

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

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

A quorum was present.

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

I. Mayor Wright called the meeting to order. All Council members were present.

II. Invocation by Rev. Charles Kyker, Christ United Methodist Church

Mayor Wright observed a moment of silence in memory of the Newton Firefighter Bradley Long who lost his life in the line of duty.

III. Pledge of Allegiance

IV. Special Presentations

A. Proclamation Honoring the 40th Anniversary of the Friends of the Library.

Mayor Wright read and presented a proclamation to representatives of the Friends of the Library, honoring the 40th Anniversary of the Friends of the Library.

B. Presentation of Deputy City Clerk Carissa "Cari" Burns and Administration of Oath of Office.

City Clerk Debbie Miller administered the oath of office to Carissa Burns to serve as Deputy City Clerk.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

A. Regular Meeting of May 17, 2016

Alderman Seaver moved, seconded by Alderman Tarlton that the Minutes of May 17, 2016 be approved. The motion carried unanimously.

Mayor Wright announced that the motion was made by Alderman Seaver seconded by Alderman Tarlton 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 Zagaroli moved, seconded by Alderwoman Patton that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

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

A. Approval of Close-out Change Order Number 2 for the Sherwood Forest Sewer Project with Hickory Sand Company, Inc. (First Reading Vote: Unanimous)

B. Approval of a Bid and Award the Contract to Astron General Contracting Co., Inc. in the Amount of \$163,440 for the Repairs to the Bridge on 21st Avenue NW over Horseford Creek. (First Reading Vote: Unanimous)

C. Budget Ordinance Amendment Number 23. (First Reading Vote: Unanimous)

D. Capital Project Ordinance Amendment Number 1. (First Reading Vote: Unanimous)

E. Capital Project Ordinance Number 2. (First Reading Vote: Unanimous)

F. Approval to Purchase the Town of Long View Water Pump Station and Intake (PIN 2793-48-2212) in the Amount of \$401,852.55, Authorization of the City Manager to Execute the Offer to Purchase and Contract and City Attorney John Crone to Complete the Transaction. (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 Guess moved, seconded by Alderman Seaver approval of the Consent Agenda. The motion carried unanimously.

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

- A. Approved the Write-off of Uncollectible Accounts Totaling \$270,466.64, in Accordance with North Carolina General Statutes.

North Carolina General Statutes establish all street assessments, nuisance violations, and property taxes that are over ten years old and are no longer collectable, and should be written off in conjunction with the annual audit. For the current fiscal year (FY2015-2016), there are \$3,721.28 in street assessments, and \$80,761.44 in unpaid property taxes which exceeds the ten year limitation. In addition, a total of \$832.52 in property taxes and \$71,387.53 in rental accounts is being written off from Profile Aviation Center. Profile Aviation Center ended FBO operations at the Airport in December 2011. A previous litigation involving Profile Aviation Center was resolved in this current fiscal year. The City of Hickory's Accounting Division requires all other accounts that are over eighteen months in arrears be written off to comply with "Generally Accepted Accounting Principles" in order to more fairly represent financial assets of the City on the balance sheet. For the current fiscal year, this amount is \$113,763.87. Current fiscal year write-offs total \$270,466.64, compared to \$220,201.11 by FY2014-2015.

The Finance Division will continue to pursue collection of the debts. All eligible accounts over \$50 are submitted to the North Carolina Debt Setoff Program for collection. As of May 10, 2016, the City of Hickory has collected \$23,095.52 from the garnishment of North Carolina State income tax refunds and North Carolina State lottery winnings during this fiscal year. Staff recommends approval to write-off uncollectible accounts for Fiscal Year 2015-2016.

- B. Approved on First Reading the Purchase of a Portion of the Property Located at 3042 North Center Street, (PIN 3704-16-94-5696), in the Amount of \$1,750 and Authorization for the City Manager to Execute the Offer to Purchase and Contract and City Attorney John Crone to Complete the Transaction.

Staff requests approval of the purchase of a portion of the property located at 3042 North Center Street which is located adjacent to the City-owned fire station. The vacant lot consists of .36 acre and the tax value is currently \$3,000. The City of Hickory has presented an offer of \$1,750 to purchase .14 acre of the property. Purchasing this property will continue the process of securing adjacent property as it comes available for future needs. There are no structures on this property. Staff requests approval of this purchase, and authorization of the City Manager to execute the Offer to Purchase and Contract, and City Attorney John Crone to complete the transaction.

- C. Approved on First Reading a Lease Agreement for City-owned Property Located at 1123 15th Street NE, Hickory.

Staff requests approval of a Lease Agreement with Richard Todd Mundy, Jr. to lease City-owned property located at 1123 15th Street NE. This property is adjacent to the City's Public Services Complex. The City has rented this home to City employees regularly since purchasing the home. Staff plans to continue renting the home until the property is needed for potential expansion of the Public Services Complex. Richard Todd Mundy Jr., is a Landscape Services Division employee. The terms of the proposed lease will be one year with a monthly rent of \$350. The lessee will be responsible for the payment of all utilities furnished to the property and yard maintenance. There will be a required security deposit of \$350. Staff recommends Council's approval of the Lease Agreement with Richard Todd Mundy Jr.

- D. Approved a Resolution to Declare 400 Surplus Discarded Library Materials.

Staff requests approval of a Resolution to declare surplus 400 discarded children's books. These materials will be donated to Hickory Public Schools for summer programs. Hickory Public Schools is creating a summer bookmobile program to reach students who may not have access to books. They have requested donations of books to help fill the bookmobile collection. Staff recommends that the discarded library materials be surplus and given to the Hickory Public Schools.

Public Notice advertised on May 27, 2016 in a newspaper having general circulation in the Hickory area.

RESOLUTION NO. 16-06
A RESOLUTION OF THE HICKORY CITY COUNCIL DECLARING SURPLUS LIBRARY
BOOKS AND AUTHORIZING DONATION TO HICKORY PUBLIC SCHOOLS

WHEREAS, the Hickory Public Library declares a list of 400 discarded children's books, out of date in poor condition, or no longer needed to meet the collection development goals of the library; and

WHEREAS, the Library wishes to dispose of said property to Hickory Public Schools for summer programs. Hickory Public Schools is creating a summer bookmobile program to reach students who may not have access to books.

