I. The Meeting was called to order in the Council Chamber at City Hall at 6:00 p.m. by Mayor Thompson.

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

• Jeff Boone, Pastor at First Freewill Baptist Church, resides at 133 Whispering Pine Street, addressed the Council regarding the failed storm drain on South Sterling Street. He asked if there was a time schedule for repairs; whether the City would work with members to find a place for worship; and had questions about the status of the church structures. The City Attorney stated staff had been working with Pastor Boone, and handed a memo to the Council regarding the timeline. The City Attorney stated he would meet with Pastor Boone to give members of the church an update.

• Bryan Steen, Burke County Manager. Steen thanked general services and emergency services employees for their work during the unusually cold weather. Steen stated his topic was regarding the Emergency 911 Consolidation / Interlocal Agreement. He likened the agreement to a voluntary marriage. He stated that efforts were made with other local municipalities to contribute to operational funding. Steen stated that he believes that pulling out of the agreement is an act of reneging on a promise. He stated he is concerned that turning backs on an agreement with another unit of government will have a negative impact on the City. He questioned whether one can count on Morganton to keep its word.

• Bryant Lindsey resides at 113 Rockview Lane. Lindsey stated he is an Overmountain Victory Trail Association Board Member. He stated that the City has two extraordinary opportunities regarding walkability at interstate exits. He stated he has made comments to NCDOT where he “promised” to have maps to help leverage these opportunities. He stated that with the help of the City’s GIS Analyst Stephen Fox a map of bikeability and walkability was created. Lindsey shared the map and stated he hoped the map would
be studied prior to Council’s workshop on February 23. He stated he continues to urge NCDOT to have bicycle and pedestrian access at these two projects.

No other speakers were signed up so the Mayor recessed the meeting at 6:11 p.m.

III. Business of the Council – The Mayor reconvened the meeting at 6:15 p.m.

IV. Pledge of Allegiance – Mayor Pro-tem Fleming led the recitation of the Pledge of Allegiance to the Flag.

V. Invocation – The invocation was given by Pastor Shawn Thomas, Pleasant Ridge Baptist Church.

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

VII. Retiree Resolutions – The Mayor read resolutions honoring the following retirees:

• Ronnie O. Gibbs retired from the City of Morganton on January 1, 2018, with 30 years five month’s service. Ronnie retired from the Public Safety Department as a Senior Public Safety Officer.

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.

PSO Gibbs 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 22 Gen 4, Serial Number XHY499 and fire helmet, Cairns 1044 DSB, Serial Number PPE-FH-35, be declared surplus, sold for one dollar, and presented to retired PSO Gibbs.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council adopted Resolution #18-01 honoring retiree Ronnie O. Gibbs.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council declared as surplus weapon, Glock 22 Gen 4, Serial Number XHY499 and fire helmet, Cairns 1044 DSB, Serial Number PPE-FH-35, sold for one dollar, paid for by the Councilman Fleming, and presented to retired Public Safety Officer Gibbs.

Chief Rector stated that Gibbs embodies what a community officer should be. He was willing to help mentor and guide younger officers.

Gibbs thanked the Council, and expressed that he enjoyed his years with the City.
Robert J. Longo retired from the City of Morganton on January 1, 2018 with 30 years’ and 5 months’ service. Robert retired from the Water Resources Department as Senior Water Treatment Plant Operator. Longo was unable to attend the meeting and his resolution will be presented at a later time.

Upon motion by Councilman Simmons, seconded by Councilwoman Cato, and carried unanimously, the Council adopted Resolution #18-02 honoring retiree Robert J. Longo.

Charles R. Mauney retired from the City of Morganton on January 1, 2018 with 20 years’ and 5 months’ service. Charles retired from the Water Resources Department as Senior Distribution and Collection Systems Operator.

Upon motion by Councilman Fleming, seconded by Councilman Hawkins, and carried unanimously, the Council adopted Resolution #18-03 honoring retiree Charles R. Mauney.

Mr. Mauney expressed his thanks.

