

# **A G E N D A**

## **HICKORY CITY COUNCIL**

**November 1, 2016**



**7:00 p.m.**



**AGENDA**  
[www.hickorync.gov](http://www.hickorync.gov)

**If you have any questions about any item on this agenda or if you need more information about any item in addition to the information contained in the agenda package, please call the City Manager at 323-7412. A “Citizen Comment Sheet”, which explains the procedure to address the City Council, is located on the table outside Council Chambers. We also encourage you to complete the Comment Sheet and offer any suggestions or questions you have. For more information about the City of Hickory go to: [www.hickorync.gov](http://www.hickorync.gov).**

Hickory City Council  
76 North Center Street

November 1, 2016  
7:00 p.m.

- I. Call to Order
- II. Invocation by Rev. Bob Thompson, Pastor, Corinth Reformed Church
- III. Pledge of Allegiance
- IV. Special Presentations
  - A. Presentation of a Proclamation to Hendrick Honda Heroes. **(Exhibit IV.A.)**
  - B. Presentation of a Proclamation for Hunger and Homelessness Awareness Week to the Continuum of Care. **(Exhibit IV.B.)**
  - C. Presentation of a Proclamation for Extra Mile Day. **(Exhibit IV.C.)**
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes
  - A. Regular Meeting of October 18, 2016. **(Exhibit VI.A.)**
- VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.
  - A. Approval of a Contract with Wilkie Construction, in the Amount of \$63,700 for Remodeling of the Second Floor Public Restrooms at Patrick Beaver Memorial Library. **(First Reading Vote: Unanimous)**
  - B. Approval of a Contract with Western Piedmont Council of Governments for Financial Administration of the North Carolina Industrial Development Fund Grant. **(First Reading Vote: Unanimous)**
  - C. Approval of a Community Appearance Grant for Non-Residential Property Owned by Mark Tuttle Located at 104 2<sup>nd</sup> Avenue NW in the Amount of \$5,000. **(First Reading Vote: Unanimous)**
  - D. Approval of a Community Appearance Grant for Non-Residential Property Owned by Resource Recovery Company Located at 313 Main Avenue NE in the Amount of \$5,000. **(First Reading Vote: Unanimous)**

- E. Approval of a Community Appearance Grant for Non-Residential Property Owned by Schmidt Real Estate Investors Located at 1122 Highland Avenue NE in the Amount of \$3,500. **(First Reading Vote: Unanimous)**
  - F. Approval of an Agreement with Duke Energy in the Amount of \$137,296.97 for Utility Relocation Associated with the Replacement of the Bridge on Falling Creek Road. **(First Reading Vote: Unanimous)**
  - G. Approval of an Agreement with CenturyLink in the Amount of \$31,623.04 for Utility Relocation Associated with the Replacement of the Bridge on Falling Creek Road. **(First Reading Vote: Unanimous)**
  - H. Approval of Modification of the Loan with Habitat for Humanity for the Glen at Green Park Subdivision. **(First Reading Vote: Unanimous)**
  - I. Acceptance of a Temporary Construction Easement and Permanent Easement for the Property of Carolotta K. Spruill Described as PIN 3702-06-47-8996. **(First Reading Vote: Unanimous)**
  - J. Approval of the Renewal Option of the Corporate Hangar Lease with CommScope, Inc. of North Carolina. **(First Reading Vote: Unanimous)**
  - K. Approval of the Renewal Option of the Lease Agreement with FMD Aviation, LLC. **(First Reading Vote: Unanimous)**
  - L. Acceptance of the Bid from Buckeye Bridge, LLC for the Construction of Random Woods Sewer Project in the Amount of \$948,873 and a Contingency in the Amount of \$47,444. **(First Reading Vote: Unanimous)**
  - M. Budget Revision Number 9. **(First Reading Vote: Unanimous)**
- VIII. Consent Agenda: All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.
- A. Approval of the Community Relations Council's Fall 2016 Grant Recommendations. **(Exhibit VIII.A.)**

*As part of the Community Relations Council's work plan and annual budget process, the Community Relations Council receives funds to disperse during the fiscal year through the Community Relation Council's grant process. Non-profit agencies working with diverse populations in Hickory are eligible for funding. The grant proposal must show how the program under consideration fits into the Community Relations Council's goals and mission and how the program will serve to improve human relations in the Hickory area. For the Fall 2016 grant cycle, the Community Relations Council received nine grant applications for projects totaling \$11,072.25 and is recommending approval of seven of the grants totaling \$6,626.45. Those approved are as follows:*

<i>Palliative Care &amp; Hospice of Catawba Valley</i>	<i>\$ 1,200.00</i>
<i>Lenoir-Rhyne University</i>	<i>\$ 750.00</i>
<i>One Purpose Parks and Recreation Council</i>	<i>\$ 525.00</i>
<i>Olive Branch Ministry</i>	<i>\$ 1,100.00</i>
<i>Jenkins Elementary PTA</i>	<i>\$ 1,090.00</i>
<i>First United Methodist Nursery School</i>	<i>\$ 461.45</i>
<i>Hickory Museum of Art</i>	<i>\$ 1,500.00</i>

*Funds are available in the Community Relations Council's budget for the recommended grant approvals. The Community Relations Council recommends funding of the seven grants listed totaling \$6,626.45.*

- B. Approval to Award the Contract to Buckeye Bridge, LLC for the Construction of Random Woods Sewer Project in the Amount of \$948,873 and a Contingency in the Amount of \$47,444. **(Exhibit VIII.B.)**

The Public Utilities Department and Catawba County Environmental Health identified Random Woods Subdivision as one of three areas of concern in 1998 as a part of the future service areas for the City of Hickory sanitary sewer system. Staff originally applied for a State Revolving Grant funds for completion of this project April 1, 1999. An updated preliminary engineers report was resubmitted in 2009. NCDENR Division of Water Quality and NC Construction Grants and Loans issued final approval of the preliminary engineers report on May 10, 2010. In July of 2010 City Council approved the Resolution accepting the application for grant funds. McGill Associates were responsible for design and bidding of the project. Construction bids were received from two perspective bidders as follows: Hickory Sand Company, Inc. - \$987,825 and Buckeye Bridge, LLC - \$948,873. McGill Associates evaluated the bid packages and found Buckeye Bridge, LLC to be the lowest responsible bidder. Staff recommends Council's approval to award the contract with the responsible low bidder Buckeye Bridge, LLC in the amount of \$948,873. Staff also requests approval of a contingency in the amount of \$47,444, for a total of \$996,317.

- C. Approval of Change Order 2 with McGill Associates, PA in the Amount of \$44,700 for Engineering Services for Eastwood, Random Woods and Sherwood Forest Subdivisions Sanitary Sewer. **(Exhibit VIII.C.)**

*Staff requests Council's approval of change order 2 with McGill Associates, PA for Engineering Services for Eastwood, Random Woods and Sherwood Forest Subdivision sanitary sewer project. The existing subdivisions are approximately 30 to 40 years old and are principally built out. This project will have a potential to serve approximately 226 homes and eliminate the potential public health hazard of septic tank system failures impacting surface waters. This project was envisioned to be designed, bid, and constructed as one project, however due to easement negotiations, regulation changes, and the need to renew some permits which had expired, this could not be achieved. These issues have resulted in additional work on the part of McGill Associates. This change order is intended to address all issues that have arisen on behalf of the engineer for each of the three subdivisions. City Council accepted the grant offer in July 2012 in the amount of \$2,946,042.99 for completion of this project. Funds for this change order have been approved by the NC Division of Water Infrastructure for inclusion in the grant money reimbursement request. Staff requests Council's approval of change order 2 in the amount of \$44,700 with McGill Associates, PA. Revised contract total to date will be \$214,650.*

- D. Budget Revision Number 10. **(Exhibit VIII.D.)**

1. *To recognize Donations revenue in the amount of \$39,460 for the Library. Funds will be used as follows: \*FY17 Endowment Funds: Supplies \$14460 (\$4460 General Supplies; \$3000 Children's Furniture; \$7000 Tablets); Programming Fund \$10000 (\$5000 RV; \$5000 PBML; Operations Fund (Improvements) \$10000 upgrade 2nd floor public bathrooms; Contracted Services Fund \$3000; Electronic Materials Fund \$2000.*

IX. Items Removed from Consent Agenda

X. Informational Item

- A. Budget Transfer Report

Under Section 22 (b) of the Fiscal Year 2016-2017 Budget Ordinance, the City Manager is authorized to transfer appropriations with a report to City Council as follows:

**Section 22 (b):** “He may transfer amounts up to \$50,000 between functional areas including contingency appropriations, within the same fund. He must make an official report on such transfers at the next regular meeting of the Governing Board.”

The following transfer recently occurred under this provision:

- To expedite the availability of insurance-claims revenue to the appropriate department, in lieu of a Budget Amendment the City has budgeted specific funds within the Risk Management division which, upon the case-by-case receipt of said revenues, may be transferred as necessary for making repairs and/or replacements in a timely manner.
- October 18, 2016 (BT #19): \$1,748.00 insurance-claims revenue transferred to Police Department for damages to a fence sustained during an auto accident on 9-28-16.

XI. New Business:

A. Public Hearings

B. Departmental Reports:

1. Catawba County EDC/Committee of 100 Bus Tour Update
2. Appointments to Boards and Commissions

**BOND IMPLEMENTATION COMMISSION**

(Terms Expiring 2-1; 3 Year Terms) (Appointed by City Council)

Alderman Tarlton’s Appointment

(Unexpired Term of Blake “Bee” Watts Jr. (2-2-17) who resigned 10-6-2017)

Community Relations Council appointed Sandi Fotheringham as Ex-officio Representative on the Bond Implementation Commission.

**Alderman Tarlton to nominate James “Jim” Campbell to the Bond Implementation Commission.**

**CITIZENS ADVISORY COMMITTEE**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (Council Appoints)

VACANT

At-Large (Council Appoints)

VACANT

**COMMUNITY APPEARANCE COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)

VACANT

Ward 4 (Guess Appoints)

VACANT

At-Large (Outside City but within Hickory Regional Planning Area) (Council Appoints)

VACANT

At Large (Council Appoints)

VACANT

**COMMUNITY RELATIONS COUNCIL**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Other Minority (Council Appoints)

VACANT

Other Minority (Council Appoints)

VACANT

**HICKORY REGIONAL PLANNING COMMISSION**

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)

(Appointed by City Council)

Burke County (Mayor to Nominate)

VACANT

**INTERNATIONAL COUNCIL**

(Appointed by Mayor with the Concurrence of City Council)  
(5) Positions

VACANT

**Alderman Lail suggest Aaron Kohrs as a nomination to International Council**

**LIBRARY ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Ward 4 (Guess Appoints)  
At-Large (Mayor Appoints)

VACANT

VACANT

**PARKS AND RECREATION COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (3) (Council Appoints)

VACANT

**PUBLIC HOUSING AUTHORITY**

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)  
Position 9

VACANT

**RECYCLING ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Ward 2 (Tarlton Appoints)  
Ward 3 (Seaver Appoints)  
Ward 4 (Guess Appoints)  
At-Large (Council Appoints)  
At-Large (Council Appoints)

VACANT

VACANT

VACANT

VACANT

VACANT

**YOUTH COUNCIL**

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

***The Youth Council Applicant Review Committee Makes the Following Recommendation for Appointment to the Youth Council:***

***Jose Garcia (At-Large Representative)***

***Tessa Rodriguez (Hickory Career Arts Magnet Representative)***

St. Stephens High School Representatives	1 Position VACANT
At-Large Representatives	2 Positions VACANT
Challenger High School Representative	1 Position VACANT
Hickory Career Arts Magnet Representative	1 Position VACANT

- C. Presentation of Petitions and Requests
- XII. Matters Not on Agenda (requires majority vote of Council to consider)
- XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature
- XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(4) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)
  - 1. Approval of Closed Session Minutes of October 18, 2016 - NCGS §143-318.11(a)(1)
  - 2. Discussion of Potential Economic Development - NCGS §143-318.11(a)(4)
- XV. Adjournment

**\*Hickory City Code Section 2-56. Public Address to Council:**

**“When conducting public hearings, considering ordinances and otherwise considering matters wherein the public has a right to be heard, when it appears that there are persons present desiring to be heard, the Mayor shall require those opposing and favoring the proposed action to identify themselves. Each side of the matter shall be given equal time. Those opposing the proposed action shall be allowed 15 minutes for presentation, followed by 15 minutes for those favoring the action, with the opponents then to have five minutes for rebuttal and the proponents to then have five minutes for surrebuttal. Those persons on either side shall have the right to divide their allotted time among them as they may choose. The Council, by majority vote, may extend the time for each side equally. On matters in which the person desiring to address the Council does not have a legal right to speak, the Council shall determine whether it will hear the person. The refusal to hear a person desiring to speak may be based upon grounds that the subject matter is confidential, that its public discussion would be illegal, that it is a matter not within the jurisdiction of the Council or for any other cause deemed sufficient by the Council. Any person allowed to speak who shall depart from the subject under discussion or who shall make personal, impertinent or slanderous remarks, or who shall become boisterous while addressing the Council shall be declared out of order by the Mayor, or by vote of the Council, and barred from speaking further before the Council unless permission to continue shall be granted by a majority vote of the Council, under such restrictions as the Council may provide.”**

**The City of Hickory holds all public meetings in accessible rooms.  
Special requests for accommodation should be submitted by individuals  
with disabilities at least 48 hours before the scheduled meeting.  
Phone Services (hearing impaired) – Call 711 or 1-800-735-2962**



Life. Well Crafted.

Office of the Mayor

Exhibit IV.A.  
City of Hickory  
PO Box 398  
Hickory, NC 28603  
Phone: (828)323-7412  
Fax: (828)323-7550  
Email: rwright@hickorync.gov

## PROCLAMATION HENDRICK HONDA HEROES

- WHEREAS**, during a thunderstorm on July 16, 2016, a flood situation occurred at the “sinkhole” site on Highway 70; and
- WHEREAS**, two women were caught in their vehicle in the flood waters while traveling on Highway 70; and
- WHEREAS**, Hendrick Honda employees Joey “Robert” Lankford and J.D. Roy put their own safety in jeopardy and pulled the two women from their flooding vehicle; and
- WHEREAS**, other Hendrick Honda employees, Chris Osborne, J.R. Dula, Kris Stephens, Villy Vongsarath, Cody Ayers, and Mark Sutton assisted with the rescue and pushed the car out of the roadway; and
- WHEREAS**, these unsung heroes understand that their heroism made a difference in the lives of these two women; and
- WHEREAS**, in the words of Ralph Waldo Emerson, “The hero is no braver than the ordinary man, but he is brave five minutes longer”.

