

A Special Called Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Wednesday, August 24, 2016 at 4:00 p.m., with the following members present:

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

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, and Deputy City Clerk Cari Burns

- I. Mayor Wright called the meeting to order. All Council members were present except for Alderman Tarlton.
 - a. Pledge of Allegiance
 - b. Invocation by Alderman Danny Seaver
- II. Review and consider approval of the Design Services Contract and an associated Budget Amendment to AMEC, Foster, Wheeler in the total lump sum amount of \$1,095,151.00 for the City Walk project including \$997,971.00 for design services, \$5,000.00 for subsurface utility location, \$12,600.00 for ROW document preparation, \$29,580.00 for site visits/inspections during construction, and \$50,000.00 for expenses, fees and permits related to other agencies including but not limited to NCDOT, Norfolk Southern Railroad, the State of North Carolina, Duke Energy and Catawba County Building Services as necessary

Mayor Wright turned the meeting over to Interim City Manager, Andrea Surratt to present information related to the design services contract with AMEC, Foster, Wheeler for the City Walk project. Ms. Surratt recognized several members of the audience, including Ron Huffman and Harold Thurston, 2 members of AMEC staff present, and a number of the Chairs and Vice Chairs of the Bond Commission. Ms. Surratt thanked the Bond Commission members for their work and stated they had been very active in the selection process, reviewing the Request for Qualification (RFQ) submittals, participating in interviews of the top six firms and providing staff with feedback used for the joint recommendation of AMEC for the City Walk and Gateways projects.

Ms. Surratt recapped the process, beginning with the City asking the voters to establish a Bond Program. After the Bond Implementation Committee was created, the Committee spent approximately 12 months prioritizing projects before moving on to the RFQ process. Ms. Surratt explained that the RFQ was posted in May, City staff and Freese Nichols Inc. (FNI) staff reviewed submittals and interviewed the top six firms in June. The Scope and Fee development with AMEC has been ongoing for the past 6 or 8 weeks. City staff and FNI staff have reviewed the contract and there has been much discussion back and forth with AMEC staff. Ms. Surratt advised Council of the countless hours of staff time spent trying to adhere to the timeline established by the FNI Master Schedule and added there was a finite amount of time to get projects done. Ms. Surratt stated that staff's recommended firm for the City Walk was AMEC and added that collectively (staff and Bond Commission members) believed AMEC's selling point with everyone was their focus and recognition that Hickory had a story to tell and design elements of City Walk, such as environmental signage, could be used for story-telling. Ms. Surratt added that AMEC is the service provider to Norfolk Southern and has an established relationship with them, which is a tremendous asset. Additionally, they are a full-service engineering firm and offer a nice list of skillsets under one umbrella. Ms. Surratt stated that the overall cost of the Bond Project was \$35.5M, with the City Walk portion being \$15.1M. Ms. Surratt clarified that the design cost is 8.8% of the total project price, which is less than the general rule of thumb of 10% of the total construction budget. Ms. Surratt pointed out there was \$50,000K in the budget for additional expenses such as permits and fees with the grand total not to exceed \$1,095,151M. Ms. Surratt stated there were a number of pending grants that staff had applied for and that, if received, they could enhance the construction budget. Ms. Surratt assured Council that the process has and will continue to be very transparent with City staff, Bond Commission members and Council involvement throughout the process. Ms. Surratt talked about the redevelopment of Union Square, which was in the Land Design Plan and on the Bond Commission's list as an amenity. AMEC's plans include an update, more cosmetic than structural, to Union Square. Ms. Surratt told Council there would be at least three restrooms along the City Walk, potentially one at the Transportation Insight parking lot, one at the west end near the Friends of Hickory/Lowes Foods Park and the redevelopment of the existing restroom at Union Square. Ms. Surratt reviewed the timeline of tasks, which will begin with a year of design in September 2016 and sending the project out for bid in November 2017 with construction anticipated in the winter of 2018. Ms. Surratt stated the schedule is conservative based on the need to negotiate with agencies such as the railroad, but has the potential to move faster. Ms. Surratt told Council that she, along with City staff and AMEC staff were happy to answer questions. Alderman Lail commented that the language was rather prescriptive, citing 10' path and the sidewalk on the south side of Main Avenue as examples. Alderman Lail expressed concerns regarding potential change-orders based on input provided by the Bond Commission. Ms. Surratt replied there was language in the contract to accommodate some flexibility – making a sidewalk wider, for example. She reminded Council that AMEC was working from the original detailed engineering review by Land Design. Mr. Huffman (AMEC) added that intention was not to be prescriptive, for example, a 10' path evolving to a 12' path would not necessitate a change order, and stated the AMEC team wanted to be consistent with the Land Design plan. Alderman Lail commented that he did not think the Land Design plan had anticipated Transportation Insight and

