced upcoming events at Comma: *Peter and the Starcatcher*, March 9, *Rhythm of the Dance*, March 14, *Back to...Barry*, *Billy & the Beatles*, March 31
- c. The Mayor announced that Purchasing/Warehouse Supervisor Michael Chapman had achieved certification as a *Certified Local Government Purchasing Officer* (CLGPO), and presented Michael his certificate.
- d. Scott Hildebran, Assistant City Manager is the new president to the North Carolina City/County Manager's Association.
- e. Tourism Update – Ed Phillips, Director of Burke County Travel & Tourism, gave his yearly tourism update. The Travel & Tourism department is funded by 6% tax on lodging in Burke County. Objectives of Travel & Tourism are to increase the occupancy tax revenue in Burke County, increase visitation to the Visitors' Center, increase the number of visitors to Burke County, create new jobs directly and indirectly related to tourism, and share information with the community.

Successes over last couple of years include the largest percentage of tourism related job growth of any county in North Carolina in 2013 and second in tourism spending percentage growth.

Marketing strategies include: print advertising, social media, and billboards. There was a 400% increase of internet traffic during the Fall Color campaign.

Public relations efforts include news releases, media tours, and media requests.

Phillips stated "things you may not know" including Burke has the deepest Gorge east of the Rockies, the largest state park in North Carolina, and is the only county in North Carolina with two state parks.

Phillips stated that Morganton and Burke County has arrived as a tourist destination. There have been some local restaurants that have been overwhelmed on Saturday evenings due to increased visitation.

Councilman Thompson asked if "Nature's Playground" has been an effective marketing campaign. Phillips stated that yes Nature's Playground has been very effective and it is used throughout the County by multiple entities.

- f. Proclamation – The Mayor read a proclamation designating this month as Meals on Wheels "March for Meals". "March for Meals" month helps to raise awareness about senior hunger in America and the Senior Nutrition program in Burke County. The proclamation was accepted by Angie Ross, Nutrition Program Coordinator, Burke County Senior Services.

Upon motion by Mayor Cohen, seconded by Councilman Cantrell, and carried unanimously, the Council approved proclaiming the month of March as Meals on Wheels "March for Meals" month.

The Mayor stated he delivered meals earlier in the day with the Meals on Wheels. He stated it was one of the highlights of his Mayoral term.

Angie Ross stated this is the first year that Burke has participated in March for Meals. She shared that they serve 110 seniors on 12 routes, 5 days a week, and that Meals on Wheels provides hot food, a smile, and a safety check.

VIII. North Carolina Municipal Power Agency Number 1 Update – The City Manager stated there will be a rate committee meeting on Thursday that Brooks Kirby and Dan Brown will be attending.

IX. 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 Thompson, seconded by Councilman Cantrell, and unanimously carried, the consent agenda was approved and each individual item adopted as stated, these being as follows:

- A. Approved minutes for a Regular Meeting held on February 2, 2015.
- B. Approved tax releases in the amount of \$1,640.06.
- C. Authorized and approved revision to the Standards and Specifications for Water Line with Regard to Fire Hydrant Spacing.
- D. Authorized and approved minor annual revisions and updates to the Standard Specifications necessary to keep them current, applicable and, furthermore, in compliance with the various enforcement agencies.
- E. Approved an Urban Archery Season for 2015-2016 in accordance with the regulations established by the North Carolina Wildlife Resources Commission and authorized the City staff to submit a Letter of Intent to participate in the season.
- F. Approved a Budget Amendment for receipt of funds from the City's insurance carrier and appropriated funds for the maintenance and repair of vehicle for Public Safety.
- G. Approved a Budget Amendment for receipt of funds from the City's insurance carrier and appropriated funds for the maintenance and repair of vehicle for Cable.

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

XI. New Business

1. Consideration of a Resolution to Apply for a Rural Center Building Reuse and Restoration Development Grant for American Hospitality Furniture, LLC

The City Manager stated the City is currently working with Burke County and BDI to apply for a Building Reuse and Redevelopment Grant from the NC Department of Commerce (formerly the NC Rural Center). The grant application is for the Building Reuse and Restoration Grants program and aids local governments in assisting eligible business to reuse vacant buildings and spur economic activity that will create jobs.

The grant request is for \$212,500 and requires a 5% local match if approved. The City and Burke County will share equally in the grant match pending approval of the grant request by the NC Rural Center. The local match is \$10,625.

Upon motion by Councilman Cantrell, seconded by Councilman Thompson, and carried unanimously, the Council approved Resolution #15-11 authorizing the City of Morganton to make application to the NC Department of Commerce Building Reuse and Restoration Grants Program for American Hospitality Furniture, LLC.

2. Consideration of Entering Into a CDBG Small Business Loan Agreement with American Hospitality Furniture, LLC for the Purpose of Opening a New Furniture Manufacturing Facility at 410 Hogan Street

The City Manager stated American Hospitality Furniture, LLC is a furniture supplier producing custom furniture both overseas and domestically for select hotel clients. Currently partnered with a manufacturer in Bogotá, Columbia, the company provides exceptional high end furniture and a manufacturer in Tennessee provides lower to mid-tier furniture. The company currently generates between \$3-4 million in annual sales with profits ranging from \$600,000 - 800,000. The company works with many hotels, including Four Seasons, Ritz Carlton, and Millennium. It also has strong relationships with purchasing companies such as Parker International.