**NOW, THEREFORE**, I, Rudy Wright, Mayor of the City of Hickory, on behalf of Hickory City Council, do hereby recognize and commend the Hendrick Honda Heroes: Joey “Robert” Lankford, J.D. Roy, Chris Osborne, J.R. Dula, Kris Stephens, Villy Vongsarath, Cody Ayers, and Mark Sutton for being brave five minutes longer.

This the 1<sup>st</sup> day of November, 2016

Mayor Rudy Wright



City of Hickory  
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Hickory, NC 28603  
Phone: (828) 828-323-7412  
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Office of the Mayor

## PROCLAMATION

### HUNGER AND HOMELESSNESS AWARENESS WEEK

**WHEREAS,** for more than 25 years the National Coalition for the Homeless and National Student Campaign Against Hunger and Homelessness have sponsored National Hunger and Homelessness Awareness Week and the Housing Visions Catawba Continuum of Care has been actively working to end hunger and homelessness in Catawba County; and

**WHEREAS,** the purpose of the proclamation is to educate the public about the many reasons people are hungry and homeless including the shortage of affordable housing in Catawba County for very low income residents; and to encourage support for homeless assistance service providers as well as community service opportunities for citizens, students and school service organizations; and

**WHEREAS,** there are many organizations committed to sheltering, providing supportive services as well as meals and food supplies to people experiencing homelessness including, ACCESS Care, ALFA, Catawba County Department of Social Services, Catawba County Schools, Catawba County United Way, Catawba Valley Community College, City of Hickory, Community Link, Eastern Catawba Cooperative Christian Ministries, Family Care Center, Family Guidance Center, Greater Hickory Cooperative Christian Ministries, Greenway Transit, Hickory City Schools, Hickory Soup Kitchen, Highways and Hedges, Our Father's Pavilion, Partners Behavioral Healthcare, Safe Harbor Rescue Mission, Salvation Army, Sipe's Orchard Home, Unifour Veterans Helping Veterans, The Veteran's Administration and many more community partners; and

**WHEREAS,** the Hickory City Council recognizes that hunger and homelessness continues to be a serious problem for many individuals and families in Hickory and Catawba County.

**WHEREAS,** the intent of National Hunger and Homelessness Awareness Week is consistent with the activities of the Housing Visions Catawba Continuum of Care.

NOW THEREFORE BE IT RESOLVED that the Hickory City Council hereby proclaims

### November 12-20, 2016 as Hunger and Homelessness Awareness Week

**NOW THEREFORE, BE IT RESOLVED** that I, Rudy Wright, Mayor of the City of Hickory, on behalf of Hickory City Council, do hereby proclaim November 12-20, 2016 as Hunger and Homelessness Awareness Week in the City of Hickory, North Carolina and City Council encourages all citizens to recognize that many people do not have housing and need support from citizens, and private/public nonprofit service entities.

This the 1<sup>st</sup> day of November, 2016

Mayor Rudy Wright



Exhibit IV.C.  
City of Hickory  
PO Box 398  
Hickory, NC 28603  
Phone: (828) 828-323-7412  
Fax: (828)323-7550  
Email: rwright@hickorync.gov

Office of the Mayor

## PROCLAMATION

**WHEREAS** the City of Hickory is a community which acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

**WHEREAS** the City of Hickory is a community which encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

**WHEREAS** the City of Hickory is a community which chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift up fellow members of their community; and

**WHEREAS** the City of Hickory gives special recognition to the Friends of Hickory, Bond Implementation Commission, Charles “Charlie” Dixon, Hickory Kiwanis Club and the Kiwanis Club of Western Catawba County; and

**WHEREAS** the City of Hickory acknowledges the mission of Extra Mile America to create 550+ Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2016.

**NOW THEREFORE**, I, Rudy Wright Mayor of Hickory, North Carolina, on behalf of Hickory City Council, do hereby proclaim November 1, 2016 as

### Extra Mile Day

I urge each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

In witness hereof, I hereunto set my hand this 1<sup>st</sup> of November, 2016.

Rudy Wright, Mayor

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, October 18, 2016 at 7:00 p.m., with the following members present:

Brad Lail	Rudy Wright	Hank Guess
	Aldermen	David P. Zagaroli
Danny Seaver		

A quorum was present.

Also present were: Interim City Manager Andrea Surratt, Assistant City Manager Rodney Miller, Deputy City Attorney Arnita Dula, City Attorney John W. Crone, III, Deputy City Clerk Cari Burns and City Clerk Debbie D. Miller

I. Mayor Wright called the meeting to order. All Council members were present except for Alderman Tarlton and Alderwoman Patton.

II. Invocation by Rev. Marcus Williams, Greater Faith Missionary Baptist Church

III. Pledge of Allegiance

Mayor Wright recognized and welcomed Cub Scout Troop 238 from Zion Lutheran Church.

IV. Special Presentations

A. Presentation of the 20<sup>th</sup> Consecutive Certificate of Achievement for Excellence in Financial Reporting to the City of Hickory by the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report (CAFR).

Mayor Wright presented Finance Officer Melissa Miller and Assistant City Manager Rodney Miller with the Certificate of Achievement for Excellence in Financial Reporting for the 20<sup>th</sup> consecutive year. He commended Melissa Miller, Rodney Miller and the Finance Department Staff for their hard work in achieving this certificate for twenty years. He mentioned that the City also gets that award for the annual budget.

Finance Officer Melissa Miller advised the City had received the award for the annual budget for 21 years.

B. Paula Hodges, Audit Partner with Martin Starnes & Associates, Presentation of the Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016

Ms. Paula Hodges, Audit Partner with Martin Starnes & Associates, presented a PowerPoint presentation. She discussed the June 30, 2016 audited financial statements. She highlighted items from the audit that were most important to City Council and the citizens. The audit opinion was unmodified, which meant there were no areas in which members of their staff or management could not agree as it relates to the information that was contained in the audited financial statements. She advised any findings or recommendations could be found in the City's compliance section of the audited financial statements. They also issued an unmodified opinion on compliance with the way the City administers its Federal and State grant awards. They had no findings over the way the City administered those awards. She advised the audit process was a lengthy process. They came on site, ask a lot of questions, visited various departments, and gather a lot of information. She commented the City Staff was very cooperative with their process. She advised the General Fund's unassigned fund balance increased approximately \$75,000 for the year. She referenced a graph which displayed the General Fund revenues and expenditures for June 30, 2016 and 2015 and compared those. She showed a graph which was fund balance for the General Fund for 2014, 2015, and 2016. She pointed out the column which was total fund balance, and the unassigned fund balance column. She pointed out total fund balance included the Capital Reserve Fund which is required to be reported with the General Fund in the audited financial statements. She explained a great way to measure the health of the operating fund, or the City's General Fund is to take fund balance as a percentage of General Fund expenditures. She showed the information for 2015 and 2016 and explained total fund balance as a percentage of General Fund expenditures and the same information for available fund balance and also unassigned fund balance. She showed a graph and explained it represented the City's major revenue sources compared to the previous year. She pointed out that ad valorem taxes increased approximately \$1.7 million dollars. The majority of that increase was due to a tax increase to replace a lost revenue source for privilege license. She showed a graph which showed Licenses and Permits noting the effect of that lost revenue source. She commented that in 2015 the City was a little above \$1.1 million dollars and in 2016, without this revenue source, the City was just a little over \$7,000. She advised other taxes also increased, \$1.1 million dollars mainly due to sales tax revenue collected. She discussed Restricted Intergovernmental Revenues which were made up of the City's restricted grants and revenue sources. There was a slight decrease in that revenue. She displayed the same information for the City's major expenditures. Public Safety increased \$1.6 million due to the decision the City made to invest in two fire trucks for the current year.

Mayor Wright confirmed that expense was almost all for the fire department.

Ms. Hodges replied almost all, fire trucks are expensive.

Mayor Wright commented very little police department, mostly fire department.

Ms. Hodges continued the presentation, the General Government also increased \$2.6 million dollars. The majority of that was due to the settlement of a lawsuit during the current year. Culture and Recreation had a slight decrease. She provided information on the Major Enterprise Fund. She explained when looking at the health of the Enterprise Fund you look at the City's working capital as well as unrestricted cash available. She pointed out the working capital was for the Water and Sewer Fund, Transportation Fund, Solid Waste Fund, as well as unrestricted cash. She pointed out as part of that unrestricted cash in the Water and Sewer Fund there was a transfer from the City's Capital Reserve in the amount of \$5.5 million dollars to fund a generator for the water treatment plant as well as some downtown sewer projects.

Mayor Wright asked Ms. Hodges if she was going to discuss a couple of findings.

Ms. Hodges advised there were two findings in the current year. Those could be found in the City's compliance section of the audited financial statements, along with their recommendations and any comments that the City had. One was for a deficit fund balance in the City's Internal Service Fund for fleet. The City had had that for several years, and was looking toward a corrective action to improve that deficit fund balance. There was an over budget finding in economic and development for operating expenditures for approximately \$160,000 in the current year.

Mayor Wright commented which was offset by an over budget of revenues.

Ms. Hodges confirmed that was correct. That was mainly due to occupancy tax which is a pass through from the City. The City gets the revenue in, and then they pass that through. The revenue source was more than anticipated so the expenditure was as well. She advised that was what triggered that over budget amount.

Mayor Wright pointed out that Council feels very fortunate to have the auditors that are the recognized leader in governmental accounting and auditing in North Carolina in Hickory. Not only are they outstanding governmental accounting and auditing people but they also make tremendous contributions to this community. Council appreciated that very much. He advised the audit committee, consisting of Alderman Guess, Alderman Lail, and himself, had a private meeting with the auditors. No members of management were present, so they could address specifically, directly, and privately any concerns that they might have and they were told that they have none. He felt this was a successful audit completed again. He knew that it was a lot of hard work for the auditors and for Melissa Miller, Rodney Miller, and Staff. He thanked all of them.

Ms. Hodges thanked Council for the opportunity to serve as the City's auditors.

C. Lisa Neal and Carole Dennis, Library Presentation of the 2016 Summer Reading Program.

Lisa Neal, Library Head of Youth Services and Carole Dennis, Reference Librarian presented a PowerPoint presentation. Ms. Neal and Ms. Dennis discussed the Hickory Public Library Summer Reading Program. The theme for the program was "Get in the Game Read" or "On Your Mark, Get Set, Read", or "Exercise Your Mind", it was very sports oriented and they tied in with the Olympics. The goal of summer reading was to inspire lifelong learning and a love of reading and to create library children who grow up to be library patrons. The focus is on fun because there are so many competitive things, interest for kids and things to do in the summer. Summer reading programs from public libraries are important because children who do not read over the summer can lose up to three months of reading achievement before they go back to school in the fall. It is cumulative, it is not something that they can just make up in the first month back at school. They don't catch up. By the end of 5<sup>th</sup> grade children who lose reading skills over each summer can be as much as three years behind their fellow students. Research estimates that 50 to 67 percent of the achievement gap for children living in poverty is the result of summer learning loss. She displayed a chart which explained the loss. She explained the results of the children who did and did not have access to books over the summer, regardless of whether they lived in poverty or not, the children with access to books over the summer scores went up. Recent studies also showed that giving books to children to read over the summer was as effective as sending them to summer school in keeping their learning and education going over the summer. Summer school focuses on remedial instruction, public libraries focus on literacy, enrichment, love of learning, challenging, early brain development, and instilling a lifelong love of reading and learning in every child. Experts say that much of the reading achievement seen in 9<sup>th</sup> grade students nationwide can be tracked back to unequal access to summer learning opportunities during the elementary school years, but it is not just about school and test scores.

October 18, 2016

Reading is something that you do every day. Their job is helping you want to read. It is an essential life skill, reading is vital. They discussed the pre-literacy skills: narrative skills, phonological awareness, letter knowledge, print awareness, vocabulary, and print motivation. The library also provides computer literacy skills to people that may not have a computer at home and these skills are important to adults as well as children. A library card can made a huge difference in every child's life.

Ms. Neal and Ms. Dennis discussed the summer reading program. The children kept track of the amount of time spent reading, listening, creating their own story, looking at the pictures, or anything that had to do with literacy. The children kept a general idea of the amount of time that they spent doing that over the summer. Twenty minutes of reading a day makes a tremendous difference. They tracked times because of the varying speeds that people read to make it fair to all of the children reading. For each five hours earned the child earned one free book. Each child could earn up to four free books to take home and keep. They also had drawings for "toy" types of prizes.

Ms. Neal and Ms. Dennis discussed eight busy weeks of programming for all ages which included: five story times every week; "Paws to Read", in which they read to a therapy dog, they have 12 therapy dogs available for the children to read to; weekly craft programs; musicians to introduce them to live music and different cultures; the Balloon Lady visited the library and they had 495 people in the gymnasium; magic shows; the Happy Birthday America Patriotic Sing-Along and parade around the SALT Block; live theatre productions. They advised that all of this was at no cost to the public. Bright Star Theatre, out of Asheville, was a traveling children's theatre that specifically performs for children's audiences, mostly for schools, but they also do libraries. They had been doing the performances for approximately 20 years. They mentioned the cartooning workshop for kids where he was drawing on a whiteboard and encouraged the children to draw as well. They discussed the game truck out of Charlotte which is gutted on the inside and contains leather benches for seating on one side and screens on the other side. The children earned a ticket for the game truck in which they could play all kinds of video games. They had dancing stories with April Turner, life-size games, flow circus juggling promoted the library and reading during his performance. They had healthy living with Anita Woodley, she made smoothies and shared with the children. They had a concert with Big Bang Boom out of Greensboro. The last blast of summer reading ended at Patrick Beaver with ice cream. They did the drawings for the toy prizes and had Down to Earth Aerials perform. They showed pictures of the Gold Medal Readers which were recognized for reading beyond the 20 hours. They also did the "Read" posters. Every child who completed their reading record could enter a drawing to be in one of the "Read for Hickory Public Library" posters. They showed the children who had posed for pictures with their books and they created posters which are displayed at the Library, and also in each of their schools.

Ms. Neal and Ms. Dennis advised they had 1,375 children signed up for summer reading at both libraries and 5,177 people attended the 145 programs which were offered at both of the libraries. The point was getting children something that they want to read. It was a marvelous opportunity for library staff to make a connection with the children and to develop a relationship with the community that will hopefully benefit both sides.

