

MINUTES  
REGULAR MEETING  
CITY COUNCIL

November 6, 2017

Ronnie Thompson, Mayor

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

John H. Cantrell     )  
Forrest A. Fleming   ) Councilmen  
Sidney Simmons     )  
Vacant Seat         )

Becky Brinkley, Interpreter

Prior to the beginning of the meeting a reception for John H. Cantrell, Retiring City Councilman, was held honoring his 17 years of service as an elected official.

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.

No speakers were signed up so the Mayor recessed the meeting at 6:03 p.m.

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

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

V. Invocation – The invocation was given by the Rev. Tom Bland, First Baptist Church, Morganton.

VI. Introduction of Council – The Mayor introduced the Council and staff. The Mayor asked Assistant City Clerk Kelly Russell to read a resolution honoring John H. Cantrell, Mayor Pro Tem.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, the Council voted 3-0 (with Councilman Cantrell abstaining) to approve the resolution honoring John H. Cantrell.

VII. Public Advocacy Issues and Strategies

a. A new video series featuring local employers debuted with *Morganton Works – Leviton*. Glenn Privette, Director of Human Resources at Leviton stated he has worked

at Leviton for 34 years. He stated it is a 3<sup>rd</sup> generation family owned business. Leviton has partnered with the local community college to educate skilled employees. The Mayor thanked Mr. Privette for appearing and sharing the video with them. The City Manager stated that Leviton is a good community partner and shared that the City used using Leviton products throughout Community House during the recent renovation.

b. Community Appearance Advisory Commission – Bill Lennon, Commission Member, stated that John Cantrell has been a member of the CAAC since 1993 and gave his thanks for John's contributions over the years.

Lennon then stated that the Community Appearance Advisory Commission has awarded five properties with letters of commendation for projects which enhance the appearance of the City of Morganton. Those properties were: Moondog Pizza, Samantha Reid (future Bed & Breakfast), Oak Hill Iron and Wood, ReMax Real Estate, and Grace Ridge Retirement Community.

c. Audit Presentation – Tom McNeish of Elliott Davis Decosimo, gave a brief overview of the audit process. The audit was completed well in advance of the deadline and McNeish thanked Karen Duncan and staff for responding to their requests so quickly and efficiently. McNeish stated they issued an unmodified / clean opinion based on extensive audit. He stated that good news is they did not note any material weaknesses which is a good sign of internal controls. The City is in compliance with grant programs both with Federal and State grants. McNeish stated this is a very good report for City as far as the audit is concerned.

Karen Duncan, Finance Director, then shared a PowerPoint which highlighted the City's revenues and expenses.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council accepted the audit as presented.

d. The Mayor announced the following upcoming events at CoMMA: the *Inaugural Gossler/Williams Choral Festival*, November 7; *Gobsmacked*, November 9; *Dirty Dancing (on Stage)*, November 14; and *A Christmas Carol*, November 28. The Mayor then announced these events: Holiday Farmers' Market, November 18; Christmas Craft Show, November 18, Collett Street Recreation Center; Memorial Tree Lighting Ceremony, November 18, Old Courthouse Square; Winter Carnival, Saturday, November 18, Old Courthouse Square; City Hall will be closed November 10 in honor of the Veteran's Day holiday and November 23 – 24 in honor of the Thanksgiving Day holiday; Carriage rides in Downtown on Fridays and Saturdays beginning on November 24; and Small Business Saturday, Downtown, November 25 all-day.

The Mayor reminded citizens not to put sticks or other debris in leaf piles as it can damage the leaf collection equipment.

The City Manager shared a story from the *News Herald's* "50 years ago" column which would make it from 1967. She stated the article said that Cy Brooks, former City Manager, was invited to New Orleans and the City of Morganton was honored for having been one of the pioneers in adopting the Mayor/Manager form of government. The City of Morganton and the City of Hickory, in 1913, were the first in the United States.

VIII. North Carolina Municipal Power Agency Number 1 Update – The City Manager stated that Dan Brown is running unopposed for the Majority Seat and Mayor Newell Clark (Lexington) is running unopposed for the Weighted Vote Seat on the Board of Directors.

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

Upon motion by Councilman Simmons, seconded by Councilman Fleming, 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 and a Closed Session, both held on October 2, 2017, as submitted.

B. Approved Resolution #17-36 Authorizing an Application for a Grant from the Governor's Crime Commission in an amount up to \$120,000 for the purchase of body and dashboard cameras.

C. Approved a professional services agreement with the Western Piedmont Council of Governments for Phase 2 Storm Water Public Outreach and Education Services in the amount of \$5,189.

D. Approved a budget amendment (Ord. #17-51) in the amount of \$30,900 for receiving insurance funds and for the replacement of a Public Safety vehicle.

E. Approved the first reading (of two) for issuance of Taxicab Franchises to Michael W. Gilbert (Ace Cab), Larry Segars (City Cab) and Claudia Morales (Becerra Translation & Associates).