WHEREAS, G.S. 160A-280 allows the city to donate to another governmental unit within the United States, or a nonprofit organization incorporated after advertising and Council approval.

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

SECTION 1. That authorization is given to the Hickory Public Library to dispose of the declared surplus in a manner serving the best interest of the City.

SECTION 2. This Resolution shall become effective upon adoption.

- E. Approved on First Reading the Purchase of 60 Radios from Loudoun Communications in the Amount of \$120,066.

Hickory Police Department requests approval to purchase 60 radios from Loudoun Communication in the amount of \$120,066. The purchase of handheld radios is necessary to ensure reliable communications between interagency emergency personnel in order to more efficiently and safely serve the public. The Harris XG-25P is the most cost effective handled radios that meets the needs of the department. These radios will allow the department to communicate between Federal, State, and agencies, as well as within the agency. These portable handheld radios should meet the needs of the department for the next five to seven years, allowing for the State's move to both 700 and 800 MHz as well as Phase 2 P25 compliance. This purchase was not competitively bid due to Loudon Communications being the only available supplier to the City for the Harris handheld radios. The sole source bidding exception found at G.S. 143-129(e)(6) states that when performance or price competition for a product are not available or a needed product is available from only one source of supply, the governing board shall approve the purchase. In accordance with this, staff recommends Council to approve use of the sole source exception and this purchase of 60 radios from Loudoun Communications at a total cost of \$120,066. Funds are budgeted in FY15/16 for this purchase.

- F. Approved on First Reading Applying for the 2016 Justice Assistance Grant to Purchase an Oculus System and Drug Abuse Resistance and Education (DARE) Supplies.

City of Hickory and Catawba County have received notification of approval to receive a combined allocation of \$31,020.00 under the 2016 Justice Assistance Grant Program. The JAG Program is a formula-based grant through the Office of Justice Programs/Bureau of Justice Assistance (BJA) that utilizes Uniform Crime Reporting statistics of all law enforcement agencies to determine eligibility for direct federal grant awards. Cities and counties are required to submit joint applications for the available funding. Catawba County is eligible for a direct award of \$12,113.00 and the City of Hickory is eligible for a direct award of \$18,907.00. There is no match required. The City of Hickory has agreed to serve as lead agency in the grant application process.

The Hickory Police Department will use these grant funds to purchase an Oculus Plug N Play surveillance system to be used in investigations focusing on repeat offenders of violent gun and drug offenses. The Drug Abuse Resistance and Education (DARE) program administers a prevention and education program that concentrates on substance abuse, violence and gang prevention. Funds will be used to purchase supplies for School Resource Officers to educate Hickory Public Schools fifth and sixth grade students. Hickory Police Department recommends approval to apply and accept the 2016 Justice Assistance Grant to purchase an Oculus System and DARE supplies in the amount of \$18,907.00 and to serve as lead agency in the grant process for a combined amount of \$31,020.00.

- G. Approved on First Reading the Community Development Block Grant Funding Agreement between the City of Hickory and City of Refuge Community Development Center, Inc.

In February 2016, the City of Hickory's Department of Planning and Development Services requested applications from local nonprofit organizations for funding under the Community Development Block Grant (CDBG) Program. The Citizen's Advisory Committee reviewed

and recommended funding for these applications as part of the City's Annual Action Plan. The Annual Action Plan was approved by City Council following a public hearing on May 3, 2016. The Community Development Block Grant Funding Agreement describes the requirements for the City and the City of Refuge Community Development Center to ensure that all applicable federal regulations are met. Funds will be used to provide staff support to an afterschool program that primarily serves low to moderate income students. City of Refuges Community Development Center requested and was approved for funding in the amount of \$3,200 through the City of Hickory's CDBG program. Staff recommends approval of the CDBG funding agreement between the City of Hickory, North Carolina, and City of Refuge Community Development Center, Inc.

- H. Approved on First Reading the Community Development Block Grant Funding Agreement between the City of Hickory and Exodus Outreach Foundations, Inc.

In February 2016, the City of Hickory's Department of Planning and Development Services requested applications from local nonprofit organizations for funding under the Community Development Block Grant (CDBG) Program. The Citizen's Advisory Committee reviewed and recommended funding for these applications as part of the City's Annual Action Plan. The Annual Action Plan was approved by City Council following a public hearing on May 3, 2016. The Community Development Block Grant Funding Agreement describes the requirements for the City and Exodus Outreach Foundation to ensure that all applicable federal regulations are met. Funds will be used to provide transportation and employment serves at Exodus Homes, which provides support to homeless and previously incarcerated persons with substance abuse issues. Exodus Outreach Foundation requested and was approved for funding in the amount of \$8,000 through the City of Hickory's CDBG program. Staff recommends approval of the CDBG funding agreement between the City of Hickory, North Carolina, and Exodus Outreach Foundation, Inc.

- I. Approved on First Reading the Community Development Block Grant Funding Agreement between the City of Hickory and Hickory Soup Kitchen, Inc.

In February 2016, the City of Hickory's Department of Planning and Development Services requested applications from local nonprofit organizations for funding under the Community Development Block Grant (CDBG) Program. The Citizen's Advisory Committee reviewed and recommended funding for these applications as part of the City's Annual Action Plan. The Annual Action Plan was approved by City Council following a public hearing on May 3, 2016. The Community Development Block Grant Funding Agreement describes the requirements for the City and the Hickory Soup Kitchen to ensure that all applicable federal regulations are met. Funds will be used to provide staff at the Soup Kitchen to ensure that they are able to provide hot meals and food pantry serves to those in need. The Hickory Soup Kitchen requested and was approved for funding in the amount of \$8,000 through the City of Hickory's CDBG program. Staff recommends approval of the CDBG funding agreement between the City of Hickory, North Carolina and Hickory Soup Kitchen, Inc.

- J. Approved the Changes to the Community Appearance and Landscape Incentive Grant Guidelines and Grant Scoring Criteria Changes.