discussion ensued among several Council members regarding a connection of the Transportation Insight parking lot to City Walk and locations of restrooms. Alderman Lail asked Mr. Huffman if he was aware of the fact that the City paid for a large portion of the parking lot at Transportation Insight and questioned revising the contract. Mr. Huffman replied that he was aware; his team had walked the area and offered to revise the language to clarify the connection between the parking lot and the pedestrian bridge. Mayor Wright stressed the importance to Mr. Huffman of being able to get people from the parking lot to the pedestrian bridge. Mayor Wright asked Ms. Surratt if City staff had checked references concerning AMEC's reputation for flexibility and a minimum amount of change orders. Ms. Surratt confirmed that references had been checked and that the City, specifically Planning Director, Brian Frazier, had worked with AMEC in the past and had no issues with change orders or changes to scope. Ms. Surratt responded to Mayor Wright that staff would prefer to have some flexibility in the contract concerning sidewalks and paths. She suggested resolving the issue at a staff level with an Addendum to the Contract prior to the next reading. Ms. Surratt told Council that AMEC had done the Atlanta beltline, which is the premier greenway in the area. Ms. Surratt added that AMEC has great landscape architects, solid engineers, and staff mindful of the visitor experience. Their extensive greenway experience will enable them to create a unique and special greenway for Hickory. Alderman Lail commented that he was appreciative that Ms. Surratt mentioned Council's involvement during the process because, although the contract was prescriptive, there need to be regular times that the project is spotlighted at Council meetings so the public can see what is happening; design development drawings are probably a touch point for City Council as well. Mayor Wright commented that as a part of the \$35.5M Bond package, \$15.1M was for City Walk and the Commission had a \$14M priority "wish list" and that in addition to the high priority items, there were a number of lower priority items that did not make the wish list pending additional funding or other grants. Mayor Wright asked Ms. Surratt if staff had considered the STP grants and Ms. Surratt replied they had not. Ms. Surratt said staff should have a conversation with Council. Alderman Lail commented that there were opportunities for private donors and Alderman Zagaroli referenced Mr. Lackey as an example. Mayor Wright explained to the audience that awarding the design contract was a decision first based on qualifications and examining rates and proposed hours and then City staff would negotiate the price. Ms. Surratt nodded and added that City staff had spent countless hours sorting through the design contract, looking at tasks and staff assigned to those tasks and trimming where possible. She added that the construction phase would be a bid process following North Carolina State Statutes. Mayor Wright asked Council if there were any other questions for Ms. Surratt or the AMEC team. Hearing none, Mayor Wright made a motion that the contract be approved, Alderwoman Patton seconded the motion and the motion carried unanimously. Mayor Wright added that while Alderman Tarlton was not in attendance, he had a meeting with City staff and AMEC staff to discuss their approach and qualifications.

- III. Review and consider approval of the Design Services Contract and an associated Budget Amendment to AMEC, Foster, Wheeler in the total lump sum amount of \$32,956.00 for the Highway 321 Gateways at Clement Boulevard and at Highway 70 including \$25,700.00 for design services, \$2,200.00 for Bid Letting Assistance and Construction Site visits, \$1,400 for Regulatory Permits, \$1,800.00 for Expenses as necessary, and \$1,856.00 for Uniform Temporary Signage Design

Ms. Surratt addressed the Mayor and Council regarding Item II of the Agenda. She stated there were two gateways that rose to the top of the Bond Commission's list: the US 321 and Highway 70 western entrance to our City limits (estimated at \$100,000K) and the US 321 and Clement Boulevard (estimated at \$150,000K) entrance which is a little more north near the Crawdads stadium. She added there was a third gateway on the plan for Exit 125 at Lenoir Rhyne Boulevard which would be incorporated later in the project after DOT had finished some work on the interchange. The Streetscapes and Gateways Subcommittee felt these were important gateways to tackle. Ms. Surratt explained to Council that the same selection and submittal process (with a separate RFQ) had been followed and the City Walk project and AMEC was the recommended firm for this project as well. Ms. Surratt explained that AMEC had significant gateway experience in North Carolina and Georgia. She added that City staff felt their focus with the branding and continuity of message was evident, they (AMEC) have a great relationship with NCDOT and the City's experience with them has been good. Ms. Surratt stated that some of the same key personnel would be involved in this project and AMEC included an engineer familiar with coordinating with Duke Energy for this project. Ms. Surratt displayed examples of AMEC's work and pointed out their attention to detail noting the traveling motorist experience. She added, that it is not just landscaping and will include some structure or sculpture that will stand out as you approach those areas. Ms. Surratt stated the FNI estimate for the project was roughly \$250,000K and AMEC had a very similar estimate for their project and came in for design at \$25,700 roughly 10% of the total project cost. The total project cost has a slightly higher number, which includes the site visit, bid letting assistance, regulatory permits, travel expenses, and temporary signage design which staff has asked AMEC to tackle to brand our entire Bond Program onsite. Ms. Surratt explained that along City Walk before construction starts, there would be signs that relate to the Bond Project or possibly the timeframe. The signs will be creative and professionally crafted and will let citizens, pedestrians and motorists know that work is getting ready to happen. She added the design signage could be "re-used" in the Lenoir Rhyne Boulevard gateway. Ms. Surratt stated the grand total not to exceed \$32,956K for the design work and additional items referenced. She explained the process would be similar to the City Walk in those Streetscapes and Gateways Subcommittee would be leading the feedback portion; Council, City staff and the public will be involved. Ms.