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

XI. New Business

A. Public Hearings

1. Public Hearing for Consideration to Rezone a 5.00 acre Portion of a 6.61 Acre Tract of Property Located at the Southwest Corner of Carbon City Road and Jamestown

Road from Exclusive Industrial District (EID) to High Intensity District (HID) Submitted by Adam McCurry, Agent for Ace Deuce Properties

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

Phillip Lookadoo, Director of Development and Design, stated the property proposed for rezoning is located in the western portion of the City of Morganton with direct frontage on Carbon City Road, Jamestown Road and Old Jamestown Road. The entire tract itself is bounded by the above named roads.

This item was considered by the Planning & Zoning Commission on October 12, 2017 and upon a unanimous vote, recommended for approval by City Council. Staff reviewed the objectives of the Mission 2030 Plan and finds the action is in compliance with the goals and objectives set forth in the Plan.

A Public Hearing Notice, for November 6, 2017 was advertised in the Morganton News Herald on October 21, 2017 and October 28, 2017. First Class mail notices were mailed to all property owners of record as well as property owners adjacent to the subject properties on October 23, 2017 and a Rezoning Notice Sign was placed on the subject property.

There being no public comment, the Mayor closed the public hearing at 7:14 p.m.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council adopted Ordinance #17-52 that amends the Zoning Map of the City of Morganton to rezone parcels from their present Exclusive Industrial District (EID) zoning classification to a High Intensity District (HID) zoning classification based on Compliance with the Mission 2030 Plan and recommendation by the Planning and Zoning Commission.

2. Public Hearing for Consideration of a Proposed Amendment to the 2017 Consolidated Action Plan and Approve Amended Project Budget

The Mayor opened the public hearing at 7:15 p.m.

The City Manager stated Lisa Helton of the Western Piedmont Council of Governments would elaborate on this item. Lisa stated this public hearing is to receive public input and comments concerning the proposed amendment to the 2017 Action Plan. This plan, as required by the U.S. Department of Housing and Urban Development (DHUD), outlines the goals and actions of the City in its use of Community Development Block Grant (CDBG) funds.

The amendment being considered is to reallocate funds totaling \$85,000 from the public facilities and improvements activity to the acquisition activity. Staff believes it will be necessary to acquire property for the purposes of constructing future walkway / bikeway

infrastructure. The amendment only reallocates funding and does not increase or decrease the total CDBG program budget.

There being no public comment, the Mayor closed the public hearing at 7:17 p.m.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council adopted the amended Community Development Block Grant 2017 Action Plan.

B. Other Business

1. Consideration of Award of Contract for Deck Replacement for the Greenway Bridges over Silver Creek and the Catawba River at the Soccer Complex

- Recognition of the Wall Family and Wall Lumber Company for contributions
- Consideration of a Budget Amendment to Accept Contributions

The City Manager stated that due to deterioration of the original bridge decking on both the Silver Creek and the Catawba River Bridges on the Greenway, it was determined that it was necessary to replace the existing decking for safety and function reasons. Bids were solicited by the City to provide only the labor to install the new bridge decking on both bridges with the materials already being supplied by another party. Five bids were received for the project. Brushy Mountain Builders of Lenoir, NC had the lowest responsible, responsive bid in the amount of \$ 38,400. Wilkie Construction Company of Lenoir, NC had the second lowest bid at \$ 68,495.

The City Manager recognized the Wall Family and Wall Lumber Company who agreed to fund this project on behalf of the City. Mrs. Wall stated she was happy to help the City in this way and encouraged other citizens to find ways to support the City.

Councilman Fleming thanked the Wall Family for their generous contributions.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council authorized and contracted with Brushy Mountain Builders to perform the labor on the bridge deck replacement for both bridges on the Greenway.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved a budget amendment (Ord. #17-50) in the amount of \$57,762 which appropriates the receipt of donated funds and corresponding repair budget for Greenway Bridge repairs.

2. Consideration of a Resolution Supporting Building Re-use Grant Application for Project Quantum Leap and Call for a Public Hearing

The City Manager stated that Project Quantum Leap is the code name for an industrial company looking at Morganton as a location for expansion. The company proposes to occupy a vacant industrial building, invest up to \$18,000,000 in new plant and

equipment, and create about 102 new jobs over a 4-year period. The company wishes to apply to the State of North Carolina for a building re-use grant of up to \$500,000. Such a grant would require a 5% "local match" to be split between the City and the County of Burke. The City would be the actual applicant on this grant.

The company, and BDI, now ask the City and the County to publicly resolve their support of a grant application, and to have the City submit such an application.

The company also intends to seek other State grant incentives of up to \$500,000. Such grant would require a local match of 50% (that is, up to \$250,000), which would be split between the City and the County. In this case, the local match could be met by the City and County offering incentives based on the increase in assessed property tax valuation due to the company's investment. Such incentives may equal 50% of the ad valorem taxes which would otherwise be charged based on the increased tax value for a period of 7 years.