The proposed changes to the Community Appearance and Landscape Incentive Grant programs have been put forth after months of consideration by the Community Appearance Commission. During its consideration, the Community Appearance Commission made recommended changes to these grant programs and scoring criteria with the intention of improving the program so that its administration is less subjective and focused on the grant scoring criteria that have already been approved by Hickory City Council. The recommended changes to the grant operating guidelines touch on two specific items. First, the changes eliminate the appeal option, as discussed by City Council. Secondly, the changes eliminates tenants, or third parties, from being applicants for grant consideration. The recommended change to the scoring criteria relates to what is referred to as "Impact" under the criteria for Community Appearance Grants. This change adds verbiage to the criteria to indicate a project receiving the highest score in this category must incorporate materials that are contextually appropriate. During the May 23, 2016 meeting, the Community Appearance Commission discussed the recommended changes and voted unanimously to recommend approval of the proposed changes to Council.

- K. Called for Public Hearing for Consideration of Rezoning Petition 16-03 for Hilton Materials, LLC of approximately 8.09 acres of property located at 1360 11th Avenue SE. The petition is to rezone the property from Regional Commercial (C-3) to Industrial (IND). (Authorize Public Hearing for June 21, 2016, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building).

- L. Approved on First Reading the Offer and Acceptance Document, Resolution, and Designation of Authorized Representative for State Revolving Loan for the Central Business District Infrastructure Renewal Project in the Amount of \$1,364,100.

The Central Business District is defined as the area of downtown Hickory in the vicinity of Trade Alley to 2nd Avenue NW and 2nd Street NE to 3rd Street NW. This area is one of the oldest sections of the City of Hickory's collections and distribution systems and experiences occurrences of discolored water and low flows due to the waterlines being aged cast iron material. The sanitary sewer and storm drainage system areas are also burdened with issues of sizing and material failures. In March of 2015, City Council approved applying for a low interest loan from the State Revolving Loan Program to assist with completion of this project. This loan will allow the City to complete this crucial project in the most cost effective way without requiring the expenditure of substantial financial resources from Fund Balance. The State Revolving Loan Program requires the City to approve an Agreement, a Resolution agreeing to the provisions of the loan program, and an authorized representative. This Resolution also approves the execution of the Offer and Agreement by the Authorized Representative, including the loan closing cost of \$26,922 to be paid to the State. Staff recommends Council approve the Offer and Acceptance Document, Resolution, and Designation of Authorized Representative for State Revolving Loan for the Central Business District infrastructure renewal project in the amount of \$1,364,100 at 1.66 percent interest for 20 years.

RESOLUTION NO. 16-07
A RESOLUTION BY HICKORY CITY COUNCIL ACCEPTING A
NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND IN THE AMOUNT OF
\$1,364,100.00 TOWARDS THE CENTRAL BUSINESS DISTRICT INFRASTRUCTURE
RENEWAL PROJECT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment plant works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of \$1,364,100 for the construction of the Central Business District Infrastructure Renewal Project, and

WHEREAS, the City of Hickory intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY, THAT:

The City of Hickory does hereby accept the State Revolving Loan offer of \$1,364,100.

That the City of Hickory does hereby give assurance to the North Carolina Department of Environment and Natural Resources that all items specified in the loan offer, Section II – Assurances will be adhered to.

That the City Manager Mick Berry, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Hickory has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

- M. Approved on First Reading the Offer and Acceptance Document, Resolution, and Designation of Authorized Representative for State Revolving Loan for the Geitner Basin Sewer System Rehabilitation Project in the Amount of \$3,519,475.

McGill Associates completed an evaluation of the Geitner Basin sewer system and provided Staff with a comprehensive listing of all defects detected. The Geitner Basin is one of the older sections of the City of Hickory from Main Avenue SW to 4th Street Drive SW to approximately the Highway 321/I-40 interchange area. The evaluation discovered essential repairs ranging from undersized sanitary sewer lines, partially crushed sewer lines, substantial voids around manholes, and numerous direct sources of inflow/infiltration from ground water sources that directly affect the cost of treating wastewater. Making these repairs will reduce the volume of unaccounted for water that we are currently paying to treat and prevent system failures by repairing areas around manholes. In March of 2015, City Council approved applying for a low interest loan from the State Revolving Loan Program to assist with completion of this project. The State Revolving Loan Program requires the City to approve an Agreement, a Resolution agreeing to the provisions of the loan program, and an authorized representative. This Resolution also approves the execution of the Offer and Agreement by the Authorized Representative, including the loan closing cost of \$70,390 to be paid to the State. Staff recommends Council approve the

Offer and Acceptance Document, Resolution, and Designation of Authorized Representative for State Revolving Loan for the Geitner Basin sewer system rehabilitation project in the amount of \$3,519,475 at 1.66 percent interest for 20 years.

RESOLUTION NO. 16-08
 A RESOLUTION BY HICKORY CITY COUNCIL ACCEPTING A
 NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND IN THE AMOUNT OF
 \$3,519,475.00 TOWARDS THE GEITNER BASIN SEWER SYSTEM REHAB PROJECT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment plant works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of \$3,519,475 for the construction of the Geitner Basin Sewer System Rehab Project, and

WHEREAS, the City of Hickory intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY, THAT:

The City of Hickory does hereby accept the State Revolving Loan offer of \$3,519,475.

That the City of Hickory does hereby give assurance to the North Carolina Department of Environment and Natural Resources that all items specified in the loan offer, Section II – Assurances will be adhered to.

That the City Manager Mick Berry, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Hickory has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

- N. Approved on First Reading the School Resource Officer Agreement with Hickory Public Schools.

The Hickory Police Department has placed School Resource Officers in Hickory Public Schools for many years and continues to have a great working relationship with Hickory Public Schools. Hickory Police Department places a School Resource Officer in each of the High Schools and Middle Schools. Also, the School Resource Officers in the Middle Schools teach D.A.R.E. classes. Each Middle School Resource Officer is assigned as a liaison officer to each of the Elementary Schools. The purpose of the School Resource Officers in Hickory Public Schools is to provide a safer learning environment for students and staff while creating a positive interaction between students and Hickory Police Department. The School Resource Officer Agreement is for school years 2016-2017 and 2017-2018. Hickory Police Department will provide four Police Officers as School Resource Officers and Hickory Public Schools agrees to pay \$90,000 per school year to the City of Hickory.

- O. Approved on First Reading Budget Ordinance Amendment Number 24.

ORDINANCE NO. 16-24
 BUDGET ORDINANCE AMENDMENT NO. 24

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2016.