Surratt explained there would be six design options – three for each gateway. She mentioned the Crowdads have been anxious to have signage on 321 that is baseball themed and draws attention to motorists to attend a game. Ms. Surratt added that there are design plans for widening Highway 321 and there is a possibility the 321 and Clement Boulevard gateway could be affected, but that is years away. Ms. Surratt stated staff wants to be mindful that anything put in this area should be portable/transferrable to another location, replicated, and has communicated this to AMEC. Ms. Surratt then talked about the timetable and stated that getting the project out to bid would happen during May 2017; the plan is to break ground on these two gateways first followed by City Walk. Alderwoman Patton asked Ms. Surratt if the bids would stay out for 30 days. There was some discussion among City staff and Ms. Surratt responded that she thought it was three or four weeks. Ms. Surratt told Council that staff was trying to be realistic but wanted to be building something next summer so the goal was to begin construction in June or July 2017. Ms. Surratt reiterated the timetable and advised Council that she, Mr. Huffman or Mr. Thurston would be happy to answer questions. Alderman Lail commented that the contract being considered only covers two gateways and there would have to be another design contract for the Lenoir Rhyne Boulevard gateway to which Ms. Surratt confirmed. She added that the third gateway was slightly more, approximately half a million for the total cost. Mayor Wright asked Council if there were any further questions or discussion. Alderman Guess made a motion that the contract be approved, Alderman Seaver seconded the motion and the motion carried unanimously.

IV. Review and Discussion of Proposed Settlement Agreement and Budget Amendment (re: Willie James Grimes vs. City of Hickory, et al. File No. 5:14-CV-160)

Ms. Surratt recognized Deputy City Attorney, Arnita Dula and Attorney Paul Culpepper, the City's insurance coverage Counsel, to address Agenda Item IV regarding the proposed Settlement Agreement in the Willie James Grimes case. Mr. Culpepper reviewed important provisions in the Agreement with Council, beginning with the total Settlement Agreement of \$3,250,000M and the delineation of what National Casualty is paying and what the City of Hickory is paying which was relevant because of potential claims. Mr. Culpepper added that while there have been none made, the Plaintiff is of Medicare age and so the language is included. The City is responsible for \$2,250,650 to be paid by September 9, 2016, which is after Council's second reading. After payment has been made, the City will receive a complete release. Mr. Culpepper referenced other items the City is required to do under the Agreement, specifically, continuing forward maintaining the Declaratory Judgment Action against the insurance companies who did not defend the City. Mr. Culpepper added that if anything were collected out of the lawsuit, 80% would go to the Plaintiff and 20% to the City of Hickory. Mr. Culpepper stated that National Casualty will be released from the Declaratory Action as they have provided an Affidavit they had no excess coverage or any umbrella coverage applicable to this case. Alderman Zagaroli asked Mr. Culpepper if there were any income tax liabilities to the City and Mr. Culpepper stated there were not. Mr. Culpepper told Council he was happy to answer any questions they had. Mr. Crone added that this settlement was based on a compromise reached at mediation and the City was not admitting any liability but had agreed to resolve the matter in the best interest of all parties involved. Mayor Wright commented there had been a considerable amount of time spent on this matter and asked Council for either a motion or discussion. Alderman Zagaroli made a motion, Alderman Seaver seconded the motion and the motion carried unanimously.