VIII. Public Advocacy Issues and Strategies

a. National Mentoring Month Proclamation – The Mayor read a proclamation declaring January as Mentoring Month in Morganton. Kathy Peters with Big Brothers Big Sisters accepted the proclamation. Peters encouraged everyone to take the opportunity to volunteer, stating that a small amount of time makes a huge difference in a child’s life.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council approved the National Mentoring Month Proclamation.

b. Blue Elves Christmas Update – PSO Joey Belanger shared a video and gave a review of Public Safety’s participation in Blue Elves Christmas in Morganton/Burke County. Belanger stated they reached 182 children and shared 652 toys this year. He stated they provided outreach, smiles and fun. Belanger then read a list of donors who helped make a success of this year’s event.

c. CoMPAS Update – CoMPAS Director Greg Branch gave Council an update on the status of CoMPAS. Branch stated 863 customers took advantage of the new internet high speed offering which increases monthly revenue $17,000. Branch then stated that as of the first of the year CoMPAS saw “out-of-market off-air” stations, which were duplicate network stations, taken off the CoMPAS line-up. This saves $98,000 in the current budget year.

The City Manager explained that the City does not have control of which market we are in; we are placed by the FCC. She then shared the cost of purchasing rights to air “out-of-market” stations.
• The Mayor stated he had been questioned by a citizen about the Downtown Christmas lights and whether citizens were charged extra on their electric bills for having the lights on during the season. The City Manager stated it does not cost citizens any extra; there is no charge on customer’s utility bills. She further stated the lights are paid for by a line item on the Main Street budget which reimburses the Electric Department. She stated the lights are on a meter and they are billed for that charge.

• Brooks Kirby stated that during regular maintenance they found a hot-spot at Delivery 3 (Sanford Drive) which requires a power outage in order to make repairs. The outage will begin late this evening/early morning and will affect the northwest sections of the City.

d. The Mayor announced the following upcoming events at CoMMA: The Sting Police, January 9; Farnham / Bohn, January 23; and Lenoir Sax / City Rhythm Jazz, February 2.

• The Mayor also announced that City Hall would be closed Monday, January 15, in honor of the Martin Luther King, Jr. holiday.

• The City Manager stated that with the recent spate of freezing temperatures came many waterline breaks which were announced via social media and the City website. The City received many kind comments regarding appreciation for the crews and the job they were doing which were passed along to those workers.

IX. North Carolina Municipal Power Agency Number 1 Update – The City Manager stated there were no updates.

X. Consent Agenda – The City Manager presented the Consent Agenda and asked if any items should be removed from the Consent Agenda. Item C was asked to be removed by the Mayor.

Upon motion by Councilman Simmons, seconded by Councilman Hawkins, and unanimously carried, the Consent Agenda was approved and each individual item, with the exception of Item C, was adopted as stated, these being as follows:

A. Approved Minutes for a Regular Meeting held on December 4, 2017 as submitted.

B. Confirmed and approved the sale of the two surplus lots on Roper Street to Irvin Circle K Enterprises, LLC for $5,000, and authorized the Mayor and City Manager to execute a deed and any other required documents.

C. Consideration of Confirmation of Withdrawal from Interlocal Agreement with Burke County and Valdese for Creation and Operation of Consolidated 911 System – This item was removed from the Consent Agenda for further discussion.

D. Approved a budget amendment (Ord. #18-04) in the amount of $3,670 for receiving insurance funds and for the repair of a Public Safety vehicle.
E. Approved a budget amendment (Ord. #18-03) and a project budget ordinance (Ord. #18-02) in the amount of $13,750 to appropriate the transfer of funds to repay the Capital Reserve fund.

F. Approved a contract with Smith Moore Leatherwood for 2018 professional lobbying services, in the amount of $45,000.

G. Approved Resolution #18-05 Establishing the Eligibility Requirements for Disability Retiree Health Insurance for Employees with a Hire Date of February 1, 2018 or Later.

H. Approved entering into a contract with Miracle Recreation Equipment Co. in the amount of $142,769.19 for playground equipment and installation at Martin Luther King, Jr. Park.