SECTION 1. To amend the General Fund, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Culture & Recreation	4,640	-
Other Financing Uses	32,646	-
TOTAL	37,286	-

SECTION 2. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous	4,640	-
Other Financing Sources	32,646	-
TOTAL	37,286	-

SECTION 3. To amend the Water and Sewer Fund, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	313,712	-
Environmental Protection	441,853	-
TOTAL	755,565	-

SECTION 4. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	715,565	-
Contingency	-	40,000
TOTAL	715,565	40,000

SECTION 5. To amend the Capital Reserve Fund, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	2,121,035	-
TOTAL	2,121,035	-

SECTION 6. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	2,566,429	445,394
TOTAL	2,566,429	445,394

SECTION 7. To amend the Transportation Fund, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Transportation	75,707	900,000
TOTAL	75,707	900,000

SECTION 8. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	27,130	900,000
Sales & Services	48,577	-
TOTAL	75,707	900,000

SECTION 9. Copies of the budget ordinance amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

P. Approved on First Reading Capital Project Ordinance Amendment Number 2.

ORDINANCE NO. 16-24
CAPITAL PROJECT ORDINANCE AMENDMENT NO. 2

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment be made to the Capital Project Ordinance for the duration of the projects noted.

SECTION 1. To amend the General Capital Project Fund for Business Park 1764, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	32,646	-
TOTAL	32,646	-

SECTION 2. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	32,646	-
TOTAL	32,646	-

SECTION 3. TO amend the Water & Sewer Capital Project Fund for the Hickory-Catawba Wastewater Treatment Plant, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Water & Sewer Capital Project	-	845,111
Other Financial Uses	445,394	-
TOTAL	445,394	845,111

SECTION 4. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	33,931	-
Restricted Intergovernmental Revenues	-	433,648
TOTAL	33,931	433,648

SECTION 5. To amend the Water & Sewer Capital Project Fund for the Geitner Basin Sewer Rehabilitation, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Water & Sewer Capital Project	3,806,265	-
TOTAL	3,806,265	-

SECTION 6. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	3,806,265	-
TOTAL	3,806,265	-

SECTION 7. To amend the Water & Sewer Capital Project Fund for the Central Business District Infrastructure Rehabilitation, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Water & Sewer Capital Project	3,145,622	-
TOTAL	3,145,622	-

SECTION 8. To provide additional revenues for the above, the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	3,145,622	-
TOTAL	3,145,622	-

SECTION 9. Copies of the Capital Project Ordinance Amendment shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

Q. Approved on First Reading Capital Project Ordinance Number 3.

ORDINANCE NO. 16-25
CAPITAL PROJECT ORDINANCE NO. 3

BE IT ORDAINED by the Governing Board of the City of Hickory, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, that the following capital project ordinance is hereby adopted for the duration of this project.

SECTION 1. To amend the Capital Project Fund, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
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General Capital Project	1,370	-
TOTAL	1,370	-

To provide additional revenue for the above the revenues will be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	1,370	-
TOTAL	1,370	-

Section 2. Copies of the capital project ordinance 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 – None

X. Informational Item

XI. New Business:

A. Public Hearings

1. Presentation of City Manager’s FY2016-2017 Recommended Budget.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on May 20, 2016.

City Manager Mick Berry presented a PowerPoint Presentation. He commented about the challenges and struggles that Staff had with budgets throughout the last several years. He expressed his gratitude to Cameron McHargue and Rodney Miller who did a great job working with the Department Heads to put together a budget that was consistent with the principals that Council had laid out for them. He recognized that over the last dozen years the City had some real difficult budgets. There had been periods where they were cutting staff and dollars in one budget and adding them in another. There had been the addition of police officers and fire fighters, and at the same time making cuts in other departments. When you are able to do that as an organization without the departments fighting among themselves, it really says a lot about the culture of teamwork and commitment to serving the public that Council has with the Department Heads, and the Staff. He complimented the team that had come through some unprecedented difficult budgets and pulled together as a team to do that. He advised that last year the General Assembly made some changes to the law that took revenue from the City. Council recognized that cuts that had been made to the City departments could not be made to absorb that reduction without dramatically impacting services. Council chose to take Staff’s recommendation to raise the property tax for the first time in twenty years. In the context of those difficult challenges for this year, 2016/2017, it was actually a simple and straightforward budget.

Mr. Berry discussed the Operating Funds. When you net together all of the operating funds of the City, where the actual services are provided to the residents, the City was down from an \$83.8 million dollar budget, to an \$82.2 million dollar budget, or just a little under two percent. A lot of times in a city like Hickory, where we are very capital intensive with a large water and sewer system, you will have these fluctuations and swings. Which don’t really represent any change to the service that the City is providing, but reflects the fact in 2015/2016 we had major capital projects which we embarked on. He referenced the budget amendment approved on the consent agenda which contained five million dollars in water and sewer projects that are budgeted in 2015/2016, which will actually be built in 2016/2017, but the money stays in the 2015/2016 budget. That five million dollar swing in the Water and Sewer Fund really accounts for the net, the two percent reduction overall because the General Fund was actually up 4.1 percent. The General Fund was just under \$48 million, Water and Sewer Fund just under \$25 million, Sludge Compost Fund, was separate, it is used to treat sludge and part of the Water and Sewer Fund. Stormwater is a mandated service it tends to be flat from year to year. Transportation Fund, was for the Airport, and Solid Waste was down because of trucks which were purchased in the current year.

Mr. Berry continued the discussion with Internal Service Funds which is an accounting requirement. There are departments within the City which don’t serve the public but serve other departments. He used as an example fleet. The City maintains most of their own fleet of vehicles. The garage budget was down about ten percent due to capital purchases also. Fiscal Year 15/16 \$2.9 million and fiscal year 16/17 \$2.6 million. Capital Reserve Fund is a fund where annually

Council will set aside funds. It is a conservative practice where Council will set aside for a year or two anticipating large capital expenditures. Generally they will be able to make those expenditures with cash. He advised that the City had needs from time to time where they would do some short term financing. He noted a big drop there. The Water and Sewer and General Fund projects ran through the Capital Reserve, there were over \$8 million dollars in the current year's budget. He advised that the recommendation was more in line with a normal year, not a lot of capital expenditures. He mentioned that Council's policy was to set aside two pennies on the tax rate every year into that reserve fund. A very prudent practice. He advised that recommendation represented that plus funds being transferred from the Utility Fund as well. He discussed the Insurance Fund. The City is self-insured as a city. The City has various contracts with service providers, which is one of the few expenses that is going up. He advised it was just under \$7 million dollars to take care of the health needs of 640 employees in the City. He advised if you put those together we are actually down eight percent. The line share of that was the capital projects reflected in the \$101 million dollar budget in the current year and that drops down to \$93.5 million dollars looking forward in the 2016/2017 year.