Alderman Seaver mentioned his grandson was involved in the summer reading program for two or three summers. He commented the best thing that they did for him was getting him a knock-knock jokes book. He asked if they were doing anything to encourage children to want to write.

Ms. Neal and Ms. Dennis advised it was part of the pre-literacy skills that they had discussed for very young children; read, write, talk, sing, and play. Writing is right up there along with reading.

Alderman Seaver commented his grandson had grown up with computers.

Ms. Neal and Ms. Dennis suggested playing games with children to get them to write. Play newspaper reporter, or ask them to make a grocery list. Give them the experience of writing. If they want to touch the future, write something down. She referenced William Shakespeare, people are still reading what he wrote, because he wrote it down. She mentioned the Lego club at the library on Monday afternoons at Patrick Beaver. They come and build the most amazing structures, they understand the engineering and how to support it. They are then put on display.

Alderman Seaver stated Hickory is blessed with the two library programs that we have. Many cities have none.

Ms. Neal and Ms. Dennis advised the children read a total "recorded" number of minutes during the program of 728,160 minutes over the eight weeks of summer reading; which was over 12,000 hours. They acknowledged the support received from the Friends of Patrick Beaver Memorial Library, the Friends of the Ridgeview Branch Library and most of all the City of Hickory. They thanked City Council.

Mayor Wright asked if the children had as much fun as they did.

Ms. Neal and Ms. Dennis hoped so, they thought some of them did.

Alderman Seaver commented his daughter had more fun than his grandson did too. As you get older you appreciate it more.

D. Presentation of World Polio Day Proclamation.

Ms. Betty Merits advised Council of the Post-Polio Syndrome Support Group. Reverend Susan Walker saw a need for the people in the Piedmont area to get together and express their problems and the ways that they could help each other. The group meets at the Harper House every third Tuesday of the month. Normally they have 12-16 people in attendance. She requested that City Council help them get the word out to the community, families, caregivers and people that were in Hickory at the hospital. Some didn't go to the hospital, and some are crippled. She referenced the Miracle of Hickory and asked for some benches to be placed around town. She also referenced the monument and advised that people didn't know what it was, or where it was at. They don't notice it. She asked if there was some way that they could update the monument.

Discussion ensued regarding making the monument more noticeable and readable to the general public and sharing the Miracle of Hickory story.

Mr. John Rambo advised Monday, October 24<sup>th</sup> was World Polio Day. Rotary International had been behind a big push to eradicate polio across the world. There only a handful of cases of the wild poliovirus around the world right now, mostly in Pakistan and Afghanistan. He wanted to highlight World Polio Day and to help the Rotary Club raise money to contribute to the Polio Plus fund. Groucho's Deli on 127 was having a spirit day on Monday, October 24<sup>th</sup> and 15 percent of everything would go into the Polio Plus fund.

Mayor Wright advised that the Proclamation mentioned that polio swept through the Western Piedmont in June of 1944. The citizens built a hospital in 54 hours to save the children in the worst polio outbreak that had ever hit the United States. That was known as "The Miracle of Hickory". Mayor Wright asked Ms. Merits if she was there.

Ms. Merits advised she was not there, but there was a number of participants in their organization that were there.

Mayor Wright presented the Proclamation for World Polio Day to Betty Merits, Cliff Moone, and John Rambo. He advised that if they wanted a presentation at their meeting he would be glad to come and present it. He mentioned the book "Blue" written by a local author and encouraged everyone to read it so they could understand the great tragedy and the tremendous impact that it had on people here.

Ms. Merits advised that the author also had written a children's book like "Blue" but it was in children's form.

Mayor Wright commented the story was written so well from the standpoint of the families and what those children went through.

Ms. Merits advised they have a speaker who is in a wheelchair and braces and they speak to children so they can better understand what polio is about.

Mr. Cliff Moone advised Jenny White, at Southwest Elementary does a program each year, the "Purple Pinkie" theme. The kids bring in dollars, and get their fingers painted purple for polio.

Mayor Wright mentioned his childhood home in Whitfield, Virginia which was also hit very hard a few years after Hickory was hit. He shared a story of a man that came to church in an iron lung. He commended Rotary for taking that program on. He commented most of the people here had not had the vaccine.

Ms. Merits confirmed that was correct. She advised they were doing this before the children received the shot. There are a lot of people still in incubators.

They thanked the City for the recognition.

Ms. Merits referenced an article in the paper on Sunday, in which they recognized the Rotary Club.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

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## A. Regular Meeting of October 4, 2016

Alderman Seaver moved, seconded by Alderman Zagaroli that the Regular Meeting Minutes of October 4, 2016 be approved. The motion carried unanimously

Mayor Wright announced that the motion was made by Alderman Seaver seconded by Alderman Zagaroli and the motion carried unanimously.

## VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderman Lail moved, seconded by Alderman Seaver that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderman Seaver and the motion carried unanimously.

- A. Acceptance of a Temporary Construction and Permanent Sanitary Sewer/Storm Drainage Easement for the Property of Hickory Springs Manufacturing Company, PIN 3703-19-50-1321 for Installation of Utilities Infrastructure. (First Reading Vote: Unanimous)
- B. Acceptance of a Temporary Construction and Permanent Sanitary Sewer/Storm Drainage Easement for the Property of Hickory Springs Manufacturing Company, PIN 3703-19-50-2154 for Installation of Utilities Infrastructure. (First Reading Vote: Unanimous)
- C. Acceptance of a Temporary Construction and Permanent Sanitary Sewer/Storm Drainage Easement for the Property of Hickory Springs Manufacturing Company, PIN 3703-19-50-2310 for Installation of Utilities Infrastructure. (First Reading Vote: Unanimous)
- D. Acceptance of the Bid and Award the Contract to General Services, Inc. in the Amount of \$78,300 for Repairs and Coating at the Water Treatment Facility. (First Reading Vote: Unanimous)
- E. Approval of a Close Out Deductive Change Order Number 1 with Wilkie Construction Related to Phase II of the Planned Improvements to Hickory Optimist Park. (First Reading Vote: Unanimous)
- F. Budget Revision Number 8. (First Reading Vote: Unanimous)
- G. Consideration of Amending Chapter 4 Section 4-21(a) of the Hickory Code of Ordinances. (First Reading Vote: Unanimous)

## VIII. Consent Agenda: All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderman Lail requested Items "F" and "G" be removed from the Consent Agenda to get an update as it related to 1764.

Alderman Lail moved, seconded by Alderman Seaver approval of the Consent Agenda with the exception of Items "F" and "G". The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderman Seaver and the motion carried unanimously.

- A. Approved Special Events Activities Application Lowes Foods Christmas Parade, and City of Hickory Christmas Tree Lighting, Lauren Townson, Senior Recreation Programmer, City of Hickory, Parks and Recreation Department, Friday, November 18, 2016 from 3:00 p.m. to 8:30 p.m., Downtown Hickory.
- B. Approved Special Events Activities Application Mel's Jingle Run 5K, Sarah Prencipe and Leslie Knapp, Operation 300, Hickory Soup Kitchen, Mellow Mushroom Hickory (Peace-a-Pie Makers, LLC), December 3, 2016 6:00 a.m. to 12:00 p.m. Sails on the Square Stage and 5K Route.
- C. Approved Special Events Activities Application Marine Corps League Cake Cutting Ceremony, Derek D. Dawson, Marine Corps League-Catawba Valley Chapter, November 10, 2016, 11:30 a.m. to 1:00 p.m. Union Square Common, north of the Southern Railway Tracks, East of Third Street NW and West of Second Street NW.

- D. Approved on First Reading a Contract with Wilkie Construction, in the Amount of \$63,700 for Remodeling of the Second Floor Public Restrooms at Patrick Beaver Memorial Library.

Library Staff requests approval of a contract with Wilkie Construction for remodeling of the second floor public restrooms at Patrick Beaver Memorial Library. Two valid bids were received for the project: Moss Marlow Building Co. - \$63,940 and Wilkie Construction - \$63,700. Wilkie Construction submitted the lower bid and their representative have discussed the project with the Library's Maintenance Coordinator Chad Lambert to ensure they understand the details of the project requirements. The Library's budget includes \$52,000 in capital funds for the project. An additional \$10,000 will be used from the Library Endowment. The remainder will be transferred from library building maintenance funds. Library Staff recommends Council's approval of the contract with Wilkie Construction in the amount of \$63,700.

- E. Approved Applying for a Walmart Community Grant in the Amount of \$2,500 for the Purchase of a Dedicated Computer with Video Editing Capability.

The police department currently uses a Facebook page, Twitter, and the City of Hickory website to reach out to the community. With the purchase of this specialized computer with video editing capability, the police department can increase community outreach with public service and safety messages that will improve communication with citizens and visitors of the City. The Walmart Community Grant Program has been utilized by Hickory Police Department in the past for supplies to support the Gang of One program. The grant program is a corporate wide program offered by Walmart to support efforts in local communities where their retail stores are located. There are no matching funds or City resources or obligations required if the grant is awarded. Hickory Police Department recommends Council's approval to apply for a Walmart Community Grant in the amount of \$2,500 for the purchase of a dedicated video editing computer for community outreach videos.

- F. Removed and Discussed Under Item IX "Items Removed from Consent Agenda" Approved the Application and Resolution for the North Carolina Industrial Development Grant Fund to Assist Development of Sanitary Sewer Infrastructure and Entrance at Park 1764.

Park 1764 was identified as the business park recognized in the bond projects to receive money from bond proceeds for development. The City and the Economic Development Corporation (EDC) worked on development of the project to a condition that is receptive to marketing. The City and the EDC submitted a pre-application for North Carolina Industrial Development Funds and were approved for \$671,920 in grant funds with a matching requirement of 100 percent. The grant proceeds are to be used for sanitary sewer outfall extension to the site in the amount of \$361,900 and entrance road development with landscaping off of Startown Road in the amount of \$310,020. The grant has a condition that the recipient will match the investment for a total of at least \$1,343,840. The City of Hickory and Catawba County entered into an agreement previously to equally cover the cost of development previously estimated at \$1,558,532 for this phase of development. This grant has a required equal match in funds prior to disbursement of the entire grant. The grant is a reimbursable grant with 50 percent of each request being funded up to a max of \$671,920. Staff recommends Council's approval of an application for North Carolina Industrial Development Grant Funds for Park 1764 to assist development of sanitary sewer infrastructure and entrance. Staff also requests approval of a Resolution approving provisions of required assistance and agreements and designating the authorized representative.

RESOLUTION NO. 16-33

CITY OF HICKORY  
NORTH CAROLINA

A RESOLUTION AUTHORIZING NORTH CAROLINA INDUSTRIAL DEVELOPMENT  
GRANT FUND

BE IT RESOLVED, that the grant from the North Carolina Department of Commerce be made to Hickory, North Carolina for Park 1764 Business Park project.

BE IT FURTHER RESOLVED, that the City will administer this grant in accordance with the rules and regulations of the Department of Commerce.

BE IT FURTHER RESOLVED, that the City will administer this grant through the City Finance Office with assistance from the Public Utilities Division, Transportation Division and the Western Piedmont Council of Governments.

BE IT FURTHER RESOLVED, that the grant will be monitored quarterly to assure compliance with this proposal and the Department of Commerce Regulations.

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BE IT FURTHER RESOLVED, that the amount of this grant application will be \$671,920.00

BE IT FURTHER RESOLVED, that the City Manager, Andrea Surratt, Interim City Manager, and successors, is hereby authorized to execute and file an application on behalf of the City of Hickory with the State of North Carolina for a grant from the Industrial Development Fund.

BE IT FURTHER RESOLVED, that the City Manager, Andrea Surratt, Interim City Manager, and successors, is hereby authorized to furnish such information as the appropriate State agency may request in connection with such application for the project; to make assurances as contained above; and to execute such other documents as may be required in connection with the application.

- G. Removed and Discussed Under Item IX "Items Removed from Consent Agenda" Approved on First Reading a Contract with Western Piedmont Council of Governments for Financial Administration of the North Carolina Industrial Development Fund Grant.

Park 1764 was identified as the business park recognized in the bond project to receive money from bond proceeds for development. The City and the Catawba County Economic Development Corporation (EDC) worked on development of the project to a condition that is receptive to marketing. The City and the EDC submitted a pre-application for North Carolina Industrial Development Funds (NCIDF) and were approved for \$671,920 in grant funds with a matching requirement of 100 percent. The grant proceeds are to be used for sanitary sewer outfall extension to the site in the amount of \$361,900 and entrance road development with landscaping off of Startown Road in the amount of \$310,020. The grant has a condition that the recipient will match the investment for a total of at least \$1,343,840. The City of Hickory and Catawba County entered into an agreement previously to equally cover the cost of development previously estimated at \$1,558,532 for this phase of development. The contract with Western Piedmont Council of Governments (WPCOG) will be for the WPCOG to perform all financial requirements and required quarterly/annual reported that is required by NCIDF. This will include review and preparation of pay requests for the Finance Department, prepare and submit reimbursement requests and prepare reports required by NCIDF for reimbursement. Staff recommends Council's approval of the contract, in the amount of \$15,000, with Western Piedmont Council of Governments for the financial administration of the North Carolina Industrial Development Fund Grant.

- H. Approved on First Reading a Community Appearance Grant for Non-Residential Property Owned by Mark Tuttle Located at 104 2<sup>nd</sup> Avenue NW in the Amount of \$5,000.

City Council created the Community Appearance Grant program in 1999 to provide economic incentives for property owners to improve the general appearance of properties located within the City's designated Urban Revitalization Area. The Community Appearance Commission reviews applications for the grant program and forwards a recommendation of approval or denial to City Council. The grants are designed as a reimbursement grant in which the City of Hickory will match the applicant on a 50/50 basis. The maximum grant amount from the City of Hickory is \$5,000. The grant proposal requested by Mark Tuttle involves the renovation of an existing non-residential building. The proposal involves the replacement of existing windows, and the painting of the building's exterior façade. The applicant provided two bids for the items listed above, which total \$14,850 and \$15,200. Since both estimates are in excess of \$10,000, the request qualifies for the full \$5,000 grant. The current tax value of the property is \$220,600. The value of the grant represents approximately 2.3 percent of the property's tax value. The application was reviewed by the Community Appearance Commission at its October 5, 2016 special called meeting. Upon review the Community Appearance Commission scored the application utilizing its grant scoring criteria. The Community Appearance Commission scored the application at 20 points out of a possible 30 points, which placed the application into the high category of scoring. Upon completion of the scoring exercise, the Community Appearance Commission voted unanimously (7-0) to recommend funding of the grant application in the amount of \$5,000.