I. Approved an amendment of the DIG Agreement with Alpine Mill, LLC, to extend planned project completion date to December 31, 2018, to reflect that project will include commercial space, to indicate company’s first phase new investment is estimated at $7,500,000, and to authorize Mayor and City Manager to sign necessary documents.

J. Awarded purchase of an Altec Model DH45 Digger Derrick Truck for the Electric Department at a purchase price of $280,400, procured through the NJPA purchasing co-op.

• Awarded a financing contract to First Citizens in the amount of $280,400 at an interest rate of 2.67% for a period of five years for financing a digger derrick truck. (Resolution #18-04)

XI. Items Removed from Consent Agenda – Item C. Consideration of Confirmation of Withdrawal from Interlocal Agreement with Burke County and Valdese for Creation and Operation of Consolidated 911 System was removed from the Consent Agenda.

The City Manager stated that in 2011, the City of Morganton, the Town of Valdese and the County of Burke entered into an Interlocal Agreement concerning the consolidation of their then-separate emergency communications systems into a county-wide consolidated system. The Agreement also addressed funding for this project, including grant applications. Morganton played a crucial role in the consolidation of county-wide emergency communications services, including the writing of the application for the Federal/State grants which funded the new 911 center, and the transfer to the County of land for the center at far less than market value.

The Agreement explicitly states the anticipation that the other municipalities in Burke County would join, and also contribute to the costs of operation. Section H. of the Agreement provides that municipal incorporated areas within the County which are not parties to the Agreement but which are “receiving benefit of services from” the new
Emergency Communications Center “will also be charged a Proportionate Share” of the costs of operation. However, despite the County’s subsequent attempts to attract them, not one of the 6 other towns in the County, all of which receive benefits from the new 911 center, ever joined in the Agreement, nor have any of them ever paid anything toward the costs.

Over the past two years or more, it became clear that no other municipalities would participate, and that therefore Morganton and Valdese were bearing a disproportionate and unfair burden. The consolidated emergency communications service is for the benefit of the entire county, and is operated and managed by the County, with a Director who is a County employee directly subordinate to the County Manager. The citizens and residents of Morganton and Valdese pay the same County taxes (which fund the 911 service) as do all other Burke County taxpayers, whether inside or outside any town limits. Once the new 911 center was up and running, therefore, in order to address this unfairness, representatives of Valdese and Morganton began discussion with the County about revision of or withdrawal from the Agreement.

Section N. of the Agreement provides in detail for the withdrawal of parties. Specifically, any participating government may withdraw, only to be effective at the end of a fiscal year, by giving at least six months' written notice form such party’s Manager. Morganton duly provided such notice by letter of December 13, 2017, signed by both the City Manager and the Mayor. Valdese has sent a similar letter.

Neither Morganton nor Valdese has any intention of re-establishing its own separate 911 center or emergency communications service. Morganton fully supports continuance of the consolidated 911 service. Since the consolidated service will continue, and the funding of the same is a purely local matter between the County and its municipalities, there will be no required repayment of any of the grants received to establish the service and build the new 911 center.

While all Council members have been fully briefed on this situation, and have separately and individually expressed their support, it is now appropriate for Council to formally ratify withdrawal from the 2011 Interlocal Agreement.

Mayor Thompson confirmed with the City Attorney that Section N of the agreement allows for withdrawal from the agreement. The Mayor then clarified that City residents pay County taxes which help to pay for 911, City residents also pay city taxes which help pay for 911, and they are charged a 911 surcharge on their telephone bills which help pay for equipment.

The City Attorney stated the Agreement only requires a letter from the Manager for withdrawal and the Council’s action is simply to ratify the action already taken.

Councilman Hawkins asked if any grant monies would need to be repaid if the City withdraws from this agreement. The City Manager stated the grant required a Consolidated Operations Center and did not address local funding agreements. The
City Attorney stated the agreement only deals with the funding; the Consolidated Center will continue being operated by the County. The City Manager stated at the time of construction the City sold the County the property at a value significantly under tax value with the opportunity for the County to pay over five years.