Mr. Berry discussed the overall highlights. He did not recommend a tax increase. The previous decision of Council to account for the loss in value due to revaluation and also the loss of privilege license revenue, \$0.5665, will hold the City's operating budget for a number of years. There were no new positions included in the budget. He advised that they are taking a current vacant position in utilities and reclassifying that for a Project Manager position that will help with the bond projects. Advertisement for the position had gone out and they are hoping to find a good person to join the City's team. He recommended that the merit pay program, which had been in place for a number of years, continue for coworkers who exceed the expectations that are laid out for their year's work plan, would receive a three percent increase on October 1st. Those who meet the standard would receive two percent, the total cost across the City, \$750,000. Operating expenditures across all departments are flat. There were variations from one department to another, but when you aggregate those there were no changes there. He noted some positive movement in property tax, which was encouraging. 1.6 percent increase in values. He advised that there were years when we were actually losing value. We are back on the positive side and are seeing a really nice movement in sales tax as well and are projecting a six percent increase there. He discussed Operating Capital, which are thought of as rolling stock, things that are funded directly out of the General Fund. You are not moving money to the Capital Reserve Fund to make big purchases. That amount was up \$269,000. Per Council's policy every year the fees that the City charges for various things based on the CPI, which was going up .7 percent.

Mr. Berry discussed the General Fund. Council's practice was to transfer two pennies on the tax rate, \$920,000 into Capital Reserve. You are basically frontloading expenditures. He advised they were putting back \$920,000 this year and were using \$650,000 which they actually had put back last year. It is a conservative practice to put money back, have it there, and tap into a portion of it as needed for capital needs. Contingency was at \$650,000 which also was Council's practice for a longstanding period of time. Sometimes capital expenditures may exceed the City's ability to pay as you go with cash. The City will borrow with an installment purchase to fund a replacement fire truck that is in the regular schedule of replacing trucks. He advised there would be debt obligations rolling off. He commented about the extremely good debt position that the City has. We owe very, very little for a city our size. That is going to continue to roll off in 2017/2018 as the recreation center debt is retired. The City is in a great position to take on debt with the bond projects as that comes up in the next year to two years. He advised that the City owned the Convention Center as an asset, but it is operated by a statutory authority called the Tourism Development Authority (TDA). He noted that Alderman Tarlton and Mayor Wright both had served on that board. That entity is completely self-funded. The occupancy tax which are paid at the hotels supports the capital and some of the operating needs. They charge people for events. We are very fortunate because we are one of the few communities in North Carolina that runs a Convention Center that is self-supporting.

Alderman Tarlton interjected the only one that he was aware of.

Mr. Berry commented as he had meetings with peers around the State it was interesting to learn how much comes from General Funds to support those functions in other communities. That is a great model. However, it does impact the budget, technically the City receives all of the money in. The City makes debt payments and all of the money that is committed to the Convention Center gets transferred back to them. There was an increase of \$100,000 on top of what is typically there, that will flow through the City's budget and back to the Convention

Center, the TDA. Also there was the partnership with Greenway Transit which was a multi-county partnership with the municipalities and counties in our region. They have some capital needs, the City's share of that for the upcoming year was \$57,000. Those are expenditures that you will see every couple of years as they replace vehicles.

Mr. Berry discussed the Water and Sewer Fund. All partners had been notified of a 1.8 percent increase to cover CPI and operating increases. He advised they were setting aside \$740,000 for Capital Reserve. The same kind of practice as the General Fund, set it aside and then next year you have those reserves and will decide how much to spend. He referenced the \$5 million dollars in the current year's budget, the City still has some pretty significant projects that they were requesting \$3.3 million dollars in projects for the upcoming budget. Those projects were listed on the PowerPoint presentation and included the Kenworth water system rehabilitation, Moose Club pump station rehabilitation, system-wide comprehensive water system analysis with CIP, and sanitary sewer evaluation for rehabilitation/replacement downtown to Cripple Creek. He advised that the older infrastructure was located downtown and some of those pipes were over 100 years old. There is a lot of INI, rainwater and other sources that get into the system that end up being treated, which we really shouldn't be treating.

Mr. Berry discussed the Solid Waste Fund. He advised that the biggest expenditures there was the manpower and the equipment used to pick-up the trash and also the tipping fee that the County charges all of the municipalities and residents to dispose of the trash. It has been Council's policy to continually look at making that self-supporting. Mr. Berry thought that was a good decision that Council made years ago when property tax was going backwards. They ask residents to pay their own way in this area. For a number of years there had been small increases made to the solid waste fee. He recommended going up \$1.00, the total monthly fee that a residential collection will charge will be \$19.50 per month. The City benchmarked against what the private sector offers and we are still competitive there, a little bit less than they are. The City will be at 87.5 percent self-supporting. Only 12.5 percent of that budget comes from tax dollars to support picking up and handling waste throughout the City.

Mr. Berry discussed the Airport, which had become a shining-star in the last few years. It has now come to fruition, where we have taken steps to completely get the airport under the City's control. He commended Terry Clark for the fantastic job of growing the number of fixed aircraft that are at the airport. Mr. Clark was very high on customer service. The airport is not only self-supporting but it is paying back the General Fund the \$900,000 that was loaned to the airport in order to pay-off the court required settlement as the City parted ways with the private FBO operator. Mr. Berry was proud of that. It was Council's goal going into this process. It took several years to get there, but it is now self-supporting and Mr. Clark has people regularly expressing interest in moving their aircraft and their operations to the airport. It is a strategic asset when it comes to recruiting companies. It is fantastic that it is paying its own way with the fuel, land leases, hangar rents, etc., that are charged there.