- I. Approved on First Reading a Community Appearance Grant for Non-Residential Property Owned by Resource Recovery Company Located at 313 Main Avenue NE in the Amount of \$5,000.

City Council created the Community Appearance Grant program in 1999 to provide economic incentives for property owners to improve the general appearance of properties located within the City's designated Urban Revitalization Area. The Community Appearance Commission reviews applications for the grant program and forwards a recommendation of approval or denial to City Council. The grants are designed as a reimbursement grant in which the City of Hickory will match the applicant on a 50/50 basis. The maximum grant amount from the City of Hickory is \$5,000. The grant proposal requested by Resource Recovery Company involves the renovation of an existing non-residential building. The proposal involves the replacement of existing windows, kick

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plates, and moldings on the building's exterior façade. The applicant provided two bids for the items listed above, which total \$11,383.51 and \$16,610.62. Since both estimates are in excess of \$10,000, the request qualifies for the full \$5,000 grant. The current tax value of the property is \$90,600. The value of the grant represents approximately 5.5 percent of the property's tax value. The application was reviewed by the Community Appearance Commission at its October 5, 2016 special called meeting. Upon review the Community Appearance Commission scored the application utilizing its grant scoring criteria. The Community Appearance Commission scored the application at 25 points out of a possible 30 points, which placed the application into the high category of scoring. Upon completion of the scoring exercise, the Community Appearance Commission voted unanimously (6-0) to recommend funding of the grant application in the amount of \$5,000.

- J. Approved on First Reading a Community Appearance Grant for Non-Residential Property Owned by Schmidt Real Estate Investors Located at 1122 Highland Avenue NE in the Amount of \$3,500.

City Council created the Community Appearance Grant program in 1999 to provide economic incentives for property owners to improve the general appearance of properties located within the City's designated Urban Revitalization Area. The Community Appearance Commission reviews applications for the grant program and forwards a recommendation of approval or denial to City Council. The grants are designed as a reimbursement grant in which the City of Hickory will match the applicant on a 50/50 basis. The maximum grant amount from the City of Hickory is \$5,000. The grant proposal requested by Schmidt Real Estate Investors involves the renovation of an existing non-residential building. The proposal involves the installation of windows, and a garage door on the building's exterior façade. The applicant provided two bids for the items listed above, which total \$18,077 and \$29,919. Since both estimates are in excess of \$10,000, the request qualifies for the full \$5,000 grant. The application was reviewed by the Community Appearance Commission at its October 5, 2016 special called meeting. Upon review the Community Appearance Commission scored the application utilizing its grant scoring criteria. The Community Appearance Commission scored the application at 14 points out of a possible 30 points, which placed the application into the medium category of scoring. Upon completion of the scoring exercise, the Community Appearance Commission voted unanimously (7-0) to recommend funding of the grant application in the amount of \$3,500.

- K. Approved on First Reading an Agreement with Duke Energy in the Amount of \$137,296.97 for Utility Relocation Associated with the Replacement of the Bridge on Falling Creek Road.

The bridge on Falling Creek Road is structurally deficient and is functionally obsolete. The design of the replacement structure is complete. Duke Energy is the owner of the overhead utilities at the site and has provided a detailed cost estimate for the necessary relocation of their equipment to allow construction of the replacement structure. The original municipal agreement between the City of Hickory and North Carolina Department of Transportation (NCDOT) for the Falling Creek Road bridge replacement project did not include utility relocation costs. The cost of utility relocation could not be accurately predicted until the project plans were completed and approved. Upon NCDOT's approval of the bridge replacement construction plans, Duke Energy performed their design and provided a construction cost estimate for relocation of their facilities at the project site. Once approved, Duke Energy will begin their portion immediately. When Duke Energy is through with the relocation, the contract for the bridge replacement will be let to bid. Eighty percent of the cost will be borne by NCDOT and the City will be responsible for 20 percent of the costs. Upon approval of the contract, the City will be obligated to pay \$137,296.97 up front to Duke Energy for their work. NCDOT will reimburse the City 80 percent of that cost, amounting to \$109,837.58 leaving \$27,459.39 as the City's responsibility. Staff recommends Council's approval of the agreement with Duke Energy in the amount of \$137,296.97 for utility relocation associated with the replacement of the bridge on Falling Creek Road.

- L. Approved on First Reading an Agreement with CenturyLink in the Amount of \$31,623.04 for Utility Relocation Associated with the Replacement of the Bridge on Falling Creek Road.

The bridge on Falling Creek Road is structurally deficient and is functionally obsolete. The design of the replacement structure is complete. CenturyLink is the owner of the overhead utilities at the site and has provided a detailed cost estimate for the necessary relocation of their equipment to allow construction of the replacement structure. The original municipal agreement between the City of Hickory and North Carolina Department of Transportation (NCDOT) for the Falling Creek Road bridge replacement project did not include utility relocation costs. The cost of utility relocation could not be accurately predicted until the project plans were completed and approved. Upon NCDOT's approval of the bridge replacement construction plans, CenturyLink performed their design and provided a construction cost estimate for relocation of their facilities at the project site. Once

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approved, CenturyLink will begin their portion immediately. When CenturyLink is through with the relocation, the contract for the bridge replacement will be let to bid. Eighty percent of the cost will be borne by NCDOT and the City will be responsible for 20 percent of the costs. Upon approval of the contract, the City will be obligated to pay \$31,623.04 up front to CenturyLink for their work. NCDOT will reimburse the City 80 percent of that cost, amounting to \$25,298.43 leaving \$6,324.61 as the City's responsibility. Staff recommends Council's approval of the agreement with CenturyLink in the amount of \$31,623.04 for utility relocation associated with the replacement of the bridge on Falling Creek Road.

- M. Approved Citizens' Advisory Committee Recommendations for Assistance through the City of Hickory's Housing Programs.

The following request was considered by the Citizens' Advisory Committee at their regular meeting on October 6, 2016.

The following applicants are being recommended for approval for assistance under the City of Hickory's 2016 Urgent Repair Program. This program provides qualified low income citizens with assistance for emergency-related repairs not to exceed \$8,000.

- T. Cozette Bean, 1365 4<sup>th</sup> Street NW, Hickory
- Franklin Propst Jr., 270 7<sup>th</sup> Street SE, Hickory
- Anita Rhoney, 477 14<sup>th</sup> Avenue Drive NE, Hickory
- Jimmy Ritter, 1633 1<sup>st</sup> Avenue Place NW, Hickory

The Citizens' Advisory Committee recommends approval of the aforementioned requests for assistance through the City of Hickory's housing assistance programs.

- N. Approved on First Reading Modification of the Loan with Habitat for Humanity for the Glen at Green Park Subdivision.

In 2010, Habitat for Humanity of the Catawba Valley purchased the land from the City of Hickory that was to become the Glen at Green Park, an 11 lot single family subdivision. The land was sold for the price of \$60,500 to be financed by the City of Hickory. The promissory note stated that Habitat would make payments of \$5,454.54 to the City when each house was sold. In addition, the note stated, that the remaining amount would be due to the City in the spring of 2015 if any balance remained. Seven homes have been built to date, and four remain in Habitat's control. The loan balance is \$21,818.16. Habitat for Humanity has requested that the City set them up to make monthly payments on the remainder of the loan balance. If the balance is paid off over a five year period, the payments would be \$370 per month. Habitat would still need to pay the entire remaining balance when the final property is sold, provided that sale occurs prior to the payoff of the loan. If the arrangement is approved by City Council, the City Attorney would draft a revised promissory note, and modification to the deed of trust that would reflect the new payment arrangement. The Citizen's Advisory Committee reviewed the request and recommends approval. Staff recommends City Council's approval of the modifications to the loan with Habitat for Humanity for the Glen at Green Park that would permit monthly payments over a five year period to pay off the outstanding loan.

- O. Approved on First Reading Acceptance of a Temporary Construction Easement and Permanent Easement for the Property of Carolotta K. Spruill Described as PIN 3702-06-47-8996.

Staff requests acceptance of a temporary construction easement and a permanent easement for the property of Carolotta K. Spruill described as PIN 3702-06-47-8996 for installation of utilities infrastructure. The easements are necessary for completion of the Geitner Basin Replacement/Rehabilitation Project. This project is completely funded through a loan to the City as a State Revolving Loan by NCDEQ-IFS in 2016 in the amount of \$3.5 million dollars. The easement was negotiated for a total sum of \$1,500 plus recording fees in exchange for the easement. Staff recommends acceptance of a temporary construction easement and a permanent easement for the property of Carolotta K. Spruill described as PIN 3702-06-47-8996 for installation of utilities infrastructure.

- P. Approved on First Reading the Renewal Option of the Corporate Hangar Lease with CommScope, Inc. of North Carolina.

CommScope, Inc. of North Carolina entered into a Corporate Hangar Lease with the City of Hickory dated September 18, 2012 with an expiration date of December 31, 2016. The lease includes an option to extend said lease for one additional five year term upon the same terms and conditions with the exception of the annual rent. Said annual rent is currently \$72,000 with an increase of ten percent under the renewal option. CommScope wishes to continue to operate its corporate flight department from the Hickory Regional Airport and to retain its use of the hangar and office space currently being utilized under the Corporate Hangar Lease. CommScope has requested to exercise its right to said renewal period. The five year renewal period shall extend through December 31, 2021

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and increase the annual rent to \$79,200. Renewing the lease option is in direct line with the Airport Task Forces' mission to develop and expand the future of the Hickory Regional Airport. Staff recommends Council's approval to renew the lease option with CommScope, Inc. of North Carolina for an additional five years and increase the annual rent to \$79,200.

- Q. Approved on First Reading the Renewal Option of the Lease Agreement with FMD Aviation, LLC.

FMD Aviation, LLC constructed a hangar located on the south side of the Hickory Regional Airport and entered into a fifteen year lease agreement with the City of Hickory in March 1996. The lease includes an option to extend for two five year terms. The lease was extended in March 2011 for five years and FMD desires to utilize their lease option for an additional five years. All original terms and conditions will remain in full force and effect. FMD Aviation LLC is currently paying \$1,364.31 per month to the City of Hickory as an operations fee for the airport. The Lease Agreement states every twelve month period following the initial twelve month period shall be adjusted by two percent or CPI, whichever is lower. The five year renewal period will expire in March 2021. Renewing the lease option is in direct line with the Airport Task Forces' mission to develop and expand the future of the Hickory Regional Airport. FMD Aviation, LLC continues to increase the number of aircraft and employees at the airport. Staff recommends Council's approval to renew the lease option with FMD Aviation, LLC for an additional five years.

- R. Approved a Resolution Designating the City Manager and Chief Financial Officer as Authorized Officers to Reimburse Itself for Capital Expenditures Incurred in Connection with Tax-Exempt Obligations.

From time to time the City of Hickory finances capital projects with tax-exempt obligations. The City sometimes must expend its own available funds for capital projects in advance of completing a tax-exempt financing. Under certain provisions of the Internal Revenue Code, in order for the City to reimburse itself for expenditures incurred before a tax-exempt financing is completed, the City must declare its intent to reimburse itself within 60 days from the date of such capital expenditure. The intent to reimburse itself does not obligate the City to complete the tax-exempt financing but allows the City to reimburse itself from an expected tax-exempt financing. Staff recommends approval of the Resolution designating the City Manager and the Chief Financial Officer of the City as authorized officers to declare the intention of the City to reimburse itself for capital expenditures incurred in connection with a tax-exempt financing.

#### RESOLUTION NO. 16-34

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA DESIGNATING THE CITY MANAGER AND CHIEF FINANCIAL OFFICER AS AUTHORIZED OFFICERS TO DECLARE THE INTENTION OF THE CITY OF HICKORY, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH TAX-EXEMPT OBLIGATIONS.

WHEREAS, the City of Hickory, North Carolina ("City") from time to time finances capital projects with tax-exempt obligations;

WHEREAS, the City sometimes must expend its own available funds for capital projects in advance of completing a tax-exempt financing;

WHEREAS, under certain provisions of the Internal Revenue Code, in order for the City to reimburse itself for expenditures incurred before a tax-exempt financing is completed, the City must declare its intent to reimburse itself within 60 days from the date of such capital expenditure;

WHEREAS, the declaration of the intent to reimburse itself does not obligate the City to complete the tax-exempt financing but allows the City to reimburse itself from an expected tax-exempt financing;

WHEREAS, for administrative convenience, the City Council of the City wants to designate the City Manager and the Chief Financial Officer of the City as authorized officers to declare the intention of the City to reimburse itself for capital expenditures incurred in connection with a tax-exempt financing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hickory, North Carolina as follows:

Section 1. Designation to Make Declarations of Intent. The City Manager and the Chief Financial Officer of the City, individually or collectively, are hereby authorized and designated by the City Council to make, by appropriate action as an authorized representative of the City acting on behalf of City, declarations of official intent within the

October 18, 2016

meaning of Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, evidencing the City's intent to reimburse itself for expenditures incurred and paid by the City in connection with projects from the proceeds of tax-exempt obligations.

Section 2. Effective Date. This Resolution shall become effective immediately upon the date of its adoption.

- S. Approved on First Reading Acceptance of the Bid from Buckeye Bridge, LLC for the Construction of Random Woods Sewer Project in the Amount of \$948,873 and a Contingency in the Amount of \$47,444.

The Public Utilities Department and Catawba County Environmental Health identified Random Woods Subdivision as one of three areas of concern in 1998 as a part of the future service areas for the City of Hickory sanitary sewer system. Staff originally applied for a State Revolving Grant funds for completion of this project April 1, 1999. An updated preliminary engineers report was resubmitted in 2009. NCDENR Division of Water Quality and NC Construction Grants and Loans issued final approval of the preliminary engineers report on May 10, 2010. In July of 2010 City Council approved the Resolution accepting the application for grant funds. McGill Associates were responsible for design and bidding of the project. Construction bids were received from two perspective bidders as follows: Hickory Sand Company, Inc. - \$987,825 and Buckeye Bridge, LLC - \$948,873. McGill Associates evaluated the bid packages and found Buckeye Bridge, LLC to be the lowest responsible bidder. Staff recommends Council's acceptance of the bid with the responsible low bidder Buckeye Bridge, LLC in the amount of \$948,873. Staff also requests approval of a contingency in the amount of \$47,444, for a total of \$996,317.

- T. Approved on First Reading Budget Revision Number 9.

**ORDINANCE 16-44  
BUDGET REVISION NO. 9**

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159-15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2017 and for the duration of the Project Ordinances noted therein.