The City Manager stated that a public hearing is required before any economic development incentive is actually approved.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted Resolution #17-35 supporting a State re-use grant of up to \$500,000, with a 5% local match, for Project Quantum Leap.

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council called for a public hearing at the December 4, 2017 City Council meeting to consider City economic development incentives for Project Quantum Leap

### 3. Consideration of a Resolution Supporting Building Re-use Grant Application for A Caring Alternative

The City Manager stated the City is currently working with Burke County and BDI to apply for a Building Reuse Grant from the NC Department of Commerce. The grant application is for the Building Reuse Grants program that aids local governments in assisting eligible business to expand current facilities, to spur economic activity and create new jobs.

The grant request is for \$230,000 and requires a 5% local match if approved. The grant will allow A Caring Alternative to expand a current Burke County business and create up to 23 new full-time jobs. The City and Burke County will share equally in the grant match pending approval of the grant request by the NC Department of Commerce Rural Economic Development Division.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved Resolution #17-34 authorizing the City of

Morganton to make application to the NC Department of Commerce Rural Economic Development Division Building Reuse Grants program for A Caring Alternative.

4. Consideration of Proposed Lease Agreement for a Portion of the Building at 112 West Union Street for the Operation of a Restaurant

The City Attorney stated the City owns the building at 112 W. Union Street, and uses part of the upper floor as the Main Street Program offices. The rest of the building was long occupied by Yianni's restaurant, under a long-term lease. In 2015, that lease was assigned to Elliot Stevens, but he closed his business in September, 2017, and that lease has been terminated. The City strongly desires to see a full-service, broad-menu, seven-day-per-week restaurant open in this space. Various experienced restaurant operators have expressed interest in doing just that, and after discussions with multiple parties by City staff, one has emerged as a likely tenant.

John "Yianni" Dimarhos, the original tenant under the prior lease, is willing and able to return to this location with a restaurant that is essentially a re-opening of the "old" Yianni's. He is currently setting up a new corporate entity, to be owned and controlled by him, which will be the new tenant. Negotiations have resulted in agreement on a new lease, subject to approval by City Council. The proposed lease would be for an initial term of two years, with the tenant having the option to extend another three years. Rent would be very similar to what was projected under the old lease, although the monthly rent would be higher during any renewal term. The tenant would have a right of refusal to purchase the building, if the City ever received a third party offer. Other provisions of the lease are generally similar to those in the old lease.

A critical element of the new lease would be assurance that John ("Yianni") Dimarhos would remain personally involved in the management and operation of the restaurant. His failure to do so would give the City the right to terminate the lease.

It is anticipated that the restaurant would be re-opened within three weeks after a lease is signed. As is customary in commercial leases for similar purposes, the tenant would be given a brief respite to establish cash flow, and the first rent payment would not be due until January 1, 2018.

Because this lease is for a maximum term of less than 10 years, no public advertising for upset bids is required.

The Mayor asked about building improvements. The City Manager stated that as building landlord the City has taken advantage of the down time to do some floor work and plumbing work in the kitchen area and has plans to refinish the wood floors.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council approved a Lease Agreement for a portion of the building at 112 West Union Street, and authorize the Mayor and City Manager to execute appropriate documents.

5. Consideration of Appointments to Boards and Commissions

- a. Historic Preservation Commission - This is a City Council appointment.

There are three terms on the Historic Preservation Commission that are expiring; the terms of David Stephenson, Ken Volz, and Mark Barrier.

All have been consistent members of the Historic Preservation Commission. Both David Stephenson and Mark Barrier have expressed willingness to continue serving.

This will leave one vacancy on this commission. The Mayor urged citizens to contact the City Clerk's office if they have an interest in serving on this commission.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council reappointed David Stephenson and Mark Barrier to the Historic Preservation Commission for terms to expire November 8, 2020.

6. 30-Day Notice of Vacancy on Boards and Commissions

The Mayor announced a vacancy on the Cable Television Commission and encouraged interested citizens to contact City Hall for an application.

XII. Other Items from City Manager and City Council Not on Agenda – There were no other items on the agenda

XIII. Reports – Reports were distributed for information.

XIV. Adjournment – Councilman Cantrell thanked all voters for their support during his four terms as Councilman. He also thanked those who shared kind words in the recent *News Herald* article about his retirement. Councilman Cantrell thanked the City employees who make a “heckuva good team”. He stated it had been an honor and pleasure to be a part of this team. Councilman Cantrell stated he had a challenge for the Mayor and Councilmembers. He urged them to be good stewards, to maintain and enhance the quality of life our citizens deserve, to maintain the City's assets. He encouraged them to be good to the City employees, represent all citizens of Morganton, stating their decisions should be what is best for all. Councilman Cantrell reminded the Mayor and Council that they have a big responsibility, saying that the Council is a governing body not managers. Councilman Cantrell encouraged new Councilmembers urging them to be good team players.

The Mayor asked Mayor Pro-tem John Cantrell to adjourn the meeting which he did at 7:34 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.

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Mayor

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Assistant City Clerk