Mr. Berry discussed the Stormwater Fund, which is required by State statute and Federal law. No significant changes there. He continued with the Insurance Fund. The City is one of the last governmental entities, and probably in the private sector as well, that still covers 100 percent of the employee's health insurance. That is a benefit that coworkers are appreciative of. Every year they are making tweaks, changes and adjustments to make that fund continue to balance. They are ending spousal coverage at the end of this month. Coworkers were informed of that a year ago that was coming. There is a program to encourage people to quit using tobacco. If someone chooses to use tobacco they pay a monthly fee for their health insurance. Dependent coverage is paid by the employee and is extremely expensive, but it is not subsidized by the City. He thanked Claudia Main for her work on this. She does a great job in benchmarking against other entities, and other organizations consulting about what is going on in the marketplace and recommending some adjustment. There will be an increase on the copays for prescription drugs which will help the fund approximately \$100,000 for the coming year. He advised that was the 2016/2017 recommended budget. He thanked Council and the Mayor for their assistance with the budget.

Mayor Wright appreciated the details that Mr. Berry had provided. He was very proud that the City lays it out there for the constituents to judge for themselves.

Mr. Berry advised that approximately a year ago Staff started on an initiative, driven by the bonds, that they wanted everyone to know what was going on with everything. On the City's website there is two pieces of software. He asked IT Staff to display it on the screen. He pointed out the existing \$102 million dollar

budget on the website. He advised that all the numbers that he discussed were available to the public. The current year budget, last year's budget and the recommended budget. He noted how each of the funds were broken down, and advised that you could click on those bars and drill down forever and ever. He wanted to make sure that the public was aware of that, and Staff welcomes everybody's insight and input into it. It is great technology, it is more than just a paper document. You can slice it, dice it, and analysis it however you want to.

Mayor Wright explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Wright asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Wright closed the public hearing.

Alderman Seaver moved, seconded by Alderman Zagaroli approval of the City Manager's FY 2016/2017 Recommended Budget. The motion carried unanimously.

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

ORDINANCE NO. 16-26
CITY OF HICKORY BUDGET ORDINANCE FISCAL YEAR 2016-2017

BE IT ORDAINED by the Governing Board of the City of Hickory, North Carolina:

SECTION 1. It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Ad Valorem Taxes	\$25,390,000
Other Taxes	14,500,000
Unrestricted Intergovernmental Revenues	595,000
Restricted Intergovernmental Revenues	2,054,401
Licenses and Permits	7,200
Sales and Services	1,750,359
Investment Earnings	125,000
Miscellaneous	318,000
Other Financing Sources	<u>3,249,773</u>
	\$47,989,733

SECTION 2. The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 6,272,335
Public Safety	23,271,046
Transportation	6,262,037
Economic and Community Development	2,981,290
Culture and Recreation	5,937,195
Other Financing Uses	1,200,311
Debt Services	1,415,519
Contingency	<u>650,000</u>
	\$47,989,733

SECTION 3. It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Restricted Intergovernmental Revenues	\$ 1,181,577
Sales and Services	21,716,880
Investment Earnings	50,000
Miscellaneous	340,000
Other Financing Sources	<u>1,681,128</u>
	\$24,969,585

SECTION 4. The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$19,892,096
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Other Financing Uses	1,157,697
Debt Service	3,619,792
Contingency	<u>300,000</u>
	\$24,969,585

SECTION 5. It is estimated that the following revenue will be available in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Restricted Intergovernmental Revenues	<u>\$1,726,338</u>
	\$1,726,338

SECTION 6. The following amounts are appropriated in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$1,726,338</u>
	\$1,726,338

SECTION 7. It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Other Financing Sources	<u>\$267,702</u>
	\$267,702

SECTION 8. The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$267,702</u>
	\$267,702

SECTION 9. It is estimated that the following revenues will be available in the Transportation Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Sales and Services	\$2,584,027
Restricted Governmental Revenues	6,000
Investment Earnings	<u>1,000</u>
	\$2,591,027

SECTION 10. The following amounts are appropriated in the Transportation Fund for the operation of Transit and Airport activities for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Transportation	<u>\$2,591,027</u>
	\$2,591,027

SECTION 11. It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Other taxes	\$ 25,000
Sales and Services	4,241,400
Investment Earnings	5,000
Miscellaneous	3,000
Other Financing Sources	<u>371,460</u>
	\$4,645,860

SECTION 12. The following amounts are appropriated in the Solid Waste Fund for the operation of recycling, residential solid waste collection and commercial bulk services activities for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	<u>\$4,645,860</u>
	\$4,645,860

SECTION 13. It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017:

Other Financing Sources	<u>\$1,660,000</u>
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\$1,660,000

SECTION 14. The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017 in accordance with the chart of accounts heretofore established for this City:

Other Financing Uses	<u>\$1,660,000</u>
	\$1,660,000

SECTION 15. The following amounts form the revenue portion of the financial plan for the Fleet Maintenance Fund:

Sales & Services	<u>\$2,666,033</u>
	\$2,666,033

SECTION 16. The following amounts form the expenditure portion of the financial plan for the Fleet Maintenance Fund:

General Government	<u>\$2,666,033</u>
	\$2,666,033

SECTION 17. The following amounts form the revenue portion of the financial plan for the Insurance Fund:

Sales and Services	\$6,917,094
Investment Earnings	40,000
Other Financing Sources	<u>37,462</u>
	\$6,994,556

SECTION 18. The following amounts form the expenditure portion of the financial plan for the Insurance Fund:

General Government	<u>\$6,994,556</u>
	\$6,994,556

SECTION 19. The operating funds encumbered on the financial records of June 30, 2016 are hereby re-appropriated into this budget.

SECTION 20. There is hereby levied a property tax at the rate of fifty-six and sixty-five ten thousandths cents (\$0.5665) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2016, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$4,565,919,360 and the Fiscal Year 2015-2016 estimated rate of collection of 98.2%.

SECTION 21. The corresponding "FY 2016-2017 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

SECTION 22. The City Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within the same functional area within a fund without limitation and without a report being required.
- 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.
- c. He may not transfer any amounts between funds, except as approved by the Governing Board in the Annual Budget Ordinance as amended.

SECTION 23. The City Manager (Budget Officer) is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organization
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law

- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body

SECTION 24. Copies of the Annual Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the City Manager (Budget Officer) and the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

ORDINANCE NO. 16-27
CITY OF HICKORY 2016 COMMUNITY DEVELOPMENT ENTITLEMENT
BLOCK GRANT PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

SECTION 1. The project authorized is the 2016 Community Development Entitlement Block Grant program.