SECTION 1. To Amend the General Fund within the FY 2016-17 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	3,379	-
Other Financing Uses	278,261	-
Culture and Recreation	4,600	-
TOTAL	286,240	-

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	187,300	-
Restricted Intergovernmental Revenue	94,340	-
Miscellaneous Revenues	4,600	-
TOTAL	286,240	-

SECTION 2. To amend the Water and Sewer Fund within the FY 2016-17 Budget Ordinance, the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	4,663	-
TOTAL	4,663	-

To provide funding for the above, the Water and Sewer revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	4,663	-
TOTAL	4,663	-

SECTION 3. To amend the Falling Creek Bridge Capital Project Ordinance, the expenditures shall be established as follows for the duration of the life of the project:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	168,921	-

TOTAL	168,921	-
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To provide funding for the above Capital Project, the revenues will be budgeted as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	168,921	-
TOTAL	168,921	-

SECTION 4. To amend the Business Park 1764 Capital Project Ordinance, the expenditures shall be established as follows for the duration of the life of the project:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	15,000	-
TOTAL	15,000	-

To provide funding for the above Capital Project, the revenues will be budgeted as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	15,000	-
TOTAL	15,000	-

SECTION 5. To adopt Grant Project Ordinance #545005,"Downtown Lighting Grant", the expenditures shall be established as follows for the duration of the life of the project:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	94,340	-
TOTAL	94,340	-

To provide funding for the above Grant Project, the revenues will be budgeted as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	94,340	-
TOTAL	94,340	-

SECTION 6. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

IX. Items Removed from Consent Agenda – Items F and G

Interim City Manager Andrea Surratt advised from time to time the Catawba County Economic Development Corporation, Scott Millar, applied for grants on behalf of the City or the County. In this particular case they applied for a grant for Park 1764 to do some work ahead of full site development to enable the site to be better marketed to potential clients. Park 1764 is the advanced manufacturing business park located at Startown Road and Robinwood Road. The development at present time is a farm homestead and would be transitioning over the next year or so in its look as far as how to provide an entrance to the site, sewer, and some additional utilities to the site. The grant was a \$1.3 million dollar grant, a 100 percent match, so the State gives an amount and the City and the County match that amount. The funds were approved for a \$671,920 grant of which roughly half goes toward the sanitary sewer outfall extension to the site and the remaining balance, a little over \$300,000, would go toward the entrance road to the site and development of landscaping along Startown Road. The grant needed to have a local government be its designated agency to receive the money. The City would be that agency. She explained "Item G", the Western Piedmont Council of Governments often provides staff support services for administering the grant, pre-application, full application, and administering the grant. There is a small contract fee of \$15,000 to approve for those services and do the reporting requirements necessary to administer the grant over time.

Alderman Lail thanked Mrs. Surratt for the explanation. One of the reason he had requested it be removed was just to highlight that it is another example of the City leveraging that bond money. These are big grant dollars. We have had some success with private monies, grants with the City Walk, and some design. Here is a major grant at 1764. He was real proud.

Alderman Lail moved, seconded by Alderman Guess approval of Items "F" and "G". The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderman Guess and the motion carried unanimously.

X. Informational Item

A. Budget Transfer Report.

Under Section 22 (b) of the Fiscal Year 2016-2017 Budget Ordinance, the City Manager is authorized to transfer appropriations with a report to City Council as follows:

Section 22 (b): "He may transfer amounts up to \$50,000 between functional areas including contingency appropriations, within the same fund. He must make an official report on such transfers at the next regular meeting of the Governing Board."

The following transfer recently occurred under this provision:

- To expedite the availability of insurance-claims revenue to the appropriate department, in lieu of a Budget Amendment the City has budgeted specific funds within the Risk Management division which, upon the case-by-case receipt of said revenues, may be transferred as necessary for making repairs and/or replacements in a timely manner.
- September 30, 2016 (BT #15): \$22,841.00 insurance-claims revenue transferred to Traffic Department for damages sustained to a Traffic Signal cabinet due to an auto accident at the intersection of Sweetwater Road and McDonald Parkway on 6-30-16.

Interim City Manager Andrea Surratt explained the Budget Transfer Report. She referenced the recent change in the budget ordinance which allowed the City Manager to authorize appropriations for items that needed to be dealt with more immediately and then notify Council of those items in the next available agenda. She advised Council the item was to expedite the availability of an insurance claim revenue to the appropriate department in lieu of a budget amendment. In this case it was related to the Risk Management Division. On September 30, 2016 there was an insurance claim, \$22,841, related to the Traffic Department for damages sustained to a traffic cabinet that was caused by an auto accident at Sweetwater Road and McDonald Parkway, which created a lot of traffic problems. They had to work quickly to get that work accomplished. This was a case where the work was expedited and the report was given to Council later.

Alderman Seaver moved, seconded by Alderman Zagaroli approval of the Budget Transfer Report. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Seaver seconded by Alderman Zagaroli and the motion carried unanimously.

XI. New Business:

A. Public Hearings

B. Departmental Reports:

1. Branding/Marketing Update

Interim City Manager Andrea Surratt asked the City's Communication and Marketing Manager Dana Kaminske to the podium to present Council with an update on branding and marketing.

Communications and Marketing Manager Dana Kaminske presented Council with a PowerPoint presentation. She recapped where the City was five years ago when the brand was rolled out. They had incorporated the message and logo into the community and with the City's brand partners. They had also created and partnered on great local events. The "Life. Well Crafted." message had even taken new life with "Crafting Hickory" and the new projects under that. She reiterated that "Life. Well Crafted." is the bigger message, it is the big logo umbrella. "Crafting Hickory" is underneath that. All these projects, the bond projects, the Lackey Park, Friends of Hickory Park, and the splash pad, those fit under "Crafting Hickory". She clarified "Crafting Hickory" does not replace "Life. Well Crafted." it is part of that. They are going to continue to market the message internally to our citizen's base and to regional markets. She displayed a list of some of the partnerships and some of the events that the City had partnered on locally. We are very fortunate that we have amazing partners and amazing events to be a partner of and to support. Without all of these things the City's brand would not have gotten so well introduced into the community. Hickory's story continues to evolve, it is not over. She discussed the next phase. After five years of incorporating it locally and making sure that our citizens have heard "Life. Well Crafted." or bought a t-shirt or hat, or seen us at Oktoberfest, or the Farmer's Market or one of those events, they are going to take this regionally and to State markets. They have been doing that. They are going to continue to drive "Crafting Hickory" and our Hickory story and continue taking it to these larger markets.

Mrs. Kaminske shared examples of how they are doing that. Southern City, the North Carolina League of Municipalities magazine, contacted them and asked if they could highlight Hickory's brand. The City was on the inside, the front of that story. She thought it was a great picture that they could just put Hickory's brand right there. They talked about the City of Hickory as well as some other cities but Hickory was highlighted not too long ago. She continued, Business North Carolina, the Catawba County Economic Development edition which highlights Catawba County. The only way that we can do these ads and do these things is in partnerships. We partnered with Catawba County and the Hickory Metro Convention Visitors Bureau and came up with the ad which they felt represented Hickory, and the County. There are so many ways to represent us, but they felt like that was just a few of the ways to do that. She advised it was a full page ad in that magazine that talked about Catawba County. She mentioned WNC, Council had received a copy of it. She highlighted this because they were very proud of being in this, because they came to Hickory. They called on us and wanted to highlight Hickory and our story. "Hickory Rising" was the story. She advised it was a very nice story about the future projects. It was short, but after this article she wrote a thank you to the editor for highlighting us. They wanted us to keep them in the loop, they are so proud of what Hickory is doing and they would like to see future bigger articles about Hickory. They said that the online presence was one of the top that they had ever seen people clicking on to read a smaller story in their magazine. She felt that spoke volumes to who we are and what we are doing. She showed another partnership ad that they did with the Furniture Mart as well as the Hickory Metro Convention Visitors Bureau. She commented the nice part about this was we are on the very front cover. She pointed out "Hickory's Master Plan". Not only were we inside, we were on the front page. She reiterated that we are not calling on these people, they are calling on us. She continued, typically Our State magazine tries to cover us, but they did a story and the City partnered again with the Convention Visitors Bureau, and did an ad. She advised this magazine was just not our State, it is our Country. It goes all over the United States. It is amazing the reach that this magazine gets. They feel if we partner with somebody we can afford to an ad like this, in this magazine. They highlighted Hickory. She showed the nice picture of downtown, and a good story about furniture. It was good to be a part of the magazine. She advised that was just a few snippets. There is a lot more they do every day; that is just one piece.

Mrs. Kaminske wrapped up her presentation with a video that was just released. They called it "#GetToKnowHickory". They hash-tagged it because they thought if you live here in Hickory, get to know Hickory in different ways. Maybe what you see isn't the Hickory that you know, but it is there. Maybe there are other parts of Hickory that they will highlight in another video that will be a "GetToKnowHickory" in that video. There are all kinds of diverse things happening here, cultural things, events. You cannot show all of that in two minutes. This is the first of others to come. They are proud of it, but they are going to show a lot more coming. She played the video for Council. Not only is this for local residents to get to know Hickory, but this was for regional marketing as well. They pushed this out on social media, they boosted the post, and pushed it out regionally to other cities just so they could get to know Hickory too. They had someone mentioned to Mrs. Surratt that they saw it in Gastonia. They questioned why they were seeing Hickory's message in Gastonia, and she advised because it is working. They are excited about this and will continue to show all kinds of different things in Hickory. She never thought that in doing branding and marketing that she would be thinking about what kind of music represents Hickory and those kind of questions. She felt that the music fit on that one.

2. Approved the Application for the North Carolina General Assembly and Acceptance of the Authorized Grant-In-Aid Allocation of \$250,000.

The City of Hickory is collaborating with North Carolina Department of Transportation (NCDOT) to repair/replace a failed 96-inch storm drainage pipe that is causing storm water to backup and flood US 70 in Hickory. The NCDOT and the City are currently paying for emergency pumping to keep water flowing. The City and NCDOT are taking action to remedy the problem for the safety of the general public and businesses in the area. During the 2016-2017 State fiscal year, the North Carolina General Assembly appropriated \$250,000 in grant-in-kind funds to mitigate structural damage to Highway 70. The cost of the repair is estimated at \$3.2 million dollars. NCDOT has agreed to pay \$1 million dollars as well as handle design and construction oversight towards the repair while the City of Hickory has agreed to pay \$1.2 million dollars. The North Carolina General Assembly has appropriated \$250,000 in grant-in-kind funds to the City of Hickory to mitigate the structural damage to Highway 70 caused by the failed 96-inch storm drainage pipe. The City of Hickory and NCDOT have entered into a contract for the repairs with construction scheduled to begin before the end of the 2016 year. Staff has prepared the documents for submission to receive the \$250,000

from the State Grant. Staff recommends Council's approval for the submission of the North Carolina General Assembly's authorized grant-in-kind allocation of \$250,000 and to accept the funds allocated to the City of Hickory to mitigate structural damage to Highway 70.

Interim City Manager Andrea Surratt asked the City's Public Services Director Chuck Hansen to the podium to present Council with an application for the North Carolina General Assembly and Acceptance of the Authorized Grant-In-Aid Allocation of \$250,000.

Public Services Director Chuck Hansen discussed the request to approve and accept a grant aid allocation from the North Carolina General Assembly. He mentioned that Council had worked to make this happen. The grant was in the amount of \$250,000 and specifically geared toward the mitigation of structural damage along Highway 70, essentially working on the repair of the sinkhole; that the City is partnering with the North Carolina Department of Transportation on. He updated Council that the property had been secured and the three easements associated with the construction on that had also been secured. He thanked City Attorney John Crone's office for working timely on getting the documents turned around, working with the City to keep it moving, and to get the signatures. The job had been advertised through the North Carolina Department of Transportation. There is a pre-bid meeting scheduled for next Tuesday. It is a mandatory pre-bid meeting so that the contractors will have to hear and learn what the project is about. The bid opening is November 17, and will go to approval on the Department of Transportation's side for signature on the contract. They are looking at the December timeframe, it may be January with the holidays coming up. If all goes as planned and bids come in where they need do, then we should be getting a contract signed in December and getting things lined up to go. The estimated completion is late May/June timeframe. He commented that water should be flowing before that. Getting it unstopped and repairs made will happen before the May/June timeframe. He advised Council for their consideration was approval of the grant money from the General Assembly in the amount of \$250,000.

Mayor Wright commented is there any reason that Council would not consider voting yes.

Mayor Wright moved, seconded by Alderman Seaver approval of the application for the North Carolina General Assembly and acceptance of the authorized grant-in-aid allocation of \$250,000.

Alderman Zagaroli questioned the amount that was listed in the agenda. He asked if he should be \$2.2 million dollars rather than \$1.2 million dollars.

Interim City Manager Andrea Surratt advised it should be \$1.9 million dollars.

Mayor Wright commented both of these should say up to. Although the City will have to pay whatever it cost.

Mr. Hansen commented they were 100 percent correct in that catch, but that didn't have anything to do with the grant itself.

Mayor Wright thanked Alderman Zagaroli. Mayor Wright announced he moved, seconded by Alderman Seaver and the motion carried unanimously.

City Attorney John Crone advised that Mr. Hansen and his Staff had done a great job in pushing the easements and getting them done. They had filed the last one today.

Mayor Wright commented in fact they appreciated that very much. None of them were a real challenge, it was a matter of logistics.

Mr. Hansen replied yes.

City Attorney Crone commented what helped more than anything was that Council took a very early active role once they found out that they needed those easements and Council and the Mayor going out there and laying the ground work. It was an incredible step in helping them expedite this process.

