

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, May 17, 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, Assistant City Manager Andrea Surratt, 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. Heather Davis, Associate Pastor, First Presbyterian Church
- III. Pledge of Allegiance
- IV. Special Presentations
  - A. Mr. Gar Atchison, CEO, Duke LifePoint, Discussion of Community Healthcare Plans

Mr. Gar Atchison discussed the exciting times at Frye Regional Medical Center as it related to their new transition to Duke LifePoint Healthcare. He advised he had been the CEO at Frye since the transition from Tenant Healthcare to Duke LifePoint. He was honored to be the CEO of Frye, a great hospital. They employ 1,650 people in the community and are continuing to grow, expand, and create jobs. They recently had 23 new employees come through the system. He addressed the new relationship with Duke LifePoint. It was a partnership between Duke University Medical Center and LifePoint Healthcare, which started in Danville, Virginia several years ago. LifePoint had a hospital and Duke was managing a quality program. They formed a partnership called Duke LifePoint Healthcare which now owns 14 hospitals, 9 of them are in North Carolina and 5 of them are in Western North Carolina including Frye Regional Medical Center. In this partnership Duke brings the expertise in quality and safety. Duke is world renowned for their focus on harm reduction and quality improvement. Duke has been highly involved in the hospital and has been there multiple times. They have a great working relationship with Duke, and Dr. Phillips, the Chief Medical Officer, continues to come to Frye and to the community. Dr. Phillips spoke at the Heart Ball this year. He advised that LifePoint Healthcare is a 72 hospital system out of Brentwood, Tennessee, that includes the 14 hospitals that are in the Duke LifePoint partnership. They bring to the partnership the expertise in management and the capital, which at Frye had been somewhat lacking in years past. They are going to see a lot of capital infused into the hospital, thereby into the community. LifePoint, essentially, Duke LifePoint hospitals are a for-profit hospital, for-profit healthcare system. He acknowledged that was a concern for Council as they were going through this transition process. He advised that three out of the four systems that were looking at Frye were not-for-profit hospitals which would have taken Frye off of the tax rolls. They are pleased that it was Duke LifePoint, and that they continue to help support this community with tax revenue. In 2015 Frye paid \$2.6 million dollars in sales, property, and franchise tax to the local and State governments. He commented they were happy to be able to do it, and they appreciate the services in this community. He felt there was a misconception about what a for-profit and a not-for-profit hospital was. He advised that a for-profit hospital pays taxes. What it didn't mean was that a for-profit hospital can behave any differently than a not-for-profit. They cannot refuse care to any patient who comes to the emergency department at Frye. They are bound by the same Federal laws and the CMS rules and regulations that relate to healthcare, accepting patients and providing safe discharge plans. They must see people who come to the emergency department regardless of their ability to pay. Twenty percent of the people who come to the emergency department at Frye have no insurance and no means to pay. They are still bound, like any other hospital, to take care of them. They also cannot discharge a patient despite their ability to pay if they do not have a safe discharge plan. He shared a story of a homeless citizen of Hickory that lived at Frye Regional Medical Center for over two years because they couldn't provide a safe discharge plan for him. He shared another story of a patient that was presented to the emergency department last week in heart and pulmonary distress. This patient had no ability to pay. He is still at Frye, and was having open heart valve replacement surgery. They have no expectation of payment for that. He also had infections in his teeth and they had to hire a dentist, at the cost of the hospital, \$1500, to come and extract his teeth, so they could perform a \$10,000 valve replacement surgery.

Mr. Atchison commented that they were very excited to have Duke LifePoint in the community. The focus on quality, harm reduction and safety that Duke is bringing is a refreshing focus. In this process they had also discovered that Frye actually does this really well. Duke and LifePoint were impressed with Frye. When they looked at the standards that they put forth for 72 hospitals, they had to change them because Frye is

now in the mix. They didn't change them for the other 71 but just for Frye because Frye was already above the bars that they had set for their other hospitals. They are beginning to allocate capital and had started renovation of some of the nursing units. They felt that had been lacking at Frye and the facility needed an upgrade. They are about to finish renovating the whole 20 unit patient floor on four north, and will be relocating a unit there so they continue to make improvements. The south campus is an 80 bed behavioral health unit. They are going to be doing a complete facelift on the inside of that building, each and every floor and nursing station. They are actively purchasing new equipment that will allow them to expand services that they have now, and to create new service lines in the future that will support the healthcare needs of this area. They continue to focus on quality of care, patient safety, and the patient experience or patient satisfaction. Duke and LifePoint are pleased with what they found at Frye. The Leapfrog group, which is an agency that measures hospitals around the country on their quality and safety, just awarded them with their fourth straight "A" grade. They continue to hear great stories from the community, not only about the great care, but the great experience and they will continue to focus on that.