SECTION 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Housing and Urban Development, and the budget contained herein.

SECTION 3. The following revenues are anticipated to be available to complete the project:

Restricted Intergovernmental Revenues	\$ 280,251
Miscellaneous	<u>130,000</u>
	\$ 410,251

SECTION 4. The following amounts are appropriated for this project:

Economic and Community Development	<u>\$ 410,251</u>
	\$ 410,251

SECTION 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

SECTION 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

SECTION 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

SECTION 8. The City Manager (Budget Officer) is directed to include a summary analysis of past and future costs and revenues on this grant project in every budget submission made to this board.

SECTION 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, the City Manager (Budget Officer) and the Finance Officer for direction in carrying out this project.

B. Departmental Reports:

- 1. Subcommittee Report on Deidra Lackey Memorial Park Conservancy Board Appointees

Mayor Wright advised that City Council previously elected three members, Alderman Tarlton, Alderman Zagaroli and himself, to serve on a Subcommittee to identify three nominees that they would bring back to Council for consideration. He requested Alderman Tarlton to submit a motion on the three recommendations.

Alderman Tarlton moved approval of the three nominees that were approved by the subcommittee.

Mayor Wright advised that the nominees were Burk Wyatt, Legal Counsel for CommScope; Frank Young, Financial Advisory with Raymond James; and Meg Nealon-Lail, a partner in a planning firm out of Charlotte.

Alderman Lail advised that Meg Nealon-Lail was not a partner there anymore, she had her own business. He also advised that she was his wife, which he wanted to disclose that to Council and the audience as well.

Alderman Tarlton commented that she was a good choice.

Alderman Lail advised that he had conferred with City Attorney John Crone and Deputy City Attorney Dula if he should vote on her appointment.

City Attorney John Crone advised that there was no direct or indirect financial interest that he could see. He didn't feel that anybody could prevent somebody that would be a good candidate and chosen by others to serve on a committee. He didn't find anything in the City's Code that would preclude that from occurring as well.

Alderman Seaver referenced Council's ethics training and commented that he must vote.

Alderman Lail commented an affirmative duty to vote.

Mayor Wright commented that is a misunderstanding that people have. It might appear to someone that it could be a conflict of interest, so they don't want to vote. First of all, Alderman Lail cannot choose not to vote. He can ask Council to vote to let him be recused. He has to vote, regardless of how someone might want to interpret that. He shared that there was absolutely no money involved in any of this. This is a volunteer position that will not involve any pay.

Alderman Seaver interjected that it is actually time, they are spending their time to serve the City.

Alderman Tarlton commented we are very grateful for.

Mayor Wright commented it is volunteering by three very talented people who bring great skills on behalf of the City to that Board.

Mayor Wright announced that the motion was made by Alderman Tarlton.

Alderman Seaver seconded the motion.

Mayor Wright reiterated motion by Alderman Tarlton, seconded by Alderman Seaver. The motion carried unanimously.

2. Appointments to Boards and Commissions

BUSINESS DEVELOPMENT COMMITTEE

(Terms Expiring 6-30; 2 Year Terms) (Appointed by City Council)

At-Large (Council Appoints)	Jeff Hale (Eligible for Reappointment/Willing to Serve)
At-Large (Council Appoints)	Kirk Hobart (Eligible for Reappointment/Willing to Serve)
At-Large (Council Appoints)	Dr. Dana Chambers (Eligible for Reappointment/Willing to Serve)
At-Large (Council Appoints)	Rich Brown (Eligible for Reappointment/Willing to Serve)
At-Large (Council Appoints)	Cheryl Garnett Resigned 5-23-2016

Alderman Patton nominated Jeff Hale, Kirk Hobart, Dr. Dana Chambers, and Rich Brown as the At-Large Representative on the Business Development Committee.

CITIZENS ADVISORY COMMITTEE

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

At-Large (Council Appoints)	Mark Huggins (Not Eligible for Reappointment)
Small Cities Project Area (Council Appoints)	Ola Maye Williams (Eligible for Reappointment/Willing to Serve)

Alderwoman Patton nominated Ola Maye Williams as the Small Cities Project Area Representative on the Citizens Advisory Committee.

COMMUNITY APPEARANCE COMMISSION

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

Ward 3 (Seaver Appoints)	David Moser (Eligible for Reappointment/Does Not Wish to Serve Again)
Ward 4 (Guess Appoints)	Candas Brown (Eligible for Reappointment/Does Not Wish to Serve Again)
Ward 5 (Zagaroli Appoints)	Debbie Rush (Not Eligible for Reappointment)
Ward 6 (Patton Appoints)	Lisa Morphis (Eligible for Reappointment/Willing to Serve)
At-Large (Outside City but within Hickory Regional Planning Area) (Council Appoints)	Andrew Straw (Eligible for Reappointment/Does Not Wish to Serve Again)
At-Large (Council Appoints)	Charles Hayes (Eligible for Reappointment/Willing to Serve)
At-Large (Council Appoints)	Janet Painter (Eligible for Reappointment/Does Not Wish to Serve Again)
Planning Commission Representative – Hickory Regional Planning Commission Appoints	(Hickory Regional Planning Commission Voted to Appoint Junior Hedrick)

Alderwoman Patton reappointed Lisa Morphis, as the Ward 6 Representative, and nominated Charles Hayes as the At-Large Representative on the Community Appearance Commission.

COMMUNITY RELATIONS COUNCIL

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

Caucasian (Council Appoints)	Katherine Newton (Eligible for Reappointment/Willing to Serve)
Caucasian (Council Appoints)	Darrell Rogers (Eligible for Reappointment/Does Not Wish to Serve Again)
Other Minority (Council Appoints)	Nancy Yang (Eligible for Reappointment/Willing to Serve)
Other Minority (Council Appoints)	VACANT
Other Minority (Council Appoints)	Adelia Parrado-Ortiz resigned 5-20-2016
Differently Abled and is African-American or Other Minority (Council Appoints)	Patricia Bowman (Eligible for Reappointment/Willing to Serve)

Alderwoman Patton nominated Katherine Newton, as the Caucasian Representative, Nancy Yang as an Other Minority Representative and Patricia Bowman as the Differently Abled and is African American or Other Minority Representative on the Community Relations Council.