### 3. Quarterly Financial Report

Assistant City Manager Rodney Miller presented Council with a PowerPoint presentation. He advised that Paula Hodges, from the audit firm, had recapped the fiscal year, July of 2015 through June of 2016. He gave Council a brief report

on the first quarter of this fiscal year which started July 1 and ended on September 30. He pointed out the functional areas in which Council adopts the budget on both revenues and expenditures. He pointed out the year to date actual dollars, the annual budget column and the last column, which compared 25 percent of the year complete, the amount received year to date compared to our budget and how much we had spent year to date compared to our budget. He highlighted ad valorem taxes which is the City's largest revenue source. It is budgeted at a little over \$25 million dollars each fiscal year. The City had received approximately \$5.3 million dollars to date. Other taxes, which primarily consist of our sales tax occupancy tax, as well as franchise tax fee had received approximately 15 percent of those revenues for the first three months of the year. He pointed out that sales tax revenues are sent to cities and counties 45 days after the State receives them. All sales tax dollars that we spend across the State are actually sent to Raleigh and they send them back to us 45 days after they collect them. The report only reflected two months of sales tax revenues for July and August. September revenues were not included on the report. He discussed Intergovernmental which are typically grants or revenues from other local governments, i.e. Catawba County Fire District tax is part of that revenue source. He discussed permit fees sales and services. As Ms. Hodges had mentioned this fee actually went down \$1.1 million dollars as the result of the General Assembly taking privilege licenses away from municipalities across the State. He discussed investment earnings of \$125,000, which are done on a quarterly basis. They had not prepared all of those investment earnings. He advised that the City's investment earnings were strong and Council would see that at the next quarterly meeting. He expected the City to be well over half way through investment earnings in the January report. He showed miscellaneous revenues which consist of donations, and insurance reimbursements. He discussed other financing sources, \$6.6 million dollars. He advised that they budget that money to balance the budget. He noted that was the City's fund balance primarily. He advised that Council balances the budget for this reason. He commented that the City had only received 17 percent of the budget, or only \$8.8 million dollars. He pointed out that the City had spent \$15.2 million dollars to date. He explained the reason for that, the City's primary revenue source of property tax does not come in until December and January. That is where the lion's share of those dollars come in. We have to use the City's fund balance for the first five or six months until the property tax revenues come in at the end of the calendar year.

Mr. Miller continued his discussion pointing out the department totals and the budget dollars. He pointed out that the Information Technology Department had spent 37 percent of their budget. That was primarily for the order of computer equipment for the year. Those are not like monthly expenses, some of those capital items had been ordered. He showed property tax revenues through three months compared to the last two years of receipts. In 2017 so far the City had received \$5.3 million dollars in revenues from our property tax. He reminded Council that the budget for property tax revenues was a little over \$25 million dollars. We will start getting the bulk of those revenues in December and January. We are currently 6.27 percent higher than the prior year. He didn't have an explanation for that. Sometimes people pay when they get their bill in July. Sometimes most people pay before January 5<sup>th</sup>, which is statutorily when they are due. Sometimes the County gets mortgage checks. The County collects our property tax and disburses those out to each of the municipalities. He pointed out the City's net revenue increase in 2016. We actually show a 6.5 percent increase, but the bulk of that was because they raised the tax rate to offset privilege licenses. He advised 1.47 percent is not game busters, but he knew what Hickory had gone through for the last ten years. If we are getting one percent we have been doing good. In the current year he expects the City to be over two percent based on some building activity. He commented we are grateful that number is positive. For a number of years, 2007, 2008, and 2009, that tax base was actually a decrease. Hopefully we are headed in the right direction.

Mr. Miller discussed sales tax revenue which was a really good indicator of the local economy. Two cents of every dollar comes back to the local economy in Hickory. Total revenues were approximately \$1.7 million dollars we had received. We budgeted about \$9.2 million dollars on an annual basis for sales tax. As he previously mentioned we had only received two months because of the delay in getting those from the State of North Carolina.

Alderman Lail asked in Mr. Miller's opinion, year over year, 2016 to 2017, clearly we are seeing a negative one percent.

Mr. Miller commented we are actually down 2.54 percent from the year before through two months. He was not overly concerned, that was \$40,000. Retail businesses that send in their dollars have a certain date that they have to follow to send in their reports. Smaller businesses send them in on a quarterly basis. It

could be timing. It could be we didn't buy as much. It is hard to say, but \$40,000 he was not yet concerned.

Alderman Lail asked if the City would get any of sales tax for the expansion of the sales tax base that General Legislature did for additional services.

Mr. Miller replied we hope to see some, we do not think it will be a significant amount.

Alderman Seaver commented it is separate thing from the sales tax. It is called sales tax, but it is on services.

Alderman Lail commented like car repairs.

Mr. Miller commented car repair shops are the big one there. It is still a sales tax. You would go to the auto repair store and pay a sales tax.

Alderman Seaver asked if the State would handle that differently than buying a pack of gum.

Mr. Miller stated there are certain rates depending on which service. They charge a different rate depending on which service.

Alderman Seaver thought that it was the same rate.

Mr. Miller commented for example components of food are taxed differently, two percent for some, manufacturing foods are a different percentage.

Alderman Seaver commented we will get some of that, probably not the same cut we get from sales tax.

Mr. Miller responded that Yaidee Fox was on this before. Last year several counties, 15-20 counties, actually were able to expand the base. Catawba County was not one of those. We were not able to get into that two years ago when they expanded those dollars. We didn't lose any dollars but we didn't get any of those dollars. Most recently they had expanded those services and the City was expecting some revenues but we are not expecting that to be significant.

Alderman Seaver asked if a lot of other States were taxing services like that. Had they been?

Mr. Miller advised part of the streamline sales tax effort, which is nationally, is to try to capture those online retail outlets like Amazon. Historically North Carolina and other States had not been able to get those taxes unless they are sited in that particular State. Fortunately Amazon opened up a manufacturing facility in North Carolina so we started receiving some of those dollars. But by and large they had been working on this for 15 years to try to get all the State rules, like the two percent on food, every State is different, and every service is different, so that they charge a different amount. They are trying to make it uniform so a business knows whether they are in North Carolina, or South Carolina, this is the tax that they pay. There had been some movement of that, but it had been a long term process. He didn't know if and when it will happen.

Mayor Wright commented it is still very confusing, billing for sales of products and services.

Mr. Miller continued his presentation with Building Permit Activity and pointed out that this item was on a calendar basis so it was for the first nine months of 2016 compared to the first nine months of 2015. He advised the number of permits for both residential and commercial had declined, almost two percent in residential, and almost 12 percent in commercial, for a 7.58 percent decline in number of permits. He pointed out the good news in the commercial area was the City had increased their commercial permit value from \$43 million dollars to \$70 million dollars, which was a 63 percent increase. He advised 44 percent increase overall which was approximately \$25 million dollars in new permit value. He related that back to property tax which would equal to approximately \$150,000 in property tax revenue. Some of the building activity: Publix; the new Viewmont Animal Hospital; US Conec, which is owned by Corning, at Sweetwater Road and McDonald Parkway; Corning Cable Systems, a multimillion dollar expansion; Gateway Corners on Highway 70 and Highway 321; Klingspor's expansion; a couple of pizza stores, gas stations, fast food, and mattress stores. We didn't have any Dollar General stores in this particular year, those were last year. He pointed out Summit Credit Union which was under construction right next door to City Hall; Hobby Lobby, facing I-40, a multimillion dollar addition; MDI is adding a \$10 to \$11

million dollar refrigeration expansion; Frye is increasing the size of their emergency room, over \$10 million dollars. He added on the residential side, Staff is working on three different projects currently. One is off of Springs Road near the Sam's Carwash. One is off of Short Road, which was the original one that Council approved last winter, but they now may have a new applicant for that development. And one is near Publix, 50-80 units which will be senior residential living. He is hoping the residential numbers will come back. There had been some decline in value.

Mr. Miller discussed the Water and Sewer Fund which primarily comes in the form of sales and service revenue. The City had received approximately \$4.5 million dollars to date of a \$21.7 million dollar budget. Overall their budget is \$28 million dollars, \$4.7 million dollars received or almost 17 percent. We accrued revenues from June, so they pull revenues that they received in July to June, which means you reverse that in July. In essence he was only showing two months as well. They will receive all of those revenues in June of next year. He advised it only reflected two months here because of that accrual. He discussed expenditures which only had one item over 25 percent of the year complete which was pretreatment and lab, that was primarily due to some insurance as well as some supplies. He did not see any concerns on the expenditure side in the Water and Sewer Fund.

Alderman Seaver commented that he was at a retirement ceremony for Dr. Powell and he was talking to one of the board members and he asked them how they raised so much money in the worst economic times recently that we have had. The board member responded that nobody had told them about it. So maybe it is all a mental thing anyway when it comes down to it. They probably raised more money in the shortest period of time, in the three or four years, than ever in history. He commented it is amazing. Maybe we just don't pay attention to bad economy we keep going.

Mayor Wright commented we have kept going. He didn't think we were around the corner but we could see the corner.

4. Appointments to Boards and Commissions

BOND IMPLEMENTATION COMMISSION

(Terms Expiring 2-1; 3 Year Terms) (Appointed by City Council)

Alderman Tarlton's Appointment

(Unexpired Term of Blake "Bee" Watts Jr. (2-2-17) who resigned 10-6-2017)

CITIZENS ADVISORY COMMITTEE

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (Council Appoints)

VACANT

At-Large (Council Appoints)

VACANT

COMMUNITY APPEARANCE COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)

VACANT

Ward 4 (Guess Appoints)

VACANT

At-Large (Outside City but within Hickory Regional Planning Area)

(Council Appoints)

VACANT

At Large (Council Appoints)

VACANT

COMMUNITY RELATIONS COUNCIL

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Other Minority (Council Appoints)

VACANT

Other Minority (Council Appoints)

VACANT

HICKORY REGIONAL PLANNING COMMISSION

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)

(Appointed by City Council)

Burke County (Mayor to Nominate)

VACANT

INTERNATIONAL COUNCIL

(Appointed by Mayor with the Concurrence of City Council)

(5) Positions

VACANT

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 4 (Guess Appoints)

VACANT

At-Large (Mayor Appoints)

VACANT

PARKS AND RECREATION COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (2) (Council Appoints)

VACANT

At-Large (3) (Council Appoints)

VACANT

Mayor Wright nominated James Rogers as At-Large (2) Representative for the Parks and Recreation Commission

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

At-Large (Mayor Appoints)

VACANT

Mayor Wright nominated Lise Swensson as an At-Large Representative for the Public Art Commission

PUBLIC HOUSING AUTHORITY

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)

Position 9

VACANT

RECYCLING ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 2 (Tarlton Appoints)

VACANT

Ward 3 (Seaver Appoints)

VACANT

Ward 4 (Guess Appoints)

VACANT

At-Large (Council Appoints)

VACANT

At-Large (Council Appoints)

VACANT

YOUTH COUNCIL

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

The Youth Council Applicant Review Committee Makes the Following Recommendation for Appointment to the Youth Council:

Liam Watts (St. Stephens High School Representative)

St. Stephens High School Representatives

2 Positions VACANT

At-Large Representatives

2 Positions VACANT

Challenger High School Representative

1 Position VACANT

Mayor Wright nominated Liam Watts, St. Stephens High School Representative on the Youth Council.

Alderman Lail moved seconded by Alderman Seaver approval of the above nominations. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Lail seconded by Alderman Seaver and the motion carried unanimously.

B. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

Mayor Wright commented it occurred to him that we are already at a confusing point. He said it is a good thing that we are getting these grant funds and that they are going to be used to either offset the bond project costs, or in some cases they might not offset them but they might be used for something else similar. They had talked in terms of this being a \$100 million dollar set of projects with \$40 million dollars of it coming from the bonds. He wanted to start now, rather than four or five years from now, score keeping. We have got our \$40 million dollars here on the left, which are various projects which total \$35.5 million dollars plus \$4.5 million dollars for 1764. So far we have not spent any bond money.

Interim City Manager Surratt advised we have new contracts for design, and some funds had been spent on program management but not on construction yet, that is to come.

Mayor Wright commented we have wayfinding. We are going to have other projects come along that people are going to say they thought that was part of the bond. He thought it would be good to have quarterly reports, score keeping, where we are on the \$40 million dollars, and where we are on additional funds that we are taking in. He commented somewhere along the way we hope that total gets up to \$100 million dollars, but even if it doesn't we need to make sure that it doesn't get so confusing that people just say I completely lost track of everything. He asked if Staff could work on coming up with a reporting form.

October 18, 2016

Interim City Manager Surratt advised Mayor Wright and Council that staff concurred with the idea. They plan a special Council meeting on November 1<sup>st</sup>. There will be a special workshop from 4:30 p.m. to 6:30 p.m. It will have the score card. Council will see for the first time, what is on the left and on the right. Mr. Rodney Miller and she would be putting those dollars down and asking Council's opinion about how to use the grant funds. The grant funds go to specific parts of the bond program, but then does that free up monies to do additional work, or bring up projects that were on the bubble, or does that just cover the cost of the bonds? They have a lot of that kind of discussion to have on November 1<sup>st</sup>.

Mayor Wright stated there is going to be good discussions. Their tradeoff is going to be that having ask the people to approve a 16 percent property tax increase, they are hoping that it does not ever get to that, they will be working very hard to keep it below that. Now we are in the honeymoon period where we are dealing with projected expenditures, and nice drawings. He wasn't making fun of that, he is all in. But we are going to come to the point where people's property taxes are going to be shooting up and at that point we need to have that accountability way out in front of any questions that come up.

Mayor Wright advised that Donna Ballenger passed away, she was very instrumental in the Ridgeview Daycare being one of the nicest daycare centers anywhere much less in a lower socio-economic area. He mentioned that he had heard only good things about Oktoberfest, he wasn't able to participate.

Alderman Guess commented despite the weather.

Mayor Wright joked that had become traditional Oktoberfest weather. He mentioned the seaplanes. He advised there was a great turnout for a first time event. He believed someday that would be one of those defining things, oh Hickory is where they do the seaplanes, like Statesville is where they do the balloons. He said it is all because of Terry Clark, and some other people. Hickory and the Airport got credit for sponsoring. Some other Hickory departments got credit. He didn't believe much money was spent. Mr. Hansen's department brought some trash receptacles out. He teased that Terry Clark was responsible for a dysfunctional ramp. Mayor Wright commented that seaplanes were complicated, trying to get them out of water onto land. He mentioned he had his shoes off and was walking on a makeshift ramp, and he was scared he was going to fall and embarrass himself. While he was at the event he spoke with Susan VanFleet, VanFleet Aviation. She has a seaplane and another plane and she teaches flying lessons. He advised she told him a story about a couple who had planned to move to Asheville, but for some reason they landed in Hickory to refuel and they had lunch at the café at the airport. They were so impressed they moved to Hickory instead. What a tremendous success story. He was at the airport and met a couple who were waiting on their private jet to come in from Florida to pick them up from their vacation in Boone. He was talking with them and they told him how wonderful our airport is and how they loved to fly in and out of it. He requested the next time a video is produced they have to get the airport in there.

Ms. Kaminske advised it is on her list.

Mayor Wright commented that people were talking about the hundreds of millions of dollars' worth of airplanes in the museum at the airport. He was impressed and it made you proud to be from Hickory. He predicted that some year there would be 40 to 50 of those seaplanes and people will look back at what we call our soft opening here in 2016.