The CDBG investment of \$75,000, along with \$212,500 in State Building Reuse Funds, a private SBA loan of \$1.8 million and \$500,000 in owner funds will provide the funds needed to create at least 8 new job positions of that will satisfy the stated goals of HUD and the City of Morganton's Small Business Loan Program.

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. This business loan is being recommended by the staff to promote these goals.

Councilman Cantrell asked if part of this grant would be forgiven after a certain time. Lee Anderson stated that if all the points on their business plan are met at the 5-year date, the remainder is forgiven.

Councilman Fleming stated that it was interesting to note that the Council gets asked what they are doing to bring new business into the City and County. He stated it is not an easy job because it is a very competitive market but he feels this is a good example of what they are doing to promote business and bring business here.

The City Manager stated the business looked here and in Martinsville, VA. The owner really wanted to be here in Morganton because of the skilled workforce. He feels with the skillset of the employee pool here he can put people back to work without much training.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council entered into a \$75,000 CDBG Loan Agreement with American Hospitality Furnishings, LLC for the purpose of opening a new Furniture Manufacturing Facility at 410 Hogan Street.

3. Consideration of a Resolution Adopting the Unifour Regional Hazard Mitigation Plan

The City Manager stated Lee Anderson, Director of Development and Design would present this. Anderson stated natural hazards, such as floods, tornadoes, and severe winter storms are a part of the world around us. Their occurrence is natural and inevitable, and there is little we can do to control their force and intensity. We must consider these hazards to be legitimate and significant threats to human life, safety, and property.

The Unifour Region, which is comprised of Alexander, Burke, Caldwell, and Catawba counties, is vulnerable to a wide range of natural hazards. These hazards threaten the life and safety of the Region's residents, and have the potential to damage or destroy both public and private property and disrupt the local economy and overall quality of life.

The NC Legislature in Section 1 Part 166A of the North Carolina General Statutes require that for a state of disaster to be proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act;

Over the past year, representatives from the various cities and counties within the Unifour Region have worked together with a private consultant to develop a Regional Hazard Mitigation Plan in compliance with State Law.

A brief presentation summarized the plan and Morganton's role in implementation over the next 5 years.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council approved Resolution #15-12 adopting the Unifour Regional Hazard Mitigation Plan.

4. Consideration of Award of Audit Contract

The City Manager stated the last bid for audit services was five years ago. Karen Duncan, Finance Director, has once again issued Requests for Proposals (RFP's) for audit services. Please see the attached memo from Karen describing her RFP process and the results. Because this is a professional services contract no bid procedure is actually required.

Two proposals were received; one local, one regional. At the end of the day, either firm is capable of doing the work. The bids are only \$200 apart.

Eric Bowman, CPA bid \$30,200 and Elliott Davis Decosimo bid \$30,000. The Finance Committee recommends awarding the three-year contract to Eric Bowman, CPA, which is \$500 less than the most recent completed audit.

Councilman Fleming asked about the cost for the following two years. The City Manager stated there would be a slight increase each year.

Upon motion by Councilman Cantrell, seconded by Councilman Thompson, and carried unanimously, the Council awarded a 3-year audit services contract to Eric Bowman, CPA with the first year amount being \$30,200.

5. Consideration of Appointment by the Mayor to the Morganton Housing Authority Board of Commissioners

The Mayor stated that appointments to the Morganton Housing Authority Board of Commissioners are subject to Mayoral approval. There has been a request by the Board to reappoint the Rev. Tom Bland and Scott Carrico to the Board for 5-year terms from February 1, 2015 to February 1, 2020.

The Mayor reappointed the Rev. Tom Bland and Scott Carrico to the Morganton Housing Authority Board of Commissioners for terms to expire on February 1, 2020.

XII. Other Items from City Manager and City Council Not on Agenda

a. Consideration of Resolution Declaring as Surplus the Equipment of Former MoTown Deli Now Held by the City

The City Manager stated that when the City issued its CDBG Loan to Kinney's Subs LLC, d/b/a MoTown Deli, it took as security a lien on all of the equipment on the premises. The equipment is listed on the UCC Financing Statement recorded on August 20, 2013 in Book 2102, Page 223 in the Burke County Register of Deeds. After Kinney

Subs defaulted on its loan, the City exercised its right as lienholder, and took possession of all of the listed equipment, which remains in the former MoTown Deli premises in Suite B120 in the 305 East Union Street complex. The City staff has made arrangements to sell most of these items of equipment, to recoup at least some of the defaulted loan. To sell the equipment, it is necessary for City Council to declare as surplus all of the former MoTown equipment subject to the lien.

Upon motion by Councilman Thompson, seconded by Councilman Simmons, and carried unanimously, the Council declared as surplus all of the former MoTown Deli equipment subject to the City's lien and located at 305 East Union Street, Suite B120, and authorized sale of all of the equipment for the best possible price to one or more buyers, as negotiated by City staff.

XIII. Reports – Reports were distributed for information.

XIV. Adjournment – The meeting was adjourned at 6:45 p.m.

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