Councilwoman Cato stated this has been a difficult process, but she doesn’t want this to be something that interferes with future agreements. She stated she feels the City Council needs to continue open conversation and discussion with County officials. She stated that we learn from how we’ve done things in the past and agreements may need to be written differently in the future. She stated there were so many good and exciting things happening that we need to continue to work as partners.

Councilman Fleming stated that the City has been very cordial with the County in the past and hopes this will not be a stumbling block for the future. He stated the City and County have worked together multiple times over the years on economic development agreements referring to such an agreement on the agenda later in this very meeting. He stated it may not a comfortable situation to withdraw, but feels like this is necessary and needs to be done for the residents of the City. He doesn’t blame the County for being opposed to the City withdrawing from this agreement, but doesn’t see how the County can reasonably expect support for service that is their responsibility to provide.

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council approved and ratified the action taken by the City Manager’s letter of December 13, 2017, to notify the County of Burke that the City will withdraw from the Interlocal Agreement for the Consolidation of 911 Service, effective June 30, 2018, and confirming the City of Morganton will withdraw from the Agreement on that date.

XII. New Business

A. Public Hearings

1. Public Hearing for Consideration of Economic Development Incentive Grant Agreement for Sunrise Global Marketing, LLC

The Mayor opened the public hearing at 7:07 p.m.

The City Manager stated that Morganton, the County of Burke and Burke Development, Inc. have jointly worked to attract to our community a new industry known as Sunrise Global Marketing, LLC, which for confidentiality was formerly identified as “Project Engines”. The company, which makes the “Greenworks Tools” brand for lawn and garden use, proposes to acquire an existing but vacant industrial facility within the Morganton city limits, and convert the structure to the new company’s use. The company proposes to invest about $8,000,000 in new plant and equipment, and create up to 187 new full-time jobs over a five-year period.
As inducements to attract this new industry, the City and County each propose to offer Sunrise Global an economic development incentive equal to 65% of the new taxable investment at the facility over a period of six years, provided the company invests at least $8,000,000. If the company invests $10,000,000 to $20,000,000, the incentive would increase to 70% over seven years, and if the investment is over $20,000,000 then the incentive rate would be 75% over eight years. The base figure for calculation of new investment would be the County’s tax valuation as of January, 2018, and the first tax year for which the company would be eligible for the incentives is to be 2019, meaning the first incentive would only be due in fiscal year 2019-2020. Further, it is a condition of the continued incentive grants that the company create at least 94 new full-time jobs by December 31, 2020.

This incentives agreement is in the same format as similar agreements previously entered into by the City. However, this Agreement is distinctive in providing for higher incentive rates if the company makes significantly higher investments than currently planned. The Agreement is a joint effort with the County, which must separately approve it. The annual incentives must be separately approved and paid by the two governments, and are not dependent on each other.

The City and the County have each separately called for public hearings to consider this Agreement, as required by North Carolina law. Notice of the City’s public hearing, set for the January 8, 2018 stated meeting of Council, was published in the News-Herald on December 19, 2017.

There being no public comment, the Mayor closed the public hearing at 7:09 p.m.

Upon motion by Councilman Hawkins, seconded by Councilman Simmons, and carried unanimously, the Council approved and entered into an Economic Development Grant Agreement with Sunrise Global Marketing, LLC, and authorizing the Mayor and City Manager to execute all necessary documentation.

2. Public Hearing to Consider Rezoning a 0.80 Acre Tract of Property, Located on the Southwest Side of West Fleming Drive (605 W. Fleming Drive) from Office Institutional Conditional Use (OICU) to High Intensity District (HID) Submitted by Richard Hastings

The Mayor opened the public hearing at 7:10 p.m.

Planning Director Phillip Lookadoo stated that the property proposed for rezoning is located in the south central portion of the City of Morganton with direct frontage on W. Fleming Drive (See attached location map). The tract is bounded by the above named road and topographically separated from the neighboring residential area.