Interim City Manager Surratt recognized a new Staff member, Kyle Butler, the City's newest engineer. Mr. Butler will be the City's Bond Program Manager. She advised he was from Cary and various other cities as he was a military child. He graduated from North Carolina State University with his engineering degree. She advised his skill set comes with work on the streetscapes and programing of downtown Durham. She mentioned that Council had toured that area and that was a bond project. Mr. Butler was an Engineer with the City of Durham for six years. In between that work and now he worked for Louisiana Department of Transportation where he held a different job. He and his wife had relocated back to the area. She commented they were excited to have him on board.

Mayor Wright asked if his wife was local North Carolina.

Mr. Kyle Butler responded yes.

Mayor Wright commented that Mr. Butler was as local North Carolina as any military brat.

Mr. Butler advised he was born in Fayetteville and lived in North Carolina many times.

Mayor Wright commented they were glad to have him and appreciated his service. He thought he would have a fun ride for the next five or six years on the bond project.

Alderman Seaver commented he was reading online about the best up and coming small cities in America. About half of the cities City Council had toured, Greenville, Asheville, and Durham were

on the list. He was waiting to see Hickory on that list. We may be on one already it just wasn't there.

Mayor Wright commented any reliable list of great places to live, Hickory is in there.

Alderman Seaver commented they know that, they just have to get everyone else to know it.

Mayor Wright, referring to the video, commented that is why we need to get the airport, and we have a lot of other things Dana (Kaminske) to get in there.

- XIV. Closed Session Per NC General Statutes 143-318.11(a)(1) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Alderman Guess moved that Council go into closed session to consult with the attorneys to discuss the items below, seconded by Alderman Seaver. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Guess seconded by Alderman Seaver and the motion carried unanimously.

1. Approval of Closed Session Minutes of July 29, 2016, August 2, 2016, August 16, 2016, August 24, 2016, September 15, 2016, September 20, 2016, September 27, 2016 - NCGS §143-318.11(a)(1)

No action was taken upon return to open session.

- XV. There being no further business, the meeting adjourned at 9:24 p.m.

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Mayor

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City Clerk

**COUNCIL AGENDA MEMOS**

**To: City Manager's Office**  
**From: Thurman Whisnant**  
**Contact Person: Thurman Whisnant**  
**Date: 10/13/2016**  
**Re: Community Relations Council Fall 2016 Grant Recommendations**

**REQUEST:**

The City of Hickory CRC is hereby submitting grant recommendations for City Council approval on consent agenda for the Fall 2016 grant cycle.

**BACKGROUND:**

As part of the CRC work plan and annual budget process, the Community Relations Council receives funds to disperse during the fiscal year through the CRC grant process. Non-profit agencies working with diverse populations in Hickory are eligible for grant funding. The grant proposal must show how the program under consideration fits into the CRC goals and mission and how the program will serve to improve human relations in the Hickory area.

**ANALYSIS:**

For the Fall 2016 grant cycle, the CRC received nine grant applications for projects totaling \$11,072.25 and is recommending approval of seven of the grants totaling \$6,626.45. A summary sheet is attached which lists the agencies, projects, costs and CRC recommendations for funding. Funds are available in the CRC budget for the recommended grant approvals.

**RECOMMENDATION:**

The Community Relations Council recommends funding of the seven grants listed on the attachment totaling \$6,626.45.

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**Reviewed by:**

Thurman Whisnant 10/13/16  
Initiating Department Head Date

Rodney Miller 10/25/16  
Asst. City Manager Rodney Miller Date

Melissa Miller 10/25/16  
Finance Officer, Melissa Miller Date

\_\_\_\_\_  
Date

Aruta M. Dula 10-25-16  
Deputy City Attorney, A. Dula Date

A. Surratt 10/26/16  
Asst. City Manager, A. Surratt Date

Bo Weichel 10-25-16  
Purchasing Manager, Bo Weichel Date

Recommended for approval and placement on \_\_\_\_\_ Council agenda (as  
Consent, Public Hearing, Informational, Department Report, etc).

A. Surratt  
Interim City Manager, A. Surratt

10/26/16  
Date

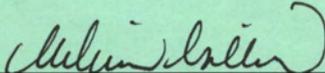
By: \_\_\_\_\_  
Interim City Manager, A. Surratt

**Attest:**

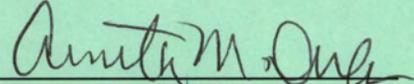
**(SEAL)**

\_\_\_\_\_  
Debbie Miller, City Clerk

This document has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
\_\_\_\_\_  
Melissa Miller, Finance Officer

Approved as to form on behalf of the City of Hickory only:

  
\_\_\_\_\_  
Arnita Dula, Staff Attorney

<b>Hickory Community Relations Council</b>			
<b>FALL 2016 GRANTS SUMMARY</b>			
<b>Name of Applicant</b>	<b>Project Title</b>	<b>Amount Requested</b>	<b>Amount CRC Recommended</b>
1. Palliative Care & Hospice of Catawba Valley	“Caring Across Cultures” – Outreach and raising awareness of Hospice to minority communities	\$1,200	\$1,200
2. Lenoir-Rhyne University	Visiting Writer’s series partnership with Exodus to provide a visiting writer book to inmates.	\$1,500	\$750
3. One Purpose Parks and Rec. Council	“Best Christmas Pageant Ever” play in Ridgeview community in partnership with Hickory Community Theater	\$1,050	\$525
4. Olive Branch Ministry	“A Mile in My Shoes” – Unity project to provide opportunity for people in opposite walks of life to reverse roles for a day, followed by a community meal to discuss the experience.	\$1,100	\$1,100
5. Greater Hickory Cooperative Christian Ministry	Greater Hickory CCM Pharmacy – pharmacy assistance to low income and uninsured.	\$1,500	\$0
6. Jenkins Elementary PTA	Diversity education performances at Jenkins and Oakwood elementary schools during Black History Month	\$1,090	\$1,090
7. First United Methodist Nursery School	Purchase of Toddler Activity Table for diverse nursery program that offers tuition assistance for low income families	\$636.75	\$461.45
8. Hickory Museum of Art	“Solitude and Mystery: Cherokee Art and Culture” Exhibit	\$1,500	\$1,500
9. Josh Thomas – Tabernacle Baptist Church	Grant for purchase of physical education equipment	\$1,495	\$0
			<b>\$6,626.45 TOTAL</b>

2

COUNCIL AGENDA MEMOS

**To:** City Manager's Office  
**From:** Kevin B. Greer, PE, Assistant Public Services Director - Public Utilities  
**Contact Person:** Kevin B. Greer, PE  
**Date:** October 20, 2016  
**Re:** Random Woods Sewer Project  
(NC-IFS: E-SRG-T-08-0140).

**REQUEST**

Staff requests Council award of contract with the responsible low bidder Buckeye Bridge, LLC for the construction of the Random Woods Sewer Project in the amount of \$948,873.00.

**BACKGROUND**

The Public Utilities Department and Catawba County Environmental Health identified Random Woods Subdivision as one of three areas of concern in 1998 as a part of the future service areas for the City of Hickory Sanitary Sewer System. Staff originally applied for State Revolving Grant funds for completion of this project April 1, 1999. Staff was contacted in 2008 about the status of these projects and then asked to resubmit an updated Preliminary Engineers Report in 2009. NCDENR Division of Water Quality and NC Construction Grants and Loans issued final approval of the Preliminary Engineers Report on May 10, 2010. The project consists of three identified concentrations of residential housing that have historically problematic septic systems within the existing City of Hickory ETJ and accessible to existing City of Hickory sanitary sewer lines. Random Woods Subdivision consists of 72 residential lots with homes principally built in the 1960s and 1970s. The project was approved for a grant to fund construction of necessary sanitary sewer infrastructure to provide public sewer to the homes in this subdivision.

**ANALYSIS**

The Random Woods Sewer Project includes construction of approximately 6,800 linear feet of 8-inch PVC or Ductile Iron sanitary sewer lines. Random Woods Subdivision is adjacent to the City of Hickory ETJ and the City of Hickory does have existing sanitary sewer lines available for connection by the proposed subdivision sanitary sewer lines. Construction of the proposed systems in accordance with City of Hickory Specifications will result in a negligible increase in maintenance costs for the overall System and will provide for further protection of water quality in the area by potentially eliminating failing on-site septic systems.

North Carolina Department of Environmental Quality- State Revolving Fund awarded the City of Hickory a Grant to fund construction of this project with 2 other projects previously. City Council approved the Resolution accepting the application for Grant funds in July 2010.

McGill Associates was responsible for design and bidding of the project. Construction Bids were received from two (2) perspective bidders as follows:

- |                               |              |
|-------------------------------|--------------|
| 1. Hickory Sand Company, Inc. | \$987,825.00 |
| 2. Buckeye Bridge, LLC.       | \$948,873.00 |

This project was distributed to eight (8) perspective bidders with two (2) bidders replying on September 8, 2016 and subsequently at the re-advertised bid on September 20, 2016. Due to receiving only two bids on September 8, 2016, the project was re-advertised for two weeks and opened on September 20, 2016. McGill Associates has evaluated the bid packages and found Buckeye Bridge, LLC to be the lowest responsible bidder and has recommended acceptance and award of the project to Buckeye Bridge, LLC.

Public Utilities request the project be established with \$948,873.00 contract and \$47,444.00 Contingency for a total of \$996,317.00. The project budget is being established with existing construction funds of \$926,683.00 and \$69,634.00 is being transferred from project contingency established when the project was initially created to completely fund the construction. Project contingency has \$150,372 remaining.

**RECOMMENDATION**

Staff recommends Council award of contract with the responsible low bidder Buckeye Bridge, LLC for the construction of the Random Woods Sewer Project in the amount of \$948,873.00.

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**065-8030-587.58-02 (Project#802501)**

**Reviewed by:**

Chuck Hansen  
Initiating Department Head

10/20/2016  
Date

A. Dula  
Deputy City Attorney, A. Dula

10-25-16  
Date

Rodney Miller  
Asst. City Manager Rodney Miller

10/28/16  
Date

A. Surratt  
Asst. City Manager, A. Surratt

10/26/16  
Date

Melissa Miller  
Finance Officer, Melissa Miller

10/25/16  
Date

Bo Weichel  
Purchasing Manager, Bo Weichel

10-25-16  
Date

\_\_\_\_\_  
Date

Recommended for approval and placement on \_\_\_\_\_ Council agenda (as  
Consent, Public Hearing, Informational, Department Report, etc).

A. Surratt  
Interim City Manager, A. Surratt

10/26/16  
Date

## AGREEMENT

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Hickory, party of the first part hereinafter designated as the **Owner** and Buckeye Bridge, LLC of Canton in Haywood County of the State of North Carolina, party of the second part, hereinafter designated as the **Contractor**.

WITNESSETH: That the parties hereto, for the considerations contained herein, hereby mutually agree as follows:

### ARTICLE I:

Under this Agreement and Contract, the Contractor shall construct the Project entitled:

**City of Hickory – Random Woods Sewer Project, Hickory, North Carolina**

The project generally consists of construction of approximately 6,555 linear feet of 8-inch PVC and Ductile Iron gravity sewer within the existing Random Woods Subdivision.

### ARTICLE II:

In consideration of the payments to be made as hereinafter provided, the Contractor agrees, at his own sole cost and expense, to perform all the labor and services and to furnish all the labor and materials, and equipment necessary to complete, and to complete in good, substantial, workmanlike and approved manner, the work named under Article I hereof, within the time hereinafter specified and in accordance with the terms, conditions and provisions of this Contract and with the instructions, orders and directions of the Engineer made in accordance with this Contract.

### ARTICLE III:

The Owner agrees to pay and the Contractor agrees to accept as full compensation for all work done, and materials furnished, and for materials, equipment and supplies sold, and also for all costs and expenses incurred, and loss or damages sustained by reason of the action of the elements or growing out of the nature of the work, or from any unforeseen obstruction or difficulty encountered in the prosecution of the work, and for all risks of every description connected with the work, and for all expenses incurred by, or in consequence of, the suspension or discontinuance of the work as herein specified, and for faithfully completing the work and the whole thereof as herein provided, and for maintaining the work in good condition until the final payment is made, the prices stipulated in the Bid hereto attached.

The Owner shall pay to the contractor for the performance of the contract the amounts determined for the total number of each of the units of work in the attached Bid Proposal. The final payment shall be made for the actual number of units that are incorporated in or made necessary by the work covered by the Contract.

### ARTICLE IV:

The following documents shall constitute integral parts of the Agreement, the whole to be collectively known and referred to as the Contract Documents or Contract: Advertisement for Bids; Instructions to Bidders; Bid; Agreement; General Conditions; Special Conditions; Technical Specifications; Contract Drawings, Certificate of Insurance, Performance Bond, Payment Bond and all interpretations of or addenda to the Contract Documents issued by the Engineer with the approval of the Owner.

The Table of Contents, Headings and Titles contained herein and in said documents are solely to facilitate reference to various provisions of the Contract Documents and in no way affect, limit or cast light on the interpretation of the provisions to which they refer.

#### **ARTICLE V:**

The work to be performed under this Contract shall be commenced within 15 calendar days after the date of written notice by the Owner to the Contractor to proceed. The work shall be completed within 180 calendar days after the date of such notice and with such extensions of time as are provided for in the Contract.

It is hereby understood and mutually agreed, by and between the Contractor and the Owner, that the date of Beginning, rate of progress and the time for completion of the work to be done hereunder as Essential Conditions of this Contract. The Contractor agrees that said work shall be prosecuted regularly, diligently and uninterruptedly at such rate of progress as will insure full completion of the work described herein in a reasonable time for the completion of the same, taking into consideration the average climatic range and construction conditions prevailing in this locality.

**If the Contractor shall neglect, fail or refuse to complete the work within the time herein specified, then** the Contractor does hereby agree, as a part of the consideration for the awarding of this Contract to pay to the Owner the sum of \$500.00, not as a penalty, but as compensation to owner for delays, damages and additional expenses for such breach of Contract as hereinafter set forth, for each and every calendar day that the Contractor shall be in default after the time stipulated in the Contract for completing the work. The said amount is fixed and agreed upon by and between the Contractor and the Owner because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner would in such event sustain.

It is further agreed that time is of the essence to each and every portion of this Contract and to the specifications wherein a definite portion and certain length of time is fixed for the performance of any act whatsoever; and where, under the Contract, any additional time is allowed for the completion of any work, the new time limit fixed by such extension shall be the essence of this Contract.

#### **ARTICLE VI:**

If the Contractor shall fail to comply with any of the terms, conditions, provisions or stipulations of this Contract, according to the true intent and meaning thereof, then the Owner may make use of any or all remedies provided in that behalf in the Contract and shall have the right and power to proceed in accordance with the provisions thereof.