HICKORY REGIONAL PLANNING COMMISSION

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

(Appointed by City Council)

Ward 1 (Lail Appoints)	Bill McBrayer (Eligible for Reappointment/Willing to Serve)
Ward 2 (Tarlton Appoints)	Barbara Clemmons (Eligible for Reappointment/Does Not Wish to Serve Again)
Ward 6 (Patton Appoints)	Shauna O'Brien (Eligible for Reappointment/Willing to Serve)
Burke County (Mayor to Nominate)	VACANT Since 8-6-2008
Brookford (Mayor to Nominate)	VACANT Since 6-2006

Alderwoman Patton reappointed Shauna O'Brien as the Ward 6 Representative on the Hickory Regional Planning Commission

HISTORIC PRESERVATION COMMISSION

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

Historic Properties (Council Appoints)	Sarah Huffman (Not Eligible for Reappointment)
Historic Properties (Council Appoints)	Amelia Stafford (Eligible for Reappointment/Willing to Serve)
Building Trades Profession (Council Appoints)	Larry Triplett (Not Eligible for Reappointment)
At-Large (1) (Council Appoints)	Steven Walker (Not Eligible for Reappointment)

Alderman Patton nominated Amelia Stafford as a Historic Properties Representative on the Historic Preservation Commission.

INTERNATIONAL COUNCIL

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

VACANT

LIBRARY ADVISORY BOARD

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

Ward 1 (Lail Appoints)

Barbara De La Garza

(Eligible for Reappointment/Willing to Serve)

Ward 4 (Guess Appoints)

Juanita Dula

(Not Eligible for Reappointment)

At-Large (Mayor Appoints)

VACANT

PARKS AND RECREATION COMMISSION

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

Ward 2 (Tarlton Appoints)

Susan Sigler

(Eligible for Reappointment/Willing to Serve)

At-Large (2) (Council Appoints)

Angie Aycock

(Eligible for Reappointment/Does Not Wish to Serve Again)

At-Large (3) (Council Appoints)

Joyce Beard

(Not Eligible for Reappointment)

PUBLIC ART COMMISSION

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

Ward 2 (Tarlton Appoints)

Allen Finley

(Eligible for Reappointment/Willing to Serve)

At-Large (Mayor Appoints)

M. Todd Hefner

(Eligible for Reappointment/Willing to Serve)

At-Large (Mayor Appoints)

Phil Barringer

(Not Eligible for Reappointment)

At-Large (Mayor Appoints)

Harold Humphrey

(Eligible for Reappointment/Willing to Serve)

PUBLIC HOUSING AUTHORITY

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

Position 6 (Mayor Appoints)

Steve Hunt

(Eligible for Reappointment)

RECYCLING ADVISORY BOARD

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

Ward 2 (Tarlton Appoints)

Charlie Hayes

(Not Eligible for Reappointment)

Ward 3 (Seaver Appoints)

VACANT

Ward 4 (Guess Appoints)

William Kanupp

(Not Attending Meetings)

At-Large (Council Appoints)

Jeff Bartlett

(Eligible for Reappointment/Does Not Wish to Serve Again)

At-Large (Council Appoints)

Jeff Wright

(Eligible for Reappointment/Does Not Wish to Serve Again)

SALT BLOCK FOUNDATION

(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)

Hickory Representative

Alderman Zagaroli

(Eligible for Reappointment)

TOURISM DEVELOPMENT AUTHORITY

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

Owner/Operator (Council Appoints)

Kevan Patel

(Eligible for Reappointment/Willing to Serve)

Owner/Operator (Council Appoints)

Renee' Keever

(Eligible for Reappointment/Willing to Serve)

Demonstrates Interest (Council Appoints)

Phil Yount

(Eligible for Reappointment/Willing to Serve)

UNIVERSITY CITY COMMISSION

(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)

At-Large (Council Appoints)

Muriel Gabriel

(Eligible for Reappointment/Willing to Serve)

At-Large (Council Appoints)

Ryan Edwards

(Eligible for Reappointment/Willing to Serve)

Hickory Downtown Development Director

Connie Kincaid

(Eligible for Reappointment/Willing to Serve)

Chamber of Commerce Executive Director or his/her Designee Danny Hearn
(Danny Hearn Retiring from Chamber)

Alderwoman Patton nominated Muriel Gabriel and Ryan Edwards as At-Large Representatives and Connie Kincaid as the Hickory Downtown Development Director.

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

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

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

Alderwoman Patton commended public services for working on Memorial Day. They were out on a hot day, and they were most accommodating in picking up yard waste. They were very nice, it was greatly appreciated, and they do a great service.

Alderman Tarlton agreed.

Mayor Wright thanked City Manager Mick Berry for his leadership. The City had a great "ride" under Mr. Berry's leadership. It had not been a great time to be the City Manager of the City of Hickory. The City had come through very well and was in great shape. He thought that the City of Hickory was recognized across the State for being in great shape. He advised that there would be an occasion for some roasting and toasting. He teased that he thought Mr. Berry might have more miles on him than some of the police vehicles. He thanked him for everything and for being such a great representative for the City of Hickory, in Hickory, in Catawba County, in North Carolina, and across the United States.

Mr. Berry thanked the Mayor and commented that it had been a pleasure to serve them and he would still get to serve all the residents.

Mayor Wright commented that they were very excited about this because they now understand the County like they never have before.

Mr. Berry joked that the Commissioners were a little worried about that.

Mayor Wright commented that some of the other municipalities are a little worried about that.

Alderman Seaver commented that they brought this upon themselves.

Mayor Wright interjected that they went into it with their eyes wide-open.

Alderman Seaver commended the crew who was doing the water and sewer lines in Kenworth.

Mr. Berry advised the workers were from Iron Mountain.

Alderman Seaver commented that the neighbors had advised him that those guys knew how to work. They had been watching them every day, and they were working, not just standing around watching. He advised that they had been doing a great job so far as he could tell.

XIV. Closed Session Per NC General Statutes 143-318.11(a)(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 to consult with the attorneys to discuss a personnel matter (the soon to be vacant City Manager's position), seconded by Alderman Lail. The motion carried unanimously.

Mayor Wright announced he moved seconded by Alderman Lail and the motion carried unanimously.

No action was taken upon return to open session.

June 7, 2016

XV. There being no further business, the meeting adjourned at 8:38 p.m.

Mayor

City Clerk