This item was considered by the Planning & Zoning Commission on December 14, 2017 and upon a unanimous vote, recommended for approval of rezoning by City Council. Staff has reviewed the objectives of the Mission 2030 Plan and, although the property is designated as future residential, finds that this action is in compliance with the goals
and objectives set forth in the Plan. This finding is based on the property’s frontage on W. Fleming Drive (23,000 average daily traffic), topographical separation (32 percent grade transition) from the adjacent residential area, and adjacency to a nine acre tract with a future land use designation of General Commercial.

A Public Hearing Notice, for January 8, 2018 was advertised in the Morganton News Herald on December 26, 2017 and January 2, 2018. First Class mail notices were mailed to all property owners of record as well as property owners adjacent to the subject properties on December 29, 2017 and a Rezoning Notice Sign was placed on the subject property.

Councilman Fleming asked if the property owner was planning to develop the property to meet the standards of the Zoning Ordinance. Lookadoo stated that it would need to be developed to the corridor overlay standard.

Councilman Simmons asked if Mr. Hastings was the owner 10-years ago. Lookadoo stated that Mr. Hastings has a contract to purchase the property and is not the current property owner.

Rhonda Mabe resides at 306 Hendredon Road. Mrs. Mabe stated that her property borders the subject property. She stated she was interested in learning more about the purchaser’s intentions for the property. She asked what the High Intensity District (HID) allows and asked for clarification. She stated the property as it currently stands is an eyesore and attracts problems.

Lookadoo stated there are a number of permitted uses in HID. However, what hinders this property is the topography, size of property, the access to the property. There are parameters that restrict development of the property.

The Mayor asked if under HID, and the tract being only 0.80 acres, one could put apartments on that space. Lookadoo stated there is not enough land to include parking needs without a large expense.

The City Attorney stated that with rezoning requests the Council needs to look at Mission 2030 long-range plans. He cautioned the Council that they should not look at the proposed use for the property, which should never be part of Council consideration. Council consideration should be whether it is appropriate to rezone to HID which is a broad category and allows a lot of uses. The Attorney reiterated Lookadoo’s statement that this property is entirely within corridor overlay of the HID which can affect what can be done on the property.

Gene Deaton resides at 312 Henredon Road. Deaton stated he is concerned that for 10 years it was zoned commercial and is now concerned about what “could” be put there; the property is on a septic tank and not city sewer; that at one time there was an oil-pit on the property and is now covered over. He stated he does not want to discourage
something with a nice façade, but feels the City needs to be a little more aware of what could be problems with the property.

Lookadoo stated that he doesn’t know about the oil-pit, but there is an easement in place to Henredon Road for City sewer. The difference between this and the previous zoning ordinance is that while uses are permitted, there are conditions. This actually can make it more restrictive than the previous zoning ordinance.

Deaton stated he still feels the neighbors should know more about what the purchaser plans for the property.

The City Attorney stated that what type of business going on the property absolutely cannot be considered by Council. The City Attorney stated the building inspector would make those calls regarding septic/sewer and then it would be the property owner’s problem and not the City’s. The Attorney reiterated the question before Council was only about zoning and not about any particular use for the property.

Councilman Fleming stated that he feels an obligation to the neighbors.

Councilman Simmons stated it concerns him that there was no one in attendance representing the purchaser.

Mrs. Mabe stated the neighbors wanted to know who Mr. Hastings is. She stated that if this is zoned HID it is extensive what can be placed in a small area. The City Attorney stated it is extensive what can be placed in HID but given the shape of the property and the setbacks it strictly limits what can be put there.

Mrs. Mabe stated there are paragraphs of what could be placed in HID. The City Attorney stated that 90% of uses won’t fit on this property physically. She again stated her concern is that if it is rezoned it would be used for high intensity. The City Manager restated the City Attorney’s point that just because many things “could” be done in HID does not mean they can be done on this particular property due to the other restrictions.

Deaton asked why the buyer isn’t here to talk about this rezoning. Mrs. Mabe stated that if she was going to purchase a piece of property she would have an idea of what she would be using it for.