V. Acceptance of Grant for Downtown Revitalization Award for Downtown Lighting Project from the NC Department of Commerce \$94,340.00 for and associated Budget Amendment

Ms. Surratt recognized Chuck Hansen, Public Services Director, to come to address Agenda Item V regarding the acceptance of a grant for the sum of \$94,340K. Ms. Surratt explained the item was on the Agenda because the submittal deadline was September 1, 2016 and the City only received the document last week. Mr. Hansen explained that as part of the acceptance of the grant, the City needed to present a plan to the Department of Commerce as to how they were going to spend the grant money. Mr. Hansen stated the City's plan was to start converting downtown lighting to LED lighting adding the timeframe was tight and work must be complete by March 2017. Mr. Hansen added that the grant is for Main Street communities and in downtown areas. Mr. Hansen stated the lighting in Hickory is a mixture of mercury and sodium and explained the difference being mercury is a white vapor light and sodium lights have a yellow/orange glow. Mr. Hansen said Duke owns most of the lights downtown Hickory and the City pays a monthly fee per light to maintain them. Duke has a program that is starting to phase out the mercury vapors and Mr. Hansen mentioned that staff has had several meetings with Duke. Mr. Hansen suggested Council review the photographs in their Agenda packets to see the light fixtures that were being proposed for installation. Mr. Hansen advised Council that staff was working with Duke Energy for pricing of the various options of poles and fixtures. He added that there were lights in some downtown areas that the City owns and staff is working with a local vendor to retrofit them. Staff has also built some acorn-style lights on Union Square. Mr. Hansen explained in simplest terms, the plan was to use the grant money as far as they could go with it. There was discussion between Mr. Hansen and several Council members about the various poles and fixture options as well as the color of poles and the pricing for Duke to paint their poles to match the City standard. The grant will enable the City to upgrade lighting, achieve a uniform look of poles, a true reflection of colors, and enhance safety, Mr. Hansen said. He added that lighting on City Walk and other projects moving forward would be LED lighting. Alderman Lail asked if staff would be holding off on upgrading lighting on Union Square and Mr. Hansen replied that staff would begin with parking lot lighting, holding off on

other areas, and see how things evolve based on the City Walk project. Mr. Hansen advised Council that his purpose today was to ask for acceptance of this grant money so the application can be submitted for processing by the state. Alderman Guess asked if the grant required matching funds from the City and Mr. Hansen replied it did not, but would require support of the City because there would be a lot of time and effort in changing out the lights, poles and fixtures. Mayor Wright asked if there were any comments or questions, Alderwoman Patton made a motion, Alderman Lail seconded the motion, and the motion carried unanimously.

VI. Closed Session Per NC General Statutes 143-318.11(a)(4)(6) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Mayor Wright moved that Council go into Closed Session for the reasons stated in the Agenda and to review pending litigation.

Alderman Lail commented that Council needed to appropriate money and asked if it needed to be done, or was it part of the Agenda item? Ms. Surratt stated that Council's motions needed to include the appropriation of funds. Mr. Crone added that the two items of Closed Session dealing with pending litigation, Doolittle vs. George, City of Hickory et. al. 16-CVS-2138, and Richmond vs. George, City of Hickory et. al. 16-CVS-2137, were both filed in Catawba County Superior Court. Alderman Seaver seconded Mayor Wright's motion to move into Closed Session and the motion carried unanimously. Council convened into Closed Session at approximately 5:10 p.m.

- a. Discussion of Economic Development Projects – NCGS § 143-318.11(a)(4)
- b. Discussion of Personnel Matter – NCGS § 143-318.11(a)(6)

At approximately 6:30 p.m., Council returned to open session. Alderman Lail made a motion to appropriate funds as necessary and as listed in the Agenda for the design contract for City Walk and the design contract for Gateways and for the Settlement Agreement. Alderwoman Patton seconded the motion and the motion carried unanimously.

**Ordinance 16-36
BUDGET REVISION #5**

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 herein.

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
Other Financing Uses	1,128,107	
TOTAL	1,128,107	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	1,128,107	
TOTAL	1,128,107	-

SECTION 2. To adopt Capital Project #B1C001, "Citywalk", the expenditures shall be established as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	1,095,151	
TOTAL	1,095,151	-

To establish the Project revenues for the above, the revenues will be budgeted as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	1,128,107	
TOTAL	1,128,107	-

SECTION 3. To adopt Capital Project #B1G001, "Gateways", the expenditures shall be established as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	32,956	
TOTAL	32,956	-

To establish the Project revenues for the above, the revenues will be budgeted as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	32,956	
TOTAL	32,956	-

SECTION 4. 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.

**Ordinance 16-37
BUDGET REVISION #26**

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, 2016.

SECTION 1. To amend the General Fund within the FY 2015-16 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Government	2,250,650	
TOTAL	2,250,650	-

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	2,250,650	
TOTAL	2,250,650	-

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.

There being no further business, the meeting adjourned at 6:35 p.m.

Mayor

Deputy City Clerk