Mr. Atchison advised that Frye will continue to improve the facilities, expand the emergency department, create a new lab, and expand existing service lines. They recognize that Frye is a heart hospital, and they are the only full-service heart hospital that offers open heart surgery and open heart backup for Cath lab procedures. They recently started performing many invasive aorta valve replacements, and have done several of those now. They are going to expand other areas and create new services. They are going to work with the other Duke LifePoint hospitals to return Frye to its status as a regional referral center. One of the benefits of the Duke LifePoint relationship is that they have five other hospitals in Western North Carolina that they can work with. They have visited those hospitals and they have visited here. They are providing some neurology services at Rutherfordton Regional, and the Cardiologist will begin going down there to see patients in their facility and perform some procedures with a goal of bringing some of those cases back to Frye that they can't do there. This will benefit the community because the more they grow the more they can invest in the community and create more jobs in the community. They are working with Duke LifePoint to address the behavioral health challenges that face North Carolina. Western North Carolina has a "grave" challenge with behavioral health. The emergency rooms throughout this area are flooded on a daily basis with behavioral health patients who don't have a place to go. He advised their average hold period was three hours at Frye because they have an aid and bed behavioral health hospital located in Hickory. They are working with the other Duke LifePoint hospitals to create an environment so they can send the patients. They are discussing with them about expanding their facilities so that they can be the hub for their behavioral health initiatives. He was very excited about the future direction of Frye. Their partners are very supportive and are pleased to have Frye in the fold. He was highly motivated by the employees that they have working at Frye and the great care that they provide every day. They will continue to strive to make Frye a great hospital.

Alderman Lail asked what would be one of the first things that Council would see outwardly on the hospital. He noticed that they had put up some signs.

Mr. Atchison advised temporary signs. They will be replacing some of the neon that is on the building and that is outdated with all new signage. He advised they should see some more outreach and support. They supported a commitment to the Friends of Hickory, a large contribution to the Science Center, and Lenoir-Rhyne University. They will be more involved in supporting the community. The last several years at Frye had been a difficult period. Stability in the leadership will allow more community involvement and more community focus for the leadership of Frye and the hospital. A lot of their focus will be inside the hospital improving the patient experience, improving the floors and in general improving the flow and the aesthetics of the hospital. The emergency department will be the big one because their emergency department sees approximately 42,000 patients a year. It is probably built to see 20,000 to 25,000. They would take it up so they wouldn't have to have this conversation again in five years. They would build it so they could see 60,000 plus patients. They are looking at getting that started soon.

Alderman Seaver commented that both of his parents had been in there in the last several months for treatments and were very impressed. They just recently moved to Lenoir from Tennessee. They were thankful for the folks that they have there.

Mr. Atchison thanked Alderman Seaver. He was very proud of the care that their nurses and staff provides. He shared a story about a Director who was late for a meeting. She apologized to him and said they she had bumped into a patient/visitor that needed directions and after she walked the person all the way around to wherever they were going, the lady said "boy, this is great since Duke LifePoint bought this hospital and replaced all of the staff with these great caring people". He commented that he was happy to say that did not happen. They were committed to bringing care, all of the employees that work there.

There is a new vibe and a new excitement. The people that work there deserve to be proud because they do great work.

Alderman Lail asked if it was still Frye Regional Medical Center.

Mr. Atchison replied yes sir. They were not interested in changing the name. It has a lot of brand identity. You may see it more branding Frye Regional Medical Center, a Duke LifePoint Hospital. You will see that on business cards, and signage and everything that is put out in the public. He thanked the Council.

V. Persons Requesting to Be Heard

A. Mr. Billy Sudderth, Multipurpose Resource Center at Ridgeview

Mr. Billy Sudderth requested a moment of silence for Mr. Larry Pope who had addressed Council on so many occasions. He commented that he wasn't taking Larry's place. He thanked Council for allowing him to make a request for the establishment of a Multipurpose Center in the Ridgeview Community at 7<sup>th</sup> Avenue and 1<sup>st</sup> Street SW. He advised that he would keep pushing because it would enhance the quality of life for their community. He was a product of the Ridgeview Community. He advised of the schools that he had attended and he was born in the hollow right below Ridgeview. For the past four years he had been on a mission to try and revitalize and restore their community. Some people from the community and his Ridgeview Alumni Association had been pushing hard. He had talked to the City Manager Mick Berry and he had pushed them in a direction that they went in and explored. He also had explored and read a report from the Planning Department concerning the Ridgeview Redevelopment Plan. He referenced several plans from the past, 1992, and 1967, and 1970 when things really started going bad, when they couldn't get a representative government. They finally got Rev. Rusty Lytle and Ann Hoyle. He studied those papers and he was concerned that there was little or no growth at all, other than some recreation facilities there. Nothing that deals with the dynamics of urbanization. They did some housing from Habitat. He commented there were a lot of men trying to get into the City at this particular time, but the bank denied them a loan. They tried to develop the community. They couldn't get the necessary funds for urban development. He talked about the initiation of Mr. Ernie Warlick into the Hall of Fame. He mentioned that his brothers will probably be in the Hall of Fame. These are men that they are hoping to get this Multipurpose Building started and named after their family. It hadn't been that much to try to get the information, it was just going around the community. The more you see the more decadent it becomes, the more you see it you have to do something if you are going to improve the quality of life, health, and well-being for the people in that community. He stated that they knew they could help quite a bit with this Multipurpose Center, all you have to do is get there. He advised he could leave a copy of their program if Council would like. He stated that they knew that they had developed a good program. A program that helps build in the City. We do not have the urban development in the city program in Hickory. There was only one other city in Western North Carolina that does have that, which was Asheville. He asked Council to give them a yes or no answer if they were going to be able to help them with this. They are going to have to be moving on.

Mr. Sudderth referenced an article in the Hickory paper about the funds that could be available through the City of Hickory to get some things done. Theirs may seem a little more expensive but it cost to develop urbanization. Those are the dynamics that have been overlooked for so many years. They are going to keep pushing for it. He advised that in the Ridgeview Community there was some of the most prime real estate in Hickory. He commented there was a lot of funds being put into 70 that were coming from the funds from the City, \$200,000; \$800,000. They want to try to get the Multipurpose Center started to get their people trained, developed for working before the community just disappears. Seemingly he was reading that some of the people that were blocking the development of the city politically and economically remained a member of the ruling class. They are already down in Raleigh. They already had the State Legislator job. He referenced the previous pure ward system to the system used now. He commented that was discriminatory, and it is still in effect today, and it is still discriminatory. He would look at that too. He wanted Council to know, that he was not here to disrupt but to plead with them to think about the dynamics of urbanization and what could be done to develop a city like Hickory that was mainly built by African-American laborers. When he was a little boy there was a thing called "coloreds". They were green, blue, yellow, pink, and all those colors. He talked about getting up at 5:30 in the morning and went to work at the First National Bank and worked until 8:00. He referenced other people that worked around the City doing the building, cleaning, childcare, homemakers, construction, roofing, maintenance downtown, and everything that you could think of. What their community seems to be doing is moving back. Those "coloreds" are those people who worked around

this City, who built this City. It is tragic to see that happened to them. He is here for them. Those would be his ancestors and he knows what they did for this City.

Mr. Sudderth encouraged Council to put up a historical marker in the Ridgeview Community. They have one for the Ridgeview High School. They need a historical marker, like in other cities, in Ridgeview. That is history. In every episode of history you can think of, and in building this City, they were there. He reiterated that they would like Council to think about building the Multipurpose Center, and they need an answer so they can move on. If they are not going to do anything they need to know that too.

Mr. Sudderth advised that they will be going to the County Commissioners in June and will be asking them to help the City with it. They will go wherever else they need to go to try and get whatever is necessary. They need the City of Hickory to take the lead in this thing because they are the leaders in this City. They need to speak in terms if they will be able to help them or not. They don't want them to tell them no, they want them to say yes they will help, be up front with them. He wouldn't question their integrity. He commented that when Mayor Wright was first elected he had walked with him through the City. He commented if you walk back again. Nothing, except for Habitat. They need to think in terms of the people. They need to get these people in public housing trained. Get their people trained. They need some mentoring and tutoring in all areas of their young people's life. They are to move it on. He wanted Council to think about it and let them have some of the funding help that they know is there. He had all the information that they have researched from around the country. They were trying to deal with this project according to that for their plans and their programs that they know they need for their neighborhood. He advised he would leave a copy of his information with Council and for them to take a look at it.

Mayor Wright advised Mr. Sudderth to leave a copy of the information and they would make copies and distribute it to every Council member.

Mr. Sudderth commented that they would like Council to take a look at it. They got it from cities that were comparable to ours. They looked at other cities around the area, around the State. He advised that they are missing out on this dynamic of urbanization. They don't have it for some reason. They had lost all 37 businesses that they had. He could count up to fifty some, but they were illegal. All of that is gone. They were spending millions of dollars in this City. Now they only have a funeral home, and hair. They would like Council to help them get started and they can move to try and get people together to be involved enough to take it on to the next level. He asked Council if they had any questions.

Mayor Wright commented that he would like to sit down with Mr. Sudderth and talk again. He commented that the City had been through a very difficult time the last 15 years. There hadn't been a lot of investment money. They think they have done pretty well with the investments that they have made, but we just haven't had a whole lot. When we make investments to bring jobs here, there are always with a payback. We will advance money upfront, but we look at it to see what the payback is going to be for the taxpayers. They think that is a key element of their responsibility, and that is bringing jobs. Social Services and education, components of both of those in the program that they are seeking, has always been the responsibility of the State and the County and in recent years the Feds have gotten involved in it too. It hasn't been the responsibility of the City.

Mr. Sudderth advised that they had looked at the State, the Feds, and the County. They are going back to the County next month. They have appointments with the Feds, Housing Urban Development, the Justice Department, and the Internal Revenue Services. They are trying to follow along that path. They are doing all they can do to be sure that Council knows that they are working on it. They need to be sure that Council is working in cooperation with what they can help them do. He commented that they were going to ask for their help, they are doing that now. He wanted them to know that they could look at Council's plans for the last 25-30 years, they have not advanced for the people in the Ridgeview Community. He commented they got that from Council's plans. The plans were there, they have to work on it. Don't think it is not there.

Mayor Wright advised that they would study the plan that Mr. Sudderth had put together and he wanted to sit down and talk to Mr. Sudderth and anybody else who he would like to bring to the meeting. He wanted to talk about it in more detail and see if there was something that could be done. An awful lot of urbanization that Mr. Sudderth had referred to was done by grants and not by using City taxpayer money.

Mr. Sudderth commented he saw the grant in the paper today that came out of the Mayor's office.

Mayor Wright advised that these were grants that we got from the Federal government and State government.

Alderman Tarlton commented they have to be used for specific things. He advised that he would like to be in attendance at that meeting as well.

Mr. Robert Russell advised that he was a Social worker and he had worked with Billy Sudderth for a number of years. It was his understanding that the Warlick property was what Mr. Sudderth was referring to. He understood that Bobby Warlick, who was an outstanding, well known individual in the Hickory area, donated some property to the City of Hickory. That property was to be used for the benefit of the Ridgeview Community and the entire City. It is just not Ridgeview, but a benefit for the entire City this Multipurpose Resource Center that Mr. Sudderth is alluding to. It is not so much in what he has to get, it is the fact that the land is already there and the need is to develop the resources. If the City chooses to develop the land or to donate the land to the Sudderth's project, or Ridgeview project so it could benefit the whole City. That is the whole issue. The property that is on 1<sup>st</sup> Street had been vacant for a number of years similar to the library, and that is what he is advocating for the citizens of Hickory and for the residents of Ridgeview.

Mayor Wright invited Mr. Russell to join them when they get together, and anyone else who was in the group.

Mr. Sudderth advised he would get him there. He thanked Council.

- B. Mr. Cliff Moone, 2925 8<sup>th</sup> Street Court NE, advised that he had a number of roles in the community, but he was speaking as a private citizen speaking on this issue. Council had patiently listened to a lot of folks speak about this issue over the last several meetings of Council. He thanked Council for having a very serious discussion about House Bill 2 (HB2) at the last City Council meeting. He thanked Alderwoman Patton for initiating some discussion at the previous Council meeting. He commented that there had been some very eloquent statements made here by a number of different people, but in particular the focus had been on the "bathroom" question of HB2. He did not want to suggest that was not an important aspect of this Bill and what it is doing and what is happening to our City, and State over this issue. He reiterated what he had wrote in the paper. He advised he was with his brother-in-law, who is on the opposite side of the issue than he, and he wrote on a napkin that HB2 is a fraud. He explained that HB2 is a fraud in reference to the bathroom section of the Bill. There is no enforcement mechanism in this legislation, at least in regard to that part, the bathrooms. It prescribes certain behaviors, without providing any means to enforce the behaviors it prescribes. There are literally no legal consequences for ignoring the so called bathroom provisions of HB2. Since the Department of Justice has now weighed in, and the Governor and the Department of Justice are going back and forth, and are definitely going to court, we all know that much of this will be solved one way or the other there. He was also concerned since they weighed in beyond the potential that HB2 will, in his opinion, probably be declared unconstitutional discriminatory. He felt that its economic impact could be that our TIGER grant application could fail or at least fail to get a fair hearing because of HB2. That concerned him greatly in a lot of different ways for this City. He talked about the other provisions of this Bill. When you read HB2 you discover something important. The so called "bathroom" Bill makes up only the first part of five different sections. If you have read the Bill you know this. It regulates bathroom usage around the concept of biological sex, which it defines as the physical condition of being male or female which is stated on a person's birth certificate. He commented oddly this part of the Bill doesn't provide any penalties for people who ignore it. He said oddly because this Bill was rushed through allegedly to prevent an eminent crisis of straight men putting on dresses to be women in women restrooms. How does it prevent this when it has no teeth? Actually it can't. It is not any sort of fix of a real problem. Part one seems worthy of the expense and the catastrophic litigation to defend it. The remaining parts of the Bill have been unfortunately ignored for the most part in the press. The parts are also important. Part two jumps to the totally unrelated subjects of restricting minimum wage increases and child labor protections. He commented that is important. This part prohibits local governments from regulating or imposing, he quoted from the Bill, "any requirement upon an employer pertaining to compensation of employees such as the wage levels of employees, hours of labor, payment of earned wages, benefits, leave or well-being of minors in the workforce". On its face this quoted language not only prevents local governments from setting a minimum wage, they are even prevented from taking care of child labor problems they might feel are specific concerns in their local community. He asked again, how can that kind of change to our laws be a good thing? In the third part of the Bill, after tweaking the old policy protections about sex discrimination and other types of discrimination, the part three effectively guts all the policy section that "does not create a statutory or common law right of action and no person may bring any civil action based upon the public policy expressed herein". Mr. Crone may be the one person....

Mayor Wright interrupted Mr. Moone. He advised Mr. Moone that Council had exercised forbearance as he knew about issues related to the City of Hickory and exactly what it is in their purview. They exercised tremendous forbearance with Mr. Sudderth, and with Mr. Shell last week up to 18 minutes almost. He commented that one of the things that they had been concerned about with this, and the reason for the so called three minute rule, was so that people won't use this as a platform to rail about things that Council can't do anything about.

Mr. Moone apologized for going beyond the three minute time. He advised he would close and skip over the rest of the parts about the Bill. He mentioned that there were things that they could do about this. Twelve cities in North Carolina, including Duck, Nags Head, Hillsboro, Greensboro, Winston Salem, Durham, Raleigh, Greenville and Wilmington have passed Resolutions with regard to House Bill 2. Three county commissions so far at least had done so as well. Mr. Moone advised he had talked to Alderman Zagaroli and others. He commented about the very good debate that Council had on this without Alderwoman Patton present for that debate, which she felt was an important issue before the City. He was not asking them for a Resolution to repeal HB2, though he would favor that. He asked Council to consider expressing the Hickory City Council's concern to our State Legislators that this legislation, which has no enforcement provisions in regard to the use of public accommodation, bathrooms, has serious potential to negatively impact the economy and future growth of Hickory and Catawba County. Furthermore, HB2 unnecessarily undermines local control and the conservative principal that the government closest to the people is best to determine local matters of public concern. He thought that a Resolution in which Council expressed their concern to the Legislature would be most appropriate. He commented if he sounded as if he were ranting, he apologized for that, because that was not his intent.

Mayor Wright advised that he did not say ranting he said railing.

Mr. Moone commented if he sounded like he was railing, he apologized for that for it was not his intent. His intent was to present facts about this Bill that had not come before this body before. He thanked Council for their forbearance.

Mayor Wright commented it may have not come before this body, but they had given people ample opportunity to speak, and all of them had been aware of the matters, the parts of HB2 that Mr. Moone referred to. He thought that Council had spoken about it, as clearly as they could, about where they stand on this. He pointed out that 12 municipalities had issued Resolutions and 558 had not. Three counties had issued Resolutions and 97 had not. It is not like we are out here alone saying this is something we don't believe we need to weigh in on, so does most everybody else in the State.

Alderman Tarlton commented that he had not heard from one constituent that wanted Council to do anything.

Alderwoman Patton advised that she had heard from quite a few that think they are making a mistake in not addressing the concerns. She was sure all of them had called their Representatives and heard what they had to say on the Bill. She thought that this Bill was negatively impacting our image, the economy and peoples' willingness to invest. She was hearing from people in other countries. That have visited other countries and are bringing back stories that people are laughing and in total dismay of what our State is doing.

Mayor Wright thanked Mr. Moone.

VI. Approval of Minutes

A. Regular Meeting of May 3, 2016

Alderman Lail moved, seconded by Alderman Seaver that the Minutes of May 3, 2016 be approved. The motion carried unanimously.

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

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

- A. Acceptance of the North Carolina Department of Transportation Municipal Maintenance Agreements. (First Reading Vote: Unanimous)
- B. Approval of a Supplemental Agreement with North Carolina Department of Transportation for the Roundabouts on Sandy Ridge Road at 21<sup>st</sup> Avenue NE and 29<sup>th</sup> Avenue Drive NE. (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 Alderwoman Patton approval of the Consent Agenda. The motion carried unanimously.

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

- A. Called for Public Hearing for Consideration of the City Manager's FY2016-2017 Recommended Budget. (Authorize Public Hearing for June 7, 2016, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building).
- B. Approved on First Reading Close-out Change Order Number 2 for the Sherwood Forest Sewer Project with Hickory Sand Company, Inc.

The Sherwood Forest sewer project included proposed construction of approximately 7,600 linear feet of 8-inch PVC or ductile iron sanitary sewer lines. Change order two with Hickory Sand Company, Inc. is for reconciliation of actual quantities used versus proposed design. The reduction of \$22,406 in the contract amount reflects the appropriate adjustment due to a balancing of all units. Change order two will result in a final construction price of \$697,745.50 and represents a 3.11 percent decrease to the original construction price. Staff recommends Council's approval of project close-out change order two for the Sherwood Forest sewer project with Hickory Sand Company, Inc. in the reduced amount of \$22,406.

- C. Approved on First Reading 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 21<sup>st</sup> Avenue NW over Horseford Creek.

In the 2014 inspection of the bridge located on 21<sup>st</sup> Avenue NW over Horseford Creek it was noted that the beams supporting the bridge deck were not performing as designed. The beams are made of a particular type of steel that is expected to form a dense coat of rust and not require painting or further maintenance. Instead of protecting the steel with the rust coating, the rust on the beams is flaking off and causing the beams to lose a portion of their load capacity. The best remedy for the situation is to clean and paint the affected ends of the beams. Because the bridge is over Horseford Creek, all materials involved in the cleaning and painting must be captured and removed from the site. Two bids were received for the project, R.E. Burns & Sons Co., Inc. submitted a bid for \$264,965 and Astron General Contracting Co., Inc. submitted a bid for \$163,440. Staff recommends approval of the contract with the low responsible bidder, Astron General Contracting Co., Inc. in the amount of \$163,440 for the repairs to the bridge on 21<sup>st</sup> Avenue NW over Horseford Creek.

- D. Approved the Acceptance of the 2016 Urgent Repair Program Grant and Approval of the Assistance and Procurement Policies.

In January 2016, the City of Hickory Community Development Division applied for funding through the North Carolina Housing Finance Agency's Urgent Repair Program. The City of Hickory has been awarded \$75,000 through this program in order to assist approximately ten very low income homeowners with urgently needed repairs in an amount not to exceed \$8,000 per housing unit. The City of Hickory will provide an additional \$5,000 in matching funds, which are available from Rental Rehabilitation program income. The total program budget will be \$80,000. NC Housing Finance Agency requires the City of Hickory to prepare Assistance and Procurement Policies. These policies must be made available to the public and explain the guidelines of the URP 16 program. The prepared policies incorporate program requirements, applicant eligibility standards, and program capabilities. Upon approval by Hickory City Council, these policies will be submitted along with additional required information to the NC Housing Finance Agency (NCHFA). Upon receipt and acceptance by NCHFA, funds will be dispersed to the City of Hickory in order to begin

repairs to eligible homes. Staff recommends City Council accept the 2016 Urgent Repair Program Grant and approve the Assistance and Procurement Policies.

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

The following requests were considered by the Citizens' Advisory Committee at their regular meeting on May 5, 2016:

- Jennifer N. Starnes was approved for recommendation to City Council for first-time homebuyer's assistance to purchase a house located at 159 12<sup>th</sup> Street Court SE, Hickory. She has requested \$5,000 for assistance with down payment and closing costs. The First-Time Homebuyers Assistance Loan is zero interest, no payments and repaid upon sale, refinance or payoff of first mortgage.
- Rosalyn Reinhardt, 721 7<sup>th</sup> Avenue Court SE, Hickory, was awarded a City of Hickory's Housing Rehabilitation Loan. The Citizens' Advisory Committee recommends approval for assistance not to exceed \$15,000 for repairs to her house. Assistance would be in the form of a zero percent interest deferred loan.
- Ronald & Gail Stoddart, 1206 10<sup>th</sup> Street NW, Hickory, were awarded a City of Hickory's Housing Rehabilitation Loan. The Citizens' Advisory Committee recommends approval for assistance not to exceed \$15,000 for repairs to their house. Assistance would be in the form of a three percent interest loan for a ten year period.

Funds are budgeted for these items through the City of Hickory's former Rental Rehabilitation program income and/or program income received through the City of Hickory's Community Development Block Grant Program. The Citizens' Advisory Committee recommends approval of the aforementioned requests for assistance through the City of Hickory's housing assistance programs.

- F. Approved the Request from Hickory Police Department to Award Police Badge and Service Weapon to Retiring Chief of Police Tom Adkins.

By authority of NC General Statute §20-187.2, City Council may award the service weapon (Glock Model 19-Serial #UWA998) and police badge to retiring Chief of Police Tom Adkins upon his retirement from Hickory Police Department on June 30, 2016 after completing 30 years of qualifying service with Hickory Police Department. Upon approval from City Council, the police badge and service weapon will be declared surplus and removed from the City's fixed asset inventory.

- G. Approved on First Reading Budget Ordinance Amendment Number 23.

ORDINANCE NO. 16-20  
BUDGET ORDINANCE AMENDMENT NO. 23

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, that 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
General Government	35,000	-
Other Financing Uses	204,560	-
Transportation	-	86,560
Culture & Recreation	9,220	-
TOTAL	248,780	86,560

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	239,560	86,560
Miscellaneous Revenues	2,200	-
Sales and Services	7,020	-
TOTAL	248,780	86,560

SECTION 3. 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.

- H. Approved on First Reading Capital Project Ordinance Amendment Number 1.

ORDINANCE NO. 16-21  
CAPITAL PROJECT ORDINANCE AMENDMENT NO. 1

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 amendment 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
General Capital Project	18,000	-
TOTAL	18,000	0

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	18,000	-
TOTAL	18,000	0

SECTION 2. 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.

- I. Approved on First Reading Capital Project Ordinance Number 2.

ORDINANCE NO. 16-22  
CAPITAL PROJECT ORDINANCE NO. 2

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
General Capital Project	100,000	-
TOTAL	100,000	0

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

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	100,000	-
TOTAL	100,000	0

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
  - B. Departmental Reports:
    - 1. Approved on First Reading Purchasing the Town of Long View Water Pump Station and Intake (PIN 2793-48-2212) in the Amount of \$401,852.55.

On March 10, 2014, City Council approved an Agreement to Purchase Water with the Town of Long View. A condition of the contract included the Lease of the Town of Long View Raw Water Pump Station and Intake property in the amount of \$1,500 per month, with a first right of refusal should the Town of Long View decide to sell the property. The Town of Long View has notified the Public Utilities Department of their desire to sell the property, structures, easements and rights of way associated with this facility. After negotiations between the Town of Long View and Public Utilities Staff the agreed amount was \$401,852.55. This offer is substantially reduced compared to the original asking price of the Town of Long

View, and is less than the 25 year lease payment value if paid in full. The Town of Long View will also purchase up to 2,500,000 gallons of water per day. The purchase of the pump station was not budgeted in the current budget and would need to be funded from Public Utilities Fund Balance. Staff recommends Council's approval to purchase the property and all rights of easement associated with the Town of Long View Raw Water Pump Station and Intake (PIN 2793-48-2212) in the amount of \$401,852.55. Staff requests Council's approval for the City Manager to execute the Offer to Purchase and Contract, and City Attorney John Crone to complete the transaction.

City Manager Mick Berry asked the City's Public Services Director Chuck Hansen to the podium to present the recommendation from Staff to approve the purchase of the Long View Water Pump Station and Intake in the amount of \$401,852.55.

Public Services Director Chuck Hansen presented a PowerPoint presentation. He referenced a 25 year Agreement with the Town of Long View which allowed them to be a bulk customer and have a right to purchase 2.5 million gallons of water a day from the City of Hickory. In that Agreement the City actually leased Long View's raw water intake site and station and it gave the City of Hickory the first right of refusal if they chose to sell that site. In January of 2016, Long View approached the City about that possibility and Staff had been working on that since that time. Mr. Hansen showed a map of the area pointing out the Pepsi Plant, US 321, the existing railroad track, LP Frans Stadium, Winkler Park, the subject property for the raw water pump station, and the intake station which goes out into the lake. He pointed out the access and advised of an easement across the property to the raw water intake, which was where the raw waterlines come away from it. He advised if you go back towards 321 there was a road access that came in along the railroad tracks. There were two ways into this property. One of them had their raw waterlines coming out of it.

Mr. Hansen discussed advantages to the City actually purchasing this property. It actually guarantees a right for another three million gallons of water coming out of the lake which is a Duke permitted intake. That gives the City additional volume in the future. It insures a long term contract with the City of Hickory for a bulk customer in terms of we own the intake. It also gains us some land along the lake and some access points to that. This raw water intake is actually higher in elevation of the lake than our existing intake is at the water plant. Through the water management program, Duke Energy, everything that had been worked on with our relicensing over the last ten years, part of that is essentially a plan to keep the water intakes covered in drought scenarios. The elevation of this intake helps protect our elevation of our existing intake too. There is a double benefit to that. Not only are they allowed some additional withdrawal for the future, it also helps insure some water is covered in the other intake. There are reasons to secure this piece of property. He referenced material in the agenda packet in which the Town of Long View and the City had discussions. He advised if the City continued on with the Lease Agreement, to lease it over the next 25 years, which would equate to approximately \$450,000. Long View had agreed to sell it to the City for \$401,852.55, which is less than the lease payments over that period of time. This was not a budgeted item and it would come out of the utility fund balance. If Council approved the purchase the budget amendment would be brought to them at their next meeting. Staff recommended Council's approval of the purchase, and allow Staff to work through the contract document, and authorize the City Manager to sign the contract, and the City Attorney to close and complete the transaction.

Alderman Guess asked if there were any immediate maintenance needs at this location.

Mr. Hansen advised nothing other than security (securing?) and maintaining what is there. Immediate dollars, no.

Alderman Seaver asked Mr. Hansen if he was asking Council to approve paying them to lease their intake.

Mr. Hansen responded no, we actually have a lease contract currently with them.

Alderman Seaver commented so we are going to change that and buy it.

Mr. Hansen advised they are wanting to sell that and we have the first right of refusal of that. In this case the City will be buying it for \$401,852.55. The lease payment over the 25 year period ends up being approximately \$450,000. It is less than the lease payments over time.

Alderman Tarlton asked who else would buy it.

Mr. Hansen replied he didn't know.

Alderman Lail commented that it is a good deal for the City. A private person could buy it, with that \$1,500 a month guaranteed from a credit tenant like the City, it would be worth a lot more than \$400,000.

Mr. Hansen confirmed that was correct. The other issues related to the intake itself, the volume associated with that. From an intake standpoint that sort of somewhat secures a long term bulk customer.

Alderman Guess asked would the City have to do anything in addition with employees related to this facility.

Mr. Hansen advised that they had closed their water plant which happened in a purchase two years ago. They had addressed that employee topic two years ago.

Alderman Seaver asked how much they averaged buying.

Mr. Hansen didn't know the amount on a monthly basis. He advised that they were nowhere near the limit.

Alderman Lail commented we were interconnected and we could finish that water at our plant across 321.

Mr. Hansen advised that would be a goal in the future. Right now this pumps to their mothballed water plant. There would have to be some work to make that happen. That would be some security for the City going in the long run.

Alderman Tarlton commented that we could pump it anywhere we want to. Right?

Mr. Hansen replied yes, we could pump it wherever we want to, but right now it pumps to where their water plant sits on the hill on the other side of the airport.

Alderman Tarlton asked where the citizens of Long View were getting their water.

Mr. Hansen advised from us. They buy bulk water from the City and they resale it to their customer and they maintain their own lines. That was the agreement that they put into place two years ago.

Alderman Seaver asked if the City was going to take their water plant.

Mr. Hansen stated no, we do not take their water plant, this is just the intake.

Alderman Tarlton asked if the City had the capacity to handle three more million gallons.

Mr. Hansen responded yes. In this case the City wouldn't be doing anything with that immediately, that is protection, that is what that is.

Mayor Wright commented we are just reserving two and a half million for that.

Mr. Hansen replied correct. They have a right to purchase two and a half million.

Mayor Wright commented we are now at about 15 million reserved out of 32 million.

Mr. Hansen responded approximately 14 something.

Mayor Wright commented as we get on with this at some point we need to start worrying about using up too much of that.

Mr. Berry commented that we would welcome that problem.

Mr. Hansen replied right now that would be a good problem.

Mayor Wright moved seconded by Alderman Zagaroli approval of the purchase and authorization of the City Manager to execute the Offer to Purchase and Contract,

and City Attorney John Crone to complete the transaction. The motion carried unanimously.

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

2. Appointments to Boards and Commissions

**CITIZEN'S ADVISORY COMMITTEE**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Small Cities Project Area Paul Carswell Resigned 4-6-16  
(moved out of the project area)

Alderman Guess nominated Lydia Doll as the Small Cities Project Area Representative, Citizen's Advisory Committee

**COMMUNITY RELATIONS COUNCIL**

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

**HICKORY REGIONAL PLANNING COMMISSION**

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)  
(Appointed by City Council)  
Burke County (Mayor to Nominate) VACANT Since 8-6-2008  
Brookford (Mayor to Nominate) VACANT Since 6-2006

**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 Council)  
At-Large (1) Mayor Appoints Jane Everson resigned 4-14-2016

**RECYCLING ADVISORY BOARD**

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

Alderman Lail moved seconded by Alderman Seaver approval of the above nomination(s). The motion carried unanimously.

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

C. Presentation of Petitions and Requests

XI. 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

Alderman Patton mentioned the Choral Society and the beach music that was held Under the Sails. Sunday was a wonderful success and very well attended and the music was greatly appreciated. They did a wonderful job.

Alderman Tarlton agreed, he had attended as well and it was a nice time.

Mayor Wright regrettably was not there, but he had heard some wonderful things about it.

Alderman Patton commented they were to be commended.

City Manager Mick Berry advised Council on the Consent Agenda they had called for the public hearing on the Manager's Recommended Budget for the next Council meeting. He advised Council that they had a physical, scaled down copy, and that it had been on the website for quite a while. Additional information would be added to it to receive certain recognitions, but the budget was available for the public to review and it would be formally presented to Council at their next meeting prior to holding the public hearing.

Alderman Lail commented that the City was running on 18 straight years of distinguished award for the budget presentation. He joked that the copy was a lot thinner than in years past. He knew that they didn't give out the award based on thickness.

Mr. Berry replied the one that will be submitted will contain more information. The copy contained all of the information that Council would need to know, the other information was the things that they recommend we do.

Mayor Wright interjected be careful of people telling you that is all you need to know.

Alderman Lail commented they wanted to keep the streak alive on the budget.

Mr. Berry commented they would. It was a lot to ask of the Finance Staff, because they were literally crunching the numbers up until a few days ago, for them to make copies of everything to give to Council. They just gave Council the real "meat" and would add the "potatoes" later.

Alderman Seaver joked if they weighed the document they could use heavy paper.

Mayor Wright advised that he had learned this week that Hickory had been Hickory Tavern, and then Hickory. It had been a product of a merger with Highland and Berryville. He thought with the name Berryville it had come full circle.

Alderman Seaver commented also West Hickory was a separate entity at one time.

Mayor Wright thought it was, but he didn't know that it was ever incorporated.

Alderman Zagaroli updated Council on the fire engine that he and Chief Fred Hollar found at the museum. They had taken it to the mechanical department and were restoring it, putting new tires on it, and benches in the back. He advised that he would probably bring a picture at the next meeting of the 1937 America LaFrance that actually Fred drove. The fire engine will be for usage in parades and promotions, it is a gorgeous machine, and we all will be proud of it.

Alderman Seaver asked if it would still have firefighting capability.

Alderman Zagaroli responded no. They would have a minion behind it that will help the firefighters.

Mayor Wright mentioned the jet flying around on Saturday. He advised that the City now owns a Prowler, which is a magnificent jet. The big wings on it fold over all the way back to the top of the cockpit when parked. It has what appears to be an antennae sticking out, much like an injured spider. He advised that only two are going into private aviation museums, at least at this point. They are very proud to have that. He commented there were thousands of people out there Saturday watching that plane come down. They put on quite a show.

Alderman Tarlton asked if it was a local pilot.

Mayor Wright commented no. He was flying his last flight, he was retiring too. The fire department was there doing the arch of water over the plane, and the symbolism that it was the plane's and the pilot's last flight. It was touching, a lot of kids there, a wonderful experience. He encouraged citizens to go out to the airport and look at the air force.

XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(3) 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 the items below, seconded by Alderman Seaver. The motion carried unanimously.

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

1. Approval of Closed Session Minutes of April 19, 2016 - NCGS §143-318.11(a)(1)
2. Discussion of Potential Litigation - NCGS §143-318.11(a)(3)

No action was taken upon return to open session.

May 17, 2016

XV. There being no further business, the meeting adjourned at 8:34 p.m.

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Mayor

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City Clerk