Councilwoman Cato asked for reasons Planning & Zoning encouraged this rezoning. Lookadoo stated P&Z recommended the change after looking at the Mission 2030 plan and determining that it complies with the objectives of the plan. It is based on road frontage on Fleming Drive, topographical separation from the neighborhood, and adjacency to a tract that is future general commercial.

Robin Mabe resides at 306 Henredon Road. Mr. Mabe asked if the property is purchased on speculation can the person just let it go; no mowing, no caretaking of the
property. The City Attorney stated that Code Enforcement would take care of those types of issues.

Deaton asked, in order to appease the neighbors, if the City could have owner come before Council to talk about his plans. The City Attorney stated that the neighbors could ask the purchaser to come and talk to the neighbors, however, it is inappropriate for the Council to make that request.

There being no further public comment, the Mayor closed the public hearing at 7:39 p.m.

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council chose to delay voting on this rezoning until a later date.

3. Public Hearing for Consideration of Zoning Ordinance Text Amendments Concerning Microbreweries

The Mayor opened the public hearing at 7:40 p.m.

Phillip Lookadoo stated there is a significant presence of what are commonly called “microbreweries” in Morganton, especially in the Central Business District. The definition of “microbreweries” in the City’s present Zoning Ordinance is somewhat vague, and City staff believes it should be improved. In particular, the definition should be brought into conformance with the State’s provision for the maximum size of a brewery that is not required to distribute its product through a distributor. Further, given the success and growth of at least two breweries in the CBD, staff feels there is need both for clearer guidelines and for a slightly larger scope for such operations in the downtown area.

The Planning and Zoning Commission, after notice, considered this issue at its December 14, 2017 meeting, and after further comments and minor changes, approved the proposed text amendments. Notice of a public hearing by City Council, set for the January 8, 2018 stated meeting, has been published in the News-Herald.

There being no public comment, the Mayor closed the public hearing at 7:43 p.m.

Upon motion by Councilman Fleming, seconded by Councilwoman Cato, and carried unanimously, the Council amended the definition of “Microbreweries and Wineries” in Section A.4 of Appendix A of the Zoning Ordinance, and amended Section 3.4.5(B) of the Zoning Ordinance concerning special regulations for such uses in the Central Business District, all as reflected in the proposed text amendments presented to Council. (Ordinance #18-01)
B. Other Business

1. Consideration of a Call for a Public Hearing on a PARTF Grant for Expansion at the Catawba River Soccer Complex

The City Manager stated that as part of the process of applying for this grant the Council must call for and conduct a public hearing on the proposed project at a meeting specially called only for that purpose. The following notice will be published in an upcoming edition of the News Herald as well as the City website and social media outlets:

Notice is hereby given that a public hearing will be held at a Meeting of the Morganton City Council in the Council Chambers of the Morganton City Hall located at 305 E Union Street, Suite A100, Morganton, North Carolina on Monday, February 5th at 5:00 p.m., to consider an application for grant funding from the Parks and Recreation Trust Fund to develop new recreational amenities at the Catawba River Soccer Complex.

At the hearing, all interested persons may be heard and voice any support or objections to the proposed grant application.

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council called for a public hearing on a Parks and Recreation Trust Fund Grant Application.

2. Consideration of Appointments to Boards and Commissions

a. Human Relations Commission - Student representatives to the Human Relations Commission are in place for a one-year period, mostly following the school year. With the on-set of the new school year, a new representative needs to be appointed.

It has been recommended that Sterling Hall of Patton High School be appointed to the Human Relations Commission.

The Mayor appointed Patton High School student Sterling Hall to the Human Relations Commission.

XIII. Other Items from City Manager and City Council Not on Agenda – The Mayor appointed, as his designee, Councilwoman Cato to the Western Piedmont Council of Governments Transportation Advisory Committee (TAC).

XIV. Reports – Reports were distributed for information.

XV. Adjournment – The meeting was adjourned at 7:48 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