The following alterations and addenda have been made and included in this Contract before it was signed by the parties hereto:

Addenda No. 1  
Addenda No. 2  
Addenda No. 3  
Addenda No. 4  
Addenda No. 5

#### **Conflict of Interest**

Interest of Members, Officers or Employees of the Recipient, Members of Local Governing Body, or other Public Officials. No member, officer, or employee of the recipient, or its agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to

the program during his tenure or for one year thereafter, shall have any financial interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The recipient shall incorporate, or cause to be incorporated, in all such contracts and subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

**Legal Remedies Provision**

As stated in 24 CFR Part 85.36 and

Located in - City of Hickory –Random Woods Sewer Project – Bid Documents – “Rules Implementing Mediated Settlement” as labeled in the SRF Special Conditions.

Contracts other than small purchases shall contain provisions or conditions which allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

**Termination Provision**

As stated in 24 CFR Part 85.36 and

Located in - City of Hickory –Random Woods Sewer Project – Bid Documents – “General Conditions Suspension of Work, Termination and Delay” as labeled in the Table of Contents and City of Hickory – Random Woods Sewer Project – Bid Documents – “Rules Implementing Mediated Settlement” as labeled in the SRF Special Conditions.

Contracts other than small purchases shall contain provisions or conditions which allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

**Lobbying Clauses**

Required by Section 1352, Title 31, U.S. Code

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative, agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

This is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code.

**Nondiscrimination Clause**

Section 109, Housing and Community Development Act of 1974

No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part by funds available under this title.

**Nondiscrimination on the Basis of Age**

Age Discrimination Act of 1975 as Amended

No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

**Nondiscrimination on the Basis of Handicap**

Section 504 of the Rehabilitation Act of 1973 as Amended

No qualified person shall on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

**"Section 3" Compliance in the Provision of Training, Employment, and Business Opportunities**

The work to be performed under this contract is a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the Project areas, and contracts for work in connection with the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Project.

The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

The contractor will include this Section 3 clause in every subcontract for work in connection with the Project and will, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the Project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or loan agreement of contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

### **Access to Records and Record Retainage**

In general, all official Project records and documents must be maintained during the operation of this Project and for a period of three years following close out in compliance with 4 NCAC 19L Rule .0911, Recordkeeping.

The North Carolina Department of Commerce, the North Carolina Department of the Treasurer, U.S. Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Administering Agency which are pertinent to the execution of this Agreement, for the purpose of making audits, examinations, excerpts and transcriptions in compliance with the above Rule.

### **Applicable Laws**

The Parties agree that this document is to be governed, construed, and enforced in accordance with all of the laws of the State of North Carolina, and with federal laws and regulations required by the North Carolina Department of Commerce Small Cities CDBG Housing Development Program cited herein.

### **Executive Order 11246 Clause**

During the performance of this contract, the contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting for the provisions in this nondiscrimination clause.

The contractor will, in all solicitations or advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The contractor will send to each labor union representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advertising the labor union or worker's representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor will comply with all provisions of Executive Orders No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulation, and orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency, and may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the contract becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

#### **Copeland "Anti-Kickback" Act Provision**

As stated in 24 CFR Part 85.36:

All contracts and subgrants for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 USC 874) as supplemented in Department of Labor regulations (29 CFR, part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The grantee shall report all suspected or reported violations to the grantor agency.

This material is presented in form HUD-4010 and the labor Standards Handbook 1344.1 Rev. 1.

#### **Contract Work Hours and Safety Standards Act**

Contracts awarded by grantees and subgrantees in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall comply with Section 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) as supplemented by Department of Labor Regulations contained in 29 CFR Parts 3, 5, and 5a.

Under section 103 of the Act, the Contractor and any of his subcontractors, shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of forty hours. Work in excess of the standards work week is permissible, provided the worker is compensated at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in any work week. Section 5 of the Federal Labor Standards Provisions, HUD Form 4010 attached and incorporated herein, sets forth in detail the Section 103 requirements.

Section 107 of the Act provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety, as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market.

This material is presented in the Labor Standards Handbook 1344.1 Rev. 1.

**Clean Water, Clean Air, E. O. 11738 and EPA Regulations Provision Compliance with Air and Water Acts**

This agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1957 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at CFR Part 15, as amended from time to time.

The Contractor and any of its subcontractors for work funded under this Agreement which is in excess of \$100,000, agree to the following requirements:

A stipulation by the contractor or subcontractors that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.

Agreement by the Contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.

A stipulation that is a condition for the award of the contract is prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA list of Violating Facilities.

Agreement by the Contractor that he will include or cause to be included the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the contractor will take such action as the Government may direct as a means of enforcing such provisions.

In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility that has given rise to a conviction under Section 113 (c) (1) of the Clean Air Act or Section 309 (c) of the Federal Water Pollution Control Act.

Contractor shall be responsible for material storage and staging areas for the project. These areas must be approved by the Owner.

**Unclassified Material**

The project description is Sewer Extension and the excavation shall be considered Unclassified.

**Project Closeout:**

11 Month Walkthrough:

The Contractor and Owner will have 11-month walk thru of the complete project prior to closeout.

**"As Builts":**

The Contractor shall transfer all changes, revisions and additions to one set of plans to the Engineer for approval and submittal to the Owner.

**Warranty:**

The 12-month warranty certification is to begin with completion of various phases of the project. Phases for warranty certification shall be set up in 1/3 increments.

Consent of surety

Release of all liens by all parties

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands and seals and have executed this Agreement, the day and year first above written

(Seal) \_\_\_\_\_  
City of Hickory  
Owner

Attest: \_\_\_\_\_ By: \_\_\_\_\_  
Andrea Surratt  
Title: \_\_\_\_\_  
Interim City Manager

(Seal) \_\_\_\_\_  
Buckeye Bridge, LLC  
Contractor

*witness*  
Attest: Cheryl Miller By: \_\_\_\_\_  
Christopher K. Britton  
Title: \_\_\_\_\_  
Manager – Member

This instrument has been pre-audited in the manor required by the Local Budget and Fiscal Control Act as amended

Date: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved As To form:  
Date: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

CERTIFICATION STATEMENT

By executing the underlying Agreement/Contract, Contractor hereby certifies that Contractor is not listed on the Iran Final Divestment List ("List") created by the State Treasurer pursuant to N.C.G.S. 147-86.58, Iran Divestment Act ("Act"). In compliance with the Act's requirement and N.C.G.S. § 147-86.59, Contractor shall not utilize in the performance of this agreement/contract any subcontractor that is identified on the List. The List can be found on the State Treasurer's website at the address [www.nctreasurer.com/iran](http://www.nctreasurer.com/iran) and should be updated at least every 180 days.

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

STATE OF NORTH CAROLINA

AFFIDAVIT

COUNTY OF CATAWBA

\*\*\*\*\*

I, \_\_\_\_\_ (the individual attesting below), being duly authorized by and on behalf of \_\_\_\_\_ (the entity bidding on project hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

- 1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
- 2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
- 3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)
  - a. YES \_\_\_\_\_, or
  - b. NO \_\_\_\_\_
- 4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer. (Please list all subcontractors on the attached sheet. In the event, subcontractors are changed or added during the project, please submit an updated list.)

This \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Signature of Affiant  
Print or Type Name: \_\_\_\_\_

State of North Carolina County of Catawba

Signed and sworn to (or affirmed) before me, this the \_\_\_\_ day of \_\_\_\_\_, 2016.

My Commission Expires:

\_\_\_\_\_  
Notary Public

(Affix Official/Notarial Seal)

**LIST OF SUBCONTRACTORS**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
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17. \_\_\_\_\_
18. \_\_\_\_\_
19. \_\_\_\_\_
20. \_\_\_\_\_

**To: City Manager's Office**  
**From: Kevin B. Greer, PE /Assistant Public Services Director**  
**Contact Person: Kevin B. Greer, PE/Assistant Public Services Director**  
**Date: November 1, 2016**  
**Re: Change Order 2 to the Agreement for Engineering Services for Eastwoods, Random Woods and Sherwood Forest Subdivisions Sanitary Sewer.**

**REQUEST**

Staff requests Council approval of Change Order 2 Engineering Services for Eastwoods, Random Woods and Sherwood Forest Subdivisions Sanitary Sewer Project with McGill Associates, PA in the amount of \$44,700.00.

**BACKGROUND**

The Public Utilities Department and Catawba County Environmental Health identified these three areas as areas of concern in 1998 as a part of the future service areas for the City of Hickory Sanitary Sewer System. Staff originally applied for State Revolving Grant funds for completion of this project April 1, 1999. Staff was contacted in 2008 about the status of these projects and then asked to resubmit an updated Preliminary Engineers Report in 2009. NCDENR Division of Water Quality and NC Construction Grants and Loans issued final approval of the Preliminary Engineers Report on May 10, 2010. The project consists of three identified concentrations of residential housing that have historically experienced issues with problematic septic tank systems.

The existing subdivisions are approximately 30 to 40 years old and are principally built out. This project will have a potential to serve approximately 226 homes and eliminate the potential public health hazard of septic tank system failures impacting surface waters.

City of Hickory City Council accepted the Grant Offer for State High Unit Cost Grant Account of the Water Infrastructure Fund in July 2012 in the amount of \$2,946,042.99 for completion of this project.

**ANALYSIS**

This project was envisioned to be designed, bid and constructed as one project, however due to easement negotiations, regulation changes from the time it was previously designed and the need to renew some permits which had expired, this could not be achieved. These issues have resulted in additional work on the part of McGill Associates to address or overcome. This change order is intended to address all issues that have arisen on behalf of the engineer for each of the three subdivisions.

Change issues include:

1. Revised easement plats for properties related to Random Woods Subdivision.
2. Additional Construction and Post-Construction Phase work due to the overall project being divided into 3 separate projects. This was necessary due to easement acquisitions,

Revised contract total to date will be \$214,650.00. Necessary funds for this Change Order have been approved by the NC Division of Water Infrastructure for inclusion in the grant money reimbursement request. The Task Order is being established and funded from project contingency that was established when the initial project was created. The funds will be transferred in the project to the Engineering Line Item. This will leave \$150,372 remaining in project contingency.

**RECOMMENDATION**

Staff requests Council approval of Change Order 1 Engineering Services for Eastwoods, Random Woods and Sherwood Forest Subdivisions Sanitary Sewer Project with McGill Associates, PA in the amount of \$44,700.00.



**TASK ORDER NO. 2**

BY AND BETWEEN  
CITY OF HICKORY (OWNER)  
AND  
McGILL ASSOCIATES (ENGINEER)  
FOR PROFESSIONAL ENGINEERING SERVICES

In accordance with SECTION 3 – ADDITIONAL SERVICES, of the AGREEMENT For ENGINEERING SERVICES dated August 20, 2012, between the City of Hickory (OWNER) and McGILL ASSOCIATES, P.A. (ENGINEER) for professional services related to the OWNER's Sanitary Sewer Service to Eastwood, Random Woods, and Sherwood Forest areas project, this Task Order is hereby included as an addition to and incorporated as part of the AGREEMENT.

1. Task Name: Random Woods Sewer System Improvements service area
2. Task Description: Provide additional engineering services for the Sanitary Sewer Improvements for the Random Woods service area which was bid as a separate project.
3. The Basic Services of the ENGINEER for this Task Order are as follows:
  - A. Modification to the original project plans and realign the sewer route across the property of Hefner and Hahn. This redesign includes modifications to the drawings to reflect changes in the alignment of the sewer line as a result of easement negotiations and the need to modify the sewer design. This re-design required additional site survey for the purpose of the design. This amendment will increase the fee for Planning, Design, and Bidding and Award Phase as defined in Section 6.1.1 in the amount of \$6,700 for this additional work.
  - B. The original agreement and fee presented assumed that the project would be constructed as a single contract with one (1) contractor. Therefore, all change orders and applications for payment and other contract items would be by a single contractor. It was also assumed that the contractor would have more than one (1) crew working at any given time and that our construction field representative (CFR) would be able to observe the work at multiple locations as a part of their normal site visits. Given the fact that the three (3) segments of the project will be constructed as separate projects,

our construction phase services has been impacted. Through completion of the Eastwood and Sherwood Forest phases of the project, we have expended all of the original \$71,000 fee for construction administration services. Assuming a 180 day contract time for the Random Wood contract, we are requesting an increase in our fee for Construction Phase as defined in section 6.1.1 in the amount of \$38,000 for this additional work.

This Task Order amends the original "Agreement for Engineering Services" to reflect to following increase(s):

Planning, Design, and Bidding and Award Phase: Increase from \$94,950 to \$101,650

Construction and Post-Construction Phase: Increase from \$71,000 to \$109,000

4. Additional responsibilities of the OWNER are as follows: None
  
5. The Schedule for the performances of the services by the ENGINEER is as follows:  
The project has been redesigned and bids received. The schedule for services under item 3, B will be in accordance with the Contractor's agreement with the City of Hickory and the time provided to complete the project under that contract.
  
6. The Method of Payment for services rendered by the ENGINEER shall be as set forth in Section 6.2 of the AGREEMENT, invoiced separately, only for time and expenses directly related to this task order, on a monthly basis, in accordance with the BASIC FEE SCHEDULE dated December, 2015 attached to this TASK ORDER 1 and replacing the ATTACHMENT "A" in the original AGREEMENT.

Planning, Design, and Bidding and Award Phase: Increase from \$94,950 to \$101,650

Construction and Post-Construction Phase: Increase from \$71,000 to \$109,000

7. The OWNER has established the following special provision and/or other consideration or requirements in respect to Task Order No. 1.

None.

IN WITNESS WHEREOF, the parties have executed this Task Order on this, the 19th day of October, 2016.

**CITY OF HICKORY**

**McGILL ASSOCIATES, P.A.**

Print: \_\_\_\_\_

Print: M. Keith Webb, P.E.

Sign: \_\_\_\_\_

Sign: M. Keith Webb

Title: \_\_\_\_\_

Title: Vice President

Date: \_\_\_\_\_

Date: 10/21/16

**BUDGET REVISION # 10**

**BE IT ORDAINED** by the Governing Board of the City of Hickory that, pursuant to N.C. General Statute 159.15, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2017.

**SECTION 1.** To amend the General Fund within the FY 2016-17 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Culture & Recreation	39,460	
<b>TOTAL</b>	39,460	-

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	39,460	
<b>TOTAL</b>	39,460	-

**SECTION 2.** Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk